

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Dryland Cotton (2X1 Planting Pattern) - 640 Acres
Rolling Plains Extension District - 3

Crop Acres		640				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint		320.00	Pound	\$0.57	\$182.40	\$116,736.00
Cottonseed		0.26	Ton	\$205.00	\$54.12	\$34,636.80
Total Revenue					\$236.52	\$151,372.80
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
Insecticide Application		1	Acre	\$5.50	\$5.50	\$3,520.00
Gin, Bag, Ties		320	Pound	\$0.12	\$38.40	\$24,576.00
Custom Stripping		320	Pound	\$0.10	\$32.00	\$20,480.00
Fertilizer						
Fertilizer (N)		57	Pound	\$0.45	\$25.65	\$16,416.00
Herbicide						
Roundup		2	Pint	\$2.00	\$4.00	\$2,560.00
Insecticide						
Insecticide - Cotton		5	Fluid Ounce	\$1.19	\$5.95	\$3,808.00
Bollweevil Eradication		1	Acre	\$2.50	\$2.50	\$1,600.00
Miscellaneous						
Insurance - Dryland Cotton		1	Acre	\$15.00	\$15.00	\$9,600.00
Seed						
Cotton Seed		5	Pound	\$6.50	\$32.50	\$20,800.00
Machinery Labor						
Tractors/Self-Propelled		2.4	Hour	\$10.00	\$24.00	\$15,360.00
Diesel Fuel						
Tractors/Self-Propelled		7.43	Gallon	\$1.65	\$12.26	\$7,846.08
Gasoline						
Pickup/General Use Equipment		1	Acre	\$1.05	\$1.05	\$675.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.28	\$0.28	\$181.13
Tractors/Self-Propelled		1	Acre	\$11.59	\$11.59	\$7,419.77
Implements		1	Acre	\$17.21	\$17.21	\$11,014.73
Interest on Credit Line				5.75%	\$4.00	\$2,557.35
Total Variable Costs					\$231.90	\$148,414.06
Planned Returns Above Variable Costs:					\$4.62	\$2,958.74
Breakeven Price to Cover Variable Costs				\$0.56	Pound	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$0.39	\$0.39	\$251.46
Tractors/Self-Propelled		1	Acre	\$11.98	\$11.98	\$7,667.10
Implements		1	Acre	\$21.25	\$21.25	\$13,601.87
Equipment Investment						
Pickup/General Use Equipment		\$2.75	Dollars	5.50%	\$0.15	\$96.88
Tractors/Self-Propelled		\$93.33	Dollars	5.50%	\$5.13	\$3,285.11
Implements		\$90.92	Dollars	5.50%	\$5.00	\$3,200.22
Cash Rent - Dryland Cotton		1	Acre	\$32.00	\$32.00	\$20,480.00
Total Fixed Costs					\$75.91	\$48,582.63
Total Specified Costs					\$307.81	\$196,996.69
Returns Above Specified Costs					(\$71.29)	(\$45,623.89)
Breakeven Price to Cover Total Costs				\$0.79	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%	240.00	\$0.74	\$1.06
90%	288.00	\$0.62	\$0.88
100%	320.00	\$0.56	\$0.79
110%	352.00	\$0.51	\$0.72
125%	400.00	\$0.44	\$0.63

Developed by Stan Bevers, Professor and Extension Economist, Texas A&M AgriLife Extension Service.

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.