## 2014 Estimated Costs and Returns per Acre

### Cotton, Pivot Irrigated, Herbicide Tolerant, Insect Resistant  -  122 Acres

**South Plains Extension District - 2**

### Revenue

<table>
<thead>
<tr>
<th>Crop</th>
<th>Quantity</th>
<th>Units</th>
<th>$/Unit</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton Lint</td>
<td>1,250.00</td>
<td>Pound</td>
<td>$0.70</td>
<td>$875.00</td>
<td>$106,750.00</td>
</tr>
<tr>
<td>Cottonseed</td>
<td>0.90</td>
<td>Ton</td>
<td>$250.00</td>
<td>$225.00</td>
<td>$27,450.00</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$1,100.00</strong></td>
<td><strong>$134,200.00</strong></td>
</tr>
</tbody>
</table>

### Variable Costs

#### Production Costs

- **Seed**
  - Seed - Cotton Irrigated: 52 Thousand, $1.00, $52.00, $6,344.00

- **Fertilizer**
  - Fertilizer (P): 50 Pound, $0.60, $30.00, $3,660.00
  - Fertilizer (N): 125 Pound, $0.55, $68.75, $8,387.50

- **Herbicide**
  - Herbicide and Apply Preplant: 1 Acre, $20.00, $20.00, $2,440.00
  - Herbicide and Apply Postemerge Irrigated: 1 Acre, $20.00, $20.00, $2,440.00

- **Insecticide**
  - Insecticide and Apply Cotton: 1 Acre, $12.00, $12.00, $1,464.00
  - Boll Weevil Assessment Irrigated: 1 Acre, $1.00, $1.00, $122.00

- **Other Chemicals**
  - Harvest Aid Apply Cotton Irrigated: 1 Acre, $25.00, $25.00, $3,050.00

- **Miscellaneous**
  - Crop Insurance Cotton - Irrigated: 1 Acre, $30.00, $30.00, $3,660.00

- **Custom**
  - Fertilizer Application: 1 Acre, $10.00, $10.00, $1,220.00
  - Strip and Module - Cotton: 1250 Pound, $0.08, $100.00, $12,200.00
  - Ginning - Cotton: 44.64 CWT, $3.10, $138.38, $16,882.85
  - Irrigation: 12.00 AcreInch, $9.00, $108.00, $13,176.00
  - Machinery Labor: 1 Hour, $11.75, $11.75, $1,433.50
  - Diesel Fuel: 2.75 Gallon, $3.20, $8.80, $1,073.60
  - Repairs & Maintenance: 1 Acre, $1.75, $1.75, $213.50
  - Implemets: 1 Acre, $3.00, $3.00, $366.00
  - Irrigation Equipment: 1 Acre, $300.00, $300.00, $3,660.00
  - Tractors/Self-Propelled: 1 Acre, $6.00, $6.00, $732.00
  - Implements: 1 Acre, $3.00, $3.00, $366.00

- **Interest on Credit Line**: 6.00%, $13.74, $1,676.19

- **Total Variable Costs**: $701.92, $85,634.64

### Fixed Costs

- **Equipment Investment**
  - Pickup/General Use Equipment: $35.78 Dollars, 7.00%, $2.50, $305.55
  - Irrigation Equipment: $714.29 Dollars, 7.00%, $50.00, $6,100.00
  - Tractors/Self-Propelled: $171.43 Dollars, 7.00%, $12.00, $1,464.00
  - Implements: $142.86 Dollars, 7.00%, $10.00, $1,220.00
  - Cash Rent - Cotton Irrigated: 1 Acre, $100.00, $100.00, $12,200.00

- **Total Fixed Costs**: $174.50, $21,289.55

- **Total Specified Costs**: $876.43, $106,924.19

### Returns Above Specified Costs

- Planned Returns Above Variable Costs: $398.08, $48,565.36

- **Breakeven Price to Cover Variable Costs**: $0.38 Pound

### Example Breakeven Prices

<table>
<thead>
<tr>
<th>Percent</th>
<th>Yield</th>
<th>Price Needed to Cover Example Variable Costs</th>
<th>Price Needed to Cover Example Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>937.50</td>
<td>$0.51 Rent, $0.51 Share Tenant</td>
<td>$0.69 Landlord, $0.69 Share Tenant</td>
</tr>
<tr>
<td>90%</td>
<td>1125.00</td>
<td>$0.42 Rent, $0.42 Share Tenant</td>
<td>$0.58 Landlord, $0.58 Share Tenant</td>
</tr>
<tr>
<td>100%</td>
<td>1250.00</td>
<td>$0.38 Rent, $0.38 Share Tenant</td>
<td>$0.52 Landlord, $0.52 Share Tenant</td>
</tr>
<tr>
<td>110%</td>
<td>1375.00</td>
<td>$0.35 Rent, $0.35 Share Tenant</td>
<td>$0.47 Landlord, $0.47 Share Tenant</td>
</tr>
<tr>
<td>125%</td>
<td>1562.50</td>
<td>$0.31 Rent, $0.31 Share Tenant</td>
<td>$0.42 Landlord, $0.42 Share Tenant</td>
</tr>
</tbody>
</table>

Developed by Jackie Smith, Professor and Extension Economist, Texas A&M AgriLife Extension.

*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.*