

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 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 | Total |
| Cotton Lint | 1,250.00 | Pound | \$0.58 | \$725.00 | \$88,450.00 | |
| Cottonseed | 0.94 | Ton | \$230.00 | \$215.63 | \$26,306.25 | |
| Total Revenue | | | | \$940.63 | \$114,756.25 | |
| VARIABLE COSTS | Quantity | Units | \$/Unit | Total | Total | Enterprise |
| Production Costs | | | | | | |
| Custom | | | | | | |
| Fertilizer Application | 1 | Acre | \$5.65 | \$5.65 | \$689.45 | |
| Strip and Module - Cotton | 12.5 | CWT | \$9.25 | \$115.59 | \$14,102.44 | |
| Ginning - Cotton | 45.86 | CWT | \$3.00 | \$137.58 | \$16,784.76 | |
| Fertilizer | | | | | | |
| Fertilizer (P) - Dry | 40 | Pound | \$0.52 | \$20.80 | \$2,537.60 | |
| Fertilizer (N) - Dry | 130 | Pound | \$0.42 | \$54.60 | \$6,661.20 | |
| Herbicide | | | | | | |
| Herbicide and Apply Preplant | 1 | Acre | \$14.40 | \$14.40 | \$1,756.31 | |
| Herbicide and Apply Postemerge | 1 | Acre | \$19.21 | \$19.21 | \$2,343.72 | |
| Insecticide | | | | | | |
| Insecticide and Apply Cotton | 1 | Acre | \$9.55 | \$9.55 | \$1,165.59 | |
| Boll Weevil Assessment Irrigated | 1 | Acre | \$0.72 | \$0.72 | \$87.42 | |
| Miscellaneous | | | | | | |
| Crop Insurance Cotton - Irrigated | 1 | Acre | \$55.00 | \$55.00 | \$6,710.00 | |
| Seed | | | | | | |
| Seed - Cotton | 0.22 | Bag | \$400.00 | \$88.00 | \$10,736.00 | |
| Other Chemicals | | | | | | |
| Harvest Aid Apply Cotton Irrigated | 0.75 | Acre | \$25.78 | \$19.33 | \$2,358.55 | |
| Irrigation | | | | | | |
| Energy Cost | 12.00 | AcreInch | \$3.20 | \$38.40 | \$4,684.80 | |
| Irrigation Labor | 0.77 | Hour | \$12.16 | \$9.34 | \$1,139.24 | |
| Machinery Labor | | | | | | |
| Tractors/Self-Propelled | 1.15 | Hour | \$11.97 | \$13.76 | \$1,679.02 | |
| Diesel Fuel | | | | | | |
| Tractors/Self-Propelled | 2.81 | Gallon | \$1.97 | \$5.54 | \$675.36 | |
| Gasoline | | | | | | |
| Pickup/General Use Equipment | 1 | Acre | \$7.18 | \$7.18 | \$875.50 | |
| 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 | | | 5.15% | \$11.58 | \$1,412.54 | |
| Total Variable Costs | | | | \$688.11 | \$83,949.49 | |
| Planned Returns Above Variable Costs: | | | | \$252.51 | \$30,806.76 | |
| Breakeven Price to Cover Variable Costs | | | \$0.38 | 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 | \$30.91 | Dollars | 5.40% | \$1.67 | \$203.66 | |
| Irrigation Equipment | \$421.97 | Dollars | 5.40% | \$22.79 | \$2,779.92 | |
| Tractors/Self-Propelled | \$27.35 | Dollars | 5.40% | \$1.48 | \$180.18 | |
| Implements | \$27.57 | Dollars | 5.40% | \$1.49 | \$181.61 | |
| Cash Rent - Cotton Irrigated | 1 | Acre | \$75.00 | \$75.00 | \$9,150.00 | |
| Total Fixed Costs | | | | \$139.24 | \$16,987.48 | |
| Total Specified Costs | | | | \$827.35 | \$100,936.97 | |
| Returns Above Specified Costs | | | | \$113.27 | \$13,819.28 | |
| Breakeven Price to Cover Total Costs | | | \$0.49 | Pound | | |

| Example Breakeven Prices | | | |
|--------------------------|---------------------|---|--|
| Example Yield Percent | Example Yield Pound | Price Needed to Cover Your Variable Costs | Price Needed to Cover Your Total Costs |
| 75% | 937.50 | \$0.50 | \$0.65 |
| 90% | 1125.00 | \$0.42 | \$0.54 |
| 100% | 1250.00 | \$0.38 | \$0.49 |
| 110% | 1375.00 | \$0.34 | \$0.44 |
| 125% | 1562.50 | \$0.30 | \$0.39 |

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.