

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Cotton, Sprinkler Irrigated (Roundup Ready Flex)
Panhandle Extension District - 1

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Cotton Lint	1,500.00	Pound	\$0.67	\$1,005.00	\$122,610.00	
Cottonseed	1.13	Ton	\$150.00	\$168.75	\$20,587.50	
Total Revenue				\$1,173.75	\$143,197.50	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Production Costs						
Custom						
Fertilizer Application	1	Acre	\$5.12	\$5.12	\$624.64	
Strip and Module - Cotton	15	CWT	\$11.00	\$165.00	\$20,130.00	
Ginning - Cotton	54.95	CWT	\$3.00	\$164.85	\$20,111.70	
Fertilizer						
Fertilizer (P) - Dry	66	Pound	\$0.43	\$28.38	\$3,462.36	
Fertilizer (N) - Dry	165	Pound	\$0.32	\$52.80	\$6,441.60	
Herbicide						
Herbicide and Apply Preplant	1	Acre	\$23.00	\$23.00	\$2,806.00	
Herbicide and Apply Postemerge	1	Acre	\$19.73	\$19.73	\$2,407.06	
Insecticide						
Insecticide and Apply Cotton	1	Acre	\$9.72	\$9.72	\$1,185.84	
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	0.25	Bag	\$360.00	\$90.00	\$10,980.00	
Other Chemicals						
Harvest Aid Apply Cotton Irrigated	0.75	Acre	\$25.38	\$19.04	\$2,322.27	
Irrigation						
Energy Cost	12.00	AcreInch	\$3.50	\$42.00	\$5,124.00	
Irrigation Labor	0.77	Hour	\$12.64	\$9.71	\$1,184.32	
Machinery Labor						
Tractors/Self-Propelled	0.55	Hour	\$12.44	\$6.84	\$834.72	
Other Labor	0.62	Hour	\$12.44	\$7.71	\$940.96	
Diesel Fuel						
Tractors/Self-Propelled	2.88	Gallon	\$1.99	\$5.73	\$699.21	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$7.32	\$7.32	\$892.50	
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	\$5.06	\$5.06	\$616.98	
Implements	1	Acre	\$4.35	\$4.35	\$531.13	
Interest on Credit Line			5.74%	\$14.06	\$1,715.03	
Total Variable Costs				\$788.86	\$96,240.48	
Planned Returns Above Variable Costs:				\$384.89	\$46,957.02	
Breakeven Price to Cover Variable Costs			\$0.41	Pound		
FIXED COSTS	Quantity	Units	\$/Unit	Total	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	\$4.75	\$4.75	\$580.02	
Implements	1	Acre	\$5.08	\$5.08	\$620.04	
Equipment Investment						
Pickup/General Use Equipment	\$30.91	Dollars	6.01%	\$1.86	\$226.66	
Irrigation Equipment	\$470.29	Dollars	6.01%	\$28.26	\$3,448.24	
Tractors/Self-Propelled	\$37.04	Dollars	6.01%	\$2.23	\$271.57	
Implements	\$22.16	Dollars	6.01%	\$1.33	\$162.45	
Cash Rent - Cotton Irrigated	1	Acre	\$72.00	\$72.00	\$8,784.00	
Total Fixed Costs				\$153.50	\$18,726.69	
Total Specified Costs				\$942.35	\$114,967.16	
Returns Above Specified Costs				\$231.40	\$28,230.34	
Breakeven Price to Cover Total Costs			\$0.52	Pound		

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	1125.00	\$0.55	\$0.69
90%	1350.00	\$0.46	\$0.57
100%	1500.00	\$0.41	\$0.52
110%	1650.00	\$0.38	\$0.47
125%	1875.00	\$0.33	\$0.41

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.