

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 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	\$0.55	\$440.00	\$52,800.00
Cottonseed		0.60	Ton	\$160.00	\$96.00	\$11,520.00
Total Revenue					\$536.00	\$64,320.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
Fertilizer Application		1	Acre	\$5.50	\$5.50	\$660.00
Insecticide Application		1	Acre	\$5.50	\$5.50	\$660.00
Harvest Aid Application		1	Acre	\$5.50	\$5.50	\$660.00
Gin, Bag, Ties		800	Pound	\$0.12	\$96.00	\$11,520.00
Custom Picking		800	Pound	\$0.13	\$104.00	\$12,480.00
Fertilizer						
Fertilizer (N)		75	Pound	\$0.60	\$45.00	\$5,400.00
Fertilizer (P)		60	Pound	\$0.42	\$25.20	\$3,024.00
Potash (K)		40	Pound	\$0.45	\$18.00	\$2,160.00
Sulfur		12	Pound	\$0.22	\$2.64	\$316.80
Herbicide						
Roundup		2	Pint	\$5.50	\$11.00	\$1,320.00
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
Seed						
Cotton Seed		11.5	Pound	\$6.50	\$74.75	\$8,970.00
Miscellaneous						
Insurance - Irrigated Cotton		1	Acre	\$17.00	\$17.00	\$2,040.00
Irrigation						
Energy Cost		15.00	AcreInch	\$1.20	\$18.00	\$2,160.07
Irrigation Labor		0.96	Hour	\$10.00	\$9.60	\$1,152.00
Machinery Labor						
Tractors/Self-Propelled		1.9	Hour	\$10.00	\$19.00	\$2,280.00
Diesel Fuel						
Tractors/Self-Propelled		5.9	Gallon	\$2.59	\$15.28	\$1,833.72
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	\$2,000.40
Tractors/Self-Propelled		1	Acre	\$9.21	\$9.21	\$1,104.69
Implements		1	Acre	\$14.13	\$14.13	\$1,695.52
Interest on Credit Line				6.25%	\$10.66	\$1,279.80
Total Variable Costs					\$555.19	\$66,622.40
Planned Returns Above Variable Costs:						
Breakeven Price to Cover Variable Costs					\$0.57	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	\$9.51	\$9.51	\$1,141.51
Implements		1	Acre	\$18.01	\$18.01	\$2,161.16
Equipment Investment						
Pickup/General Use Equipment		\$40.25	Dollars	5.50%	\$2.21	\$265.65
Irrigation Equipment		\$416.67	Dollars	5.50%	\$22.92	\$2,750.00
Tractors/Self-Propelled		\$107.40	Dollars	5.50%	\$5.91	\$708.84
Implements		\$140.07	Dollars	5.50%	\$7.70	\$924.49
Cash Rent - Irrigated Cotton		1	Acre	\$75.00	\$75.00	\$9,000.00
Total Fixed Costs					\$154.62	\$18,554.00
Total Specified Costs					\$709.80	\$85,176.39
Returns Above Specified Costs						
					(\$173.80)	(\$20,856.39)
Breakeven Price to Cover Total Costs					\$0.77	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%	600.00	\$0.77	\$0.77	\$1.02	\$1.02	\$0.00
90%	720.00	\$0.64	\$0.64	\$0.85	\$0.85	\$0.00
100%	800.00	\$0.57	\$0.57	\$0.77	\$0.77	\$0.00
110%	880.00	\$0.52	\$0.52	\$0.70	\$0.70	\$0.00
125%	1000.00	\$0.46	\$0.46	\$0.61	\$0.61	\$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.