

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

Crop Acres		122				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Cotton Lint		1,250.00	Pound	\$0.70	\$875.00	\$106,750.00
Cottonseed		0.90	Ton	\$250.00	\$225.00	\$27,450.00
Total Revenue					\$1,100.00	\$134,200.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise
Production Costs						Total
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)	125	Pound	\$0.55	\$68.75	\$8,387.50
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 Irrigated	1	Acre	\$25.00	\$25.00	\$3,050.00
Miscellaneous						
	Crop Insurance Cotton - Irrigated	1	Acre	\$30.00	\$30.00	\$3,660.00
Custom						
	Fertilizer Application	1	Acre	\$10.00	\$10.00	\$1,220.00
	Strip and Module - Cotton	1250	Pound	\$0.08	\$100.00	\$12,200.00
	Ginning - Cotton	44.64	CWT	\$3.10	\$138.38	\$16,882.85
Irrigation						
	Energy or Water Cost	12.00	AcreInch	\$9.00	\$108.00	\$13,176.00
	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	\$30.00	\$30.00	\$3,660.00
	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%	\$13.74	\$1,676.19
Total Variable Costs					\$701.92	\$85,634.64
Planned Returns Above Variable Costs:					\$398.08	\$48,565.36
Breakeven Price to Cover Variable Costs					\$0.38	Pound
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise
Equipment Investment						Total
	Pickup/General Use Equipment	\$35.78	Dollars	7.00%	\$2.50	\$305.55
	Irrigation Equipment	\$714.29	Dollars	7.00%	\$50.00	\$6,100.00
	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 Irrigated	1	Acre	\$100.00	\$100.00	\$12,200.00
Total Fixed Costs					\$174.50	\$21,289.55
Total Specified Costs					\$876.43	\$106,924.19
Returns Above Specified Costs					\$223.57	\$27,275.81
Breakeven Price to Cover Total Costs					\$0.52	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%	937.50	\$0.51	\$0.51	\$0.69	\$0.69	\$0.00
90%	1125.00	\$0.42	\$0.42	\$0.58	\$0.58	\$0.00
100%	1250.00	\$0.38	\$0.38	\$0.52	\$0.52	\$0.00
110%	1375.00	\$0.35	\$0.35	\$0.47	\$0.47	\$0.00
125%	1562.50	\$0.31	\$0.31	\$0.42	\$0.42	\$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.