

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Dryland Cotton (Solid 40" Rows) - 640 Acres
Rolling Plains Extension District - 3

Crop Acres		640			
				Total	Enterprise Total
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	480.00	Pound	\$0.57	\$273.60	\$175,104.00
Cottonseed	0.40	Ton	\$205.00	\$81.18	\$51,955.20
Total Revenue				\$354.78	\$227,059.20
VARIABLE COSTS					
				Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	1	Acre	\$5.50	\$5.50	\$3,520.00
Insecticide Application	1	Acre	\$5.50	\$5.50	\$3,520.00
Gin, Bag, Ties	480	Pound	\$0.12	\$57.60	\$36,864.00
Custom Stripping	480	Pound	\$0.10	\$48.00	\$30,720.00
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	1.96	Hour	\$10.00	\$19.60	\$12,544.00
Diesel Fuel					
Tractors/Self-Propelled	6.06	Gallon	\$1.65	\$10.00	\$6,399.36
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	\$9.47	\$9.47	\$6,059.16
Implements	1	Acre	\$10.77	\$10.77	\$6,894.81
Interest on Credit Line			5.75%	\$3.77	\$2,412.13
Total Variable Costs				\$257.15	\$164,573.58
Planned Returns Above Variable Costs:				\$97.63	\$62,485.62
Breakeven Price to Cover Variable Costs			\$0.37	Pound	
FIXED COSTS					
				Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$0.39	\$0.39	\$251.46
Tractors/Self-Propelled	1	Acre	\$9.78	\$9.78	\$6,261.13
Implements	1	Acre	\$13.05	\$13.05	\$8,349.04
Equipment Investment					
Pickup/General Use Equipment	\$2.75	Dollars	5.50%	\$0.15	\$96.88
Tractors/Self-Propelled	\$76.21	Dollars	5.50%	\$4.19	\$2,682.69
Implements	\$55.81	Dollars	5.50%	\$3.07	\$1,964.34
Cash Rent - Dryland Cotton	1	Acre	\$32.00	\$32.00	\$20,480.00
Total Fixed Costs				\$62.63	\$40,085.55
Total Specified Costs				\$319.78	\$204,659.14
Returns Above Specified Costs				\$35.00	\$22,400.06
Breakeven Price to Cover Total Costs			\$0.50	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%	360.00	\$0.49	\$0.66
90%	432.00	\$0.41	\$0.55
100%	480.00	\$0.37	\$0.50
110%	528.00	\$0.33	\$0.45
125%	600.00	\$0.29	\$0.40

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.