

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Cotton, Conventional Tillage, Furrow Irrigated, Rio Grande Valley
South Extension District - 12

Crop Acres		100			
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	975.00	Pound	\$0.69	\$672.75	\$67,275.00
Cottonseed	0.69	Ton	\$152.50	\$105.87	\$10,586.55
Total Revenue				\$778.62	\$77,861.55
VARIABLE COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Insect Scouting	1	Acre	\$10.00	\$10.00	\$1,000.00
Apply by Air - 3 Gallons	3	Application	\$7.88	\$23.64	\$2,364.00
Custom Harvest Cotton	975	Pound	\$0.12	\$117.00	\$11,700.00
Custom Haul Cotton	975	Pound	\$0.15	\$146.25	\$14,625.00
Gin	975	Pound	\$0.12	\$117.00	\$11,700.00
Fertilizer					
UAN (32% N)	2.5	CWT	\$15.08	\$37.70	\$3,769.50
Herbicide					
Trifluralin 4EC	2	Pint	\$3.65	\$7.30	\$730.09
2, 4-D Amine	1	Pint	\$2.77	\$2.77	\$276.68
Insecticide					
Vydate C-LV	8.5	Ounce	\$0.97	\$8.22	\$822.12
Oberon 4SC	11	Ounce	\$3.84	\$42.21	\$4,221.36
Entrust	2	Ounce	\$13.00	\$26.00	\$2,600.00
Miscellaneous					
Insurance, Cotton	1	Acre	\$20.00	\$20.00	\$2,000.00
Seed					
Cotton Seed	50	Thousand	\$0.71	\$35.73	\$3,573.36
Other Chemicals					
Mepiquat	12	Ounce	\$0.13	\$1.56	\$156.00
Thidiazuron	5.4	Ounce	\$1.21	\$6.53	\$653.40
Surfactant	1	Pint	\$5.35	\$5.35	\$535.00
Other Labor					
Unallocated Labor	1.2856	Hour	\$12.00	\$15.43	\$1,542.72
Irrigation					
Water Cost	0.80	Acre/Foot	\$20.00	\$16.00	\$1,600.00
Irrigation Labor	1.10	Hour	\$12.00	\$13.20	\$1,320.00
Machinery Labor					
Tractors/Self-Propelled	1.64	Hour	\$12.00	\$19.68	\$1,968.00
Other Labor	0.28	Hour	\$12.00	\$3.36	\$336.00
Diesel Fuel					
Tractors/Self-Propelled	11.03	Gallon	\$2.10	\$23.16	\$2,316.30
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$22.79	\$22.79	\$2,278.68
Implements	1	Acre	\$17.16	\$17.16	\$1,715.97
Interest on Credit Line			5.00%	\$6.20	\$619.87
Total Variable Costs				\$744.24	\$74,424.05
Planned Returns Above Variable Costs:				\$34.38	\$3,437.50
Breakeven Price to Cover Variable Costs			\$0.65	Pound	
FIXED COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$26.40	\$26.40	\$2,640.46
Implements	1	Acre	\$21.15	\$21.15	\$2,114.52
Equipment Investment					
Tractors/Self-Propelled	\$204.37	Dollars	7.00%	\$14.31	\$1,430.61
Implements	\$117.21	Dollars	7.00%	\$8.20	\$820.50
Cash Rent, Irrigated	1	Acre	\$85.00	\$85.00	\$8,500.00
Total Fixed Costs				\$155.06	\$15,506.09
Total Specified Costs				\$899.30	\$89,930.14
Returns Above Specified Costs				(\$120.69)	(\$12,068.59)
Breakeven Price to Cover Total Costs			\$0.81	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	731.25	\$0.87	\$1.09
90%	877.50	\$0.73	\$0.90
100%	975.00	\$0.65	\$0.81
110%	1072.50	\$0.60	\$0.74
125%	1218.75	\$0.52	\$0.65

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.