

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2017 Estimated Costs and Returns per Acre
Cotton, Conventional Tillage, Dryland, Rio Grande Valley - 100 Acres
South Extension District - 12

Crop Acres		100				Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total	
Cotton Lint	720.00	Pound	\$0.56	\$403.20	\$40,320.00	\$40,320.00	
Cottonseed	0.59	Ton	\$175.00	\$103.95	\$10,395.00	\$10,395.00	
Total Revenue				\$507.15	\$50,715.00	\$50,715.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Production Costs							
Custom							
Insect Scouting	1	Acre	\$10.00	\$10.00	\$1,000.00	\$1,000.00	
Apply by Air - 3 Gallons	2	Application	\$7.88	\$15.76	\$1,576.00	\$1,576.00	
Custom Harvest Cotton	720	Pound	\$0.12	\$86.40	\$8,640.00	\$8,640.00	
Custom Haul Cotton	720	Pound	\$0.15	\$108.00	\$10,800.00	\$10,800.00	
Gin	720	Pound	\$0.12	\$86.40	\$8,640.00	\$8,640.00	
Fertilizer							
UAN (32% N)	1.5	CWT	\$14.00	\$21.00	\$2,100.00	\$2,100.00	
Herbicide							
Trifluralin 4EC	2	Pint	\$3.47	\$6.94	\$694.00	\$694.00	
Insecticide							
Vydate C-LV	8.5	Ounce	\$0.93	\$7.91	\$790.50	\$790.50	
Oberon 4SC	2	Ounce	\$3.69	\$7.38	\$738.00	\$738.00	
Seed							
Cotton Seed	30	Thousand	\$0.72	\$21.60	\$2,160.00	\$2,160.00	
Other Chemicals							
Thidiazuron	5.4	Ounce	\$1.21	\$6.53	\$653.40	\$653.40	
Surfactant	1	Pint	\$5.35	\$5.35	\$535.00	\$535.00	
Other Labor							
Unallocated Labor	1.2432	Hour	\$12.00	\$14.92	\$1,491.84	\$1,491.84	
Machinery Labor							
Tractors/Self-Propelled	1.87	Hour	\$12.00	\$22.44	\$2,244.00	\$2,244.00	
Diesel Fuel							
Tractors/Self-Propelled	10.63	Gallon	\$2.10	\$22.32	\$2,232.30	\$2,232.30	
Repairs & Maintenance							
Tractors/Self-Propelled	1	Acre	\$22.08	\$22.08	\$2,207.83	\$2,207.83	
Implements	1	Acre	\$15.80	\$15.80	\$1,579.97	\$1,579.97	
Interest on Credit Line			5.00%	\$3.72	\$371.74	\$371.74	
Total Variable Costs				\$484.55	\$48,454.58	\$48,454.58	
Planned Returns Above Variable Costs:				\$22.60	\$2,260.42	\$2,260.42	
Breakeven Price to Cover Variable Costs			\$0.53	Pound			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Machinery Depreciation							
Tractors/Self-Propelled	1	Acre	\$24.64	\$24.64	\$2,464.42	\$2,464.42	
Implements	1	Acre	\$19.25	\$19.25	\$1,925.27	\$1,925.27	
Equipment Investment							
Tractors/Self-Propelled	\$191.14	Dollars	7.00%	\$13.38	\$1,337.95	\$1,337.95	
Implements	\$97.84	Dollars	7.00%	\$6.85	\$684.88	\$684.88	
Total Fixed Costs				\$64.13	\$6,412.53	\$6,412.53	
Total Specified Costs				\$548.67	\$54,867.11	\$54,867.11	
Returns Above Specified Costs					(\$41.52)	(\$4,152.11)	
Breakeven Price to Cover Total Costs			\$0.62	Pound			

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	540.00	\$0.70	\$0.82
90%	648.00	\$0.59	\$0.69
100%	720.00	\$0.53	\$0.62
110%	792.00	\$0.48	\$0.56
125%	900.00	\$0.42	\$0.49

Developed by Samuel Zapata, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension, 956-968-5581.

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.