

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Irrigated Cotton - Drip
South Plains Extension District - 2

Crop Acres		122			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	1,750.00	Pound	\$0.68	\$1,190.00	\$145,180.00
Cottonseed	1.24	Ton	\$160.00	\$198.80	\$24,253.60
Total Revenue				\$1,388.80	\$169,433.60
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	\$0.57	\$40.15	\$4,897.94
Fertilizer (N) - Liquid	175	Pound	\$0.39	\$68.36	\$8,339.84
Herbicide					
Herbicide - Cotton Preplant	1	Acre	\$9.50	\$9.50	\$1,159.00
Herbicide - Cotton At Plant	1	Acre	\$4.50	\$4.50	\$549.00
Herbicide - Cotton Postplant	1	Acre	\$25.00	\$25.00	\$3,050.00
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	3.5	Bale	\$1.00	\$3.50	\$427.00
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	45	Thousand	\$1.59	\$71.55	\$8,729.10
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	16.00	AcreInch	\$10.00	\$160.00	\$19,520.00
Irrigation Labor	1.25	Hour	\$12.00	\$15.00	\$1,830.00
Machinery Labor					
Tractors/Self-Propelled	0.75	Hour	\$12.00	\$9.00	\$1,098.00
Other Labor	0.85	Hour	\$12.00	\$10.20	\$1,244.40
Diesel Fuel					
Tractors/Self-Propelled	4	Gallon	\$2.30	\$9.20	\$1,122.40
Gasoline					
Pickup/General Use Equipment	1	Acre	\$6.00	\$6.00	\$732.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$61.00
Irrigation Equipment	1	Acre	\$31.50	\$31.50	\$3,843.00
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%	\$19.56	\$2,386.65
Total Variable Costs				\$952.52	\$116,207.34
Planned Returns Above Variable Costs:				\$436.28	\$53,226.26
Breakeven Price to Cover Variable Costs			\$0.43	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	\$25.00	\$25.00	\$3,050.00
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				\$255.25	\$31,140.50
Total Specified Costs				\$1,207.77	\$147,347.84
Returns Above Specified Costs				\$181.03	\$22,085.76
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%	1312.50	\$0.57	\$0.77
90%	1575.00	\$0.48	\$0.64
100%	1750.00	\$0.43	\$0.58
110%	1925.00	\$0.39	\$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.