

Projections for Planning Purposes Only -- Not to be Used without Updating
2020 Estimated Costs and Returns per Acre
Dryland Cotton (2X1 Planting Pattern)
Rolling Plains Extension District - 3

Crop Acres		640					
REVENUE			Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint		400.00	Pound	\$0.66	\$264.00	\$168,960.00	
Cottonseed		0.33	Ton	\$230.00	\$75.91	\$48,580.86	
Total Revenue					\$339.91	\$217,540.86	
VARIABLE COSTS			Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs							
Custom							
Insecticide Application		1	Acre	\$5.50	\$5.50	\$3,520.00	
Gin, Bag, Ties		320	Pound	\$0.13	\$41.60	\$26,624.00	
Custom Stripping		320	Pound	\$0.10	\$32.00	\$20,480.00	
Fertilizer							
Fertilizer (N)		57	Pound	\$0.38	\$21.66	\$13,862.40	
Herbicide							
Roundup		2	Pint	\$1.88	\$3.75	\$2,400.00	
Insecticide							
Insecticide - Cotton		0.5	Pound	\$7.20	\$3.60	\$2,304.00	
Bollweevil Eradication		1	Acre	\$2.50	\$2.50	\$1,600.00	
Miscellaneous							
Insurance - Dryland Cotton		1	Acre	\$15.00	\$15.00	\$9,600.00	
Seed							
Cotton Seed		5	Pound	\$8.00	\$40.00	\$25,600.00	
Machinery Labor							
Tractors/Self-Propelled		1.07	Hour	\$12.00	\$12.84	\$8,217.60	
Other Labor		1.28	Hour	\$12.00	\$15.36	\$9,830.40	
Diesel Fuel							
Tractors/Self-Propelled		7.29	Gallon	\$1.85	\$13.49	\$8,631.36	
Gasoline							
Pickup/General Use Equipment		1	Acre	\$1.05	\$1.05	\$675.00	
Repairs & Maintenance							
Pickup/General Use Equipment		1	Acre	\$0.42	\$0.42	\$270.00	
Tractors/Self-Propelled		1	Acre	\$14.90	\$14.90	\$9,538.47	
Implements		1	Acre	\$18.08	\$18.08	\$11,568.82	
Interest on Credit Line				6.50%	\$5.84	\$3,740.07	
Total Variable Costs					\$247.60	\$158,462.11	
Planned Returns Above Variable Costs:					\$92.31	\$59,078.75	
Breakeven Price to Cover Variable Costs					\$0.43	Pound	
FIXED COSTS			Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation							
Pickup/General Use Equipment		1	Acre	\$0.59	\$0.59	\$374.85	
Tractors/Self-Propelled		1	Acre	\$15.40	\$15.40	\$9,856.42	
Implements		1	Acre	\$22.60	\$22.60	\$14,463.77	
Equipment Investment							
Pickup/General Use Equipment		\$4.10	Dollars	5.50%	\$0.23	\$144.42	
Tractors/Self-Propelled		\$119.98	Dollars	5.50%	\$6.60	\$4,223.16	
Implements		\$96.68	Dollars	5.50%	\$5.32	\$3,403.00	
Cash Rent - Dryland Cotton		1	Acre	\$30.00	\$30.00	\$19,200.00	
Total Fixed Costs					\$80.73	\$51,665.61	
Total Specified Costs					\$328.32	\$210,127.73	
Returns Above Specified Costs					\$11.58	\$7,413.13	
Breakeven Price to Cover Total Costs					\$0.63	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	300.00	\$0.57	\$0.84
90%	360.00	\$0.48	\$0.70
100%	400.00	\$0.43	\$0.63
110%	440.00	\$0.39	\$0.57
125%	500.00	\$0.34	\$0.50

Developed by Extension Economists, Texas A&M AgriLife Extension Service, budgets@tamu.edu.

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.