

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Stacked Cotton - 500 Acres
Central Texas Extension District - 8

Crop Acres		500				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Cotton Lint	500.00	Pound	\$0.62	\$310.00		\$155,000.00
Cottonseed	0.33	Ton	\$170.00	\$56.10		\$28,050.00
Total Revenue				\$366.10		\$183,050.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Custom						
Stripping	500	Pound	\$0.10	\$50.00		\$25,000.00
Ginning	500	Pound	\$0.12	\$60.00		\$30,000.00
Fertilizer						
Fertilizer - N, P, K	1	Acre	\$40.00	\$40.00		\$20,000.00
Herbicide						
Yellow Herbicide	1	Acre	\$20.00	\$20.00		\$10,000.00
Planting Burndown	22	Ounce	\$0.24	\$5.28		\$2,640.00
Herbicide 1st Application	22	Ounce	\$0.24	\$5.28		\$2,640.00
Herbicide 2nd Application	22	Ounce	\$0.24	\$5.28		\$2,640.00
Insecticide						
Planting Insecticide	1	Acre	\$12.50	\$12.50		\$6,250.00
Insecticide 1st Application	1	Acre	\$4.00	\$4.00		\$2,000.00
Insecticide 2nd Application	1	Acre	\$4.00	\$4.00		\$2,000.00
Boll Weevil Eradication	1	Acre	\$10.00	\$10.00		\$5,000.00
Miscellaneous						
Insurance - Cotton	1	Acre	\$20.00	\$20.00		\$10,000.00
Insurance - Cotton SCO/STAX	1	Acre	\$5.00	\$5.00		\$2,500.00
Seed						
Stacked Cotton Seed	1	Acre	\$30.00	\$30.00		\$15,000.00
Herbicide Tech Fee	1	Acre	\$26.00	\$26.00		\$13,000.00
bt Tech Fee	1	Acre	\$13.00	\$13.00		\$6,500.00
Other Chemicals						
Defoliant	1	Acre	\$12.00	\$12.00		\$6,000.00
Dessicant	1	Acre	\$7.31	\$7.31		\$3,655.00
Machinery Labor						
Tractors/Self-Propelled	0.86	Hour	\$10.00	\$8.60		\$4,300.00
Diesel Fuel						
Tractors/Self-Propelled	7.17	Gallon	\$2.65	\$19.00		\$9,500.25
Gasoline						
Pickup/General Use Equipment	1	Acre	\$4.10	\$4.10		\$2,047.50
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.67	\$0.67		\$336.00
Tractors/Self-Propelled	1	Acre	\$14.60	\$14.60		\$7,302.42
Implements	1	Acre	\$15.06	\$15.06		\$7,530.36
Interest on Credit Line			4.75%	\$5.67		\$2,832.62
Total Variable Costs				\$397.35		\$198,674.15
Planned Returns Above Variable Costs:						
Breakeven Price to Cover Variable Costs			\$0.68	Pound		
FIXED COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$0.70	\$0.70		\$348.60
Tractors/Self-Propelled	1	Acre	\$15.09	\$15.09		\$7,545.83
Implements	1	Acre	\$19.57	\$19.57		\$9,786.62
Equipment Investment						
Pickup/General Use Equipment	\$4.91	Dollars	6.00%	\$0.29		\$147.42
Tractors/Self-Propelled	\$117.57	Dollars	6.00%	\$7.05		\$3,527.07
Implements	\$83.73	Dollars	6.00%	\$5.02		\$2,511.90
Cotton Land Rent	1	Acre	\$50.00	\$50.00		\$25,000.00
Total Fixed Costs				\$97.73		\$48,867.44
Total Specified Costs				\$495.08		\$247,541.59
Returns Above Specified Costs						
Breakeven Price to Cover Total Costs			\$0.88	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%	375.00	\$0.91	\$1.17
90%	450.00	\$0.76	\$0.98
100%	500.00	\$0.68	\$0.88
110%	550.00	\$0.62	\$0.80
125%	625.00	\$0.55	\$0.70

Developed by Jason Johnson, Associate 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.