

**CORN, STRIP TILLAGE, NON-IRRIGATED  
SOUTH GEORGIA, 2008**

**ESTIMATED COSTS AND RETURNS**

Expected Yield

85 Bushels

YIELD: YOUR FARM \_\_\_\_\_

<b>Variable Costs:</b>	<b>Unit</b>	<b>Number of Units</b>	<b>\$/Unit</b>	<b>Cost/Acre</b>	<b>\$/Bushels</b>	<b>Your Farm</b>
Seed	Thous.	20.00	\$ 2.35	\$ 47.00	\$ 0.55	_____
Cover Crop Seed	Bushel	1.50	\$ 11.00	\$ 16.50	\$ 0.19	_____
Lime	Tons	0.25	\$ 40.00	\$ 10.00	\$ 0.12	_____
Fertilizer						
Nitrogen	Lbs	100.00	\$ 0.53	\$ 53.00	\$ 0.62	_____
Phospate (P2O5)	Lbs	40.00	\$ 0.40	\$ 16.00	\$ 0.19	_____
Potash (K2O)	Lbs	60.00	\$ 0.30	\$ 18.00	\$ 0.21	_____
Weed Control	Acre	1.00	\$ 17.28	\$ 17.28	\$ 0.20	_____
Insect Control	Acre	1.00	\$ -	\$ -	\$ -	_____
<i>Machinery: Preharvest*</i>						
Fuel	Gallon	3.41	\$ 3.00	\$ 10.24	\$ 0.12	_____
Repairs & Maintenance	Acre	1.00	\$ 6.04	\$ 6.04	\$ 0.07	_____
<i>Machinery: Harvest</i>						
Fuel	Gallon	2.65	\$ 3.00	\$ 7.95	\$ 0.09	_____
Repairs & Maintenance	Acre	1.00	\$ 3.66	\$ 3.66	\$ 0.04	_____
Labor	Hrs	0.84	\$ 10.50	\$ 8.82	\$ 0.10	_____
Crop Insurance	Acre	1.00	\$ 10.00	\$ 10.00	\$ 0.12	_____
Land Rental	Acre	1.00	\$ -	\$ -	\$ -	_____
Interest on Operating capital	Percent	\$ 112.24	8.50%	\$ 9.54	\$ 0.11	_____
Drying - 8 points	Bushel	93.28	\$ 0.28	\$ 26.12	\$ 0.31	_____
<b>Total Variable Costs</b>				<b>\$ 260.15</b>	<b>\$ 3.06</b>	
<b>Fixed Costs:</b>						
Machinery: Depreciation, Taxes, Insurance, and Housing						
Preharvest*	Acre	1.00	\$ 16.32	\$ 16.32	\$ 0.19	_____
Harvest	Acre	1.00	\$ 23.56	\$ 23.56	\$ 0.28	_____
General Overhead	% of VC	\$ 260.15	5.00%	\$ 13.01	\$ 0.15	_____
Management	% of VC	\$ 260.15	5.00%	\$ 13.01	\$ 0.15	_____
Owned Land Costs; Taxes, Cash Payment, Etc.	Acre	1.00	\$ -	\$ -	\$ -	_____
Other _____						
<b>Total Fixed Costs</b>				<b>\$ 65.90</b>	<b>\$ 0.78</b>	
<b>TOTAL COSTS AND PROFIT GOAL</b>						
<b>Total Costs Excluding Land</b>				<b>\$ 326.05</b>	<b>\$ 3.84</b>	
**** YOUR PROFIT GOAL ****				\$ _____	/Bu.	
\$\$-PRICE NEEDED FOR PROFIT-\$\$				\$ _____	/Bu.	

\* Rip-strip and plant in one pass. Performing rip, strip and plant as separate operations increases preharvest fuel use by 0.413 gal (\$1.24 per acre) and repairs & maintenance costs by \$0.41 per acre. Fixed costs for preharvest machinery would be increased by \$0.94 per acre.

**Sensitivity Analysis of CORN, STRIP TILLAGE, NON-IRRIGATED**

NET RETURNS ABOVE VARIABLE COSTS PER ACRE						
Varying Prices and Yield (Bushels)						
Bu/Acre	-25%	-10%	Average	+10%	+25%	
	63.75	76.5	85	93.5	106.25	
\$3.00	\$ (68.90)	\$ (30.65)	\$ (5.15)	\$ 20.35	\$ 58.60	
\$3.25	\$ (52.96)	\$ (11.52)	\$ 16.10	\$ 43.73	\$ 85.17	
\$3.50	\$ (37.02)	\$ 7.60	\$ 37.35	\$ 67.10	\$ 111.73	
\$3.75	\$ (21.08)	\$ 26.73	\$ 58.60	\$ 90.48	\$ 138.29	
\$4.00	\$ (5.15)	\$ 45.85	\$ 79.85	\$ 113.85	\$ 164.85	

**ESTIMATED LABOR AND MACHINERY COSTS PER ACRE**

PREHARVEST OPERATIONS						
Operation	Acres/Hour	Number Times Over	Labor Use (Hr.)	Fuel Use (Gal./Ac)	Machinery Repairs (\$/Ac)	Fixed Costs (\$/Ac)
Spin Spreader 5 ton with Tractor (120-139 hp)-2WD 130	23.758	1.00	0.04	0.28	0.50	1.41
Disk Harrow 32' with Tractor (180-199 hp)-MFWD 190	16.291	1.00	0.06	0.60	1.12	3.26
Spray (Broadcast) 60' with Tractor (120-139 hp)-2WD 130	35.455	1.00	0.03	0.19	0.26	0.63
ST Plant-Rigid 6R-36 with Tractor (180-199 hp)-MFWD 190	6.873	1.00	0.15	1.42	2.43	7.28
Fert Appl (Liquid) 6R-36 with Tractor (120-139 hp)-2WD 130	9.164	1.00	0.11	0.73	1.47	3.11
Spray (Broadcast) 60' with Tractor (120-139 hp)-2WD 130	35.455	1.00	0.03	0.19	0.26	0.63
<b>Total Preharvest Fuel, Repairs, Fixed Costs, &amp; Labor</b>			<b>0.415</b>	<b>3.413</b>	<b>\$ 6.04</b>	<b>\$ 16.32</b>

HARVEST OPERATIONS						
Operation	Acres/Hour	Number Times Over	Labor Use (Hr.)	Fuel Use (Gal./Ac)	Machinery Repairs (\$/Ac)	Fixed Costs (\$/Ac)
Header - Corn 6R 36" with Combine (200-249 hp)-240hp	6.109	1.000	0.164	2.022	\$ 3.06	\$ 21.11
Corn Grain Cart 8R36500 bu with Tractor (120-139 hp)-2WD 130	10.642	1.000	0.094	0.629	\$ 0.60	\$ 2.46
<b>Total Harvest Fuel, Repairs, Fixed Costs, and Labor</b>			<b>0.258</b>	<b>2.65</b>	<b>\$ 3.66</b>	<b>\$ 23.56</b>

Prepared By: Amanda R Ziehl and Nathan B Smith, UGA Extension Economists, Department of Agricultural & Applied Economics

**Acknowledgements:** The authors gratefully acknowledge the contributions of Dewey Lee, Steve L. Brown, David Buntin, Eric Prostko and Georgia County Extension Agents in the construction of the 2008 corn budgets.

