

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Sprinkler Irrigated Cotton
Rolling Plains Extension District - 3

Crop Acres		120				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint		800.00	Pound	\$0.56	\$448.00	\$53,760.00
Cottonseed		0.60	Ton	\$200.00	\$120.00	\$14,400.00
Total Revenue					\$568.00	\$68,160.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
Fertilizer Application		1	Acre	\$5.50	\$5.50	\$660.00
Insecticide Application		1	Acre	\$5.50	\$5.50	\$660.00
Harvest Aid Application		1	Acre	\$5.50	\$5.50	\$660.00
Gin, Bag, Ties		800	Pound	\$0.12	\$96.00	\$11,520.00
Custom Picking		800	Pound	\$0.13	\$104.00	\$12,480.00
Fertilizer						
Fertilizer (N)		75	Pound	\$0.41	\$30.75	\$3,690.00
Fertilizer (P)		60	Pound	\$0.34	\$20.40	\$2,448.00
Potash (K)		40	Pound	\$0.30	\$12.00	\$1,440.00
Sulfur		12	Pound	\$0.25	\$3.00	\$360.00
Herbicide						
Roundup		2	Pint	\$2.19	\$4.38	\$525.00
Harvest Aid - Prep		3	Pint	\$2.38	\$7.13	\$855.00
Harvest Aid -Def		8	Ounce	\$0.55	\$4.38	\$525.00
Seed						
Cotton Seed		11.5	Pound	\$7.70	\$88.55	\$10,626.00
Insecticide						
Insecticide - Cotton		0.5	Pound	\$7.20	\$3.60	\$432.00
Bollweevil Eradication		1	Acre	\$2.50	\$2.50	\$300.00
Miscellaneous						
Insurance - Irrigated Cotton		1	Acre	\$17.00	\$17.00	\$2,040.00
Irrigation						
Energy Cost		15.00	AcreInch	\$1.20	\$18.00	\$2,160.07
Irrigation Labor		0.96	Hour	\$10.00	\$9.60	\$1,152.00
Machinery Labor						
Tractors/Self-Propelled		0.87	Hour	\$10.00	\$8.70	\$1,044.00
Other Labor		1.04	Hour	\$10.00	\$10.40	\$1,248.00
Diesel Fuel						
Tractors/Self-Propelled		5.92	Gallon	\$2.10	\$12.43	\$1,491.84
Gasoline						
Pickup/General Use Equipment		1	Acre	\$9.00	\$9.00	\$1,080.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$2.42	\$2.42	\$289.80
Irrigation Equipment		1	Acre	\$16.67	\$16.67	\$2,000.34
Tractors/Self-Propelled		1	Acre	\$11.55	\$11.55	\$1,385.53
Implements		1	Acre	\$13.53	\$13.53	\$1,623.69
Interest on Credit Line				5.75%	\$10.27	\$1,232.52
Total Variable Costs					\$532.74	\$63,928.79
Planned Returns Above Variable Costs:					\$35.26	\$4,231.21
Breakeven Price to Cover Variable Costs				\$0.52	Pound	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$3.35	\$3.35	\$402.34
Irrigation Equipment		1	Acre	\$10.00	\$10.00	\$1,200.00
Tractors/Self-Propelled		1	Acre	\$11.93	\$11.93	\$1,431.71
Implements		1	Acre	\$17.29	\$17.29	\$2,074.67
Equipment Investment						
Pickup/General Use Equipment	\$23.49	Dollars		5.50%	\$1.29	\$155.01
Irrigation Equipment	\$291.67	Dollars		5.50%	\$16.04	\$1,925.00
Tractors/Self-Propelled	\$92.95	Dollars		5.50%	\$5.11	\$613.44
Implements	\$73.96	Dollars		5.50%	\$4.07	\$488.12
Cash Rent - Irrigated Cotton		1	Acre	\$75.00	\$75.00	\$9,000.00
Total Fixed Costs					\$144.09	\$17,290.30
Total Specified Costs					\$676.83	\$81,219.09
Returns Above Specified Costs					(\$108.83)	(\$13,059.09)
Breakeven Price to Cover Total Costs				\$0.70	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	600.00	\$0.69	\$0.93
90%	720.00	\$0.57	\$0.77
100%	800.00	\$0.52	\$0.70
110%	880.00	\$0.47	\$0.63
125%	1000.00	\$0.41	\$0.56

Developed by Extension Economists, Texas A&M AgriLife Extension Service, budgets@tamu.edu.

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.