

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Dryland Cotton, B2RF, Follow Wheat
West Central Extension District - 7

Crop Acres		2700			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	375.00	Pound	\$0.63	\$236.25	\$637,875.00
Cotton Seed	0.27	Ton	\$205.00	\$55.62	\$150,164.55
Total Revenue				\$291.87	\$788,039.55
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$675.00
Custom Strip	375	Pounds	\$0.09	\$33.75	\$91,125.00
Gin and Haul	12.5	CWT	\$2.50	\$31.25	\$84,375.00
Custom Bag/Tie	0.75	Bales	\$5.00	\$3.75	\$10,125.00
Fertilizer					
Phos (11-52-0 DRY MAT)	19	Pounds	\$0.44	\$8.40	\$22,674.60
Nitrogen N32-liq	26	Pounds	\$0.35	\$9.10	\$24,570.00
Herbicide					
Glyphosate	160	Ounce	\$0.13	\$20.80	\$56,160.00
2-4D Amine 4	1.25	Pint	\$1.63	\$2.03	\$5,484.38
Trifluralin	1.5	Pint	\$2.94	\$4.41	\$11,896.88
Caparol	24	Ounce	\$0.22	\$5.34	\$14,428.13
Outlook	2	Ounce	\$1.00	\$2.00	\$5,400.00
Insecticide					
Macho 4F	1.5	Ounce	\$0.69	\$1.03	\$2,784.38
Miscellaneous					
Dry Cotton RP 70% YE, SE, Ent	1	Acre	\$8.22	\$8.22	\$22,194.00
Boll Weevil Eradication Program	0.75	Bale	\$1.00	\$0.75	\$2,025.00
Seed					
Seed Cotton - B2RF	29	Thousand	\$1.28	\$37.02	\$99,957.45
Other Chemicals					
Paraquat, 3lb (Firestorm)	28	Ounce	\$0.18	\$5.04	\$13,608.00
Adios	4	Ounce	\$0.69	\$2.76	\$7,452.00
Ethephon 6	1	Pint	\$2.38	\$2.38	\$6,426.00
Machinery Labor					
Tractors/Self-Propelled	0.47	Hour	\$12.00	\$5.64	\$15,228.00
Other Labor	0.3	Hour	\$12.00	\$3.60	\$9,720.00
Diesel Fuel					
Tractors/Self-Propelled	6.11	Gallon	\$2.15	\$13.14	\$35,468.55
Gasoline					
Pickup/General Use Equipment	1	Acre	\$1.74	\$1.74	\$4,691.04
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.78	\$0.78	\$2,117.00
Tractors/Self-Propelled	1	Acre	\$11.52	\$11.52	\$31,109.13
Implements	1	Acre	\$7.03	\$7.03	\$18,973.03
Interest on Credit Line			6.00%	\$5.66	\$15,277.35
Total Variable Costs				\$227.39	\$613,944.90
Planned Returns Above Variable Costs:				\$64.48	\$174,094.65
Breakeven Price to Cover Variable Costs			\$0.46	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$1.66	\$1.66	\$4,489.20
Tractors/Self-Propelled	1	Acre	\$19.46	\$19.46	\$52,551.40
Implements	1	Acre	\$9.65	\$9.65	\$26,041.56
Equipment Investment					
Pickup/General Use Equipment	\$9.22	Dollars	6.00%	\$0.55	\$1,492.92
Tractors/Self-Propelled	\$148.12	Dollars	6.00%	\$8.89	\$23,994.68
Implements	\$47.96	Dollars	6.00%	\$2.88	\$7,769.53
Management Fee, Owner/Operator Labor	1	Acre	\$10.00	\$10.00	\$27,000.00
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$94,500.00
Whole Farm Insurance	1	Acre	\$1.00	\$1.00	\$2,700.00
Total Fixed Costs				\$89.09	\$240,539.29
Total Specified Costs				\$316.48	\$854,484.19
Returns Above Specified Costs				(\$24.61)	(\$66,444.64)
Breakeven Price to Cover Total Costs			\$0.70	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	281.25	\$0.61	\$0.93
90%	337.50	\$0.51	\$0.77
100%	375.00	\$0.46	\$0.70
110%	412.50	\$0.42	\$0.63
125%	468.75	\$0.37	\$0.56

Developed by Bill Thompson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension Service, 325-653-4576.

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.