

Dryland Cotton Enterprise Budget

1000 acres farmed, 160 acres for this budget

Conventional tillage - continuous

2009 harvest price projection



				Total
PRODUCTION	Units	Price	Quantity	\$/Acre
Cotton Lint	Lbs	\$ 0.52	431.60	\$ 224.43
Cotton Seed	Cwt	\$ 4.63	7.34	\$ 33.98
Other Income	Dollars	\$ -	0	\$ -
Total Receipts				\$ 258.42
OPERATING INPUTS	Units	Price	Quantity	\$/Acre
Seed	Acre	\$ 12.43	1	\$ 12.43
Fertilizer	Acre	\$ 34.68	1	\$ 34.68
Custom Harvest	Acre	\$ -	0	\$ -
Pesticide	Acre	\$ 29.44	1	\$ 29.44
Growth Regulators/Harvest Aids	Acre	\$ 7.52	1	\$ 7.52
Crop Insurance	Acre	\$ 9.91	1	\$ 9.91
Annual Operating Capital	Dollars	7.00%	80.92	\$ 5.66
Machinery Labor	Hrs.	\$ 8.35	1.84	\$ 15.36
Custom Hire	Acre	\$ -	0	\$ -
Machinery Fuel, Lube, Repairs	Acre	\$ 86.22	1	\$ 86.22
Ginning/Processing	Acre	\$ 49.63	1	\$ 49.63
Other Expense	Acre	\$ 12.31	1	\$ 12.31
Total Operating Costs				\$ 263.16
Returns Above Total Operating Costs				\$ (4.74)
FIXED COSTS	Units	Rate		\$/Acre
Machinery/Irrigation	\$/value			
Interest at	Dollars	7.25%		\$ 19.41
Taxes at	Dollars	1.00%		\$ 4.43
Insurance	Dollars	0.60%		\$ 1.61
Depreciation	Dollars			\$ 35.14
Land	\$/acre	\$ -		
Interest at	Dollars	0.00%		\$ -
Taxes at	Dollars	0.00%		\$ -
Total Fixed Costs				\$ 60.59
Total Costs (Operating + Fixed):				\$ 323.75
Returns Above All Specified Costs				\$ (65.33)

Tillman County - Southwest OK

Owner-Operator

Owned equipment

Break-Even (B-E) Analysis				
B-E Yield at \$/lb.	0.52	B-E Price at lbs./acre	431.60	
Above Operating Costs (Lbs.)	441	Above Operating Costs	\$	0.53
Above Total Costs (Lbs.)	557	Above Total Costs	\$	0.67

Break-even yield is the yield needed to cover costs given the expected price, cotton seed income, and other income such as government payments. Break-even price is the price needed to cover costs given the expected yield, cotton seed income, and other income.