

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Cotton, Sprinkler Irrigated (Roundup Ready Flex) - 122 Acres
Panhandle Extension District - 1

| Crop Acres | | 122 | | | | |
|---|--|----------|----------|----------|-------------------|---------------------|
| | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| REVENUE | | | | | | |
| Cotton Lint | | 1,250.00 | Pound | \$0.65 | \$812.50 | \$99,125.00 |
| Cottonseed | | 0.94 | Ton | \$200.00 | \$187.50 | \$22,875.00 |
| Total Revenue | | | | | \$1,000.00 | \$122,000.00 |
| VARIABLE COSTS | | | | | | |
| | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Production Costs | | | | | | |
| Custom | | | | | | |
| Fertilizer Application | | 1 | Acre | \$5.00 | \$5.00 | \$610.00 |
| Strip and Module - Cotton | | 12.5 | CWT | \$8.00 | \$100.00 | \$12,200.00 |
| Ginning - Cotton | | 45.86 | CWT | \$2.75 | \$126.12 | \$15,386.03 |
| Fertilizer | | | | | | |
| Fertilizer (P) - Dry | | 40 | Pound | \$0.43 | \$17.20 | \$2,098.40 |
| Fertilizer (N) - Dry | | 130 | Pound | \$0.33 | \$42.90 | \$5,233.80 |
| Herbicide | | | | | | |
| Herbicide and Apply Preplant | | 1 | Acre | \$14.50 | \$14.50 | \$1,769.00 |
| Herbicide and Apply Postemerge | | 1 | Acre | \$19.40 | \$19.40 | \$2,366.80 |
| Insecticide | | | | | | |
| Insecticide and Apply Cotton | | 1 | Acre | \$9.60 | \$9.60 | \$1,171.20 |
| Boll Weevil Assessment Irrigated | | 1 | Acre | \$0.70 | \$0.70 | \$85.40 |
| Miscellaneous | | | | | | |
| Crop Insurance Cotton - Irrigated | | 1 | Acre | \$55.00 | \$55.00 | \$6,710.00 |
| Seed | | | | | | |
| Seed - Cotton | | 0.22 | Bag | \$385.00 | \$84.70 | \$10,333.40 |
| Other Chemicals | | | | | | |
| Harvest Aid Apply Cotton Irrigated | | 0.75 | Acre | \$25.00 | \$18.75 | \$2,287.50 |
| Irrigation | | | | | | |
| Energy Cost | | 12.00 | AcreInch | \$3.60 | \$43.20 | \$5,270.40 |
| Irrigation Labor | | 0.77 | Hour | \$12.45 | \$9.56 | \$1,166.52 |
| Machinery Labor | | | | | | |
| Tractors/Self-Propelled | | 1.17 | Hour | \$12.25 | \$14.33 | \$1,748.57 |
| Diesel Fuel | | | | | | |
| Tractors/Self-Propelled | | 2.88 | Gallon | \$1.81 | \$5.21 | \$635.96 |
| Gasoline | | | | | | |
| Pickup/General Use Equipment | | 1 | Acre | \$6.72 | \$6.72 | \$820.25 |
| 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 | \$5.27 | \$5.27 | \$643.41 |
| Implements | | 1 | Acre | \$4.75 | \$4.75 | \$579.27 |
| Interest on Credit Line | | | | 5.40% | \$11.44 | \$1,396.04 |
| Total Variable Costs | | | | | \$647.10 | \$78,946.70 |
| Planned Returns Above Variable Costs: | | | | | \$352.90 | \$43,053.30 |
| Breakeven Price to Cover Variable Costs | | | | \$0.37 | Pound | |
| FIXED COSTS | | | | | | |
| | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Machinery Depreciation | | | | | | |
| Pickup/General Use Equipment | | 1 | Acre | \$4.48 | \$4.48 | \$546.21 |
| Irrigation Equipment | | 1 | Acre | \$33.50 | \$33.50 | \$4,087.50 |
| Tractors/Self-Propelled | | 1 | Acre | \$4.94 | \$4.94 | \$603.11 |
| Implements | | 1 | Acre | \$5.51 | \$5.51 | \$672.59 |
| Equipment Investment | | | | | | |
| Pickup/General Use Equipment | | \$30.91 | Dollars | 5.65% | \$1.75 | \$213.09 |
| Irrigation Equipment | | \$470.29 | Dollars | 5.65% | \$26.57 | \$3,241.69 |
| Tractors/Self-Propelled | | \$38.51 | Dollars | 5.65% | \$2.18 | \$265.46 |
| Implements | | \$24.02 | Dollars | 5.65% | \$1.36 | \$165.56 |
| Cash Rent - Cotton Irrigated | | 1 | Acre | \$72.00 | \$72.00 | \$8,784.00 |
| Total Fixed Costs | | | | | \$152.29 | \$18,579.20 |
| Total Specified Costs | | | | | \$799.39 | \$97,525.90 |
| Returns Above Specified Costs | | | | | \$200.61 | \$24,474.10 |
| Breakeven Price to Cover Total Costs | | | | \$0.49 | Pound | |

| Example Breakeven Prices | | | |
|--------------------------|---------------------|-------------------------|----------------------|
| Example Yield Percent | Example Yield Pound | To Cover Variable Costs | To Cover Total Costs |
| 75% | 937.50 | \$0.49 | \$0.65 |
| 90% | 1125.00 | \$0.41 | \$0.54 |
| 100% | 1250.00 | \$0.37 | \$0.49 |
| 110% | 1375.00 | \$0.33 | \$0.45 |
| 125% | 1562.50 | \$0.29 | \$0.39 |

Developed by Steve Amosson, Regents Fellow, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-677-5600.

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.