

Estimate of 2018 Relative Row Crop Costs and Net Returns

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

| April 2018 | | | | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Conventional Tillage | IRRIGATED | | | | | NON-IRRIGATED | | | | | | |
| | Cotton | Peanuts | Corn | Soybeans | Grain Sorghum | Cotton | Peanuts | Corn | Soybeans | Grain Sorghum | Int Mgmt Wheat | Wheat |
| EXPECTED YIELD per ACRE | 1,200 lbs | 4,700 lbs | 200 bu | 60 bu | 100 bu | 750 lbs | 3,400 lbs | 85 bu | 30 bu | 65 bu | 75 bu | 55 bu |
| EXPECTED SEASON AVG PRICE | \$0.75 /lb | \$400 /ton | \$4.40 /bu | \$10.35 /bu | \$3.95 /bu | \$0.75 /lb | \$400 /ton | \$4.40 /bu | \$10.35 /bu | \$3.95 /bu | \$4.90 /bu | \$4.90 /bu |
| GROSS RETURN per ACRE | \$900 | \$940 | \$880 | \$621 | \$395 | \$563 | \$680 | \$374 | \$311 | \$257 | \$368 | \$270 |
| VARIABLE COSTS per ACRE | | | | | | | | | | | | |
| Seed | 100 | 120 | 112 | 57 | 23 | 100 | 120 | 70 | 57 | 14 | 38 | 23 |
| BWEP | 2 | | | | | 1 | | | | | | |
| Fertilizer & Lime* | 110 | 58 | 234 | 61 | 131 | 82 | 58 | 92 | 61 | 82 | 106 | 77 |
| Chicken Litter | | | | | | | | | | | | |
| Chemicals | 83 | 175 | 39 | 52 | 27 | 83 | 154 | 39 | 29 | 27 | 56 | 48 |
| Custom Application | | | | | | | | | | | | |
| Hand Weeding | 15 | 15 | | | | 15 | 15 | | | | | |
| Scouting | 10 | 10 | | | | 10 | 10 | | | | | |
| Fuel and Lube** | 31 | 41 | 18 | 14 | 18 | 30 | 41 | 18 | 14 | 18 | 26 | 16 |
| Repairs and Maintenance | 29 | 54 | 22 | 20 | 22 | 29 | 54 | 22 | 20 | 22 | 23 | 14 |
| Irrigation*** | 74 | 56 | 74 | 46 | 37 | | | | | | | |
| Labor | 26 | 33 | 14 | 11 | 14 | 24 | 33 | 14 | 11 | 14 | 17 | 10 |
| Insurance | 8 | 19 | 13 | 10 | 19 | 16 | 27 | 22 | 16 | 17 | 11 | 12 |
| Land Rent | | | | | | | | | | | | |
| Other | | | | | | | | | | | | |
| Interest on Operating Capital | 15 | 17 | 16 | 8 | 9 | 12 | 15 | 8 | 6 | 6 | 8 | 6 |
| Gin & Warehouse (net after cottonseed) | 42 | | | | | 26 | | | | | | |
| Drying and Cleaning | | 63 | 61 | | 31 | | 45 | 26 | | 20 | 7 | 5 |
| Marketing and Fees | | 15 | | | | | 11 | | | | | |
| TOTAL VARIABLE COSTS per ACRE | \$545 | \$675 | \$603 | \$279 | \$331 | \$428 | \$583 | \$311 | \$214 | \$220 | \$292 | \$212 |
| RETURN ABOVE VARIABLE COST per ACRE | \$355 | \$265 | \$277 | \$342 | \$64 | \$134 | \$97 | \$63 | \$97 | \$36 | \$76 | \$58 |
| BREAKEVEN PRICE (Variable Cost) | \$0.45 /lb | \$287 /ton | \$3.02 /bu | \$4.65 /bu | \$3.31 /bu | \$0.57 /lb | \$343 /ton | \$3.65 /bu | \$7.13 /bu | \$3.39 /bu | \$3.89 /bu | \$3.85 /bu |
| BREAKEVEN YIELD per ACRE (Variable Cost) | 727 lbs | 3,375 lbs | 137 bu | 27 bu | 84 bu | 571 lbs | 2,916 lbs | 71 bu | 21 bu | 56 bu | 60 bu | 43 bu |
| FIXED COSTS per ACRE | | | | | | | | | | | | |
| Machinery and Equipment | 136 | 157 | 79 | 72 | 78 | 136 | 157 | 79 | 72 | 78 | 75 | 49 |
| Irrigation | 130 | 130 | 130 | 130 | 130 | | | | | | | |
| Buildings | | | | | | | | | | | | |
| Miscellaneous Overhead | 27 | 34 | 30 | 14 | 17 | 21 | 29 | 16 | 11 | 11 | 15 | 11 |
| TOTAL SPECIFIED FIXED COSTS per ACRE | \$294 | \$321 | \$239 | \$216 | \$224 | \$158 | \$186 | \$95 | \$83 | \$89 | \$90 | \$60 |
| TOTAL COST EXCL. LAND & MGT per ACRE | \$839 | \$996 | \$843 | \$495 | \$555 | \$586 | \$769 | \$405 | \$296 | \$309 | \$381 | \$272 |
| RETURN TO LAND AND MGT per ACRE | \$61 | -\$56 | \$37 | \$126 | -\$160 | -\$24 | -\$90 | -\$31 | \$14 | -\$53 | -\$14 | -\$2 |
| BREAKEVEN PRICE (Total Costs) | \$0.70 /lb | \$424 /ton | \$4.21 /bu | \$8.24 /bu | \$5.55 /bu | \$0.78 /lb | \$453 /ton | \$4.77 /bu | \$9.88 /bu | \$4.76 /bu | \$5.08 /bu | \$4.94 /bu |
| BREAKEVEN YIELD per ACRE | 1,118 lbs | 4,980 lbs | 192 bu | 48 bu | 141 bu | 782 lbs | 3,849 lbs | 92 bu | 29 bu | 78 bu | 78 bu | 55 bu |

* Expected fertilizer \$/lb. of nutrient: N= \$0.47 P= \$0.40 K= \$0.30

** Season Average Diesel fuel price: \$2.40 per Gallon

*** Average of diesel and electric irrigation application costs. Electric is estimated at \$7/appl and diesel is estimated at \$11.50/appl when diesel cost \$2.40/gal.

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|--|------------|------------|------------|-------------|---------------|---------------|------------|------------|-------------|---------------|
| Strip-Tillage | IRRIGATED | | | | | NON-IRRIGATED | | | | |
| | Cotton | Peanuts | Corn | Soybeans | Grain Sorghum | Cotton | Peanuts | Corn | Soybeans | Grain Sorghum |
| EXPECTED YIELD per ACRE | 1,200 lbs | 4,700 lbs | 200 bu | 60 bu | 100 bu | 750 lbs | 3,400 lbs | 85 bu | 30 bu | 65 bu |
| EXPECTED SEASON AVG PRICE | \$0.75 /lb | \$400 /ton | \$4.40 /bu | \$10.35 /bu | \$3.95 /bu | \$0.75 /lb | \$400 /ton | \$4.40 /bu | \$10.35 /bu | \$3.95 /bu |
| GROSS RETURN per ACRE | \$900 | \$940 | \$880 | \$621 | \$395 | \$563 | \$680 | \$374 | \$311 | \$257 |
| VARIABLE COSTS per ACRE | | | | | | | | | | |
| Seed | 110 | 120 | 112 | 57 | 23 | 110 | 120 | 70 | 57 | 14 |
| Cover Crop Seed* | | | | | | | | | | |
| BWEP | 2 | | | | | 1 | | | | |
| Fertilizer & Lime** | 110 | 58 | 234 | 61 | 131 | 82 | 58 | 92 | 61 | 82 |
| Chicken Litter | | | | | | | | | | |
| Chemicals | 97 | 185 | 47 | 54 | 27 | 96 | 165 | 43 | 31 | 27 |
| Custom Application | | | | | | | | | | |
| Handweeding | 15 | 15 | | | | 15 | 15 | | | |
| Scouting | 10 | 10 | | | | 10 | 10 | | | |
| Fuel and Lube*** | 27 | 31 | 15 | 13 | 15 | 26 | 31 | 15 | 13 | 15 |
| Repairs and Maintenance | 28 | 45 | 19 | 17 | 18 | 27 | 45 | 19 | 17 | 18 |
| Irrigation**** | 65 | 46 | 65 | 37 | 28 | | | | | |
| Labor | 22 | 26 | 11 | 10 | 12 | 20 | 26 | 11 | 10 | 12 |
| Insurance | 8 | 19 | 13 | 10 | 19 | 16 | 27 | 22 | 16 | 17 |
| Land Rent | | | | | | | | | | |
| Other | | | | | | | | | | |
| Interest on Operating Capital | 15 | 17 | 15 | 8 | 8 | 12 | 15 | 8 | 6 | 6 |
| Gin & Warehouse (net after cottonseed) | 42 | | | | | 26 | | | | |
| Drying and Cleaning | | 63 | 61 | | 31 | | 45 | 26 | | 20 |
| Marketing and Fees | | 15 | | | | | 11 | | | |
| TOTAL VARIABLE COSTS per ACRE | \$550 | \$652 | \$593 | \$266 | \$312 | \$443 | \$569 | \$305 | \$210 | \$211 |
| RETURN ABOVE VARIABLE COST per ACRE | \$350 | \$288 | \$287 | \$355 | \$83 | \$120 | \$111 | \$69 | \$100 | \$46 |
| BREAKEVEN PRICE (Variable Cost) | \$0.46 /lb | \$277 /ton | \$2.96 /bu | \$4.43 /bu | \$3.12 /bu | \$0.59 /lb | \$335 /ton | \$3.59 /bu | \$7.02 /bu | \$3.25 /bu |
| BREAKEVEN YIELD per ACRE (Variable Cost) | 733 lbs | 3,258 lbs | 135 bu | 26 bu | 79 bu | 591 lbs | 2,846 lbs | 69 bu | 20 bu | 53 bu |
| FIXED COSTS per ACRE | | | | | | | | | | |
| Machinery and Equipment | 127 | 131 | 70 | 62 | 68 | 127 | 131 | 70 | 62 | 68 |
| Irrigation | 130 | 130 | 130 | 130 | 130 | | | | | |
| Buildings | | | | | | | | | | |
| Miscellaneous Overhead | 27 | 33 | 30 | 13 | 16 | 22 | 28 | 15 | 11 | 11 |
| TOTAL SPECIFIED FIXED COSTS per ACRE | \$285 | \$294 | \$229 | \$206 | \$214 | \$150 | \$160 | \$85 | \$73 | \$78 |
| TOTAL COST EXCL. LAND & MGT per ACRE | \$835 | \$945 | \$822 | \$472 | \$525 | \$592 | \$729 | \$390 | \$283 | \$289 |
| RETURN TO LAND AND MGT per ACRE | \$65 | -\$5 | \$58 | \$149 | -\$131 | -\$30 | -\$49 | -\$16 | \$27 | -\$33 |
| BREAKEVEN PRICE (Total Costs) | \$0.70 /lb | \$402 /ton | \$4.11 /bu | \$7.86 /bu | \$5.25 /bu | \$0.79 /lb | \$429 /ton | \$4.59 /bu | \$9.45 /bu | \$4.45 /bu |
| BREAKEVEN YIELD per ACRE | 1,113 lbs | 4,727 lbs | 187 bu | 46 bu | 133 bu | 790 lbs | 3,645 lbs | 89 bu | 27 bu | 73 bu |

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

** Expected fertilizer \$/lb.of nutrient:

N= \$0.47 P= \$0.40 K= \$0.30

*** Average of diesel and electric irrigation application costs. Electric is estimated at \$7/appl and diesel is estimated at \$11.50/appl when diesel cost \$2.40/gal.

**** Season Average Diesel Fuel Price: \$2.40 per Gallon