

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 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	\$0.62	\$496.00		\$59,520.00
Cottonseed	0.60	Ton	\$205.00	\$123.00		\$14,760.00
Total Revenue				\$619.00		\$74,280.00
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	\$0.35	\$26.25		\$3,150.00
Fertilizer (P)	60	Pound	\$0.34	\$20.40		\$2,448.00
Potash (K)	40	Pound	\$0.30	\$12.00		\$1,440.00
Sulfur	12	Pound	\$0.36	\$4.32		\$518.40
Herbicide						
Roundup	2	Pint	\$2.00	\$4.00		\$480.00
Harvest Aid - Prep	3	Pint	\$2.25	\$6.75		\$810.00
Harvest Aid - Def	8	Ounce	\$0.51	\$4.06		\$487.50
Insecticide						
Insecticide - Cotton	0.5	Pound	\$7.20	\$3.60		\$432.00
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	\$6.00	\$69.00		\$8,280.00
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	1.91	Hour	\$10.00	\$19.10		\$2,292.00
Diesel Fuel						
Tractors/Self-Propelled	5.92	Gallon	\$1.65	\$9.77		\$1,172.16
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	\$11.74	\$11.74		\$1,408.79
Implements	1	Acre	\$13.07	\$13.07		\$1,567.87
Interest on Credit Line			5.75%	\$8.01		\$961.26
Total Variable Costs				\$503.75		\$60,450.19
Planned Returns Above Variable Costs:				\$115.25		\$13,829.81
Breakeven Price to Cover Variable Costs			\$0.48	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	\$12.13	\$12.13		\$1,455.75
Implements	1	Acre	\$16.79	\$16.79		\$2,015.16
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	\$94.51	Dollars	5.50%	\$5.20		\$623.74
Implements	\$71.84	Dollars	5.50%	\$3.95		\$474.12
Cash Rent - Irrigated Cotton	1	Acre	\$75.00	\$75.00		\$9,000.00
Total Fixed Costs				\$143.76		\$17,251.11
Total Specified Costs				\$647.51		\$77,701.30
Returns Above Specified Costs					(\$28.51)	(\$3,421.30)
Breakeven Price to Cover Total Costs			\$0.66	Pound		

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	600.00	\$0.63	\$0.87
90%	720.00	\$0.53	\$0.73
100%	800.00	\$0.48	\$0.66
110%	880.00	\$0.43	\$0.60
125%	1000.00	\$0.38	\$0.52

Developed by Extension Economists, 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.