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

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