

SUMMARY OF 2008 SOUTH GEORGIA CROP ENTERPRISE ESTIMATES

Strip-Tillage

By Amanda R. Ziehl, Nathan B. Smith and W. Don Shurley, UGA Extension Economists, Department of Agricultural & Applied Economics

	IRRIGATED					NON-IRRIGATED				
	BR Cotton	Peanuts	Corn	RR Soybeans	Grain Sorghum	BR Cotton	Peanuts	RR Corn	RR Soybeans	Grain Sorghum
EXPECTED YIELD	1,100	3,700	185	55	100	700	2,700	85	30	65
EXPECTED PRICE	\$0.780	\$500	\$5.50	\$12.00	\$4.68	\$0.780	\$500	\$5.50	\$12.00	\$4.68
GROSS RETURN	\$858	\$925	\$1,018	\$660	\$468	\$546	\$675	\$468	\$360	\$304
VARIABLE COSTS										
Seed	65	98	60	35	11	65	98	47	35	6
Cover Crop Seed*	17	17	17	17	17	17	17	17	17	17
BWEP	2.5					2.5				
Fertilizer & Lime**	155	77	281	83	142	131	77	128	83	130
Chemicals	88	196	27	47	15	82	149	20	37	15
Custom Application										
Scouting	7.5					7.5				
Fuel and Lube***	44	53	21	19	21	42	53	21	19	21
Repairs and Maintenance	22	28	10	9	10	22	28	10	9	10
Electricity										
Irrigation****	116	66	116	66	41					
Labor	19	24	9	8	9	18	24	9	8	9
Insurance	13	17	20	14	15	18	22	14	14	10
Ginning & Warehousing (net after cottonseed)	0					0				
Drying and Cleaning		40	57		31		29	26		20
Other										
Interest on Operating Capital	23	25	24	12	12	17	20	11	9	9
Marketing and Fees		15					11			
TOTAL VARIABLE COSTS	\$571	\$655	\$640	\$310	\$323	\$421	\$528	\$302	\$231	\$246
RETURN ABOVE VARIABLE COST	\$287	\$270	\$377	\$350	\$144	\$125	\$147	\$166	\$129	\$58
FIXED COSTS										
Machinery and Equipment	110	94	40	40	40	110	94	40	40	40
Irrigation	90	90	90	90	90					
Buildings										
Miscellaneous Overhead	30	33	32	14	16	22	27	15	11	12
TOTAL SPECIFIED FIXED COSTS	\$229	\$217	\$162	\$144	\$146	\$131	\$120	\$55	\$50	\$52
TOTAL COST EXCL. LAND & MGT	\$800	\$871	\$802	\$454	\$469	\$553	\$648	\$357	\$281	\$298
RETURN TO LAND AND MGT	\$58	\$54	\$215	\$206	(\$2)	(\$7)	\$27	\$111	\$79	\$6
BREAKEVEN PRICE	\$0.73	\$471.02	\$4.34	\$8.25	\$4.69	\$0.79	\$479.95	\$4.20	\$9.38	\$4.59
BREAKEVEN YIELD	1026	3,486	146	38	100	709	2,592	65	23	64

* Value only if the cover crop is not harvested, i.e. wheat for grain, etc.

** As of April 21, 2008 Fertilizer Prices per Pound of Nutrient were as follows: N=\$0.60, P=\$0.70, K=\$0.50

*** Calculated using a Diesel Fuel Price at \$3.50 Gallon

**** Assuming Diesel Irrigation. Electric is estimated to be 48% of the cost of \$3.50 Diesel Irrigation