

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Cotton, Sprinkler Irrigated (Roundup Ready Flex) - 122 Acres
Panhandle Extension District - 1

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Enterprise
Cotton Lint	1,100.00	Pound	\$0.58	\$638.00	\$77,836.00	
Cottonseed	0.83	Ton	\$160.00	\$132.80	\$16,201.60	
Total Revenue				\$770.80	\$94,037.60	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Custom						
Fertilizer Application	1	Acre	\$5.50	\$5.50	\$671.00	
Strip and Module - Cotton	11	CWT	\$9.00	\$99.00	\$12,078.00	
Ginning - Cotton	40.48	CWT	\$2.70	\$109.30	\$13,334.11	
Fertilizer						
Fertilizer (P) - Dry	25	Pound	\$0.60	\$15.00	\$1,830.00	
Fertilizer (N) - Dry	100	Pound	\$0.49	\$49.00	\$5,978.00	
Herbicide						
Herbicide and Apply Preplant	1	Acre	\$14.80	\$14.80	\$1,805.60	
Herbicide and Apply Postemerge	1	Acre	\$19.75	\$19.75	\$2,409.50	
Insecticide						
Insecticide and Apply Cotton	1	Acre	\$10.00	\$10.00	\$1,220.00	
Boll Weevil Assessment Irrigated	1	Acre	\$0.75	\$0.75	\$91.50	
Seed						
Seed - Cotton	0.22	Bag	\$360.00	\$79.20	\$9,662.40	
Miscellaneous						
Crop Insurance Cotton - Irrigated	1	Acre	\$36.96	\$36.96	\$4,509.12	
Other Chemicals						
Harvest Aid Apply Cotton Irrigated	0.75	Acre	\$26.50	\$19.88	\$2,424.75	
Irrigation						
Energy Cost	12.00	AcreInch	\$4.30	\$51.60	\$6,295.20	
Irrigation Labor	0.77	Hour	\$11.75	\$9.02	\$1,100.93	
Machinery Labor						
Tractors/Self-Propelled	1.15	Hour	\$11.75	\$13.51	\$1,648.53	
Diesel Fuel						
Tractors/Self-Propelled	2.81	Gallon	\$3.30	\$9.27	\$1,131.31	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$10.42	\$10.42	\$1,270.75	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$4.26	\$4.26	\$520.20	
Irrigation Equipment	1	Acre	\$48.48	\$48.48	\$5,914.56	
Tractors/Self-Propelled	1	Acre	\$3.72	\$3.72	\$453.63	
Implements	1	Acre	\$5.42	\$5.42	\$661.60	
Interest on Credit Line			4.90%	\$10.35	\$1,263.23	
Total Variable Costs				\$625.20	\$76,273.90	
Planned Returns Above Variable Costs:				\$145.60	\$17,763.70	
Breakeven Price to Cover Variable Costs			\$0.45	Pound		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$4.48	\$4.48	\$546.21	
Irrigation Equipment	1	Acre	\$22.50	\$22.50	\$2,745.60	
Tractors/Self-Propelled	1	Acre	\$3.51	\$3.51	\$428.31	
Implements	1	Acre	\$6.33	\$6.33	\$771.98	
Equipment Investment						
Pickup/General Use Equipment	\$53.30	Dollars	5.40%	\$2.88	\$351.14	
Irrigation Equipment	\$703.28	Dollars	5.40%	\$37.98	\$4,633.20	
Tractors/Self-Propelled	\$39.64	Dollars	5.40%	\$2.14	\$261.13	
Implements	\$50.12	Dollars	5.40%	\$2.71	\$330.21	
Cash Rent - Cotton Irrigated	1	Acre	\$80.75	\$80.75	\$9,851.50	
Total Fixed Costs				\$163.27	\$19,919.28	
Total Specified Costs				\$788.47	\$96,193.19	
Returns Above Specified Costs				(\$17.67)	(\$2,155.59)	
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	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	825.00	\$0.60	\$0.60	\$0.79	\$0.79	\$0.00
90%	990.00	\$0.50	\$0.50	\$0.66	\$0.66	\$0.00
100%	1100.00	\$0.45	\$0.45	\$0.60	\$0.60	\$0.00
110%	1210.00	\$0.41	\$0.41	\$0.54	\$0.54	\$0.00
125%	1375.00	\$0.36	\$0.36	\$0.48	\$0.48	\$0.00

Developed by Steve Amosson, Regents Fellow, 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.