

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

Crop Acres		100			
				Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Cotton Lint	1,250.00	Pound	\$0.69	\$862.50	\$86,250.00
Cottonseed	0.89	Ton	\$152.50	\$135.73	\$13,572.50
Total Revenue				\$998.23	\$99,822.50
VARIABLE COSTS				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	1250	Pound	\$0.12	\$150.00	\$15,000.00
Custom Haul Cotton	1250	Pound	\$0.15	\$187.50	\$18,750.00
Gin	1250	Pound	\$0.12	\$150.00	\$15,000.00
Fertilizer					
UAN (32% N)	2.5	CWT	\$15.08	\$37.70	\$3,769.50
Herbicide					
Glyphosate	3.75	Pint	\$2.61	\$9.78	\$978.36
Harmony Extra	0.6	Ounce	\$15.10	\$9.06	\$905.77
2, 4-D Amine	2	Pint	\$2.77	\$5.53	\$553.35
Insecticide					
Vydate C-LV	16	Ounce	\$0.97	\$15.48	\$1,547.52
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 GMO	52	Thousand	\$1.24	\$64.52	\$6,451.90
Other Chemicals					
Mepiquat	12	Ounce	\$0.13	\$1.56	\$156.00
Thidiazuron	5.4	Ounce	\$1.21	\$6.53	\$653.40
Surfactant	3	Pint	\$5.35	\$16.05	\$1,605.00
Other Labor					
Unallocated Labor	0.88	Hour	\$12.00	\$10.56	\$1,056.00
Irrigation					
Water Cost	0.40	Acre/Foot	\$20.00	\$8.00	\$800.00
Irrigation Labor	1.10	Hour	\$12.00	\$13.20	\$1,320.00
Machinery Labor					
Tractors/Self-Propelled	1.35	Hour	\$12.00	\$16.20	\$1,620.00
Other Labor	0.28	Hour	\$12.00	\$3.36	\$336.00
Diesel Fuel					
Tractors/Self-Propelled	7.51	Gallon	\$2.10	\$15.77	\$1,577.10
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$13.32	\$13.32	\$1,331.69
Implements	1	Acre	\$11.07	\$11.07	\$1,107.35
Interest on Credit Line			5.00%	\$7.73	\$772.89
Total Variable Costs				\$874.77	\$87,477.19
Planned Returns Above Variable Costs:				\$123.45	\$12,345.31
Breakeven Price to Cover Variable Costs			\$0.59	Pound	
FIXED COSTS				Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$17.57	\$17.57	\$1,757.18
Implements	1	Acre	\$13.57	\$13.57	\$1,356.91
Equipment Investment					
Tractors/Self-Propelled	\$135.12	Dollars	7.00%	\$9.46	\$945.84
Implements	\$85.22	Dollars	7.00%	\$5.97	\$596.54
Cash Rent, Irrigated	1	Acre	\$85.00	\$85.00	\$8,500.00
Total Fixed Costs				\$131.56	\$13,156.47
Total Specified Costs				\$1,006.34	\$100,633.66
Returns Above Specified Costs				(\$8.11)	(\$811.16)
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%	937.50	\$0.79	\$0.93
90%	1125.00	\$0.66	\$0.77
100%	1250.00	\$0.59	\$0.70
110%	1375.00	\$0.54	\$0.63
125%	1562.50	\$0.47	\$0.56

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.