

SUMMARY OF 2010 SOUTH GEORGIA CROP ENTERPRISE ESTIMATES

Conventional Tillage

By A.R. Smith, N.B. Smith and W.D. Shurley, UGA Extension Economists, Department of Agricultural & Applied Economics

Updated December 2009

	IRRIGATED						NON-IRRIGATED					
	RR		Grain		Int Mgmt		RR		RR		Grain	
	Cotton	Peanuts	Corn	Soybeans	Sorghum	Wheat	Cotton	Peanuts	Corn	Soybeans	Sorghum	Wheat
EXPECTED YIELD	1,100	4,000	185	55	100	75	700	2,800	85	30	65	55
EXPECTED 2010 SEASON AVERAGE PRICE	\$0.650	\$425	\$4.10	\$8.50	\$3.30	\$4.25	\$0.650	\$425	\$4.10	\$8.50	\$3.30	\$4.25
GROSS RETURN	\$715	\$850	\$759	\$468	\$330	\$319	\$455	\$595	\$349	\$255	\$215	\$234
VARIABLE COSTS												
Seed	68	94	90	48	15	30	68	94	53	48	7	20
BWEP	2.5						2.5					
Fertilizer & Lime*	107	50	203	67	98	105	83	50	93	67	89	74
Chemicals	80	184	31	69	18	33	76	171	31	41	18	15
Custom Application												
Scouting	8						8					
Fuel and Lube**	35	49	17	16	19	23	33	49	17	16	19	12
Repairs and Maintenance	21	39	13	12	14	15	21	39	13	12	13	8
Irrigation***	72	45	72	45	32							
Labor	26	31	11	9	11	13	25	31	11	9	11	7
Insurance	11	20	9	12	13	7	18	25	13	15	9	7
Other												
Interest on Operating Capital	16	19	16	10	8	8	12	17	8	8	6	5
Ginning & Warehousing (net after cottonseed)	44						28					
Drying and Cleaning		48	57		31	6		34	26		20	5
Marketing and Fees		15						10				
TOTAL VARIABLE COSTS	\$489	\$592	\$518	\$288	\$257	\$240	\$373	\$519	\$265	\$216	\$193	\$154
RETURN ABOVE VARIABLE COST	\$226	\$258	\$240	\$179	\$73	\$78	\$82	\$76	\$83	\$39	\$22	\$80
BREAKEVEN PRICE (Operating Costs)	\$0.44	\$296	\$2.80	\$5.25	\$2.57	\$3.20	\$0.53	\$371	\$3.12	\$7.19	\$2.96	\$2.80
FIXED COSTS												
Machinery and Equipment	103	127	50	50	52	52	102	127	50	50	52	32
Irrigation	100	100	100	100	100							
Buildings												
Miscellaneous Overhead	24	30	26	14	13	12	19	26	13	11	10	8
TOTAL SPECIFIED FIXED COSTS	\$227	\$256	\$176	\$164	\$165	\$64	\$120	\$153	\$63	\$61	\$61	\$40
TOTAL COST EXCL. LAND & MGT	\$716	\$849	\$694	\$453	\$422	\$304	\$494	\$671	\$328	\$276	\$254	\$194
RETURN TO LAND AND MGT	-\$1	\$1	\$65	\$15	-\$92	\$15	-\$39	-\$76	\$20	-\$21	-\$39	\$40
BREAKEVEN PRICE (Total Costs)	\$0.65	\$424	\$3.75	\$8.23	\$4.22	\$4.05	\$0.71	\$480	\$3.86	\$9.21	\$3.91	\$3.52
BREAKEVEN YIELD	1,102	3,995	169	53	128	72	760	3,160	80	33	77	46

* Expected fertilizer prices per pound of nutrient are as follows: N= \$0.45 P= \$0.25 K= \$0.50

** Calculated using a diesel fuel price of: \$2.50 per Gallon

*** Average of diesel and electric irrigation application costs. Electric is estimated at \$6/appl and diesel is estimated at \$12/appl when diesel cost \$2.50/gal.

Sensitivity Analysis of Yields and Prices of Conventional-Tillage, Irrigated Crops, South Georgia 2010

By A.R. Smith, N.B. Smith and W.D. Shurley, UGA Extension Economists, Department of Agricultural & Applied Economics

Updated December 2009

Irrigated Corn

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	139	167	185	204	231
\$3.49	\$ (35)	\$ 62	\$ 126	\$ 191	\$ 288
\$3.69	\$ (6)	\$ 96	\$ 164	\$ 233	\$ 335
\$4.10	\$ 51	\$ 164	\$ 240	\$ 316	\$ 430
\$4.51	\$ 108	\$ 233	\$ 316	\$ 400	\$ 525
\$4.72	\$ 136	\$ 267	\$ 354	\$ 441	\$ 572

Irrigated Cotton

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	825	990	1,100	1,210	1,375
\$0.59	\$ (6)	\$ 90	\$ 154	\$ 219	\$ 315
\$0.62	\$ 20	\$ 122	\$ 190	\$ 258	\$ 360
\$0.65	\$ 47	\$ 154	\$ 226	\$ 297	\$ 405
\$0.68	\$ 74	\$ 187	\$ 262	\$ 337	\$ 449
\$0.72	\$ 101	\$ 219	\$ 297	\$ 376	\$ 494

Irrigated Grain Sorghum

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	75	90	100	110	125
\$2.81	\$ (47)	\$ (5)	\$ 23	\$ 51	\$ 93
\$2.97	\$ (35)	\$ 10	\$ 40	\$ 69	\$ 114
\$3.30	\$ (10)	\$ 40	\$ 73	\$ 106	\$ 155
\$3.63	\$ 15	\$ 69	\$ 106	\$ 142	\$ 196
\$3.80	\$ 27	\$ 84	\$ 122	\$ 160	\$ 217

Irrigated Peanuts

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	3,000	3,600	4,000	4,400	5,000
\$383	\$ (19)	\$ 96	\$ 173	\$ 249	\$ 364
\$404	\$ 13	\$ 134	\$ 215	\$ 296	\$ 417
\$425	\$ 45	\$ 173	\$ 258	\$ 343	\$ 470
\$446	\$ 77	\$ 211	\$ 300	\$ 389	\$ 523
\$468	\$ 109	\$ 249	\$ 343	\$ 436	\$ 576

Irrigated Soybeans

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	41	50	55	61	69
\$7.23	\$ 10	\$ 69	\$ 109	\$ 149	\$ 208
\$7.65	\$ 27	\$ 90	\$ 132	\$ 174	\$ 237
\$8.50	\$ 62	\$ 132	\$ 179	\$ 226	\$ 296
\$9.35	\$ 97	\$ 174	\$ 226	\$ 277	\$ 354
\$9.78	\$ 115	\$ 195	\$ 249	\$ 303	\$ 384

Intensively Managed Wheat

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	56	68	75	83	94
\$3.61	\$ (37)	\$ 4	\$ 31	\$ 58	\$ 98
\$3.83	\$ (25)	\$ 18	\$ 47	\$ 75	\$ 118
\$4.25	\$ (1)	\$ 47	\$ 78	\$ 110	\$ 158
\$4.68	\$ 23	\$ 75	\$ 110	\$ 145	\$ 198
\$4.89	\$ 35	\$ 90	\$ 126	\$ 163	\$ 218

Sensitivity Analysis of Yields and Prices of Conventional-Tillage, Dryland Crops, South Georgia 2010

By A.R. Smith, N.B. Smith and W.D. Shurley, UGA Extension Economists, Department of Agricultural & Applied Economics

Updated December 2009

Dryland Corn

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	64	77	85	94	106
\$3.49	\$ (43)	\$ 1	\$ 31	\$ 61	\$ 105
\$3.69	\$ (30)	\$ 17	\$ 48	\$ 80	\$ 127
\$4.10	\$ (4)	\$ 48	\$ 83	\$ 118	\$ 170
\$4.51	\$ 22	\$ 80	\$ 118	\$ 157	\$ 214
\$4.72	\$ 35	\$ 96	\$ 136	\$ 176	\$ 236

Dryland Cotton

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	525	630	700	770	875
\$0.59	\$ (66)	\$ (5)	\$ 36	\$ 77	\$ 138
\$0.62	\$ (49)	\$ 16	\$ 59	\$ 102	\$ 167
\$0.65	\$ (32)	\$ 36	\$ 82	\$ 127	\$ 195
\$0.68	\$ (15)	\$ 57	\$ 104	\$ 152	\$ 224
\$0.72	\$ 2	\$ 77	\$ 127	\$ 177	\$ 252

Dryland Grain Sorghum

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	49	59	65	72	81
\$2.81	\$ (56)	\$ (29)	\$ (10)	\$ 8	\$ 35
\$2.97	\$ (48)	\$ (19)	\$ 0	\$ 20	\$ 49
\$3.30	\$ (32)	\$ 0	\$ 22	\$ 43	\$ 75
\$3.63	\$ (16)	\$ 20	\$ 43	\$ 67	\$ 102
\$3.80	\$ (8)	\$ 29	\$ 54	\$ 79	\$ 116

Dryland Peanuts

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	2,100	2,520	2,800	3,080	3,500
\$383	\$ (117)	\$ (37)	\$ 17	\$ 70	\$ 151
\$404	\$ (95)	\$ (10)	\$ 47	\$ 103	\$ 188
\$425	\$ (72)	\$ 17	\$ 76	\$ 136	\$ 225
\$446	\$ (50)	\$ 44	\$ 106	\$ 169	\$ 262
\$468	\$ (28)	\$ 70	\$ 136	\$ 201	\$ 299

Dryland Soybeans

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	23	27	30	33	38
\$7.23	\$ (53)	\$ (21)	\$ 1	\$ 23	\$ 55
\$7.65	\$ (44)	\$ (9)	\$ 14	\$ 37	\$ 71
\$8.50	\$ (24)	\$ 14	\$ 39	\$ 65	\$ 103
\$9.35	\$ (5)	\$ 37	\$ 65	\$ 93	\$ 135
\$9.78	\$ 4	\$ 48	\$ 78	\$ 107	\$ 151

Conventional Wheat

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	41	50	55	61	69
\$3.61	\$ (5)	\$ 25	\$ 45	\$ 64	\$ 94
\$3.83	\$ 4	\$ 35	\$ 56	\$ 77	\$ 109
\$4.25	\$ 21	\$ 56	\$ 80	\$ 103	\$ 138
\$4.68	\$ 39	\$ 77	\$ 103	\$ 129	\$ 167
\$4.89	\$ 47	\$ 88	\$ 115	\$ 142	\$ 182

Sensitivity Analysis of Yields and Prices on Strip-Tillage, Irrigated Crops, South Georgia 2010

By A.R. Smith, N.B. Smith and W.D. Shurley, UGA Extension Economists, Department of Agricultural & Applied Economics

Updated December 2009

Irrigated Corn, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	139	167	185	204	231
\$3.49	\$ (44)	\$ 52	\$ 117	\$ 181	\$ 278
\$3.69	\$ (16)	\$ 86	\$ 155	\$ 223	\$ 325
\$4.10	\$ 41	\$ 155	\$ 231	\$ 306	\$ 420
\$4.51	\$ 98	\$ 223	\$ 306	\$ 390	\$ 515
\$4.72	\$ 126	\$ 257	\$ 344	\$ 432	\$ 562

Irrigated Cotton, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	825	990	1,100	1,210	1,375
\$0.59	\$ (14)	\$ 82	\$ 147	\$ 211	\$ 308
\$0.62	\$ 13	\$ 115	\$ 182	\$ 250	\$ 352
\$0.65	\$ 39	\$ 147	\$ 218	\$ 290	\$ 397
\$0.68	\$ 66	\$ 179	\$ 254	\$ 329	\$ 442
\$0.72	\$ 93	\$ 211	\$ 290	\$ 368	\$ 486

Irrigated Grain Sorghum, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	75	90	100	110	125
\$2.81	\$ (46)	\$ (4)	\$ 24	\$ 52	\$ 94
\$2.97	\$ (34)	\$ 11	\$ 40	\$ 70	\$ 115
\$3.30	\$ (9)	\$ 40	\$ 73	\$ 106	\$ 156
\$3.63	\$ 16	\$ 70	\$ 106	\$ 143	\$ 197
\$3.80	\$ 28	\$ 85	\$ 123	\$ 161	\$ 218

Irrigated Peanuts, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	3,000	3,600	4,000	4,400	5,000
\$383	\$ (24)	\$ 91	\$ 168	\$ 244	\$ 359
\$404	\$ 8	\$ 129	\$ 210	\$ 291	\$ 412
\$425	\$ 40	\$ 168	\$ 253	\$ 338	\$ 465
\$446	\$ 72	\$ 206	\$ 295	\$ 384	\$ 518
\$468	\$ 104	\$ 244	\$ 338	\$ 431	\$ 571

Irrigated Soybeans, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	41	50	55	61	69
\$7.23	\$ (2)	\$ 57	\$ 97	\$ 137	\$ 197
\$7.65	\$ 15	\$ 78	\$ 121	\$ 163	\$ 226
\$8.50	\$ 50	\$ 121	\$ 167	\$ 214	\$ 284
\$9.35	\$ 85	\$ 163	\$ 214	\$ 265	\$ 343
\$9.78	\$ 103	\$ 184	\$ 237	\$ 291	\$ 372

Sensitivity Analysis of Yields and Prices on Strip-Tillage, Dryland Crops, South Georgia 2010

By A.R. Smith, N.B. Smith and W.D. Shurley, UGA Extension Economists, Department of Agricultural & Applied Economics

Updated December 2009

Dryland Corn, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	64	77	85	94	106
\$3.49	\$ (62)	\$ (18)	\$ 12	\$ 42	\$ 86
\$3.69	\$ (49)	\$ (2)	\$ 30	\$ 61	\$ 108
\$4.10	\$ (23)	\$ 30	\$ 64	\$ 99	\$ 151
\$4.51	\$ 3	\$ 61	\$ 99	\$ 138	\$ 195
\$4.72	\$ 16	\$ 77	\$ 117	\$ 157	\$ 217

Dryland Cotton, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	525	630	700	770	875
\$0.59	\$ (86)	\$ (25)	\$ 16	\$ 57	\$ 118
\$0.62	\$ (69)	\$ (5)	\$ 39	\$ 82	\$ 147
\$0.65	\$ (52)	\$ 16	\$ 61	\$ 107	\$ 175
\$0.68	\$ (35)	\$ 36	\$ 84	\$ 132	\$ 204
\$0.72	\$ (18)	\$ 57	\$ 107	\$ 157	\$ 232

Dryland Grain Sorghum, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	49	59	65	72	81
\$2.81	\$ (65)	\$ (37)	\$ (19)	\$ (1)	\$ 26
\$2.97	\$ (57)	\$ (28)	\$ (8)	\$ 11	\$ 40
\$3.30	\$ (41)	\$ (8)	\$ 13	\$ 34	\$ 67
\$3.63	\$ (25)	\$ 11	\$ 34	\$ 58	\$ 93
\$3.80	\$ (17)	\$ 20	\$ 45	\$ 70	\$ 107

Dryland Peanuts, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	2,100	2,520	2,800	3,080	3,500
\$383	\$ (125)	\$ (45)	\$ 9	\$ 62	\$ 142
\$404	\$ (103)	\$ (18)	\$ 38	\$ 95	\$ 180
\$425	\$ (81)	\$ 9	\$ 68	\$ 128	\$ 217
\$446	\$ (58)	\$ 35	\$ 98	\$ 160	\$ 254
\$468	\$ (36)	\$ 62	\$ 128	\$ 193	\$ 291

Dryland Soybeans, Strip Till

NET RETURNS ABOVE VARIABLE COSTS PER ACRE					
Yield	-25%	-10%	Average	+10%	+25%
Price	23	27	30	33	38
\$7.23	\$ (72)	\$ (40)	\$ (18)	\$ 4	\$ 36
\$7.65	\$ (63)	\$ (28)	\$ (5)	\$ 18	\$ 52
\$8.50	\$ (43)	\$ (5)	\$ 20	\$ 46	\$ 84
\$9.35	\$ (24)	\$ 18	\$ 46	\$ 74	\$ 116
\$9.78	\$ (15)	\$ 29	\$ 59	\$ 88	\$ 132