

SAMPLE COSTS TO PRODUCE COTTON IN TULARE COUNTY - 1983

Cost Analysis Worksheet - Owner/Operator

Costs are based on a field producing 1000 lbs. of lint per acre. Field labor @ \$4.50/hr and equipment operator @ \$5.00, these include benefits. Diesel tractor, 80 hp, per hour cash costs \$10.69, depreciation \$2.58 and interest \$1.94. Heavy tractor 130 hp, cash costs \$15.79, depreciation \$4.75 and interest \$3.56. Gin turnout is 31%.

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	SAMPLE COSTS		MY COSTS	
	PER ACRE	PER CWT	PER ACRE	PER CWT
<u>Pre-harvest Costs</u>				
Land Preparation: 3 hrs. - labor and tractor		\$52.17		
1 hr. heavy tractor				
* Nematode control, if needed: add \$50/A				
Plant: Acid delinted seed 14 lbs. @ 60¢		8.40		
1/5 hr. labor and tractor		3.14		
Irrigate: 1 pre and 5 crop - 6 hrs.		27.00		
3 acre ft. @ \$20		60.00		
Pre-emergence herbicide, custom application \$6 and 1/2 hr. - labor and tractor for disking		20.85		
Hand weeding: 6 hrs. labor		27.00		
Cultivate 3 X's - 1 1/2 hr. labor and tractor		23.54		
Fertilize: 100 lbs. N at 16¢, NH ₃		16.00		
Application: custom-injected		7.00		
Pest Control : materials		15.00		
Application: Custom 2 X's - 1 ground, 1 air @ 10 gpa		12.25		
Defoliation: 2 X's - material and application		17.40		
Misc. labor, material, 1 hr. labor and tractor		15.69		
Repairs to equipment - except tractor		20.00		
Office and business costs		20.00		
Land cost		125.00		
Interest on operating capital - total cash costs + 2 X 13%		30.58		
TOTAL PRE-HARVEST COSTS		\$501.02		\$50.10
<u>Harvest Costs</u>				
Picking and hauling				
90% - first pick @ \$3.25/cwt.		94.48		
10% - second pick @ \$25/A		25.00		
Ginning - bags, ties, insurance & storage @ \$3.25/cwt.		104.98		
TOTAL HARVEST COSTS		\$224.46		\$22.45
<u>Miscellaneous Cash Cost</u>				
Research and promotion - \$1/bale + .4% lint value, estimated sale @ 67¢/bale		3.68		
Pink bollworm eradication @ \$1.75/bale		3.50		
Classing costs @ 67¢/bale		1.34		
National Cotton Council @ 30¢/bale		.60		
Western Cotton Growers @ .06¢/bale		.12		
TOTAL MISCELLANEOUS COSTS		\$ 9.24		
TOTAL CASH COSTS		\$734.72		\$73.47

SAMPLE COSTS		MY COSTS	
PER ACRE	PER CWT	PER ACRE	PER CWT

Depreciation

Irrigation system - \$350 - 16 yr. life @ \$2.58	21.88	
Tractor: 5 1/5 hrs. @ \$2.58, 1 hr. @ \$4.75	18.17	
Other equipment: \$100 - 10 yr. life	10.00	
TOTAL DEPRECIATION	50.05	\$ 5.01

Investment (13% Interest)

Irrigation system (1/2 cost) \$175	22.75	
Tractor: 5 1/5 hrs. @ \$1.94, 1 hr. @ \$3.56	13.65	
Other equipment: 1/2 cost - \$50	6.50	
TOTAL INTEREST ON INVESTMENT	\$42.90	\$ 4.29

TOTAL COST OF PRODUCTION	\$827.67	\$82.77
CREDIT FOR SEED: 1700 lbs. @ \$100/ton	\$ 85.00	\$ 8.50
NET COST OF PRODUCTION	\$742.67	\$74.27

* (Nematode Control) - This treatment is required in limited areas.

SAMPLE COSTS AT VARYING YIELDS

Cost per pound of lint

Yield - lbs. of Lint/A	700	800	900	1000	1100	1200
Cash & Misc. Costs/lb. of Lint	.96	.87	.79	.73	.69	.65
Total Cost/lb. of Lint	1.09	.98	.90	.83	.77	.72
Net Cost/lb. of Lint - Total Cost Minus Seed Credit	1.01	.90	.81	.74	.69	.64

This cost analysis worksheet should be used only as a guide to assist producers in determining their production costs and as an aid in helping analyze costs and procedures. The figures shown are based on what are considered good management practices and do not represent industry averages.

There is a great deal of variation in production costs between areas within a county. For example, tractor size, tillage operations, number of trips and materials may be different for neighboring farmers.

The land cost is a value related to rental costs rather than the interest on the market value. For the person renting land, the rental price should be substituted for land cost; also, interest and depreciation on the irrigation system and county taxes should be eliminated.