

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Stacked Cotton - 500 Acres
Central Texas Extension District - 8

Crop Acres		500				Enterprise
		Quantity	Units	\$/Unit	Total	Total
REVENUE						
Cotton Lint		500.00	Pound	\$0.68	\$340.00	\$170,000.00
Cottonseed		0.33	Ton	\$180.00	\$59.40	\$29,700.00
Total Revenue					\$399.40	\$199,700.00
VARIABLE COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
Stripping		500	Pound	\$0.10	\$50.00	\$25,000.00
Ginning		500	Pound	\$0.12	\$60.00	\$30,000.00
Fertilizer						
Fertilizer - N, P, K		1	Acre	\$40.00	\$40.00	\$20,000.00
Herbicide						
Yellow Herbicide		1	Acre	\$20.00	\$20.00	\$10,000.00
Planting Burndown		22	Ounce	\$0.24	\$5.28	\$2,640.00
Herbicide 1st Application		22	Ounce	\$0.24	\$5.28	\$2,640.00
Herbicide 2nd Application		22	Ounce	\$0.24	\$5.28	\$2,640.00
Insecticide						
Planting Insecticide		1	Acre	\$12.50	\$12.50	\$6,250.00
Insecticide 1st Application		1	Acre	\$4.00	\$4.00	\$2,000.00
Insecticide 2nd Application		1	Acre	\$4.00	\$4.00	\$2,000.00
Boll Weevil Eradication		1	Acre	\$10.00	\$10.00	\$5,000.00
Seed						
Stacked Cotton Seed		1	Acre	\$30.00	\$30.00	\$15,000.00
Herbicide Tech Fee		1	Acre	\$26.00	\$26.00	\$13,000.00
bt Tech Fee		1	Acre	\$13.00	\$13.00	\$6,500.00
Miscellaneous						
Insurance - Cotton		1	Acre	\$20.00	\$20.00	\$10,000.00
Insurance - Cotton SCO/STAX		1	Acre	\$5.00	\$5.00	\$2,500.00
Other Chemicals						
Defoliant		1	Acre	\$12.00	\$12.00	\$6,000.00
Dessicant		1	Acre	\$7.31	\$7.31	\$3,655.00
Machinery Labor						
Tractors/Self-Propelled		0.86	Hour	\$10.00	\$8.60	\$4,300.00
Diesel Fuel						
Tractors/Self-Propelled		7.17	Gallon	\$2.65	\$19.00	\$9,500.25
Gasoline						
Pickup/General Use Equipment		1	Acre	\$4.10	\$4.10	\$2,047.50
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.67	\$0.67	\$336.00
Tractors/Self-Propelled		1	Acre	\$14.60	\$14.60	\$7,302.42
Implements		1	Acre	\$15.06	\$15.06	\$7,530.36
Interest on Credit Line				4.75%	\$5.67	\$2,832.62
Total Variable Costs					\$397.35	\$198,674.15
Planned Returns Above Variable Costs:					\$2.05	\$1,025.85
Breakeven Price to Cover Variable Costs				\$0.68	Pound	
FIXED COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$0.70	\$0.70	\$348.60
Tractors/Self-Propelled		1	Acre	\$15.09	\$15.09	\$7,545.83
Implements		1	Acre	\$19.57	\$19.57	\$9,786.62
Equipment Investment						
Pickup/General Use Equipment	\$8.40		Dollars	6.00%	\$0.50	\$252.00
Tractors/Self-Propelled	\$170.39		Dollars	6.00%	\$10.22	\$5,111.69
Implements	\$152.24		Dollars	6.00%	\$9.13	\$4,567.09
Cotton Land Rent		1	Acre	\$50.00	\$50.00	\$25,000.00
Total Fixed Costs					\$105.22	\$52,611.84
Total Specified Costs					\$502.57	\$251,285.99
Returns Above Specified Costs					(\$103.17)	(\$51,585.99)
Breakeven Price to Cover Total Costs				\$0.89	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%	375.00	\$0.90	\$0.90	\$1.18	\$1.18	\$0.00
90%	450.00	\$0.75	\$0.75	\$0.98	\$0.98	\$0.00
100%	500.00	\$0.68	\$0.68	\$0.89	\$0.89	\$0.00
110%	550.00	\$0.61	\$0.61	\$0.81	\$0.81	\$0.00
125%	625.00	\$0.54	\$0.54	\$0.71	\$0.71	\$0.00

Developed by Jason Johnson, 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.