

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Irrigated Cotton - 122 Acres
Southwest Extension District - 10

Crop Acres	122					Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Cotton Lint	1,250.00	Pound	\$0.62	\$775.00		\$94,550.00
Cottonseed	2,120.00	Pound	\$0.11	\$233.20		\$28,450.40
Total Revenue				\$1,008.20		\$123,000.40
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise 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	\$12.00	\$60.00		\$7,320.00
Fertilizer 18-46-0	217	Pound	\$0.22	\$47.74		\$5,824.28
Herbicide						
Glyphosate	4.2	Pint	\$2.25	\$9.45		\$1,152.90
Prowl H2O	2	Pint	\$5.63	\$11.26		\$1,373.72
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	\$1.50	\$78.00		\$9,516.00
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	\$2.53	\$0.63		\$77.17
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	17.05	Gallon	\$1.83	\$31.20		\$3,806.58
Gasoline						
Pickup/General Use Equipment	1	Acre	\$20.23	\$20.23		\$2,467.54
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	\$35.47	\$35.47		\$4,327.25
Implements	1	Acre	\$21.63	\$21.63		\$2,638.96
Interest on Credit Line			6.50%	\$18.01		\$2,197.68
Total Variable Costs				\$702.81		\$85,743.03
Planned Returns Above Variable Costs:						\$305.39
Breakeven Price to Cover Variable Costs			\$0.38	Pound		\$37,257.37
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise 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	\$44.25	\$44.25		\$5,398.39
Implements	1	Acre	\$26.81	\$26.81		\$3,271.21
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	\$374.59	Dollars	6.50%	\$24.35		\$2,970.53
Implements	\$140.55	Dollars	6.50%	\$9.14		\$1,114.53
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00		\$6,100.00
Total Fixed Costs				\$255.50		\$31,170.70
Total Specified Costs				\$958.31		\$116,913.74
Returns Above Specified Costs					\$49.89	\$6,086.66
Breakeven Price to Cover Total Costs			\$0.58	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	\$0.38	\$0.58
110%	1375.00	\$0.34	\$0.53
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.