

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Dryland Cotton (Solid 40" Rows) - 640 Acres
Rolling Plains Extension District - 3

Crop Acres		640				
		Quantity	Units	\$/Unit	Total	Enterprise Total
REVENUE						
Cotton Lint		480.00	Pound	\$0.55	\$264.00	\$168,960.00
Cottonseed		0.40	Ton	\$160.00	\$63.36	\$40,550.40
Total Revenue					\$327.36	\$209,510.40
VARIABLE COSTS						
Production Costs		Quantity	Units	\$/Unit	Total	Enterprise Total
Custom						
Fertilizer Application		1	Acre	\$5.50	\$5.50	\$3,520.00
Insecticide Application		1	Acre	\$5.50	\$5.50	\$3,520.00
Gin, Bag, Ties		260	Pound	\$0.12	\$31.20	\$19,968.00
Custom Stripping		260	Pound	\$0.10	\$26.00	\$16,640.00
Fertilizer						
Fertilizer (N)		57	Pound	\$0.60	\$34.20	\$21,888.00
Herbicide						
Roundup		2	Pint	\$5.50	\$11.00	\$7,040.00
Insecticide						
Insecticide - Cotton		5	Fluid Ounce	\$1.19	\$5.95	\$3,808.00
Bollweevil Eradication		1	Acre	\$2.50	\$2.50	\$1,600.00
Seed						
Cotton Seed		5	Pound	\$6.50	\$32.50	\$20,800.00
Miscellaneous						
Insurance - Dryland Cotton		1	Acre	\$15.00	\$15.00	\$9,600.00
Machinery Labor						
Tractors/Self-Propelled		1.96	Hour	\$10.00	\$19.60	\$12,544.00
Diesel Fuel						
Tractors/Self-Propelled		6.06	Gallon	\$2.59	\$15.70	\$10,045.06
Gasoline						
Pickup/General Use Equipment		1	Acre	\$1.05	\$1.05	\$675.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.28	\$0.28	\$181.13
Tractors/Self-Propelled		1	Acre	\$9.47	\$9.47	\$6,059.16
Implements		1	Acre	\$10.77	\$10.77	\$6,894.81
Interest on Credit Line				6.25%	\$5.01	\$3,207.86
Total Variable Costs					\$231.24	\$147,991.01
Planned Returns Above Variable Costs:					\$96.12	\$61,519.39
Breakeven Price to Cover Variable Costs					\$0.35	Pound
FIXED COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$0.39	\$0.39	\$251.46
Tractors/Self-Propelled		1	Acre	\$9.78	\$9.78	\$6,261.13
Implements		1	Acre	\$13.05	\$13.05	\$8,349.04
Equipment Investment						
Pickup/General Use Equipment		\$4.72	Dollars	5.50%	\$0.26	\$166.03
Tractors/Self-Propelled		\$110.45	Dollars	5.50%	\$6.07	\$3,887.96
Implements		\$101.46	Dollars	5.50%	\$5.58	\$3,571.53
Cash Rent - Dryland Cotton		1	Acre	\$32.00	\$32.00	\$20,480.00
Total Fixed Costs					\$67.14	\$42,967.16
Total Specified Costs					\$298.37	\$190,958.17
Returns Above Specified Costs					\$28.99	\$18,552.23
Breakeven Price to Cover Total Costs					\$0.49	Pound

Example Breakeven Prices						
Example Yield Percent	Example Yield Pound	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	360.00	\$0.47	\$0.47	\$0.65	\$0.65	\$0.00
90%	432.00	\$0.39	\$0.39	\$0.54	\$0.54	\$0.00
100%	480.00	\$0.35	\$0.35	\$0.49	\$0.49	\$0.00
110%	528.00	\$0.32	\$0.32	\$0.45	\$0.45	\$0.00
125%	600.00	\$0.28	\$0.28	\$0.39	\$0.39	\$0.00

Developed by Stan Bevers, Professor and Extension Economist, Texas A&M AgriLife Extension Service.

Information presented is prepared solely as a general guide and not intended to recognize or predict the costs and returns from any one operation. Brand names are mentioned only as examples and imply no endorsement.