

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Irrigated Cotton - 122 Acres
Southwest Extension District - 10

Crop Acres		122				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint		1,250.00	Pound	\$0.75	\$937.50	\$114,375.00
Cottonseed		2,120.00	Pound	\$0.14	\$292.56	\$35,692.32
Total Revenue					\$1,230.06	\$150,067.32
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Cotton Seed BIIRRF		52	Thousand	\$1.60	\$83.20	\$10,150.40
Fertilizer						
UAN(32% N)		5	CWT	\$17.00	\$85.00	\$10,370.00
Fertilizer 18-46-0		217	Pound	\$0.25	\$54.25	\$6,618.50
Herbicide						
Glyphosate		4.2	Pint	\$2.25	\$9.45	\$1,152.90
Prowl H2O		2	Pint	\$4.63	\$9.26	\$1,129.72
Insecticide						
Karate Z		1	Ounce	\$0.78	\$0.78	\$95.16
Other Chemicals						
GinStar		5	Ounce	\$1.33	\$6.65	\$811.30
Ethephon 6		24	Ounce	\$0.18	\$4.32	\$527.04
Surfactant		1	Ounce	\$0.06	\$0.06	\$7.32
Gramoxone SL		24	Ounce	\$0.27	\$6.48	\$790.56
Crop Oil Concentrate		0.25	Pint	\$2.50	\$0.63	\$76.25
Miscellaneous						
Boll Weevil Eradication Program		1	Acre	\$17.50	\$17.50	\$2,135.00
Custom						
Custom Apply Fertilizer		1	Acre	\$4.00	\$4.00	\$488.00
Gin, Bag, Tie (Dryland)		1	Acre	\$12.73	\$12.73	\$1,553.06
Irrigation						
Energy or Water Cost		678.74	kWh	\$0.18	\$122.17	\$14,905.02
Machinery Labor						
Tractors/Self-Propelled		2.06	Hour	\$12.00	\$24.72	\$3,015.84
Diesel Fuel						
Tractors/Self-Propelled		12.83	Gallon	\$2.85	\$36.57	\$4,460.99
Gasoline						
Pickup/General Use Equipment		1	Acre	\$32.93	\$32.93	\$4,017.80
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$6.72	\$6.72	\$819.96
Irrigation Equipment		1	Acre	\$7.05	\$7.05	\$860.10
Tractors/Self-Propelled		1	Acre	\$7.48	\$7.48	\$912.14
Implements		1	Acre	\$6.38	\$6.38	\$778.90
Interest on Credit Line				6.50%	\$17.08	\$2,083.33
Total Variable Costs					\$555.40	\$67,759.29
Planned Returns Above Variable Costs:					\$674.66	\$82,308.03
Breakeven Price to Cover Variable Costs					\$0.21	Pound
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$25.20	\$25.20	\$3,074.85
Irrigation Equipment		1	Acre	\$46.33	\$46.33	\$5,652.72
Tractors/Self-Propelled		1	Acre	\$23.87	\$23.87	\$2,912.21
Implements		1	Acre	\$7.66	\$7.66	\$934.90
Equipment Investment						
Pickup/General Use Equipment	\$168.02	Dollars		6.50%	\$10.92	\$1,332.44
Irrigation Equipment	\$695.01	Dollars		6.50%	\$45.18	\$5,511.40
Tractors/Self-Propelled	\$306.51	Dollars		6.50%	\$19.92	\$2,430.61
Implements	\$114.33	Dollars		6.50%	\$7.43	\$906.66
Irrigated Winter Garden Rent		1	Acre	\$50.00	\$50.00	\$6,100.00
Total Fixed Costs					\$236.52	\$28,855.79
Total Specified Costs					\$791.93	\$96,615.08
Returns Above Specified Costs					\$438.13	\$53,452.24
Breakeven Price to Cover Total Costs					\$0.40	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	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	937.50	\$0.28	\$0.28	\$0.53	\$0.53	\$0.00
90%	1125.00	\$0.23	\$0.23	\$0.44	\$0.44	\$0.00
100%	1250.00	\$0.21	\$0.21	\$0.40	\$0.40	\$0.00
110%	1375.00	\$0.19	\$0.19	\$0.36	\$0.36	\$0.00
125%	1562.50	\$0.17	\$0.17	\$0.32	\$0.32	\$0.00

Developed by Rob Hogan, Associate 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.