

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Irrigated Cotton - Pivot - 122 Acres
South Plains Extension District - 2

Crop Acres		122		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Cotton Lint	1,250.00	Pound	\$0.60	\$750.00	\$91,500.00
Cottonseed	0.89	Ton	\$180.00	\$159.84	\$19,500.48
Total Revenue				\$909.84	\$111,000.48
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
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
Fertilizer Application - Liquid High	1	Acre	\$4.75	\$4.75	\$579.50
Scouting	1	Acre	\$9.00	\$9.00	\$1,098.00
Fertilizer					
Fertilizer (P) - Liquid	50	Pound	\$0.74	\$36.75	\$4,483.50
Fertilizer (N) - Liquid	125	Pound	\$0.58	\$72.25	\$8,814.50
Herbicide					
Herbicide - Cotton Preplant	1	Acre	\$8.75	\$8.75	\$1,067.50
Herbicide - Cotton At Plant	1	Acre	\$5.75	\$5.75	\$701.50
Herbicide - Cotton Postplant	1	Acre	\$26.75	\$26.75	\$3,263.50
Spot Spray and Chemical	0.2	Acre	\$15.00	\$3.00	\$366.00
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
Seed					
Seed - Cotton Irrigated	52	Thousand	\$0.63	\$32.76	\$3,996.72
Seed - Cotton Irrigated Tech Fee	52	Thousand	\$0.78	\$40.56	\$4,948.32
Miscellaneous					
Crop Insurance Cotton - Irrigated	1	Acre	\$40.00	\$40.00	\$4,880.00
Other Chemicals					
Harvest Aid Apply Cotton Irrigated	1	Acre	\$25.00	\$25.00	\$3,050.00
Other Labor					
Hoeing	0.2	Acre	\$15.00	\$3.00	\$366.00
Irrigation					
Energy Cost	12.00	AcreInch	\$9.00	\$108.00	\$13,176.00
Irrigation Labor	0.90	Hour	\$12.00	\$10.80	\$1,317.60
Machinery Labor					
Tractors/Self-Propelled	1.6	Hour	\$12.00	\$19.20	\$2,342.40
Diesel Fuel					
Tractors/Self-Propelled	4	Gallon	\$3.00	\$12.00	\$1,464.00
Gasoline					
Pickup/General Use Equipment	2	Gallon	\$2.25	\$4.50	\$549.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$1.75	\$0.50	\$61.00
Irrigation Equipment	1	Acre	\$21.00	\$21.00	\$2,562.00
Tractors/Self-Propelled	1	Acre	\$5.83	\$6.00	\$732.00
Implements	1	Acre	\$15.68	\$3.00	\$366.00
Interest on Credit Line			6.00%	\$15.35	\$1,872.87
Total Variable Costs				\$760.06	\$92,726.76
Planned Returns Above Variable Costs:				\$149.78	\$18,273.72
Breakeven Price to Cover Variable Costs			\$0.48	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Investment					
Pickup/General Use Equipment	\$17.89	Dollars	7.00%	\$1.25	\$152.78
Irrigation Equipment	\$785.72	Dollars	7.00%	\$55.00	\$6,710.01
Tractors/Self-Propelled	\$171.40	Dollars	7.00%	\$12.00	\$1,463.76
Implements	\$142.90	Dollars	7.00%	\$10.00	\$1,220.37
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$244.00
Cash Rent - Cotton Irrigated	1	Acre	\$100.00	\$100.00	\$12,200.00
Total Fixed Costs				\$180.25	\$21,990.91
Total Specified Costs				\$940.31	\$114,717.67
Returns Above Specified Costs				(\$30.47)	(\$3,717.19)
Breakeven Price to Cover Total Costs			\$0.62	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	\$0.64	\$0.64	\$0.83	\$0.83	\$0.00
90%	1125.00	\$0.53	\$0.53	\$0.69	\$0.69	\$0.00
100%	1250.00	\$0.48	\$0.48	\$0.62	\$0.62	\$0.00
110%	1375.00	\$0.44	\$0.44	\$0.57	\$0.57	\$0.00
125%	1562.50	\$0.38	\$0.38	\$0.50	\$0.50	\$0.00

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.