

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Cotton, Drip Irrigated, Herbicide Tolerant, Insect Resistant - 122 Acres
South Plains Extension District - 2

Crop Acres		122		Enterprise		
REVENUE		Quantity	Units	\$/Unit	Total	Total
Cotton Lint		1,750.00	Pound	\$0.70	\$1,225.00	\$149,450.00
Cottonseed		1.26	Ton	\$250.00	\$315.00	\$38,430.00
Total Revenue					\$1,540.00	\$187,880.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Seed - Cotton Irrigated		52	Thousand	\$1.00	\$52.00	\$6,344.00
Fertilizer						
Fertilizer (P)		50	Pound	\$0.60	\$30.00	\$3,660.00
Fertilizer (N)		160	Pound	\$0.55	\$88.00	\$10,736.00
Herbicide						
Herbicide and Apply Preplant		1	Acre	\$20.00	\$20.00	\$2,440.00
Herbicide and Apply Postemerge Irrigated		1	Acre	\$20.00	\$20.00	\$2,440.00
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
Other Chemicals						
Harvest Aid Apply Cotton Drip		1	Acre	\$30.00	\$30.00	\$3,660.00
Miscellaneous						
Crop Insurance Cotton - Drip		1	Acre	\$40.00	\$40.00	\$4,880.00
Custom						
Fertilizer Application		1	Acre	\$10.00	\$10.00	\$1,220.00
Strip and Module - Cotton		1750	Pound	\$0.08	\$140.00	\$17,080.00
Ginning - Cotton		62.5	CWT	\$3.10	\$193.75	\$23,637.50
Irrigation						
Energy or Water Cost		17.00	AcreInch	\$9.00	\$153.00	\$18,666.00
Irrigation Labor		1.00	Hour	\$11.75	\$11.75	\$1,433.50
Machinery Labor						
Tractors/Self-Propelled		1	Hour	\$11.75	\$11.75	\$1,433.50
Diesel Fuel						
Tractors/Self-Propelled		2.75	Gallon	\$3.20	\$8.80	\$1,073.60
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$1.75	\$1.75	\$213.50
Irrigation Equipment		1	Acre	\$35.00	\$35.00	\$4,270.00
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%	\$16.12	\$1,966.62
Total Variable Costs					\$883.92	\$107,838.22
Planned Returns Above Variable Costs:					\$656.08	\$80,041.78
Breakeven Price to Cover Variable Costs					\$0.33	Pound
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Investment						
Pickup/General Use Equipment		\$35.78	Dollars	7.00%	\$2.50	\$305.55
Irrigation Equipment		\$857.14	Dollars	7.00%	\$60.00	\$7,320.00
Tractors/Self-Propelled		\$171.43	Dollars	7.00%	\$12.00	\$1,464.00
Implements		\$142.86	Dollars	7.00%	\$10.00	\$1,220.00
Cash Rent - Cotton Drip		1	Acre	\$130.00	\$130.00	\$15,860.00
Total Fixed Costs					\$214.50	\$26,169.55
Total Specified Costs					\$1,098.42	\$134,007.77
Returns Above Specified Costs					\$441.58	\$53,872.23
Breakeven Price to Cover Total Costs					\$0.45	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%	1312.50	\$0.43	\$0.43	\$0.60	\$0.60	\$0.00
90%	1575.00	\$0.36	\$0.36	\$0.50	\$0.50	\$0.00
100%	1750.00	\$0.33	\$0.33	\$0.45	\$0.45	\$0.00
110%	1925.00	\$0.30	\$0.30	\$0.41	\$0.41	\$0.00
125%	2187.50	\$0.26	\$0.26	\$0.36	\$0.36	\$0.00

Developed by Jackie Smith, 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.