

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Cotton, Conventional Tillage, Dryland, Rio Grande Valley - 100 Acres
South Extension District - 12

Crop Acres		100			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	600.00	Pound	\$0.69	\$414.00	\$41,400.00
Cottonseed	0.49	Ton	\$220.00	\$108.24	\$10,824.00
Total Revenue				\$522.24	\$52,224.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Insect Scouting	1	Acre	\$8.00	\$8.00	\$800.00
Apply by Air - 3 Gallons	2	Application	\$6.25	\$12.50	\$1,250.00
Custom Haul Cotton	600	Pound	\$0.15	\$90.00	\$9,000.00
Gin	600	Pound	\$0.12	\$72.00	\$7,200.00
Fertilizer					
UAN (32% N)	1.5	CWT	\$18.60	\$27.90	\$2,790.00
Herbicide					
Treflan EC	2	Pint	\$3.40	\$6.80	\$680.00
Insecticide					
Vydate C-LV	8.5	Ounce	\$0.89	\$7.57	\$756.50
Oberon 4SC	2	Ounce	\$3.95	\$7.90	\$790.00
Seed					
Cotton Seed	10	Pound	\$4.15	\$41.50	\$4,150.00
Other Chemicals					
Dropp SC	0.2	Pound	\$26.64	\$5.33	\$532.80
Surfactant	1	Pint	\$3.60	\$3.60	\$360.00
Other Labor					
Unallocated Labor	1.2432	Hour	\$9.00	\$11.19	\$1,118.88
Machinery Labor					
Tractors/Self-Propelled	2.33	Hour	\$9.00	\$20.97	\$2,097.00
Diesel Fuel					
Tractors/Self-Propelled	15.67	Gallon	\$3.00	\$47.01	\$4,701.00
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$42.88	\$42.88	\$4,287.63
Implements	1	Acre	\$18.87	\$18.87	\$1,886.95
Interest on Credit Line			9.00%	\$9.01	\$900.94
Total Variable Costs				\$433.02	\$43,301.71
Planned Returns Above Variable Costs:				\$89.22	\$8,922.29
Breakeven Price to Cover Variable Costs			\$0.54	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$56.97	\$56.97	\$5,696.61
Implements	1	Acre	\$22.79	\$22.79	\$2,279.05
Equipment Investment					
Tractors/Self-Propelled	\$832.21	Dollars	9.00%	\$74.90	\$7,489.86
Implements	\$198.38	Dollars	9.00%	\$17.85	\$1,785.40
Total Fixed Costs				\$172.51	\$17,250.91
Total Specified Costs				\$605.53	\$60,552.62
Returns Above Specified Costs				(\$83.29)	(\$8,328.62)
Breakeven Price to Cover Total Costs			\$0.83	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%	450.00	\$0.72	\$1.04	\$1.11	\$1.55	-\$0.16
90%	540.00	\$0.60	\$0.87	\$0.92	\$1.29	-\$0.20
100%	600.00	\$0.54	\$0.78	\$0.83	\$1.17	-\$0.22
110%	660.00	\$0.49	\$0.71	\$0.75	\$1.06	-\$0.24
125%	750.00	\$0.43	\$0.63	\$0.66	\$0.93	-\$0.27

Developed by Luis Ribera, Associate Professor and Extension Economist, Texas A&M AgriLife Extension.

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.