

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Dryland Cotton (2X1 Planting Pattern) - 640 Acres
Rolling Plains Extension District - 3

Crop Acres		640		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Cotton Lint	320.00	Pound	\$0.62	\$198.40	\$126,976.00
Cottonseed	0.26	Ton	\$205.00	\$54.12	\$34,636.80
Total Revenue				\$252.52	\$161,612.80
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	\$0.35	\$19.95	\$12,768.00
Herbicide					
Roundup	2	Pint	\$2.00	\$4.00	\$2,560.00
Insecticide					
Insecticide - Cotton	0.5	Pound	\$7.20	\$3.60	\$2,304.00
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	\$6.00	\$30.00	\$19,200.00
Machinery Labor					
Tractors/Self-Propelled	2.35	Hour	\$10.00	\$23.50	\$15,040.00
Diesel Fuel					
Tractors/Self-Propelled	7.29	Gallon	\$1.65	\$12.03	\$7,698.24
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	\$14.47	\$14.47	\$9,259.38
Implements	1	Acre	\$16.27	\$16.27	\$10,411.20
Interest on Credit Line			5.75%	\$3.63	\$2,322.99
Total Variable Costs				\$222.18	\$142,195.94
Planned Returns Above Variable Costs:				\$30.34	\$19,416.86
Breakeven Price to Cover Variable Costs			\$0.53	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	\$14.95	\$14.95	\$9,568.03
Implements	1	Acre	\$20.38	\$20.38	\$13,045.96
Equipment Investment					
Pickup/General Use Equipment	\$2.75	Dollars	5.50%	\$0.15	\$96.88
Tractors/Self-Propelled	\$116.47	Dollars	5.50%	\$6.41	\$4,099.59
Implements	\$87.20	Dollars	5.50%	\$4.80	\$3,069.42
Cash Rent - Dryland Cotton	1	Acre	\$32.00	\$32.00	\$20,480.00
Total Fixed Costs				\$79.08	\$50,611.35
Total Specified Costs				\$301.26	\$192,807.29
Returns Above Specified Costs				(\$48.74)	(\$31,194.49)
Breakeven Price to Cover Total Costs			\$0.77	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	240.00	\$0.70	\$1.03
90%	288.00	\$0.58	\$0.86
100%	320.00	\$0.53	\$0.77
110%	352.00	\$0.48	\$0.70
125%	400.00	\$0.42	\$0.62

Developed by Extension Economists, 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.