

Projections for Planning Purposes Only -- Not to be Used without Updating
2020 Estimated Costs and Returns per Acre
Dryland Cotton (Solid 40" Rows)
Rolling Plains Extension District - 3

Crop Acres		640						
REVENUE				Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint		440.00	Pound	\$0.66		\$290.40	\$185,856.00	
Cottonseed		0.36	Ton	\$230.00		\$83.57	\$53,483.07	
Total Revenue						\$373.97	\$239,339.07	
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs								
Custom								
Fertilizer Application		1	Acre	\$4.50		\$4.50	\$2,880.00	
Insecticide Application		1	Acre	\$5.50		\$5.50	\$3,520.00	
Gin, Bag, Ties		480	Pound	\$0.13		\$62.40	\$39,936.00	
Custom Stripping		480	Pound	\$0.10		\$48.00	\$30,720.00	
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		1.01	Hour	\$12.00		\$12.12	\$7,756.80	
Other Labor		1.21	Hour	\$12.00		\$14.52	\$9,292.80	
Diesel Fuel								
Tractors/Self-Propelled		6.88	Gallon	\$1.85		\$12.73	\$8,145.92	
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	\$14.07		\$14.07	\$9,002.59	
Implements		1	Acre	\$16.05		\$16.05	\$10,272.62	
Interest on Credit Line				6.50%		\$5.64	\$3,611.58	
Total Variable Costs						\$283.52	\$181,449.72	
Planned Returns Above Variable Costs:						\$90.45	\$57,889.36	
Breakeven Price to Cover Variable Costs						\$0.45	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	\$14.54		\$14.54	\$9,302.68	
Implements		1	Acre	\$20.09		\$20.09	\$12,857.13	
Equipment Investment								
Pickup/General Use Equipment		\$4.10	Dollars	5.50%		\$0.23	\$144.42	
Tractors/Self-Propelled		\$113.24	Dollars	5.50%		\$6.23	\$3,985.90	
Implements		\$85.94	Dollars	5.50%		\$4.73	\$3,025.00	
Cash Rent - Dryland Cotton		1	Acre	\$30.00		\$30.00	\$19,200.00	
Total Fixed Costs						\$76.39	\$48,889.97	
Total Specified Costs						\$359.91	\$230,339.69	
Returns Above Specified Costs						\$14.06	\$8,999.38	
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%	330.00	\$0.61	\$0.84
90%	396.00	\$0.50	\$0.70
100%	440.00	\$0.45	\$0.63
110%	484.00	\$0.41	\$0.57
125%	550.00	\$0.36	\$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.