

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Cotton - Genetically Modified Seed, Conv. Till-24 Row, Dryland, 800 lb. Yield Goal - 500 Acres
Lower Coastal Bend Extension District - 11

Crop Acres		500			
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	800.00	Pound	\$0.58	\$464.00	\$232,000.00
Cottonseed	0.52	Ton	\$285.00	\$148.20	\$74,100.00
Total Revenue				\$612.20	\$306,100.00
VARIABLE COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	1	CWT	\$0.10	\$0.10	\$50.00
Pick and Module	800	Pound	\$0.14	\$112.00	\$56,000.00
Ginning - Picker	800	Pound	\$0.13	\$100.00	\$50,000.00
Fertilizer					
24-8-0 LC	0.1665	Ton	\$325.00	\$54.11	\$27,056.25
Herbicide					
Glyphosate	3	Quart	\$5.13	\$15.39	\$7,695.00
Trifluralin	3	Pint	\$2.91	\$8.73	\$4,365.00
2, 4D	2	Pound	\$4.00	\$8.00	\$4,000.00
Insecticide					
Boll Weevil Program LC	1	Acre	\$7.00	\$7.00	\$3,500.00
Fleahopper Control LC	3.2	Ounce	\$1.05	\$3.36	\$1,680.00
Seed					
Cotton Seed - B2RF	40	Thousand	\$0.76	\$30.40	\$15,200.00
Cotton Seed - Insect Treatment	40	Thousand	\$0.17	\$6.80	\$3,400.00
Tech Fee - B2RF	1	Acre	\$43.16	\$43.16	\$21,580.00
Miscellaneous					
Crop Insurance -Cotton	1	Acre	\$13.00	\$13.00	\$6,500.00
Pickup Milage Charge	1	Acre	\$3.88	\$3.88	\$1,940.00
Other Labor					
Hand Labor	0.08	Hour	\$13.75	\$1.10	\$550.00
Other Chemicals					
Mepiquat Chloride LC	5	Ounce	\$0.22	\$1.10	\$550.00
Defoliant - Picker	0.6	Pound	\$23.44	\$14.06	\$7,032.00
Silicone Surfactant	1.6	Ounce	\$0.70	\$1.12	\$560.00
Machinery Labor					
Tractors/Self-Propelled	0.5	Hour	\$19.50	\$9.75	\$4,875.00
Diesel Fuel					
Tractors/Self-Propelled	6.27	Gallon	\$3.30	\$20.69	\$10,345.50
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$14.07	\$14.07	\$7,036.39
Implements	1	Acre	\$15.82	\$15.82	\$7,910.93
Interest on Credit Line			5.00%	\$7.77	\$3,884.48
Total Variable Costs				\$491.42	\$245,710.56
Planned Returns Above Variable Costs:				\$120.78	\$60,389.44
Breakeven Price to Cover Variable Costs			\$0.43	Pound	
FIXED COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$19.24	\$19.24	\$9,618.95
Implements	1	Acre	\$21.01	\$21.01	\$10,504.15
Equipment Investment					
Tractors/Self-Propelled	\$218.04	Dollars	7.00%	\$15.26	\$7,631.26
Implements	\$164.59	Dollars	7.00%	\$11.52	\$5,760.66
Management Fee, Owner/Operator Labor	1	Acre	\$30.61	\$30.61	\$15,305.00
LCB - Land Charge	1	Acre	\$70.00	\$70.00	\$35,000.00
Total Fixed Costs				\$167.64	\$83,820.03
Total Specified Costs				\$659.06	\$329,530.59
Returns Above Specified Costs				(\$46.86)	(\$23,430.59)
Breakeven Price to Cover Total Costs			\$0.64	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%	600.00	\$0.57	\$0.57	\$0.85	\$0.85	\$0.00
90%	720.00	\$0.48	\$0.48	\$0.71	\$0.71	\$0.00
100%	800.00	\$0.43	\$0.43	\$0.64	\$0.64	\$0.00
110%	880.00	\$0.39	\$0.39	\$0.58	\$0.58	\$0.00
125%	1000.00	\$0.34	\$0.34	\$0.51	\$0.51	\$0.00

Developed by Levi Russell, Assistant 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.