

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Irrigated Cotton - 122 Acres
Southwest Extension District - 10

Crop Acres		122		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Cotton Lint	1,250.00	Pound	\$0.56	\$700.00	\$85,400.00
Cottonseed	2,120.00	Pound	\$0.13	\$275.60	\$33,623.20
Total Revenue				\$975.60	\$119,023.20
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
Production Costs					
Custom					
Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$488.00
Gin, Bag, Tie - CWT	33.7	CWT	\$3.00	\$101.10	\$12,334.20
Fertilizer					
UAN(32% N)	5	CWT	\$16.00	\$80.00	\$9,760.00
Fertilizer 18-46-0	217	Pound	\$0.27	\$58.59	\$7,147.98
Herbicide					
Glyphosate	4.2	Pint	\$2.03	\$8.53	\$1,040.17
Prowl H2O	2	Pint	\$5.06	\$10.12	\$1,234.64
Insecticide					
Karate Z	1	Ounce	\$0.81	\$0.81	\$98.82
Miscellaneous					
Crop Insurance - Cotton Irrigated	1	Acre	\$28.00	\$28.00	\$3,416.00
Boll Weevil Eradication Program	1	Acre	\$7.00	\$7.00	\$854.00
Seed					
Cotton Seed BIIRRF	52	Thousand	\$1.65	\$85.80	\$10,467.60
Other Chemicals					
GinStar	5	Ounce	\$1.33	\$6.65	\$811.30
Ethephon 6	24	Ounce	\$0.16	\$3.84	\$468.48
Surfactant	1	Ounce	\$0.22	\$0.22	\$26.72
Gramoxone SL	24	Ounce	\$0.24	\$5.76	\$702.72
Crop Oil Concentrate	0.25	Pint	\$1.98	\$0.50	\$60.39
Irrigation					
Energy Cost	975.00	kWh	\$0.17	\$165.75	\$20,221.50
Machinery Labor					
Tractors/Self-Propelled	2.59	Hour	\$12.00	\$31.08	\$3,791.76
Diesel Fuel					
Tractors/Self-Propelled	17.09	Gallon	\$2.10	\$35.89	\$4,378.46
Gasoline					
Pickup/General Use Equipment	1	Acre	\$19.35	\$19.35	\$2,361.29
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$4.84	\$4.84	\$590.37
Irrigation Equipment	1	Acre	\$10.14	\$10.14	\$1,237.08
Tractors/Self-Propelled	1	Acre	\$32.77	\$32.77	\$3,998.39
Implements	1	Acre	\$22.03	\$22.03	\$2,687.51
Interest on Credit Line			6.50%	\$19.84	\$2,419.88
Total Variable Costs				\$742.60	\$90,597.25
Planned Returns Above Variable Costs:				\$233.00	\$28,425.95
Breakeven Price to Cover Variable Costs			\$0.37	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	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	\$41.28	\$41.28	\$5,036.41
Implements	1	Acre	\$27.29	\$27.29	\$3,329.25
Equipment Investment					
Pickup/General Use Equipment	\$105.02	Dollars	6.50%	\$6.83	\$832.77
Irrigation Equipment	\$347.50	Dollars	6.50%	\$22.59	\$2,755.70
Tractors/Self-Propelled	\$351.56	Dollars	6.50%	\$22.85	\$2,787.90
Implements	\$139.05	Dollars	6.50%	\$9.04	\$1,102.70
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$6,100.00
Total Fixed Costs				\$251.41	\$30,672.30
Total Specified Costs				\$994.01	\$121,269.55
Returns Above Specified Costs				(\$18.41)	(\$2,246.35)
Breakeven Price to Cover Total Costs			\$0.57	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	937.50	\$0.50	\$0.77
90%	1125.00	\$0.42	\$0.64
100%	1250.00	\$0.37	\$0.57
110%	1375.00	\$0.34	\$0.52
125%	1562.50	\$0.30	\$0.46

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension, 830-278-9151.

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.