

SUMMARY OF 2009 SOUTH GEORGIA CROP ENTERPRISE ESTIMATES

Strip-Tillage

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

Published December 2008

	IRRIGATED					NON-IRRIGATED				
	BR		RR	Grain		BR		RR	RR	Grain
	Cotton	Peanuts	Corn	Soybeans	Sorghum	Cotton	Peanuts	Corn	Soybeans	Sorghum
EXPECTED YIELD	1,100	3,700	185	55	100	700	2,700	85	30	65
EXPECTED PRICE	\$0.600	\$415	\$3.50	\$8.50	\$3.15	\$0.600	\$415	\$3.50	\$8.50	\$3.15
GROSS RETURN	\$660	\$768	\$648	\$468	\$315	\$420	\$560	\$298	\$255	\$205
VARIABLE COSTS										
Seed	72	106	84	45	15	72	106	50	45	7
Cover Crop Seed*	17	17	17	17	17	17	17	17	17	17
BWEP	2.5					2.5				
Fertilizer & Lime**	198	103	373	110	185	151	103	170	110	169
Chemicals	88	238	40	63	17	82	198	40	38	17
Custom Application										
Scouting	8					8				
Fuel and Lube***	36	44	16	16	16	34	44	16	16	16
Repairs and Maintenance	21	33	10	10	10	21	33	10	10	10
Irrigation****	67	38	67	38	24					
Labor	20	25	8	8	8	19	25	8	8	8
Insurance	10	17	20	14	15	17	22	14	14	10
Ginning & Warehousing (net after cottonseed)	-5					-3				
Drying and Cleaning		45	57		31		32	26		20
Other										
Interest on Operating Capital	18	23	23	11	11	14	20	12	9	9
Marketing and Fees		13					10			
TOTAL VARIABLE COSTS	\$552	\$700	\$715	\$330	\$349	\$434	\$609	\$363	\$266	\$283
RETURN ABOVE VARIABLE COST	\$108	\$68	(\$68)	\$137	(\$34)	(\$14)	(\$49)	(\$65)	(\$11)	(\$79)
BREAKEVEN PRICE (Operating Costs)	\$0.50	\$378	\$3.87	\$6.01	\$3.49	\$0.62	\$451	\$4.27	\$8.85	\$4.36
FIXED COSTS										
Machinery and Equipment	109	104	40	42	40	109	104	40	42	40
Irrigation	100	100	100	100	100					
Buildings										
Miscellaneous Overhead	28	35	36	17	17	22	30	18	13	14
TOTAL SPECIFIED FIXED COSTS	\$237	\$239	\$176	\$158	\$158	\$131	\$135	\$59	\$55	\$55
TOTAL COST EXCL. LAND & MGT	\$788	\$939	\$891	\$489	\$507	\$565	\$744	\$421	\$321	\$338
RETURN TO LAND AND MGT	(\$128)	(\$171)	(\$244)	(\$21)	(\$192)	(\$145)	(\$183)	(\$124)	(\$66)	(\$133)
BREAKEVEN PRICE (Total Costs)	\$0.72	\$507.60	\$4.82	\$8.88	\$5.07	\$0.81	\$550.76	\$4.96	\$10.69	\$5.20
BREAKEVEN YIELD	1314	4,526	255	57	161	942	3,583	120	38	107

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

** Expected Fertilizer Prices per Pound of Nutrient are as follows: N=\$0.82, P=\$0.74, K=\$0.80

*** Calculated using a Diesel Fuel Price at \$2.85 Gallon

**** Average of diesel and electric irrigation application costs. Electric is estimated at \$6/appl and diesel is estimated at \$13.10/appl when diesel cost \$2.85/gal.