

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Cotton, Dryland (Roundup Ready Flex) - 160 Acres
Panhandle Extension District - 1

| Crop Acres | | 160 | | | | Enterprise |
|---|--|----------|---------|----------|------------------|---------------------|
| REVENUE | | Quantity | Units | \$/Unit | Total | Total |
| Cotton Lint | | 400.00 | Pound | \$0.58 | \$232.00 | \$37,120.00 |
| Cottonseed | | 0.30 | Ton | \$230.00 | \$69.00 | \$11,040.00 |
| Total Revenue | | | | | \$301.00 | \$48,160.00 |
| VARIABLE COSTS | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Production Costs | | | | | | |
| Custom | | | | | | |
| Fertilizer Application | | 1 | Acre | \$5.65 | \$5.65 | \$904.20 |
| Strip and Module - Cotton | | 4 | CWT | \$9.25 | \$36.99 | \$5,918.40 |
| Ginning - Cotton | | 18 | CWT | \$3.00 | \$54.00 | \$8,640.00 |
| Fertilizer | | | | | | |
| Fertilizer (P) - Dry | | 20 | Pound | \$0.52 | \$10.40 | \$1,664.00 |
| Fertilizer (N) - Dry | | 30 | Pound | \$0.42 | \$12.60 | \$2,016.00 |
| Herbicide | | | | | | |
| Herbicide and Apply Preplant | | 1 | Acre | \$14.40 | \$14.40 | \$2,303.35 |
| Herbicide and Apply Postemerge Dry | | 1 | Acre | \$14.20 | \$14.20 | \$2,272.23 |
| Insecticide | | | | | | |
| Insecticide and Apply Cotton | | 0.5 | Acre | \$9.55 | \$4.78 | \$764.32 |
| Boll Weevil Assessment Dryland | | 1 | Acre | \$0.72 | \$0.72 | \$114.65 |
| Miscellaneous | | | | | | |
| Crop Insurance Cotton - Dryland | | 1 | Acre | \$25.00 | \$25.00 | \$4,000.00 |
| Seed | | | | | | |
| Seed - Cotton Dryland | | 0.18 | Bag | \$363.17 | \$65.37 | \$10,459.24 |
| Other Chemicals | | | | | | |
| Harvest Aid Apply Cotton Dryland | | 0.5 | Acre | \$25.78 | \$12.89 | \$2,062.12 |
| Machinery Labor | | | | | | |
| Tractors/Self-Propelled | | 1.2 | Hour | \$11.97 | \$14.36 | \$2,297.74 |
| Diesel Fuel | | | | | | |
| Tractors/Self-Propelled | | 2.97 | Gallon | \$1.97 | \$5.85 | \$936.14 |
| Gasoline | | | | | | |
| Pickup/General Use Equipment | | 1 | Acre | \$4.18 | \$4.18 | \$669.50 |
| Repairs & Maintenance | | | | | | |
| Pickup/General Use Equipment | | 1 | Acre | \$2.49 | \$2.49 | \$397.80 |
| Tractors/Self-Propelled | | 1 | Acre | \$3.98 | \$3.98 | \$637.42 |
| Implements | | 1 | Acre | \$11.54 | \$11.54 | \$1,846.47 |
| Interest on Credit Line | | | | 5.15% | \$5.73 | \$916.15 |
| Total Variable Costs | | | | | \$305.12 | \$48,819.73 |
| Planned Returns Above Variable Costs: | | | | | (\$4.12) | (\$659.73) |
| Breakeven Price to Cover Variable Costs | | | | | \$0.59 | Pound |
| FIXED COSTS | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Machinery Depreciation | | | | | | |
| Pickup/General Use Equipment | | 1 | Acre | \$2.61 | \$2.61 | \$417.69 |
| Tractors/Self-Propelled | | 1 | Acre | \$3.82 | \$3.82 | \$610.53 |
| Implements | | 1 | Acre | \$14.41 | \$14.41 | \$2,305.78 |
| Equipment Investment | | | | | | |
| Pickup/General Use Equipment | | \$18.03 | Dollars | 5.40% | \$0.97 | \$155.74 |
| Tractors/Self-Propelled | | \$29.73 | Dollars | 5.40% | \$1.61 | \$256.84 |
| Implements | | \$62.15 | Dollars | 5.40% | \$3.36 | \$536.95 |
| Cash Rent - Cotton Dryland | | 1 | Acre | \$27.50 | \$27.50 | \$4,400.00 |
| Total Fixed Costs | | | | | \$54.27 | \$8,683.52 |
| Total Specified Costs | | | | | \$359.40 | \$57,503.25 |
| Returns Above Specified Costs | | | | | (\$58.40) | (\$9,343.25) |
| Breakeven Price to Cover Total Costs | | | | | \$0.73 | Pound |

| Example Breakeven Prices | | | |
|--------------------------|---------------------|---|--|
| Example Yield Percent | Example Yield Pound | Price Needed to Cover Your Variable Costs | Price Needed to Cover Your Total Costs |
| 75% | 300.00 | \$0.79 | \$0.97 |
| 90% | 360.00 | \$0.66 | \$0.81 |
| 100% | 400.00 | \$0.59 | \$0.73 |
| 110% | 440.00 | \$0.54 | \$0.66 |
| 125% | 500.00 | \$0.47 | \$0.58 |

Developed by Steve Amosson, Regents Fellow, 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.