

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Dryland Cotton - Herbicide Tolerant - 160 Acres
South Plains Extension District - 2

Crop Acres		160				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint		350.00	Pound	\$0.60	\$210.00	\$33,600.00
Cottonseed		0.25	Ton	\$180.00	\$44.82	\$7,171.20
Total Revenue					\$254.82	\$40,771.20
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
Strip and Module - Cotton		350	Pound	\$0.08	\$28.00	\$4,480.00
Ginning - Cotton		13.46	CWT	\$3.10	\$41.73	\$6,676.16
Fertilizer Application - Liquid High		1	Acre	\$4.75	\$4.75	\$760.00
Scouting - Dryland Cotton		1	Acre	\$5.00	\$5.00	\$800.00
Fertilizer						
Fertilizer (N) - Liquid		35	Pound	\$0.58	\$20.23	\$3,236.80
Fertilizer (P) - Liquid		14	Pound	\$0.74	\$10.29	\$1,646.40
Herbicide						
Herbicide - Cotton Preplant		1	Acre	\$8.75	\$8.75	\$1,400.00
Herbicide - Cotton At Plant		1	Acre	\$5.75	\$5.75	\$920.00
Herbicide - Cotton Postplant Dryland		1	Acre	\$17.00	\$17.00	\$2,720.00
Spot Spray and Chemical		0.1	Acre	\$15.00	\$1.50	\$240.00
Insecticide						
Boll Weevil Assessment Dryland		1	Acre	\$1.00	\$1.00	\$160.00
Insecticide and Apply Cotton Dryland		1	Acre	\$6.00	\$6.00	\$960.00
Seed						
Seed - Cotton Dryland HT		39	Thousand	\$0.60	\$23.40	\$3,744.00
Seed - Cotton Dryland HT Tech Fee		39	Thousand	\$0.62	\$24.18	\$3,868.80
Miscellaneous						
Crop Insurance Cotton - Dryland		1	Acre	\$32.00	\$32.00	\$5,120.00
Other Chemicals						
Harvest Aid Apply Cotton Dryland		1	Acre	\$10.00	\$10.00	\$1,600.00
Other Labor						
Hoeing		0.1	Acre	\$15.00	\$1.50	\$240.00
Machinery Labor						
Tractors/Self-Propelled		1.4	Hour	\$12.00	\$16.80	\$2,688.00
Diesel Fuel						
Tractors/Self-Propelled		3.4	Gallon	\$3.00	\$10.20	\$1,632.00
Gasoline						
Pickup/General Use Equipment		2	Gallon	\$2.25	\$4.50	\$720.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.50	\$0.50	\$80.00
Tractors/Self-Propelled		1	Acre	\$6.00	\$6.00	\$960.00
Implements		1	Acre	\$3.00	\$3.00	\$480.00
Interest on Credit Line				6.00%	\$6.42	\$1,026.98
Total Variable Costs					\$288.49	\$46,159.14
Planned Returns Above Variable Costs:					(\$33.67)	(\$5,387.94)
Breakeven Price to Cover Variable Costs				\$0.70	Pound	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Investment						
Pickup/General Use Equipment		\$17.84	Dollars	7.00%	\$1.25	\$199.85
Tractors/Self-Propelled		\$171.40	Dollars	7.00%	\$12.00	\$1,919.68
Implements		\$142.90	Dollars	7.00%	\$10.00	\$1,600.48
Whole Farm Insurance		1	Acre	\$2.00	\$2.00	\$320.00
Cash Rent - Cotton Dryland		1	Acre	\$30.00	\$30.00	\$4,800.00
Total Fixed Costs					\$55.25	\$8,840.01
Total Specified Costs					\$343.74	\$54,999.15
Returns Above Specified Costs					(\$88.92)	(\$14,227.95)
Breakeven Price to Cover Total Costs				\$0.85	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%	262.50	\$0.93	\$0.93	\$1.14	\$1.14	\$0.00
90%	315.00	\$0.77	\$0.77	\$0.95	\$0.95	\$0.00
100%	350.00	\$0.70	\$0.70	\$0.85	\$0.85	\$0.00
110%	385.00	\$0.63	\$0.63	\$0.78	\$0.78	\$0.00
125%	437.50	\$0.56	\$0.56	\$0.68	\$0.68	\$0.00

Developed by Jackie Smith, 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.