

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, Irrigated, 1250 lb. Yield Goal - 505 Acres
Lower Coastal Bend Extension District - 11

Crop Acres		505		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Cotton Lint	1,250.00	Pound	\$0.58	\$725.00	\$366,125.00
Cottonseed	0.52	Ton	\$285.00	\$148.20	\$74,841.00
Total Revenue				\$873.20	\$440,966.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	0	CWT	\$0.10	\$0.00	\$0.00
Pick and Module	1250	Pound	\$0.14	\$175.00	\$88,375.00
Ginning - Picker	1250	Pound	\$0.13	\$156.25	\$78,906.25
Fertilizer					
24-8-0 LC	0.208125	Ton	\$325.00	\$67.64	\$34,158.52
Herbicide					
Glyphosate	3	Quart	\$5.13	\$15.39	\$7,771.95
Triflurilan	3	Pint	\$2.91	\$8.73	\$4,408.65
2, 4D	2	Pound	\$4.00	\$8.00	\$4,040.00
Insecticide					
Boll Weevil Program LC	1	Acre	\$7.00	\$7.00	\$3,535.00
Fleahopper Control LC	3.2	Ounce	\$1.05	\$3.36	\$1,696.80
Bollworm Control	0	Ounce	\$1.18	\$0.00	\$0.00
Seed					
Cotton Seed - B2RF	45	Thousand	\$0.76	\$34.20	\$17,271.00
Cotton Seed - Insect Treatment	45	Thousand	\$0.17	\$7.65	\$3,863.25
Tech Fee - B2RF	1	Acre	\$43.16	\$43.16	\$21,795.80
Miscellaneous					
Crop Insurance -Cotton	1	Acre	\$13.00	\$13.00	\$6,565.00
Pickup Milage Charge	1	Acre	\$3.88	\$3.88	\$1,959.40
Other Chemicals					
Mepiquat Chloride LC	5	Ounce	\$0.22	\$1.10	\$555.50
Defoliant - Picker	0.6	Pound	\$23.44	\$14.06	\$7,102.32
Silicone Surfactant	1.6	Ounce	\$0.70	\$1.12	\$565.60
Irrigation					
Energy Cost	10.00	AcreInch	\$2.10	\$21.00	\$10,605.00
Irrigation Labor	1.50	Hour	\$19.50	\$29.25	\$14,771.25
Machinery Labor					
Tractors/Self-Propelled	0.53	Hour	\$19.50	\$10.34	\$5,219.18
Diesel Fuel					
Tractors/Self-Propelled	6.67	Gallon	\$3.30	\$22.01	\$11,115.56
Repairs & Maintenance					
Irrigation Equipment	1	Acre	\$25.08	\$25.08	\$12,666.67
Tractors/Self-Propelled	1	Acre	\$14.50	\$14.50	\$7,324.32
Implements	1	Acre	\$15.82	\$15.82	\$7,990.04
Interest on Credit Line			5.00%	\$10.35	\$5,226.60
Total Variable Costs				\$707.90	\$357,488.65
Planned Returns Above Variable Costs:				\$165.30	\$83,477.35
Breakeven Price to Cover Variable Costs			\$0.45	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Irrigation Equipment	1	Acre	\$28.18	\$28.18	\$14,233.33
Tractors/Self-Propelled	1	Acre	\$21.25	\$21.25	\$10,730.46
Implements	1	Acre	\$21.01	\$21.01	\$10,609.20
Equipment Investment					
Irrigation Equipment	\$574.26	Dollars	7.00%	\$40.20	\$20,300.00
Tractors/Self-Propelled	\$241.01	Dollars	7.00%	\$16.87	\$8,519.83
Implements	\$164.59	Dollars	7.00%	\$11.52	\$5,818.27
Management Fee, Owner/Operator Labor	1	Acre	\$43.66	\$43.66	\$22,048.30
LCB - Land Charge	1	Acre	\$70.00	\$70.00	\$35,350.00
Total Fixed Costs				\$252.69	\$127,609.38
Total Specified Costs				\$960.59	\$485,098.03
Returns Above Specified Costs				(\$87.39)	(\$44,132.03)
Breakeven Price to Cover Total Costs			\$0.65	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%	937.50	\$0.60	\$0.60	\$0.87	\$0.87	\$0.00
90%	1125.00	\$0.50	\$0.50	\$0.72	\$0.72	\$0.00
100%	1250.00	\$0.45	\$0.45	\$0.65	\$0.65	\$0.00
110%	1375.00	\$0.41	\$0.41	\$0.59	\$0.59	\$0.00
125%	1562.50	\$0.36	\$0.36	\$0.52	\$0.52	\$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.