

Projections for Planning Purposes Only -- Not to be Used without Updating
2020 Estimated Costs and Returns per Acre
Cotton, Sprinkler Irrigated (Roundup Ready Flex)
Panhandle Extension District - 1

Crop Acres		122			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	1,500.00	Pound	\$0.66	\$990.00	\$120,780.00
Cottonseed	1.13	Ton	\$200.00	\$225.00	\$27,450.00
Total Revenue				\$1,215.00	\$148,230.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	1	Acre	\$5.35	\$5.35	\$652.76
Strip and Module - Cotton	15	CWT	\$12.54	\$188.10	\$22,948.49
Ginning - Cotton	54.95	CWT	\$3.14	\$172.27	\$21,016.99
Fertilizer					
Fertilizer (P) - Dry	65	Pound	\$0.43	\$28.17	\$3,436.63
Fertilizer (N) - Dry	135	Pound	\$0.39	\$52.58	\$6,415.07
Herbicide					
Herbicide and Apply Preplant	1	Acre	\$24.62	\$24.62	\$3,003.27
Herbicide and Apply Postemerge	1	Acre	\$21.12	\$21.12	\$2,576.24
Insecticide					
Insecticide and Apply Cotton	1	Acre	\$10.36	\$10.36	\$1,264.18
Boll Weevil Assessment Irrigated	1	Acre	\$0.74	\$0.74	\$89.75
Miscellaneous					
Crop Insurance Cotton - Irrigated	1	Acre	\$55.00	\$55.00	\$6,710.00
Seed					
Seed - Cotton	0.26	Bag	\$344.29	\$89.52	\$10,920.93
Other Chemicals					
Harvest Aid Apply Cotton Irrigated	1	Acre	\$27.12	\$27.12	\$3,308.41
Irrigation					
Energy Cost	12.00	AcreInch	\$3.96	\$47.52	\$5,797.44
Irrigation Labor	0.77	Hour	\$13.65	\$10.48	\$1,278.95
Machinery Labor					
Tractors/Self-Propelled	0.62	Hour	\$13.43	\$8.33	\$1,015.85
Other Labor	0.71	Hour	\$13.43	\$9.54	\$1,163.31
Diesel Fuel					
Tractors/Self-Propelled	3.18	Gallon	\$2.33	\$7.41	\$903.95
Gasoline					
Pickup/General Use Equipment	1	Acre	\$8.19	\$8.19	\$998.75
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$4.26	\$4.26	\$520.20
Irrigation Equipment	1	Acre	\$45.00	\$45.00	\$5,490.00
Tractors/Self-Propelled	1	Acre	\$5.56	\$5.56	\$678.61
Implements	1	Acre	\$5.74	\$5.74	\$699.95
Interest on Credit Line			6.25%	\$15.81	\$1,929.17
Total Variable Costs				\$842.78	\$102,818.90
Planned Returns Above Variable Costs:				\$372.22	\$45,411.10
Breakeven Price to Cover Variable Costs			\$0.41	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	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	\$5.20	\$5.20	\$634.14
Implements	1	Acre	\$6.67	\$6.67	\$813.31
Equipment Investment					
Pickup/General Use Equipment	\$30.91	Dollars	6.25%	\$1.93	\$235.72
Irrigation Equipment	\$470.29	Dollars	6.25%	\$29.39	\$3,585.94
Tractors/Self-Propelled	\$40.49	Dollars	6.25%	\$2.53	\$308.76
Implements	\$28.96	Dollars	6.25%	\$1.81	\$220.85
Cash Rent - Cotton Irrigated	1	Acre	\$76.00	\$76.00	\$9,272.00
Total Fixed Costs				\$161.51	\$19,704.42
Total Specified Costs				\$1,004.29	\$122,523.32
Returns Above Specified Costs				\$210.71	\$25,706.68
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	\$0.58
100%	1500.00	\$0.41	\$0.52
110%	1650.00	\$0.37	\$0.47
125%	1875.00	\$0.33	\$0.42

Developed by Justin Benavidez, Assistant Professor, 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.