

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Dryland Cotton, Stacked Gene, Follow Wheat - 2700 Acres
West Central Extension District - 7

Crop Acres		2700			Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Cotton Lint	350.00	Pound	\$0.56	\$195.83	\$528,727.50	
Cotton Seed	0.25	Ton	\$175.00	\$43.75	\$118,125.00	
Total Revenue				\$239.58	\$646,852.50	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Production Costs						
Custom						
Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$675.00	
Custom Strip	350	Pounds	\$0.09	\$31.50	\$85,050.00	
Gin and Haul	12.5	CWT	\$2.50	\$31.25	\$84,375.00	
Custom Bag/Tie	0.7	Bales	\$5.00	\$3.50	\$9,450.00	
Fertilizer						
Phosphate	19	Pounds	\$0.37	\$6.97	\$18,810.00	
Nitrogen Dry-Urea	19	Pounds	\$0.42	\$8.05	\$21,746.74	
Herbicide						
Glyphosate	160	Ounce	\$0.12	\$18.43	\$49,766.40	
2-4D Amine 4	1.25	Pint	\$1.81	\$2.27	\$6,117.19	
Trifluralin	1.5	Pint	\$3.13	\$4.69	\$12,656.25	
Caparol	24	Ounce	\$0.22	\$5.34	\$14,428.13	
Parrot (Generic Direx)	2	Pint	\$2.41	\$4.81	\$12,993.75	
Miscellaneous						
Boll Weevil Eradication Program	1	Acre	\$1.50	\$1.50	\$4,050.00	
Dry Cotton RP 70% YA, SE	1	Acre	\$21.23	\$21.23	\$57,321.00	
Dry Cotton Stax	0	Acre	\$5.82	\$0.00	\$0.00	
Seed						
Seed Cotton - BIIRRF	29	Thousand	\$1.49	\$43.19	\$116,617.02	
Other Chemicals						
Paraquat, 3lb (Firestorm)	28	Ounce	\$0.21	\$5.80	\$15,649.20	
Machinery Labor						
Tractors/Self-Propelled	0.98	Hour	\$12.00	\$11.76	\$31,752.00	
Diesel Fuel						
Tractors/Self-Propelled	4.6	Gallon	\$1.50	\$6.90	\$18,630.00	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$1.56	\$1.56	\$4,199.20	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.78	\$0.78	\$2,117.00	
Tractors/Self-Propelled	1	Acre	\$8.37	\$8.37	\$22,606.58	
Implements	1	Acre	\$6.92	\$6.92	\$18,686.50	
Interest on Credit Line			6.50%	\$5.14	\$13,871.66	
Total Variable Costs				\$230.21	\$621,568.62	
Planned Returns Above Variable Costs:				\$9.36	\$25,283.88	
Breakeven Price to Cover Variable Costs			\$0.53	Pound		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$1.66	\$1.66	\$4,489.20	
Tractors/Self-Propelled	1	Acre	\$14.13	\$14.13	\$38,152.62	
Implements	1	Acre	\$8.91	\$8.91	\$24,048.48	
Equipment Investment						
Pickup/General Use Equipment	\$9.22	Dollars	6.50%	\$0.60	\$1,617.33	
Tractors/Self-Propelled	\$107.54	Dollars	6.50%	\$6.99	\$18,872.63	
Implements	\$42.83	Dollars	6.50%	\$2.78	\$7,516.65	
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$94,500.00	
Total Fixed Costs				\$70.07	\$189,196.90	
Total Specified Costs				\$300.28	\$810,765.52	
Returns Above Specified Costs				(\$60.71)	(\$163,913.02)	
Breakeven Price to Cover Total Costs			\$0.73	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%	0.00	\$0.71	\$0.98
90%	0.00	\$0.59	\$0.81
100%	0.00	\$0.53	\$0.73
110%	0.00	\$0.48	\$0.67
125%	0.00	\$0.43	\$0.59

Developed by Bill Thompson, Associate 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.