

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Stacked Cotton
Central Texas Extension District - 8

Crop Acres		500			
				Total	Enterprise Total
REVENUE					
Cotton Lint	500.00	Pound	\$0.67	\$335.00	\$167,500.00
Cottonseed	0.33	Ton	\$150.00	\$49.50	\$24,750.00
Total Revenue				\$384.50	\$192,250.00
VARIABLE COSTS					
				Total	Enterprise Total
Production Costs					
Custom					
Stripping	500	Pound	\$0.10	\$50.00	\$25,000.00
Ginning	500	Pound	\$0.10	\$50.00	\$25,000.00
Fertilizer					
Fertilizer - N, P, K	1	Acre	\$60.00	\$60.00	\$30,000.00
Herbicide					
Yellow Herbicide	1	Acre	\$4.00	\$4.00	\$2,000.00
Planting Burndown	32	Ounce	\$0.20	\$6.40	\$3,200.00
Herbicide 1st Application	32	Ounce	\$0.20	\$6.40	\$3,200.00
Herbicide 2nd Application	32	Ounce	\$0.20	\$6.40	\$3,200.00
Insecticide					
Insecticide 1st Application	1	Acre	\$4.00	\$4.00	\$2,000.00
Insecticide 2nd Application	1	Acre	\$4.00	\$4.00	\$2,000.00
Boll Weevil Eradication	1	Acre	\$10.00	\$10.00	\$5,000.00
Miscellaneous					
Insurance - Cotton	1	Acre	\$20.00	\$20.00	\$10,000.00
Insurance - Cotton SCO/STAX	1	Acre	\$5.00	\$5.00	\$2,500.00
Seed					
Stacked Cotton Seed	1	Acre	\$28.00	\$28.00	\$14,000.00
Herbicide Tech Fee	1	Acre	\$18.00	\$18.00	\$9,000.00
bt Tech Fee	1	Acre	\$9.00	\$9.00	\$4,500.00
Other Chemicals					
Defoliant	1	Acre	\$12.00	\$12.00	\$6,000.00
Dessicant	1	Acre	\$10.00	\$10.00	\$5,000.00
Machinery Labor					
Tractors/Self-Propelled	0.86	Hour	\$10.00	\$8.60	\$4,300.00
Diesel Fuel					
Tractors/Self-Propelled	7.17	Gallon	\$2.40	\$17.21	\$8,604.00
Gasoline					
Pickup/General Use Equipment	1	Acre	\$3.30	\$3.30	\$1,650.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.67	\$0.67	\$336.00
Tractors/Self-Propelled	1	Acre	\$16.61	\$16.61	\$8,303.62
Implements	1	Acre	\$17.82	\$17.82	\$8,911.75
Interest on Credit Line			4.75%	\$5.62	\$2,808.05
Total Variable Costs				\$373.03	\$186,513.42
Planned Returns Above Variable Costs:				\$11.47	\$5,736.58
Breakeven Price to Cover Variable Costs			\$0.65	Pound	
FIXED COSTS					
				Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$0.70	\$0.70	\$348.60
Tractors/Self-Propelled	1	Acre	\$17.16	\$17.16	\$8,580.40
Implements	1	Acre	\$22.93	\$22.93	\$11,463.00
Equipment Investment					
Pickup/General Use Equipment	\$4.91	Dollars	6.00%	\$0.29	\$147.42
Tractors/Self-Propelled	\$133.69	Dollars	6.00%	\$8.02	\$4,010.65
Implements	\$98.07	Dollars	6.00%	\$5.88	\$2,942.17
Cotton Land Rent	1	Acre	\$50.00	\$50.00	\$25,000.00
Total Fixed Costs				\$104.98	\$52,492.25
Total Specified Costs				\$478.01	\$239,005.66
Returns Above Specified Costs				(\$93.51)	(\$46,755.66)
Breakeven Price to Cover Total Costs			\$0.86	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	375.00	\$0.86	\$1.14
90%	450.00	\$0.72	\$0.95
100%	500.00	\$0.65	\$0.86
110%	550.00	\$0.59	\$0.78
125%	625.00	\$0.52	\$0.69

Developed by Jason Johnson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension, 254-968-4144.

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.