

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

Crop Acres		500				
		Quantity	Units	\$/Unit	Total	Enterprise Total
REVENUE						
Cotton Lint		800.00	Pound	\$0.58	\$464.00	\$232,000.00
Cottonseed		0.66	Ton	\$285.00	\$188.10	\$94,050.00
Total Revenue					\$652.10	\$326,050.00
VARIABLE COSTS						
Production Costs		Quantity	Units	\$/Unit	Total	Enterprise Total
Custom						
Fertilizer Application		1	CWT	\$0.10	\$0.10	\$50.00
Hand Hoeing		1	Acre	\$10.00	\$10.00	\$5,000.00
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						
Triflurilan		2	Pint	\$2.91	\$5.82	\$2,910.00
Cotton PreEmerge Herbicide		1	Pound	\$12.00	\$12.00	\$6,000.00
Cotton Early Season Herbicide		0.1	Ounce	\$85.00	\$8.50	\$4,250.00
Cotton Mid Season Herbicide		16	Ounce	\$1.56	\$24.96	\$12,480.00
2, 4D		1	Pound	\$4.00	\$4.00	\$2,000.00
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
Bollworm Control		2.5	Ounce	\$1.18	\$2.95	\$1,475.00
TBW-BAW-AW-BW Control		9	Ounce	\$1.76	\$15.84	\$7,920.00
Seed						
Cotton Seed		52.8	Thousand	\$0.74	\$39.07	\$19,536.00
Cotton Seed - Insect Treatment		52.8	Thousand	\$0.17	\$8.98	\$4,488.00
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						
C. O. C.		0.8	Pint	\$1.90	\$1.52	\$760.00
Mepiquat Chloride LC		5	Ounce	\$0.22	\$1.10	\$550.00
Defoliant - Picker		0.2	Pound	\$23.44	\$4.69	\$2,344.00
Silicone Surfactant		1.6	Ounce	\$0.70	\$1.12	\$560.00
Machinery Labor						
Tractors/Self-Propelled		0.62	Hour	\$19.50	\$12.09	\$6,045.00
Diesel Fuel						
Tractors/Self-Propelled		7.45	Gallon	\$3.30	\$24.59	\$12,292.50
Repairs & Maintenance						
Tractors/Self-Propelled		1	Acre	\$16.17	\$16.17	\$8,086.44
Implements		1	Acre	\$17.32	\$17.32	\$8,661.45
Interest on Credit Line				5.00%	\$7.71	\$3,854.39
Total Variable Costs					\$512.98	\$256,489.02
Planned Returns Above Variable Costs:					\$139.12	\$69,560.98
Breakeven Price to Cover Variable Costs				\$0.41	Pound	
FIXED COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Tractors/Self-Propelled		1	Acre	\$22.97	\$22.97	\$11,486.67
Implements		1	Acre	\$22.70	\$22.70	\$11,348.48
Equipment Investment						
Tractors/Self-Propelled		\$260.49	Dollars	7.00%	\$18.23	\$9,117.09
Implements		\$177.72	Dollars	7.00%	\$12.44	\$6,220.35
Management Fee, Owner/Operator Labor						
LCB - Land Charge		1	Acre	\$32.61	\$32.61	\$16,302.50
LCB - Land Charge		1	Acre	\$70.00	\$70.00	\$35,000.00
Total Fixed Costs					\$178.95	\$89,475.08
Total Specified Costs					\$691.93	\$345,964.11
Returns Above Specified Costs					(\$39.83)	(\$19,914.11)
Breakeven Price to Cover Total Costs				\$0.63	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	\$0.54	\$0.54	\$0.84	\$0.84	\$0.00
90%	720.00	\$0.45	\$0.45	\$0.70	\$0.70	\$0.00
100%	800.00	\$0.41	\$0.41	\$0.63	\$0.63	\$0.00
110%	880.00	\$0.37	\$0.37	\$0.57	\$0.57	\$0.00
125%	1000.00	\$0.32	\$0.32	\$0.50	\$0.50	\$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.