

COST ANALYSIS WORK SHEET

SAMPLE COSTS TO PRODUCE COTTON IN TULARE COUNTY - 1979

BASED ON A YIELD OF 900 POUNDS LINT PER ACRE FROM A SOLID PLANTED FIELD WITH A  
GIN TURNOUT OF 31%

Equipment operator and field labor @ \$5.00 per hour total cost to grower which includes Social Security and Compensation Insurance. Wheel diesel tractor per hour cash costs \$3.30; depreciation \$2.00; and interest \$1.00.

Alan G. George, Farm Advisor

Ed Yeary, Farm Advisor, Statewide

	<u>Sample Costs</u>		<u>My Costs</u>	
	<u>Per Acre</u>	<u>Per CWT.L.</u>	<u>Per Acre</u>	<u>Per CWT.L.</u>
<b>Preharvest Cash Costs:</b>				
Land preparation - 3 hours labor and tractor		\$24.90		
Preplant herbicide \$5.25				
Application - custom \$4.50		9.75		
Plant: One-fourth hour, 2 men and tractor		3.33		
Seed: 14 pounds @ 37¢		5.18		
Irrigate: 1 pre and 5 crop, 8 hours labor		40.00		
Water: 3 acre feet; \$10.00/A.Ft.				
District Tax \$7.00		37.00		
Cultivate: 4 times, 1½ hours labor and tractor		12.45		
*Fertilizer: 100 lbs. N (NH <sub>3</sub> ) @ 13¢		13.00		
Application - custom		4.00		
Weed control: spot spray or hand hoe		14.00		
Insecticides: systemic at planting \$5.00				
Mites \$5.00; Lygus \$2.50				
Application: 1 ground @ \$4.50 and 1 Air @ \$4.00		21.00		
Defoliation: materials \$2.50				
Air application \$4.50		7.00		
Misc. labor, equipment, and materials		14.00		
County taxes		10.00		
Repairs (except tractor): irrigation system, equipment		18.00		
Office and business costs, 6% cash costs		23.98		
<b>TOTAL PREHARVEST CASH COSTS</b>		<b>\$257.59</b>	<b>\$28.62</b>	
<b>Harvesting Costs:</b>				
Pick and haul 2900 lbs. seed cotton				
85% 1st pick (2465 lbs) at \$3.00		\$ 73.95		
15% 2nd pick \$18 per acre		18.00		
Ginning, bagging ties, insurance and storage \$2.55/CWT seed cotton		73.95		
<b>TOTAL HARVEST COSTS</b>		<b>\$165.90</b>	<b>\$18.43</b>	

COST ANALYSIS WORK SHEET

Page 2.

<u>Sample Costs</u>		<u>My Costs</u>	
Per	Per	Per	Per
Acre	CWT.L.	Acre	CWT.L.

Miscellaneous Costs:

Research and promotion \$1.00 bale + .4% of value	\$ 4.34	
Pink bollworm eradication \$1.25 bale (480 lbs.)	2.34	
In-lieu tax 30¢ bale	.54	
National Cotton Council 30¢ bale	.54	
Western Cotton Growers Assn. 6¢ bale	.11	
<b>TOTAL MISCELLANEOUS COSTS</b>	<b>\$ 7.87</b>	<b>\$ .88</b>

<b>TOTAL CASH COSTS</b>	<b>\$431.36</b>	<b>\$47.93</b>
-------------------------	-----------------	----------------

Depreciation:

Irrigation system, cost \$300. 15 yrs	\$ 20.00	
Tractor 5½ hrs. at \$2.00	11.00	
Equipment except tractor - cost \$90 (10 years)	9.00	
<b>TOTAL DEPRECIATION</b>	<b>\$ 40.00</b>	<b>\$ 4.44</b>

Interest on Investment at 9%:

Irrigation system on one-half cost (\$150)	13.50	
Tractor 5½ hours @ \$1.00	5.50	
Equipment on one-half cost \$45	4.05	
Land @ <del>2535</del> /Acre	228.00	
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$247.05</b>	<b>\$27.45</b>

<b>TOTAL COST OF PRODUCTION</b>	<b>\$718.41</b>	<b>\$79.82</b>
---------------------------------	-----------------	----------------

Less seed credit-1485 lbs. @ \$126/ton	\$ 93.56	\$10.40
--	----------	---------

<b>NET COST OF PRODUCTION</b>	<b>\$624.85</b>	<b>\$69.42</b>
-------------------------------	-----------------	----------------

LB OF  
SAMPLE COSTS PER ~~100~~ LINT COTTON AT VARYING YIELDS

Yield:

Pounds per acre	600	700	800	900	1000	1100	1200
New Cost per <del>100</del> Lint	100.63¢	87.21¢	77.27¢	<del>69.42</del>	63.15¢	58.02¢	53.74¢
<u>LB OF</u>				<u>69.42</u>			

\* Dry source of nitrogen ranges considerably more (20-30¢) per pound N depending on form. Phosphorous fertilizer, would add \$15-\$20 cost per acre. Nematode control, if needed, would add \$25 or more cost per acre.

mb  
300C  
2/20/79

UC Cooperative Extension