

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Cotton, Conventional Tillage, Dryland, Rio Grande Valley - 100 Acres
South Extension District - 12

Crop Acres		100			
				Total	Enterprise Total
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	720.00	Pound	\$0.56	\$403.20	\$40,320.00
Cottonseed	0.59	Ton	\$175.00	\$103.95	\$10,395.00
Total Revenue				\$507.15	\$50,715.00
VARIABLE COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Insect Scouting	1	Acre	\$10.00	\$10.00	\$1,000.00
Apply by Air - 3 Gallons	2	Application	\$7.88	\$15.76	\$1,576.00
Custom Haul Cotton	720	Pound	\$0.15	\$108.00	\$10,800.00
Gin	720	Pound	\$0.12	\$86.40	\$8,640.00
Custon Harvest Cotton	720	Pound	\$0.12	\$86.40	\$8,640.00
Fertilizer					
UAN (32% N)	1.5	CWT	\$14.00	\$21.00	\$2,100.00
Herbicide					
Trifluralin 4EC	2	Pint	\$3.47	\$6.94	\$694.00
Insecticide					
Vydate C-LV	8.5	Ounce	\$0.93	\$7.91	\$790.50
Oberon 4SC	2	Ounce	\$3.69	\$7.38	\$738.00
Seed					
Cotton Seed	30	Thousand	\$0.72	\$21.60	\$2,160.00
Other Chemicals					
Surfactant	1	Pint	\$5.35	\$5.35	\$535.00
Thidiazuron	5.4	Ounce	\$1.21	\$6.53	\$653.40
Other Labor					
Unallocated Labor	1.2432	Hour	\$12.00	\$14.92	\$1,491.84
Machinery Labor					
Tractors/Self-Propelled	1.9	Hour	\$12.00	\$22.80	\$2,280.00
Diesel Fuel					
Tractors/Self-Propelled	10.76	Gallon	\$2.10	\$22.60	\$2,259.60
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$19.47	\$19.47	\$1,947.34
Implements	1	Acre	\$18.87	\$18.87	\$1,886.95
Interest on Credit Line			5.00%	\$3.74	\$373.68
Total Variable Costs				\$485.66	\$48,566.31
Planned Returns Above Variable Costs:				\$21.49	\$2,148.69
Breakeven Price to Cover Variable Costs			\$0.53	Pound	
FIXED COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$21.86	\$21.86	\$2,186.17
Implements	1	Acre	\$22.79	\$22.79	\$2,279.05
Equipment Investment					
Tractors/Self-Propelled	\$169.50	Dollars	7.00%	\$11.87	\$1,186.51
Implements	\$116.19	Dollars	7.00%	\$8.13	\$813.36
Total Fixed Costs				\$64.65	\$6,465.09
Total Specified Costs				\$550.31	\$55,031.41
Returns Above Specified Costs				(\$43.16)	(\$4,316.41)
Breakeven Price to Cover Total Costs			\$0.62	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%	540.00	\$0.71	\$0.83
90%	648.00	\$0.59	\$0.69
100%	720.00	\$0.53	\$0.62
110%	792.00	\$0.48	\$0.56
125%	900.00	\$0.42	\$0.50

Developed by Samuel Zapata, Assistant 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.