

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2017 Estimated Costs and Returns per Acre**  
**Cotton, Dryland (Roundup Ready Flex) - 160 Acres**  
**Panhandle Extension District - 1**

Crop Acres		160				
		Quantity	Units	\$/Unit	Total	Enterprise Total
<b>REVENUE</b>						
Cotton Lint		400.00	Pound	\$0.65	\$260.00	\$41,600.00
Cottonseed		0.30	Ton	\$200.00	\$60.00	\$9,600.00
<b>Total Revenue</b>					<b>\$320.00</b>	<b>\$51,200.00</b>
<b>VARIABLE COSTS</b>						
<b>Production Costs</b>		Quantity	Units	\$/Unit	Total	Enterprise Total
Custom						
Fertilizer Application		1	Acre	\$5.00	\$5.00	\$800.00
Strip and Module - Cotton		4	CWT	\$8.00	\$32.00	\$5,120.00
Ginning - Cotton		18	CWT	\$2.75	\$49.50	\$7,920.00
Fertilizer						
Fertilizer (P) - Dry		20	Pound	\$0.43	\$8.60	\$1,376.00
Fertilizer (N) - Dry		30	Pound	\$0.33	\$9.90	\$1,584.00
Herbicide						
Herbicide and Apply Preplant		1	Acre	\$14.50	\$14.50	\$2,320.00
Herbicide and Apply Postemerge Dry		1	Acre	\$14.30	\$14.30	\$2,288.00
Insecticide						
Insecticide and Apply Cotton		0.5	Acre	\$9.60	\$4.80	\$768.00
Boll Weevil Assessment Dryland		1	Acre	\$0.70	\$0.70	\$112.00
Miscellaneous						
Crop Insurance Cotton - Dryland		1	Acre	\$25.00	\$25.00	\$4,000.00
Seed						
Seed - Cotton Dryland		0.18	Bag	\$350.00	\$63.00	\$10,080.00
Other Chemicals						
Harvest Aid Apply Cotton Dryland		0.5	Acre	\$25.00	\$12.50	\$2,000.00
Machinery Labor						
Tractors/Self-Propelled		1.22	Hour	\$12.25	\$14.95	\$2,391.20
Diesel Fuel						
Tractors/Self-Propelled		3.03	Gallon	\$1.81	\$5.48	\$877.49
Gasoline						
Pickup/General Use Equipment		1	Acre	\$3.92	\$3.92	\$627.25
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$2.49	\$2.49	\$397.80
Tractors/Self-Propelled		1	Acre	\$5.52	\$5.52	\$883.16
Implements		1	Acre	\$12.27	\$12.27	\$1,963.37
Interest on Credit Line				5.40%	\$5.78	\$924.47
<b>Total Variable Costs</b>					<b>\$290.20</b>	<b>\$46,432.73</b>
Planned Returns Above Variable Costs:					\$29.80	\$4,767.27
Breakeven Price to Cover Variable Costs					\$0.58	Pound
<b>FIXED COSTS</b>						
<b>Machinery Depreciation</b>		Quantity	Units	\$/Unit	Total	Enterprise Total
Pickup/General Use Equipment		1	Acre	\$2.61	\$2.61	\$417.69
Tractors/Self-Propelled		1	Acre	\$5.24	\$5.24	\$839.10
Implements		1	Acre	\$15.22	\$15.22	\$2,435.31
Equipment Investment						
Pickup/General Use Equipment		\$18.03	Dollars	5.65%	\$1.02	\$162.95
Tractors/Self-Propelled		\$40.86	Dollars	5.65%	\$2.31	\$369.33
Implements		\$65.55	Dollars	5.65%	\$3.70	\$592.53
Cash Rent - Cotton Dryland		1	Acre	\$26.50	\$26.50	\$4,240.00
<b>Total Fixed Costs</b>					<b>\$56.61</b>	<b>\$9,056.91</b>
<b>Total Specified Costs</b>					<b>\$346.81</b>	<b>\$55,489.64</b>
Returns Above Specified Costs					(\$26.81)	(\$4,289.64)
<b>Breakeven Price to Cover Total Costs</b>					<b>\$0.72</b>	<b>Pound</b>

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	300.00	\$0.77	\$0.96
90%	360.00	\$0.64	\$0.80
100%	400.00	\$0.58	\$0.72
110%	440.00	\$0.52	\$0.65
125%	500.00	\$0.46	\$0.57

Developed by Steve Amosson, Regents Fellow, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-677-5600.

**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.**