

**Projections for Planning Purposes Only – Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Dryland Cotton - 100 Acres**  
**Southwest Extension District - 10**

Crop Acres	100					Enterprise
<b>REVENUE</b>	<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
Cotton Lint	400.00	Pound	\$0.56	\$224.00	\$22,400.00	\$22,400.00
Cottonseed	680.00	Pound	\$0.13	\$88.40	\$8,840.00	\$8,840.00
Total Revenue				\$312.40	\$31,240.00	\$31,240.00
					Enterprise	
<b>VARIABLE COSTS</b>	<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
<b>Production Costs</b>						
Custom						
Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$400.00	\$400.00
Gin, Bag, Tie - CWT	10.8	CWT	\$3.00	\$32.40	\$3,240.00	\$3,240.00
Fertilizer						
UAN(32% N)	1.26	CWT	\$16.00	\$20.16	\$2,016.00	\$2,016.00
Fertilizer 18-46-0	54	Pound	\$0.27	\$14.58	\$1,458.00	\$1,458.00
Herbicide						
Glyphosate	1.4	Pint	\$2.03	\$2.84	\$284.20	\$284.20
Prowl H2O	2	Pint	\$5.06	\$10.12	\$1,012.00	\$1,012.00
Insecticide						
Karate Z	1	Ounce	\$0.81	\$0.81	\$81.00	\$81.00
Miscellaneous						
Crop Insurance - Cotton Dry	1	Acre	\$19.00	\$19.00	\$1,900.00	\$1,900.00
Boll Weevil Eradication Program	1	Acre	\$7.00	\$7.00	\$700.00	\$700.00
Seed						
Cotton Seed BIRRF	35	Thousand	\$1.65	\$57.75	\$5,775.00	\$5,775.00
Other Chemicals						
Gramoxone SL	24	Ounce	\$0.24	\$5.76	\$576.00	\$576.00
Aim	0.75	Ounce	\$4.84	\$3.63	\$363.00	\$363.00
Crop Oil Concentrate	0.25	Pint	\$1.98	\$0.50	\$49.50	\$49.50
Machinery Labor						
Tractors/Self-Propelled	2.04	Hour	\$12.00	\$24.48	\$2,448.00	\$2,448.00
Diesel Fuel						
Tractors/Self-Propelled	12.92	Gallon	\$2.10	\$27.13	\$2,713.20	\$2,713.20
Gasoline						
Pickup/General Use Equipment	1	Acre	\$19.35	\$19.35	\$1,935.20	\$1,935.20
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$4.84	\$4.84	\$483.84	\$483.84
Tractors/Self-Propelled	1	Acre	\$24.37	\$24.37	\$2,436.52	\$2,436.52
Implements	1	Acre	\$14.74	\$14.74	\$1,473.61	\$1,473.61
Interest on Credit Line			6.50%	\$7.69	\$768.62	\$768.62
Total Variable Costs				\$301.14	\$3,011.39	\$3,011.39
Planned Returns Above Variable Costs:				\$11.26	\$1,126.31	\$1,126.31
Breakeven Price to Cover Variable Costs			\$0.53	Pound		
					Enterprise	
<b>FIXED COSTS</b>	<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$25.20	\$25.20	\$2,520.00	\$2,520.00
Tractors/Self-Propelled	1	Acre	\$31.72	\$31.72	\$3,172.37	\$3,172.37
Implements	1	Acre	\$18.77	\$18.77	\$1,877.17	\$1,877.17
Equipment Investment						
Pickup/General Use Equipment	\$105.00	Dollars	6.50%	\$6.83	\$682.50	\$682.50
Tractors/Self-Propelled	\$277.51	Dollars	6.50%	\$18.04	\$1,803.79	\$1,803.79
Implements	\$102.62	Dollars	6.50%	\$6.67	\$667.03	\$667.03
Dryland Winter Garden Rent	1	Acre	\$20.00	\$20.00	\$2,000.00	\$2,000.00
Total Fixed Costs				\$127.23	\$12,722.86	\$12,722.86
Total Specified Costs				\$428.37	\$42,836.54	\$42,836.54
Returns Above Specified Costs				(\$115.97)	(\$11,596.54)	(\$11,596.54)
<b>Breakeven Price to Cover Total Costs</b>			\$0.85	Pound		

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	300.00	\$0.71	\$1.13
90%	360.00	\$0.59	\$0.94
100%	400.00	\$0.53	\$0.85
110%	440.00	\$0.48	\$0.77
125%	500.00	\$0.43	\$0.68

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension, 830-278-9151.

**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.**