

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Sprinkler Irrigated Cotton - 120 Acres
Rolling Plains Extension District - 3

Crop Acres		120				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Cotton Lint		800.00	Pound	\$0.72	\$576.00	\$69,120.00
Cottonseed		0.60	Ton	\$290.00	\$174.00	\$20,880.00
Total Revenue					\$750.00	\$90,000.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Cotton Seed		11.5	Pound	\$6.00	\$69.00	\$8,280.00
Fertilizer						
Fertilizer (N)		75	Pound	\$0.48	\$36.00	\$4,320.00
Fertilizer (P)		60	Pound	\$0.42	\$25.20	\$3,024.00
Potash (K)		40	Pound	\$0.43	\$17.20	\$2,064.00
Sulfur		12	Pound	\$0.22	\$2.64	\$316.80
Herbicide						
Roundup		2	Pint	\$3.90	\$7.80	\$936.00
Harvest Aid - Prep		3	Pint	\$3.56	\$10.68	\$1,281.60
Harvest Aid -Def		8	Ounce	\$0.25	\$2.00	\$240.00
Insecticide						
Insecticide - Cotton		5	Fluid Ounce	\$1.19	\$5.95	\$714.00
Bollweevil Eradication		1	Acre	\$2.50	\$2.50	\$300.00
Miscellaneous						
Insurance - Irrigated Cotton		1	Acre	\$17.00	\$17.00	\$2,040.00
Custom						
Fertilizer Application		1	Acre	\$5.00	\$5.00	\$600.00
Insecticide Application		1	Acre	\$5.00	\$5.00	\$600.00
Harvest Aid Application		1	Acre	\$5.00	\$5.00	\$600.00
Gin, Bag, Ties		800	Pound	\$0.12	\$96.00	\$11,520.00
Custom Picking		800	Pound	\$0.10	\$80.00	\$9,600.00
Irrigation						
Energy or Water Cost		15.00	Acre/Inch	\$1.80	\$27.00	\$3,240.10
Irrigation Labor		0.96	Hour	\$10.00	\$9.60	\$1,152.00
Machinery Labor						
Tractors/Self-Propelled		1.96	Hour	\$10.00	\$19.60	\$2,352.00
Diesel Fuel						
Tractors/Self-Propelled		5.97	Gallon	\$3.24	\$19.34	\$2,321.14
Gasoline						
Pickup/General Use Equipment		1	Acre	\$9.00	\$9.00	\$1,080.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$2.42	\$2.42	\$289.80
Irrigation Equipment		1	Acre	\$16.67	\$16.67	\$2,000.00
Tractors/Self-Propelled		1	Acre	\$7.70	\$7.70	\$924.26
Implements		1	Acre	\$4.37	\$4.37	\$524.86
Interest on Credit Line				6.25%	\$9.54	\$1,144.88
Total Variable Costs					\$512.21	\$61,465.44
Planned Returns Above Variable Costs:					\$237.79	\$28,534.56
Breakeven Price to Cover Variable Costs					\$0.42	Pound
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$3.35	\$3.35	\$402.34
Irrigation Equipment		1	Acre	\$10.00	\$10.00	\$1,200.00
Tractors/Self-Propelled		1	Acre	\$7.45	\$7.45	\$893.45
Implements		1	Acre	\$5.79	\$5.79	\$695.10
Equipment Investment						
Pickup/General Use Equipment	\$40.25		Dollars	5.85%	\$2.35	\$282.56
Irrigation Equipment	\$416.67		Dollars	5.85%	\$24.38	\$2,925.00
Tractors/Self-Propelled	\$128.37		Dollars	5.85%	\$7.51	\$901.15
Implements	\$45.05		Dollars	5.85%	\$2.64	\$316.27
Cash Rent - Irrigated Cotton		1	Acre	\$75.00	\$75.00	\$9,000.00
Total Fixed Costs					\$138.47	\$16,615.86
Total Specified Costs					\$650.68	\$78,081.29
Returns Above Specified Costs					\$99.32	\$11,918.71
Breakeven Price to Cover Total Costs					\$0.60	Pound

Example Breakeven Prices						
Example Yield Percent	Example Yield Pound	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	Share/Tenant	Own/Rent	Share/Tenant	Landlord
75%	600.00	\$0.56	\$0.56	\$0.79	\$0.79	\$0.00
90%	720.00	\$0.47	\$0.47	\$0.66	\$0.66	\$0.00
100%	800.00	\$0.42	\$0.42	\$0.60	\$0.60	\$0.00
110%	880.00	\$0.38	\$0.38	\$0.54	\$0.54	\$0.00
125%	1000.00	\$0.34	\$0.34	\$0.48	\$0.48	\$0.00

Developed by Stan Bevers, Professor and Extension Economist, Texas A&M AgriLife Extension Service.

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.