

Estimate of 2021 Relative Row Crop Costs and Net Returns

By A.R. Smith and Yangxuan Liu, UGA Extension Economists, Department of Agricultural & Applied Economics

| May 2021 | | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|-------------------|-------------------|--------------------|----------------------|
| 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 | \$0.80 /lb | \$463 /ton | \$5.70 /bu | \$12.50 /bu | \$5.40 /bu | \$0.80 /lb | \$463 /ton | \$5.70 /bu | \$12.50 /bu | \$5.40 /bu |
| GROSS RETURN per ACRE | \$960 | \$1,087 | \$1,140 | \$750 | \$540 | \$600 | \$786 | \$485 | \$375 | \$351 |
| VARIABLE COSTS per ACRE | | | | | | | | | | |
| Seed | 103 | 126 | 121 | 60 | 24 | 103 | 126 | 76 | 60 | 15 |
| Cover Crop Seed* | | | | | | | | | | |
| BWEP | 2 | | | | | 1 | | | | |
| Fertilizer & Lime** | 143 | 67 | 310 | 76 | 171 | 106 | 67 | 121 | 76 | 108 |
| Chicken Litter | | | | | | | | | | |
| Chemicals | 111 | 199 | 49 | 65 | 28 | 96 | 168 | 45 | 35 | 28 |
| Custom Application | | | | | | | | | | |
| Handweeding | 15 | 15 | | | | 15 | 15 | | | |
| Scouting | 10 | 10 | | | | 10 | 10 | | | |
| Fuel and Lube*** | 27 | 33 | 15 | 14 | 16 | 27 | 33 | 15 | 14 | 16 |
| Repairs and Maintenance | 38 | 45 | 19 | 16 | 18 | 38 | 45 | 19 | 15 | 18 |
| Irrigation**** | 61 | 43 | 61 | 35 | 26 | | | | | |
| Labor | 16 | 28 | 12 | 10 | 12 | 16 | 28 | 12 | 10 | 12 |
| Insurance | 16 | 27 | 16 | 11 | 28 | 30 | 38 | 28 | 18 | 22 |
| Land Rent | | | | | | | | | | |
| Other | | | | | | | | | | |
| Interest on Operating Capital | 15 | 16 | 17 | 8 | 9 | 12 | 15 | 9 | 6 | 6 |
| Gin & Warehouse (net after cottonseed) | 47 | | | | | 30 | | | | |
| Drying and Cleaning | | 63 | 61 | | 31 | | 45 | 26 | | 20 |
| Marketing and Fees | | 15 | | | | | 11 | | | |
| TOTAL VARIABLE COSTS per ACRE | \$604 | \$687 | \$680 | \$294 | \$363 | \$484 | \$600 | \$350 | \$235 | \$245 |
| RETURN ABOVE VARIABLE COST per ACRE | \$356 | \$400 | \$460 | \$456 | \$177 | \$116 | \$186 | \$135 | \$140 | \$106 |
| BREAKEVEN PRICE (Variable Cost) | \$0.50 /lb | \$292 /ton | \$3.40 /bu | \$4.90 /bu | \$3.63 /bu | \$0.65 /lb | \$353 /ton | \$4.12 /bu | \$7.83 /bu | \$3.77 /bu |
| BREAKEVEN YIELD per ACRE (Variable Cost) | 756 lbs | 2,969 lbs | 119 bu | 24 bu | 67 bu | 605 lbs | 2,597 lbs | 61 bu | 19 bu | 45 bu |
| FIXED COSTS per ACRE | | | | | | | | | | |
| Machinery and Equipment | 154 | 132 | 71 | 63 | 68 | 154 | 132 | 71 | 63 | 68 |
| Irrigation | 130 | 130 | 130 | 130 | 130 | | | | | |
| Buildings | | | | | | | | | | |
| Miscellaneous Overhead | 30 | 34 | 34 | 15 | 18 | 24 | 30 | 17 | 12 | 12 |
| TOTAL SPECIFIED FIXED COSTS per ACRE | \$315 | \$296 | \$235 | \$208 | \$216 | \$179 | \$162 | \$88 | \$75 | \$80 |
| TOTAL COST EXCL. LAND & MGT per ACRE | \$919 | \$983 | \$915 | \$502 | \$579 | \$663 | \$763 | \$438 | \$310 | \$325 |
| RETURN TO LAND AND MGT per ACRE | \$41 | \$104 | \$225 | \$248 | -\$39 | -\$63 | \$24 | \$46 | \$65 | \$26 |
| BREAKEVEN PRICE (Total Costs) | \$0.77 /lb | \$418 /ton | \$4.58 /bu | \$8.37 /bu | \$5.79 /bu | \$0.88 /lb | \$449 /ton | \$5.15 /bu | \$10.33 /bu | \$5.00 /bu |
| BREAKEVEN YIELD per ACRE | 1,149 lbs | 4,250 lbs | 161 bu | 40 bu | 107 bu | 829 lbs | 3,297 lbs | 77 bu | 25 bu | 60 bu |

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

** Expected fertilizer \$/lb.of nutrient: N= \$0.65 P= \$0.50 K= \$0.40

*** Weighted 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 \$2.50/gal.

**** Season Average Diesel Fuel Price: \$2.50 per Gallon