

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 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	Total
Cotton Lint	800.00	Pound	\$0.57	\$456.00		\$54,720.00
Cottonseed	0.60	Ton	\$205.00	\$123.00		\$14,760.00
Total Revenue				\$579.00		\$69,480.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
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	\$0.45	\$33.75		\$4,050.00
Fertilizer (P)	60	Pound	\$0.40	\$24.00		\$2,880.00
Potash (K)	40	Pound	\$0.45	\$18.00		\$2,160.00
Sulfur	12	Pound	\$0.22	\$2.64		\$316.80
Herbicide						
Roundup	2	Pint	\$2.00	\$4.00		\$480.00
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
Miscellaneous						
Insurance - Irrigated Cotton	1	Acre	\$17.00	\$17.00		\$2,040.00
Seed						
Cotton Seed	11.5	Pound	\$6.50	\$74.75		\$8,970.00
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	\$1.65	\$9.74		\$1,168.20
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		\$2,000.34
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			5.75%	\$8.81		\$1,056.62
Total Variable Costs				\$528.33		\$63,399.64
Planned Returns Above Variable Costs:				\$50.67		\$6,080.36
Breakeven Price to Cover Variable Costs				\$0.51	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
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	\$23.49	Dollars	5.50%	\$1.29		\$155.01
Irrigation Equipment	\$291.67	Dollars	5.50%	\$16.04		\$1,925.00
Tractors/Self-Propelled	\$74.11	Dollars	5.50%	\$4.08		\$489.10
Implements	\$77.04	Dollars	5.50%	\$4.24		\$508.47
Cash Rent - Irrigated Cotton	1	Acre	\$75.00	\$75.00		\$9,000.00
Total Fixed Costs				\$141.52		\$16,982.59
Total Specified Costs				\$669.85		\$80,382.23
Returns Above Specified Costs					(\$90.85)	(\$10,902.23)
Breakeven Price to Cover Total Costs				\$0.68	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%	600.00	\$0.68	\$0.91
90%	720.00	\$0.56	\$0.76
100%	800.00	\$0.51	\$0.68
110%	880.00	\$0.46	\$0.62
125%	1000.00	\$0.41	\$0.55

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.