

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2018 Estimated Costs and Returns per Acre
Irrigated Cotton
Southwest Extension District - 10

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Cotton Lint	1,250.00	Pound	\$0.61	\$762.50		\$93,025.00
Cottonseed	2,120.00	Pound	\$0.10	\$212.00		\$25,864.00
Total Revenue				\$974.50		\$118,889.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Custom						
Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00		\$488.00
Gin, Bag, Tie - CWT	33.7	CWT	\$3.00	\$101.10		\$12,334.20
Fertilizer						
UAN(32% N)	5	CWT	\$17.00	\$85.00		\$10,370.00
Fertilizer 18-46-0	217	Pound	\$0.24	\$52.08		\$6,353.76
Herbicide						
Glyphosate	4.2	Pint	\$2.25	\$9.45		\$1,152.90
Prowl H2O	2	Pint	\$5.63	\$11.26		\$1,373.72
Insecticide						
Karate Z	1	Ounce	\$0.81	\$0.81		\$98.82
Miscellaneous						
Crop Insurance - Cotton Irrigated	1	Acre	\$28.00	\$28.00		\$3,416.00
Boll Weevil Eradication Program	1	Acre	\$7.00	\$7.00		\$854.00
Seed						
Cotton Seed BIIRRF	52	Thousand	\$2.11	\$109.72		\$13,385.84
Other Chemicals						
GinStar	5	Ounce	\$1.33	\$6.65		\$811.30
Ethephon 6	24	Ounce	\$0.16	\$3.84		\$468.48
Surfactant	1	Ounce	\$0.22	\$0.22		\$26.72
Gramoxone SL	24	Ounce	\$0.24	\$5.76		\$702.72
Crop Oil Concentrate	0.25	Pint	\$2.53	\$0.63		\$77.17
Irrigation						
Energy Cost	975.00	kWh	\$0.17	\$165.75		\$20,221.50
Machinery Labor						
Tractors/Self-Propelled	2.1	Hour	\$12.00	\$25.20		\$3,074.40
Other Labor	0.5	Hour	\$8.50	\$4.25		\$518.50
Diesel Fuel						
Tractors/Self-Propelled	17.07	Gallon	\$2.14	\$36.53		\$4,456.64
Gasoline						
Pickup/General Use Equipment	1	Acre	\$23.13	\$23.13		\$2,821.74
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$4.84	\$4.84		\$590.37
Irrigation Equipment	1	Acre	\$10.14	\$10.14		\$1,237.08
Tractors/Self-Propelled	1	Acre	\$37.63	\$37.63		\$4,591.20
Implements	1	Acre	\$23.16	\$23.16		\$2,825.10
Interest on Credit Line			6.50%	\$21.82		\$2,662.08
Total Variable Costs				\$777.97		\$94,912.23
Planned Returns Above Variable Costs:				\$196.53		\$23,976.77
Breakeven Price to Cover Variable Costs			\$0.45	Pound		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$25.20	\$25.20		\$3,074.85
Irrigation Equipment	1	Acre	\$46.33	\$46.33		\$5,652.72
Tractors/Self-Propelled	1	Acre	\$45.39	\$45.39		\$5,537.54
Implements	1	Acre	\$28.97	\$28.97		\$3,534.04
Equipment Investment						
Pickup/General Use Equipment	\$105.02	Dollars	6.50%	\$6.83		\$832.77
Irrigation Equipment	\$347.50	Dollars	6.50%	\$22.59		\$2,755.70
Tractors/Self-Propelled	\$385.36	Dollars	6.50%	\$25.05		\$3,055.92
Implements	\$160.20	Dollars	6.50%	\$10.41		\$1,270.42
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00		\$6,100.00
Total Fixed Costs				\$260.77		\$31,813.96
Total Specified Costs				\$1,038.74		\$126,726.19
Returns Above Specified Costs				(\$64.24)		(\$7,837.19)
Breakeven Price to Cover Total Costs			\$0.66	Pound		

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	937.50	\$0.60	\$0.88
90%	1125.00	\$0.50	\$0.73
100%	1250.00	\$0.45	\$0.66
110%	1375.00	\$0.41	\$0.60
125%	1562.50	\$0.36	\$0.53

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension, 830-278-9151.

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.