

COTTON
ESTIMATED PER ACRE COSTS AND RETURNS , SOUTH AND EAST GEORGIA, 2006

Seed Technology:	BR	Row Spacing:	36
Tillage:	Strip-Till	Seed Per Foot:	3.0
Production:	Non-Irrigated	Seed Per Bag or Lb:	250000

	Lbs/Acre	Price/Lb	Income/Ac	Cents/Lb
INCOME (Price including LDP or Loan Gain)	700	0.60	\$420.00	60.00

		Unit	No. Units	Price/Unit	Cost/Acre	Cents/Lb
VARIABLE COST						
Land Rent		Acre	1	0.00	0.00	0.00
Cover Crop		Acre	1	0.00	0.00	0.00
Seed (Including Tech Fee and Treatments)						
Seeds Per Acre	43,560	Bag	0.174	400.00	69.70	9.96
Lime- Custom Spread		Ton	0.33	30.00	9.90	1.41
Fertilizers						
Nitrogen		Lbs	70	0.42	29.40	4.20
Phosphate (P2O5)		Lbs	50	0.28	14.00	2.00
Potash (K2O)		Lbs	80	0.24	19.20	2.74
Chicken Litter		Ton	0	0.00	0.00	0.00
Boron		Lbs	0.5	2.50	1.25	0.18
Others		Acre	1	0.00	0.00	0.00
Herbicides						
Pre-Plant OTT		Acre	1	8.75	8.75	1.25
At Planting or Pre-Emergence		Acre	1	4.50	4.50	0.64
Post-Emergence- OTT		Acre	1	21.00	21.00	3.00
Directed		Acre	1	5.00	5.00	0.71
Others		Acre	1	0.00	0.00	0.00
Insecticides						
In-Furrow		Lbs	3.5	3.00	10.50	1.50
Spray- Pyrethroid		Appl	1	5.75	5.75	0.82
Spray- Other		Appl	2	4.45	8.90	1.27
Nematicide		Acre	1	0.00	0.00	0.00
PGR		Ounces	16	0.35	5.60	0.80
Boll Opener and Defoliant		Acre	1	18.00	18.00	2.57
Custom Application- Air						
Insecticides		Appl	0	0.00	0.00	0.00
Herbicides		Appl	0	0.00	0.00	0.00
PGR		Appl	0	0.00	0.00	0.00
Defoliation		Appl	1	5.00	5.00	0.71
Scouting		Acre	1	8.00	8.00	1.14
BWEP		Acre	1	2.75	2.75	0.39
Machinery and Equipment						
Fuel and Lube		Gal	10.90	2.10	22.89	3.27
Repairs and Maintenance		Acre	1	24.50	24.50	3.50
Custom Picking		Acre	1	0.00	0.00	0.00
Crop Insurance		Acre	1	17.50	17.50	2.50
Labor		Hrs	2.00	10.00	20.00	2.86
Interest on Operating Capital	\$332.09		0.5	0.075	12.45	1.78
Ginning and Warehousing						
Ginning		Lbs	700	0.085	59.50	8.50
Storage and Warehousing		Bale	1.4	10.00	14.00	2.00
Promotions, Boards, Classing		Bale	1.4	5.30	7.42	1.06
Minus Value of Cottonseed		Ton	0.455	80.00	-36.40	-5.20
TOTAL VARIABLE COSTS					389.06	55.58
NET RETURN ABOVE VARIABLE COST					30.94	4.42

Tractors and Sprayer		Acre	1	23.50	23.50	3.36
Equipment		Acre	1	11.00	11.00	1.57
Picker		Acre	1	56.00	56.00	8.00
Owned Land Charge		Acre	1	0.00	0.00	0.00
Misc Overhead		Acre	1	19.45	19.45	2.78
Management		Acre	1	19.45	19.45	2.78

TOTAL FIXED COSTS				129.41	18.49
TOTAL COST				518.46	74.07
NET RETURN				-98.46	-14.07

PER ACRE NET RETURN ABOVE VARIABLE COST AT VARIOUS YIELDS

	Cost/Ac *	Lbs Per Acre				
		600	650	700	750	800
Costs 10% Lower	\$310	\$11.75	\$38.57	\$65.39	\$92.21	\$119.03
Costs As Budgeted	\$345	-\$22.70	\$4.12	\$30.94	\$57.76	\$84.58
Costs 10% Higher	\$379	-\$57.15	-\$30.33	-\$3.51	\$23.31	\$50.13

* Excludes net ginning and warehousing. These costs added based on BE yield level.

BREAKEVEN YIELD REQUIRED TO COVER VARIABLE COSTS INCLUDING LAND RENT

	Cost/Ac *	Cash Rent Per Acre				
		\$45.00	\$55.00	\$65.00	\$75.00	\$85.00
Costs 10% Lower	\$310	665	684	704	723	742
Costs As Budgeted	\$345	729	749	768	787	807
Costs 10% Higher	\$379	794	813	832	852	871

* Excluding rent if included in budget. Rent cost added as shown in table. Excludes net ginning and warehousing. These costs added based on BE yield level. BE yield does not consider Direct and Counter-Cyclical Payments.

BUDGETING THIS WHOLE-FARM COTTON ENTERPRISE

Acres		Yields	
Total Cotton Acres on The Farm:	700.0	2006 Budgeted Yield	700.0
Acres of This Cotton on the Farm:	700.0	Farm Direct Payment Yield:	650.0
Farm Cotton Base Acres:	700.0	Farm Counter-Cyclical Yield:	650.0
DCP PAYMENT ACRES (85% BASE):	595.0		
Prices and Payments		Costs	
Expected MYA Price:	55.00	Budgeted Variable Costs Per Acre:	\$389.06
2006 Direct Payment (DP):	6.67	Variable Costs Excluding Rent:	389.06
Est. Counter-Cyclical Payment (CCP):	10.73	Land Rent:	0.00
THIS BUDGETED COTTON ENTERPRISE-- TOTAL FARM COSTS AND RETURNS			
Acres:	700	Per Acre	Total
Crop Income (Including LDP/POP/Loan Gain)		\$420.00	\$294,000
Variable Costs (Excluding Rent)		\$389.06	\$272,341
NET RETURN BEFORE LAND RENT		\$30.94	\$21,659
Land Rent		\$0.00	\$0
NET RETURN ABOVE VARIABLE COSTS		\$30.94	\$21,659
Direct Payment (DP)		\$36.85 *	\$25,796
Counter-Cyclical Payment (CCP)		\$59.28 *	\$41,498
NET RETURN AFTER DCP PAYMENTS		\$127.08	\$88,953

* DCP Payment per acre planted of this enterprise

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