

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Cotton, Sprinkler Irrigated (Roundup Ready Flex) - 122 Acres
Panhandle Extension District - 1

Crop Acres		122				Enterprise
		Quantity	Units	\$/Unit	Total	Total
REVENUE						
Cotton Lint		1,100.00	Pound	\$0.73	\$803.00	\$97,966.00
Cottonseed		0.83	Ton	\$260.00	\$215.80	\$26,327.60
Total Revenue					\$1,018.80	\$124,293.60
VARIABLE COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Seed - Cotton		0.22	Bag	\$350.20	\$77.04	\$9,399.37
Fertilizer						
Fertilizer (P) - Dry		25	Pound	\$0.52	\$13.00	\$1,586.00
Fertilizer (N) - Dry		100	Pound	\$0.47	\$47.00	\$5,734.00
Herbicide						
Herbicide and Apply Preplant		1	Acre	\$14.52	\$14.52	\$1,771.00
Herbicide and Apply Postemerge		1	Acre	\$19.39	\$19.39	\$2,365.93
Insecticide						
Insecticide and Apply Cotton		1	Acre	\$9.85	\$9.85	\$1,202.12
Boll Weevil Assessment Irrigated		1	Acre	\$0.75	\$0.75	\$91.50
Other Chemicals						
Harvest Aid Apply Cotton Irrigated		0.75	Acre	\$25.98	\$19.48	\$2,376.71
Miscellaneous						
Crop Insurance Cotton - Irrigated		1	Acre	\$36.96	\$36.96	\$4,509.12
Custom						
Fertilizer Application		1	Acre	\$5.50	\$5.50	\$671.00
Strip and Module - Cotton		11	CWT	\$9.00	\$99.00	\$12,078.00
Ginning - Cotton		40.48	CWT	\$2.70	\$109.30	\$13,334.11
Irrigation						
Energy or Water Cost		12.00	AcreInch	\$4.30	\$51.60	\$6,295.20
Irrigation Labor		0.77	Hour	\$11.75	\$9.02	\$1,100.93
Machinery Labor						
Tractors/Self-Propelled		1.24	Hour	\$11.75	\$14.57	\$1,777.54
Diesel Fuel						
Tractors/Self-Propelled		2.75	Gallon	\$3.28	\$9.02	\$1,100.44
Gasoline						
Pickup/General Use Equipment		1	Acre	\$11.32	\$11.32	\$1,381.25
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	\$10.71	\$10.71	\$1,306.79
Implements		1	Acre	\$20.37	\$20.37	\$2,485.74
Interest on Credit Line				4.75%	\$10.36	\$1,263.78
Total Variable Costs					\$641.52	\$78,265.29
Planned Returns Above Variable Costs:					\$377.28	\$46,028.31
Breakeven Price to Cover Variable Costs				\$0.39	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	\$22.50	\$22.50	\$2,745.60
Tractors/Self-Propelled		1	Acre	\$9.88	\$9.88	\$1,204.87
Implements		1	Acre	\$25.67	\$25.67	\$3,131.85
Equipment Investment						
Pickup/General Use Equipment	\$53.30	Dollars		5.25%	\$2.80	\$341.38
Irrigation Equipment	\$703.28	Dollars		5.25%	\$36.92	\$4,504.50
Tractors/Self-Propelled	\$111.50	Dollars		5.25%	\$5.85	\$714.18
Implements	\$201.24	Dollars		5.25%	\$10.56	\$1,288.93
Cash Rent - Cotton Irrigated		1	Acre	\$85.00	\$85.00	\$10,370.00
Total Fixed Costs					\$203.67	\$24,847.53
Total Specified Costs					\$845.19	\$103,112.81
Returns Above Specified Costs					\$173.61	\$21,180.79
Breakeven Price to Cover Total Costs				\$0.57	Pound	

Example Breakeven Prices						
Example Yield Percent	Example Yield Pound	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	825.00	\$0.52	\$0.52	\$0.76	\$0.76	\$0.00
90%	990.00	\$0.43	\$0.43	\$0.64	\$0.64	\$0.00
100%	1100.00	\$0.39	\$0.39	\$0.57	\$0.57	\$0.00
110%	1210.00	\$0.35	\$0.35	\$0.52	\$0.52	\$0.00
125%	1375.00	\$0.31	\$0.31	\$0.46	\$0.46	\$0.00

Developed by Steve Amosson, Regents Fellow, Professor and Extension Economist, Texas A&M AgriLife Extension.

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.