

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Dryland Cotton - Herbicide Tolerant - 160 Acres**  
**South Plains Extension District - 2**

Crop Acres		160		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Cotton Lint	350.00	Pound	\$0.60	\$210.00	\$33,600.00
Cottonseed	0.25	Ton	\$180.00	\$44.82	\$7,171.20
<b>Total Revenue</b>				<b>\$254.82</b>	<b>\$40,771.20</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>					
Custom					
Fertilizer Application - Liquid High	1	Acre	\$4.75	\$4.75	\$760.00
Scouting - Dryland Cotton	1	Acre	\$5.00	\$5.00	\$800.00
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					
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					
Insecticide and Apply Cotton Dryland	1	Acre	\$6.00	\$6.00	\$960.00
Boll Weevil Assessment Dryland	1	Acre	\$1.00	\$1.00	\$160.00
Miscellaneous					
Crop Insurance Cotton - Dryland	1	Acre	\$32.00	\$32.00	\$5,120.00
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
Other Labor					
Hoeing	0.1	Acre	\$15.00	\$1.50	\$240.00
Other Chemicals					
Harvest Aid Apply Cotton Dryland	1	Acre	\$10.00	\$10.00	\$1,600.00
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	1	Acre	\$4.50	\$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%	\$7.06	\$1,130.17
<b>Total Variable Costs</b>				<b>\$289.14</b>	<b>\$46,262.33</b>
<b>Planned Returns Above Variable Costs:</b>					
<b>Breakeven Price to Cover Variable Costs</b>			\$0.70	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Fixed Costs					
Pickup/General Use Equipment	1	Acre	\$1.25	\$1.25	\$200.00
Tractors/Self-Propelled	1	Acre	\$12.00	\$12.00	\$1,920.00
Implements	1	Acre	\$10.00	\$10.00	\$1,600.00
Management Fee, Owner/Operator Labor	1	Acre	\$15.00	\$15.00	\$2,400.00
Cash Rent - Cotton Dryland	1	Acre	\$30.00	\$30.00	\$4,800.00
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$320.00
<b>Total Fixed Costs</b>				<b>\$70.25</b>	<b>\$11,240.00</b>
<b>Total Specified Costs</b>				<b>\$359.39</b>	<b>\$57,502.33</b>
<b>Returns Above Specified Costs</b>					
<b>Breakeven Price to Cover Total Costs</b>			\$0.90	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%	262.50	\$0.93	\$1.20
90%	315.00	\$0.78	\$1.00
100%	350.00	\$0.70	\$0.90
110%	385.00	\$0.63	\$0.82
125%	437.50	\$0.56	\$0.72

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.**