

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Irrigated Cotton - Drip - 122 Acres
South Plains Extension District - 2

Crop Acres		122			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	1,750.00	Pound	\$0.65	\$1,137.50	\$138,775.00
Cottonseed	1.24	Ton	\$200.00	\$248.50	\$30,317.00
Total Revenue				\$1,386.00	\$169,092.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application - Liquid High	1	Acre	\$4.75	\$4.75	\$579.50
Scouting	1	Acre	\$9.00	\$9.00	\$1,098.00
Strip and Module - Cotton	1750	Pound	\$0.08	\$140.00	\$17,080.00
Ginning - Cotton	62.5	CWT	\$2.90	\$181.25	\$22,112.50
Fertilizer					
Fertilizer (P) - Liquid	70	Pound	\$0.52	\$36.54	\$4,458.38
Fertilizer (N) - Liquid	175	Pound	\$0.40	\$69.73	\$8,506.64
Herbicide					
Herbicide - Cotton Preplant	1	Acre	\$8.75	\$8.75	\$1,067.50
Herbicide - Cotton At Plant	1	Acre	\$5.75	\$5.75	\$701.50
Herbicide - Cotton Postplant	1	Acre	\$26.75	\$26.75	\$3,263.50
Spot Spray and Chemical	0.2	Acre	\$15.00	\$3.00	\$366.00
Insecticide					
Insecticide and Apply Cotton	1	Acre	\$12.00	\$12.00	\$1,464.00
Boll Weevil Assessment Irrigated	1	Acre	\$1.00	\$1.00	\$122.00
Miscellaneous					
Crop Insurance Cotton - Drip	1	Acre	\$56.00	\$56.00	\$6,832.00
Crop Insurance Hail	4	100	\$2.25	\$9.00	\$1,098.00
Seed					
Seed - Cotton Irrigated	52	Thousand	\$0.63	\$32.76	\$3,996.72
Seed - Cotton Irrigated Tech Fee	52	Thousand	\$0.78	\$40.56	\$4,948.32
Other Chemicals					
Acid	24	Pound	\$0.50	\$12.00	\$1,464.00
Harvest Aid Apply Cotton Drip	1	Acre	\$30.00	\$30.00	\$3,660.00
Other Labor					
Hoeing	0.2	Acre	\$15.00	\$3.00	\$366.00
Irrigation					
Energy Cost	18.00	AcreInch	\$11.00	\$198.00	\$24,156.00
Irrigation Labor	1.20	Hour	\$12.00	\$14.40	\$1,756.80
Machinery Labor					
Tractors/Self-Propelled	1.6	Hour	\$12.00	\$19.20	\$2,342.40
Diesel Fuel					
Tractors/Self-Propelled	4	Gallon	\$1.84	\$7.36	\$897.92
Gasoline					
Pickup/General Use Equipment	1	Acre	\$3.88	\$3.88	\$472.88
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$61.00
Irrigation Equipment	1	Acre	\$33.00	\$33.00	\$4,026.00
Tractors/Self-Propelled	1	Acre	\$6.00	\$6.00	\$732.00
Implements	1	Acre	\$3.00	\$3.00	\$366.00
Interest on Credit Line			6.00%	\$19.89	\$2,426.70
Total Variable Costs				\$987.07	\$120,422.25
Planned Returns Above Variable Costs:				\$398.93	\$48,669.75
Breakeven Price to Cover Variable Costs			\$0.42	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Fixed Costs					
Pickup/General Use Equipment	1	Acre	\$1.25	\$1.25	\$152.50
Irrigation Equipment	1	Acre	\$75.00	\$75.00	\$9,150.00
Tractors/Self-Propelled	1	Acre	\$12.00	\$12.00	\$1,464.00
Implements	1	Acre	\$10.00	\$10.00	\$1,220.00
Management Fee, Owner/Operator Labor	1	Acre	\$30.00	\$30.00	\$3,660.00
Cash Rent - Cotton Drip	1	Acre	\$130.00	\$130.00	\$15,860.00
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$244.00
Total Fixed Costs				\$260.25	\$31,750.50
Total Specified Costs				\$1,247.32	\$152,172.75
Returns Above Specified Costs				\$138.68	\$16,919.25
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%	1312.50	\$0.56	\$0.76
90%	1575.00	\$0.47	\$0.63
100%	1750.00	\$0.42	\$0.57
110%	1925.00	\$0.38	\$0.52
125%	2187.50	\$0.34	\$0.46

Developed by Jackie Smith, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-746-6101.

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.