

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

Crop Acres		100		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Cotton Lint	1,250.00	Pound	\$0.56	\$700.00	\$70,000.00
Cottonseed	0.89	Ton	\$175.00	\$155.75	\$15,575.00
Total Revenue				\$855.75	\$85,575.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
Production Costs					
Custom					
Insect Scouting	1	Acre	\$10.00	\$10.00	\$1,000.00
Apply by Air - 3 Gallons	3	Application	\$7.88	\$23.64	\$2,364.00
Custom Harvest Cotton	1250	Pound	\$0.12	\$150.00	\$15,000.00
Custom Haul Cotton	1250	Pound	\$0.15	\$187.50	\$18,750.00
Gin	1250	Pound	\$0.12	\$150.00	\$15,000.00
Fertilizer					
UAN (32% N)	2.5	CWT	\$14.00	\$35.00	\$3,500.00
Herbicide					
Glyphosate	3.75	Pint	\$2.48	\$9.30	\$930.00
Harmony Extra	0.6	Ounce	\$14.35	\$8.61	\$861.00
2, 4-D Amine	2	Pint	\$2.63	\$5.26	\$526.00
Insecticide					
Vydate C-LV	16	Ounce	\$0.93	\$14.88	\$1,488.00
Oberon 4SC	11	Ounce	\$3.69	\$40.59	\$4,059.00
Entrust	2	Ounce	\$12.50	\$25.00	\$2,500.00
Miscellaneous					
Insurance, Cotton	1	Acre	\$13.00	\$13.00	\$1,300.00
Seed					
Cotton Seed GMO	52	Thousand	\$1.25	\$65.00	\$6,500.00
Other Chemicals					
Mepiquat	12	Ounce	\$0.13	\$1.56	\$156.00
Thidiazuron	5.4	Ounce	\$1.21	\$6.53	\$653.40
Surfactant	3	Pint	\$5.35	\$16.05	\$1,605.00
Other Labor					
Unallocated Labor	0.88	Hour	\$12.00	\$10.56	\$1,056.00
Irrigation					
Water Cost	0.40	Acre/Foot	\$20.00	\$8.00	\$800.00
Irrigation Labor	1.10	Hour	\$12.00	\$13.20	\$1,320.00
Machinery Labor					
Tractors/Self-Propelled	1.65	Hour	\$12.00	\$19.80	\$1,980.00
Diesel Fuel					
Tractors/Self-Propelled	7.75	Gallon	\$2.10	\$16.28	\$1,627.50
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$11.50	\$11.50	\$1,149.53
Implements	1	Acre	\$11.54	\$11.54	\$1,153.95
Interest on Credit Line			5.00%	\$7.19	\$719.22
Total Variable Costs				\$859.99	\$85,998.60
Planned Returns Above Variable Costs:				(\$4.24)	(\$423.60)
Breakeven Price to Cover Variable Costs			\$0.56	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$15.36	\$15.36	\$1,535.68
Implements	1	Acre	\$13.75	\$13.75	\$1,375.16
Equipment Investment					
Tractors/Self-Propelled	\$118.02	Dollars	7.00%	\$8.26	\$826.13
Implements	\$78.15	Dollars	7.00%	\$5.47	\$547.04
Total Fixed Costs				\$42.84	\$4,284.00
Total Specified Costs				\$902.83	\$90,282.60
Returns Above Specified Costs				(\$47.08)	(\$4,707.60)
Breakeven Price to Cover Total Costs			\$0.60	Pound	

Example Breakeven Prices

Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	937.50	\$0.75	\$0.80
90%	1125.00	\$0.63	\$0.66
100%	1250.00	\$0.56	\$0.60
110%	1375.00	\$0.51	\$0.54
125%	1562.50	\$0.45	\$0.48

Developed by Samuel Zapata, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension, 956-968-5581.

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.