

COTTON
ESTIMATED PER ACRE COSTS AND RETURNS, SOUTH AND EAST GEORGIA, 2008

Seed Technology:	BR	Row Spacing:	36
Tillage:	Strip-Till	Seed Per Foot:	2.75
Production:	Irrigated	Seed Per Bag or Lb:	250000

			Lbs/Acre	Price/Lb	Income/Ac	Cents/Lb
INCOME (Price including LDP or Loan Gain)			1100	0.60	\$660.00	60.00
VARIABLE COST**						
	Unit	No. Units		Price/Unit	Cost/Acre	Cents/Lb
Land Rent	Acre	1		0.00	0.00	0.00
Cover Crop	Acre	1		0.00	0.00	0.00
Seed (Including Tech Fees and Treatments)						
Seeds Per Acre	39,930					
Seeds Per Acre	Bag	0.160		449.00	71.71	6.52
Lime- Custom Spread	Ton	0.33		43.00	14.19	1.29
Fertilizers						
Nitrogen	Lbs	90		0.74	66.60	6.05
Phosphate (P2O5)	Lbs	70		0.67	46.90	4.26
Potash (K2O)	Lbs	70		0.80	56.00	5.09
Chicken Litter- Custom Spread	Tons	0		42.00	0.00	0.00
Boron	Lbs	0.5		3.50	1.75	0.16
Others	Acre	1		0.00	0.00	0.00
Herbicides						
Pre-Plant OTT	Acre	1		2.75	2.75	0.25
At Planting or Pre-Emergence	Acre	1		15.25	15.25	1.39
Post-Emergence- OTT	Acre	1		9.00	9.00	0.82
Post-Emergence- Directed or Hood	Acre	1		11.00	11.00	1.00
Others	Acre	1		0.00	0.00	0.00
Insecticides						
In-Furrow	Lbs	3.5		3.00	10.50	0.95
Spray- Worms	Appl	1		7.50	7.50	0.68
Spray- Stink Bugs, Other Pests	Appl	2		4.90	9.80	0.89
Nematicide	Acre	1		0.00	0.00	0.00
PGR	Ounces	32		0.195	6.24	0.57
Boll Opener and Defoliant	Acre	1		15.50	15.50	1.41
Custom Applications						
Insecticides	Appl	0		0.00	0.00	0.00
Herbicides	Appl	0		0.00	0.00	0.00
PGR	Appl	0		0.00	0.00	0.00
Defoliation	Appl	0		0.00	0.00	0.00
Scouting	Acre	1		8.00	8.00	0.73
BWEP	Acre	1		2.50	2.50	0.23
Machinery and Equipment						
Fuel and Lube	Gal	11.84		2.50	29.60	2.69
Repairs and Maintenance	Acre	1		18.89	18.89	1.72
Custom Picking	Acre	1		0.00	0.00	0.00
Irrigation	Appl	7		8.40	58.80	5.35
Crop Insurance	Acre	1		10.00	10.00	0.91
Labor	LT/MT	1.65	2.00	11.00	21.95	2.00
Interest on Operating	Months	6	\$494.44	0.50	7.5%	18.54
1.65						
Ginning and Warehousing						
Ginning	Lbs	1100		0.080	88.00	8.00
Storage and Warehousing	Bale	2.2		10.50	23.10	2.10
Promotions, Boards, Classing	Bale	2.2		5.45	11.99	1.09
Cottonseed	Seed/Lb Lint	1.15	0.6325	200.00	-126.50	-11.50
TOTAL VARIABLE COSTS					\$509.57	46.32
NET RETURN ABOVE VARIABLE COST					\$150.43	13.68
Tractors and Sprayer	Acre	1		33.61	33.61	3.06
Equipment/Implements	Acre	1		8.94	8.94	0.81
Picker/BB/MB	Acre	1		52.43	52.43	4.77
Irrigation	Acre	1		100.00	100.00	9.09
Owned Land Charge	Acre	1		0.00	0.00	0.00
Misc Overhead	% of Var Costs		\$509.57	5.0%	25.48	2.32
Management	% of Var Costs		\$509.57	5.0%	25.48	2.32
TOTAL FIXED COSTS					\$245.94	22.36
TOTAL COST					\$755.51	68.68
NET RETURN					-\$95.51	-8.68

** Fertilizer and fuel prices as of November-December 2008. All costs subject to change.

PER ACRE NET RETURN* ABOVE VARIABLE COST AT VARIOUS PRICES, YIELD, and RENT

	0.55			0.60			0.65		
	1000	1100	1200	1000	1100	1200	1000	1100	1200
100	-59.88	-4.57	50.74	-9.88	50.43	110.74	40.12	105.43	170.74
125	-84.88	-29.57	25.74	-34.88	25.43	85.74	15.12	80.43	145.74
150	-109.88	-54.57	0.74	-59.88	0.43	60.74	-9.88	55.43	120.74
175	-134.88	-79.57	-24.26	-84.88	-24.57	35.74	-34.88	30.43	95.74
200	-159.88	-104.57	-49.26	-109.88	-49.57	10.74	-59.88	5.43	70.74

* Net return excludes DCP on Payment Acres. Price should include POP/LDP when applicable. Cash price plus POP/LDP or Loan plus Gain or merchant Equity should be a minimum of 55 to 60 cents per lb. Price less than this will underestimate net returns.

Acres of This Crop 850

	New Price	Fixed Costs Per Year			Fixed Costs Share For This Crop				Repairs and Maintenance			
		% FC	Total FC	Hrs Use	FC/Hr	% Use	Hrs Use	Hrs/Ac	FC/Acre	Est RM	Crop	Per Acre
Tractors												
200 HP	149000	12.0	17880	500	35.76	65	325	0.38	13.67	3000	1950	2.29
165 HP	102000	12.0	12240	500	24.48	60	300	0.35	8.64	2000	1200	1.41
			0				0				0	0.00
Hi-clearance sprayer	98000	14.0	13720	225	60.98	70	157.5	0.19	11.30	2500	1750	2.06
Picker	296000	14.0	41440	250	165.76	100	250	0.29	48.75	9000	9000	10.59
Totals			85280						82.36	16500	13900	16.35

Fuel Cost Per Gallon 2.50

Job or Implement- Size	Total Farm Acres/Yr*	HP Used	Acres/Hr	Fixed Costs Per Year			Fixed Costs This Crop		Repairs and Maintenance			Fuel and Lube		
				New Price	% FC	Total FC	% Use	FC/Acre	Est RM	Crop	Per Acre	Hrs/Ac	Gal/Hr	Cost/Ac
Spray 60 ft-- OTT burndown herb	8500	110	38.0			0		0.00		0	0.00	0.026	4.8	0.37
Rip/Strip/Plant- 6-row w/PRE	1700	200	8.5	42000	12.5	5250	50	3.09	1100	550	0.65	0.118	8.8	2.98
Spray 60 ft-- OTT POST herb	8500	110	38.0			0		0.00		0	0.00	0.026	4.8	0.37
Spray 60 ft OTT- pgr	8500	110	38.0			0		0.00		0	0.00	0.026	4.8	0.37
Spray 60 ft OTT- insecticide	8500	110	38.0			0		0.00		0	0.00	0.026	4.8	0.37
Spray- Layby Directed 8-row	1000	165	11.0	18000	12.5	2250	85	2.25	450	383	0.45	0.091	7.3	1.90
Nitrogen side dress	1200	165	12.0	15000	12.5	1875	70	1.54	375	263	0.31	0.083	7.3	1.74
Spray 60 ft OTT- pgr/insecticide	8500	110	38.0			0		0.00		0	0.00	0.026	4.8	0.37
Spray 60 ft OTT- insecticide/pgr	8500	110	38.0			0		0.00		0	0.00	0.026	4.8	0.37
Spray 60 ft OTT- defoliation	8500	110	38.0			0		0.00		0	0.00	0.026	4.8	0.37
						0		0.00		0	0.00		0.0	
						0		0.00		0	0.00		0.0	
						0		0.00		0	0.00		0.0	
Picker- 4 row	850	275	3.50			0		0.00		0	0.00	0.286	12.1	9.94
Boll Buggy	850	200	5.25	25000	12.5	3125	100	3.68	650	650	0.76	0.190	8.8	4.82
Module Builder	850	165	5.25			0		0.00		0	0.00	0.190	7.3	3.98
Mow/shred stalks- 20 ft	1200	200	15.0	20000	12.5	2500	70	2.06	450	315	0.37	0.067	8.8	1.69
						0		0.00		0	0.00		0.0	
Totals								12.62	3025	2160	2.54	1.21		29.60

* All acres for the implement including multiple trips over the field. Disking 800 acres 2 times would be 1,600 acres total. Spraying 900 acres 5 times would be 4,500 acres.

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