

2013 Pecan Budget

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THE UNIVERSITY OF GEORGIA
**COOPERATIVE
EXTENSION**

College of Agricultural and Environmental Sciences
College of Family and Consumer Sciences

PECANS 2013

Variable Cost Budget

*Number of acres = 1
 IRRIGATION: Enter 0 for none, 1 for drip, 2 for Solid 1 1

	Best	Opt	Median	Pess	Worst	
*Yield (lbs)	2000	1800	1600	1400	1200	
*Price per lb.	2.75	2.55	2.35	2.15	1.95	
Item		Unit	Quant.	Price	\$Amt/ac	TOTAL
Variable Costs						
Lime, applied		Ton	1	30.00	30.00	30
N (46% Urea)		Lbs.	150	0.490	73.50	74
Phosphorus		Lbs.	40	0.510	20.40	20
Potassium		Lbs.	60	0.390	23.40	23
Zn Sulfate (ground)		Lbs.	50	0.500	25.00	25
Foliar Zn		Appl	3	2.00	6.00	6
Foliar Boron		Appl	3	1.30	3.90	4
Fungicides 1/		Appl	8	11.13	89.04	89
Herbicides		Appl	3	29.00	87.00	87
Insecticide 2/		Appl	6	10.76	64.56	65
Labor		Hr.	25.00	8.00	200.00	200
Fuel		Gal	33.00	3.50	115.50	116
Rep & maint.+ irrigation		Acre	1	50.00	50.00	50
Land rent		Acre	1	150.00	150.00	150
Irrigation		Acre	1	37.49	37.49	37
Land Lease		Acre	1	150.00	150.00	150
Interest on Operation Capital		\$	938.30	0.07	30.49	30
Pre-Harvest Variable Costs					975.79	976
Harvest and Marketing Costs						
Harvesting (shake, sweep, haul)		Acre	1.00	37.91	37.91	38
Cleaning & Drying		Lbs.	1600	0.12	192.00	192
Labor		Hr.	4.00	8.00	32.00	32
Brokerage fee (%)		Lbs.	1600	0.12	192.00	192
Total Harvesting and Marketing Costs					453.91	454
Total Variable Costs					1429.70	1430
FIXED COST						
Tractor & Equipment		Hr.	1.00	123.40	123.40	123
Irrigation		Acre	1.00	56.13	56.13	56
Recapture estab. costs		Acre	1.00	591.84	591.84	592
Overhead and Management		\$	976	0.15	146.37	146
Total Fixed Costs					917.73	918
Total budgeted cost per acre					2347.43	2347
Break-Even (BE) Costs Per Lb.						
BE pre-harvest variable cost per lb.					0.61	
BE harvest & marketing cost per lb.					0.28	
BE fixed c per lb.					0.57	
Total budgeted cost per lb.					1.47	
					998.9	

(continued on next page)

- 1/- Some years are higher than others based on disease pressure.
 2/- (Same as 1/- above)

EXPECTED RETURNS FROM TOTAL ACREAGE

ACRES	EXPECTED YIELD/AC	VOLUME MARKETED	EXPECTED PRICE	TOTAL RETURNS
1	1600	1600	2.35	3760

RISK RATED RETURNS OVER TOTAL COSTS

Net return levels (TOP ROW);
 The chances of obtaining this level or more (MIDDLE ROW); and
 The chances of obtaining this level or less (BOTTOM ROW).

		Optimistic		Expected		Pessimistic	
*Returns(\$)	2,197	1,935	1,674	1,413	1,151	890	629
Chances	7%	16%	31%	50%	31%	16%	7%
Chances				50%			
CHANCES FOR PROFIT =		99%		BASE BUDGETED NET REVENUE (\$)			1,413

**Estimated Establishment And First Year Maintenance
Cost Per Acre For Georgia Pecan, 2013**

ITEM	UNIT	QUANT.	PRICE	AMOUNT
OPERATING COSTS				
Lime (DOL.)	Ton	1	30.00	30.00
Fertilizer (10-10-10)	Lbs	12	3.33	39.96
Zinc Sulfate	Lbs	24	0.35	8.40
Foliar Zn	Acre	2	0.00	0.00
Herbicides	Acre	3	29.25	87.75
Spray material	Acre	2	15.00	30.00
Trees	Tree	24	19.00	456.00
Labor	Hrs	20	8.00	160.00
Fuel	Acre	1.00	29.98	29.98
Repair & Maintenance	Acre	1	40.08	40.08
Irrigation	Acre	1	37.49	37.49
Land Lease	Acre	1	150	150.00
Interest on operation		882.17	0.065	57.34
Total Operating Costs				1127.00
FIXED COSTS				
Tractor & Equipment	\$	123.3958	1.00	123.40
Management Overhead	\$	1127.00	0.15	169.05
Irrigation	Acre	1	56.13	56.13
Total Fixed Costs				348.58
Total Establishment Costs				1475.57

*Land purchase = \$4,000 irrigated or \$3,000 for non-irrigated

**Estimated Annual Maintenance Cost for Pecans
Second Through Fourth Years, Georgia Pecans, 2013**

ITEM	UNIT	QUANT.	PRICE	AMOUNT
OPERATING COSTS				
Lime (Dolomite)	Ton	1	30.00	30.00
Fertilizer (10-10-10)	Trees	81	3.33	269.73
Zinc Sulphate	Lbs	35	0.35	12.25
Foliar Zn	Acre	2	2.00	4.00
Herbicides	Appl	3	29.25	87.75
Trees	Acre	1	15.00	15.00
Fungicides	Appl	3	11.13	33.39
Insecticide	Appl	3	10.76	32.28
Labor	Hrs	20	8.00	160.00
Fuel	Acre	1.00	29.98	29.98
Repair & Matenance	Acre	1	40.08	40.08
Irrigation	Acre	1	37.49	37.49
Land Lease	Acre	1	150	150.00
Interest on operation		714.46	0.065	46.44
Total Operating Costs				948.39
FIXED COSTS				
Tractor & Equipment	\$	1	123.40	123.40
General Overhead	\$	948.39	0.15	142.26
Irrigation	Acre	1	56.13	56.13
TOTAL FIXED COSTS				321.78
TOTAL COSTS				1270.17

**Estimated Annual Maintenance Cost For Pecans
Fifth Through Seventh Years, Georgia Pecans, 2013**

ITEM	UNIT	QUANT.	PRICE	AMOUNT
OPERATING COSTS				
Lime (Dolomite)	Ton	1	30.00	30.00
Ammonium nitrate	Lbs	100	0.48	48.00
Phosphorus	Acre	40	0.51	20.40
Potassium (K)	Acre	40	0.39	15.60
Zinc Sulphate	Lbs	50	0.35	17.50
Foliar Zn	Appl	3	2.00	6.00
Fungicides	Appl	4	11.13	44.52
Herbicides	Appl	3	29.25	87.75
Insecticides	Appl	5	10.76	53.80
Trees	Trees	2	15.00	30.00
Labor	Hrs	23	8.00	184.00
Fuel	Acre	1.00	29.98	29.98
Repairs & Maintenance	Acre	1	40.08	40.08
Irrigation	Acre	1	37.49	37.49
Land Lease	Acre	1	150	150.00
Interest on operation		607.63	0.07	42.53
TOTAL OPERATING COSTS				837.65
FIXED COSTS				
Tractors & Equipment	\$	1	123.40	123.40
General Overhead	\$	837.65	0.15	125.65
Irrigation	\$	1	56.13	56.13
TOTAL FIXED COSTS				305.17
TOTAL COSTS				1142.83

COMPOUND AND RECAPTURE OF ESTABLISHMENT COSTS

	YEARS TO PRODUCTION			
COMPOUNDING RATE	7	1.00	1476	1476
	6	1.00	1270	1270
	5	1.00	1270	1270
	4	1.00	1270	1270
	3	1.00	1143	1143
	2	1.00	1143	1143
	1	1.00	1143	1143
COMPOUND ESTAB. COST				8715
RECAPTURE ESTAB. COST				
Years		50		
Interest		0.065		
ANNUAL COST (\$)				592

DRIP IRRIGATION FOR PECANS

2013

BASED ON			100		ACRES
SPACING	40	by	40		
INTEREST ON INVESTMENT CAPITAL					6.50%
TAXES & INSURANCE					0.015
DEPTH OF WELL IN FEET					350

INVESTMENT AND ANNUAL FIXED COSTS

	NEW COST	YRS.LIFE	DEPREC.	INTEREST	TAX & INS.
PIPE & FITTINGS	10300	20	515	335	77
TUBING & EMITTERS	9500	10	950	309	71
WELL	8400	25	336	273	63
PUMP & MOTOR	3500	15	233	114	26
FILTER & AUTO	2600	10	260	85	20
MISC.	1029	20	51	33	8
INSTALLATION	20600	20	1030	670	155
TOTAL INVESTMENT	55929		3376	1818	419

TOTAL ANNUAL FIXED COSTS **5613**

ANNUAL FIXED COSTS PER ACRE **56.13**

OPERATING COSTS

MOTOR SIZE (HP)		20		
REPAIRS		1337		
ANNUAL PUMPING HOURS		1820		
ELECTRICITY				
Demand (standby charge) per YEAR		240		
Rate \$ per KWH		0.08		
ANNUAL ENERGY COST		2412		
ANNUAL ENERGY COST PER ACRE				24.12
OPERATING COST PER ACRE PER YEAR				37.49

TOTAL ANNUAL COSTS PER ACRE **93.62**