

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2020 Estimated Costs and Returns per Acre**  
**Cotton, Dryland (Roundup Ready Flex)**  
**Panhandle Extension District - 1**

| Crop Acres                              |  | 160             |              |                |              |                         |
|-----------------------------------------|--|-----------------|--------------|----------------|--------------|-------------------------|
| REVENUE                                 |  | Quantity        | Units        | \$/Unit        | Total        | Enterprise Total        |
| Cotton Lint                             |  | 400.00          | Pound        | \$0.66         | \$264.00     | \$42,240.00             |
| Cottonseed                              |  | 0.30            | Ton          | \$200.00       | \$60.00      | \$9,600.00              |
| Total Revenue                           |  |                 |              |                | \$324.00     | \$51,840.00             |
| VARIABLE COSTS                          |  | Quantity        | Units        | \$/Unit        | Total        | Enterprise Total        |
| <b>Production Costs</b>                 |  |                 |              |                |              |                         |
| Custom                                  |  |                 |              |                |              |                         |
| Fertilizer Application                  |  | 1               | Acre         | \$5.35         | \$5.35       | \$856.07                |
| Strip and Module - Cotton               |  | 4               | CWT          | \$12.54        | \$50.16      | \$8,025.70              |
| Ginning - Cotton                        |  | 18              | CWT          | \$3.14         | \$56.43      | \$9,028.91              |
| Fertilizer                              |  |                 |              |                |              |                         |
| Fertilizer (P) - Dry                    |  | 20              | Pound        | \$0.43         | \$8.67       | \$1,386.79              |
| Fertilizer (N) - Dry                    |  | 30              | Pound        | \$0.39         | \$11.69      | \$1,869.60              |
| Herbicide                               |  |                 |              |                |              |                         |
| Herbicide and Apply Preplant            |  | 1               | Acre         | \$24.62        | \$24.62      | \$3,938.72              |
| Herbicide and Apply Postemerge Dry      |  | 1               | Acre         | \$15.56        | \$15.56      | \$2,489.99              |
| Insecticide                             |  |                 |              |                |              |                         |
| Insecticide and Apply Cotton            |  | 0.5             | Acre         | \$10.36        | \$5.18       | \$828.97                |
| Boll Weevil Assessment Dryland          |  | 1               | Acre         | \$0.74         | \$0.74       | \$117.71                |
| Miscellaneous                           |  |                 |              |                |              |                         |
| Crop Insurance Cotton - Dryland         |  | 1               | Acre         | \$25.00        | \$25.00      | \$4,000.00              |
| Seed                                    |  |                 |              |                |              |                         |
| Seed - Cotton Dryland                   |  | 0.18            | Bag          | \$331.57       | \$59.68      | \$9,549.08              |
| Other Chemicals                         |  |                 |              |                |              |                         |
| Harvest Aid Apply Cotton Dryland        |  | 0.5             | Acre         | \$27.12        | \$13.56      | \$2,169.45              |
| Machinery Labor                         |  |                 |              |                |              |                         |
| Tractors/Self-Propelled                 |  | 0.7             | Hour         | \$13.43        | \$9.40       | \$1,504.16              |
| Other Labor                             |  | 0.82            | Hour         | \$13.43        | \$11.01      | \$1,762.02              |
| Diesel Fuel                             |  |                 |              |                |              |                         |
| Tractors/Self-Propelled                 |  | 3.62            | Gallon       | \$2.33         | \$8.43       | \$1,349.54              |
| Gasoline                                |  |                 |              |                |              |                         |
| Pickup/General Use Equipment            |  | 1               | Acre         | \$4.77         | \$4.77       | \$763.75                |
| Repairs & Maintenance                   |  |                 |              |                |              |                         |
| Pickup/General Use Equipment            |  | 1               | Acre         | \$2.49         | \$2.49       | \$397.80                |
| Tractors/Self-Propelled                 |  | 1               | Acre         | \$6.26         | \$6.26       | \$1,001.49              |
| Implements                              |  | 1               | Acre         | \$14.93        | \$14.93      | \$2,388.45              |
| Interest on Credit Line                 |  |                 |              | 6.25%          | \$8.27       | \$1,323.19              |
| Total Variable Costs                    |  |                 |              |                | \$342.20     | \$54,751.40             |
| Planned Returns Above Variable Costs:   |  |                 |              |                |              |                         |
| Breakeven Price to Cover Variable Costs |  |                 |              |                | \$0.71       | Pound                   |
| <b>FIXED COSTS</b>                      |  | <b>Quantity</b> | <b>Units</b> | <b>\$/Unit</b> | <b>Total</b> | <b>Enterprise Total</b> |
| Machinery Depreciation                  |  |                 |              |                |              |                         |
| Pickup/General Use Equipment            |  | 1               | Acre         | \$2.61         | \$2.61       | \$417.69                |
| Tractors/Self-Propelled                 |  | 1               | Acre         | \$5.87         | \$5.87       | \$938.68                |
| Implements                              |  | 1               | Acre         | \$18.43        | \$18.43      | \$2,949.22              |
| Equipment Investment                    |  |                 |              |                |              |                         |
| Pickup/General Use Equipment            |  | \$18.03         | Dollars      | 6.25%          | \$1.13       | \$180.25                |
| Tractors/Self-Propelled                 |  | \$45.70         | Dollars      | 6.25%          | \$2.86       | \$457.04                |
| Implements                              |  | \$79.30         | Dollars      | 6.25%          | \$4.96       | \$792.97                |
| Cash Rent - Cotton Dryland              |  | 1               | Acre         | \$30.00        | \$30.00      | \$4,800.00              |
| Total Fixed Costs                       |  |                 |              |                | \$65.85      | \$10,535.86             |
| Total Specified Costs                   |  |                 |              |                | \$408.05     | \$65,287.26             |
| Returns Above Specified Costs           |  |                 |              |                | (\$84.05)    | (\$13,447.26)           |
| Breakeven Price to Cover Total Costs    |  |                 |              |                | \$0.87       | Pound                   |

| Example Breakeven Prices |                     |                         |                      |
|--------------------------|---------------------|-------------------------|----------------------|
| Exampk Yield Percent     | Example Yield Pound | To Cover Variable Costs | To Cover Total Costs |
| 75%                      | 300.00              | \$0.94                  | \$1.16               |
| 90%                      | 360.00              | \$0.78                  | \$0.97               |
| 100%                     | 400.00              | \$0.71                  | \$0.87               |
| 110%                     | 440.00              | \$0.64                  | \$0.79               |
| 125%                     | 500.00              | \$0.56                  | \$0.70               |

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**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.**