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Sample Costs To Produce Cotton

In

Merced and Madera Counties - 1983

By

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The first step in intelligent crop planning is an objective analysis of production costs and potential profits. The sample costs on the reverse side of this page are to Produce Cotton in Merced and Madera Counties. The figures used are from the latest and most reliable sources available and are based on good management practices.

A suggested way to use the sample cost sheet is to insert your actual costs in the blank column and use the sample costs only when actual costs are not known. Overhead fixed costs may be omitted when comparing alternate crops.

Based on the sample costs shown on the reverse side of this sheet and with adjustments as might be affected by different levels of production, the table below shows the effect of varying yields on the cost of production.

Sample Costs To Produce Cotton At Varying Yields - Cents Per Pound of Lint

Yield - Pounds Lint Per Acre -	500	700	1000	1250	1500
Cash and Misc. Costs Per Lb. Lint	1.05	.76	.62	.52	.46
Total Cost Per Lb. of Lint	1.93	1.35	1.05	.88	.75
Net Cost Per Lb. of Lint With Seed Credit Applied	1.84	1.26	.96	.79	.66

Sincerely,

Bill L. Weir

Bill L. Weir
Farm Advisor

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SAMPLE COSTS TO PRODUCE COTTON IN MADERA AND MERCED COUNTIES
Cost Analysis Work Sheet - 1983

Basis of costs: yield of 900 lbs. lint cotton per acre; gin turnout of 33 1/3 percent; field labor \$5.50 and equipment operator \$6.50 an hour, including taxes and insurance; medium wheel tractor cash costs of \$12.80, depreciation at \$3.25 and interest at \$2.28 an hour.

	Sample Costs		My Costs	
	Dollars Per Acre	Cents Per Lb. Lint	Dollars Per Acre	Cents Per Lb. Lint
Pre-Harvest Cash Costs				
Land preparation: 3 hrs. labor and tractor	\$ 57.90			
Pre-plant herbicide and application	11.50			
Plant: 1/3 hr. man and tractor	6.43			
Seed: 15 lbs. at 48¢ lb.	7.20			
Irrigate: 1 pre & 4 crop; 5 hrs. labor	27.50			
Water: 3.0 ac. ft. @ \$7.50/ac. ft				
*water district taxes, assessments	22.50			
Cultivate: 4X, 2 hrs. labor and tractor	38.60			
Fertilize: 80 lbs. N @ 28¢ application	22.40			
	5.00			
Pest control: materials application with planter and cultivator	40.00			
	-			
Hand thinning & weeding: contract	28.00			
Defoliation: contract: materials \$17.90 application 8.50	26.40			
Taxes	25.00			
Misc. labor, equipment, materials 2/3 hr tractor	22.00			
Repairs (except tractor)	20.00			
Business and office costs, 6% cash costs	49.05			
PRE-HARVEST CASH COSTS	\$409.48	45.50¢		
Harvest Costs				
Pick and Haul: 2700 lbs. seed cotton				
80% 1st pick @ \$3.00/cwt.	64.80			
20% 2nd pick @ \$25.00 minimum	25.00			
Ginning, bags, ties, insurance, storage: \$3.16/cwt. seed cotton	85.32			
TOTAL HARVEST COSTS	\$175.12	19.45¢		
Miscellaneous Costs				
Research and promotion: \$2.30/bale	4.31			
Pink bollworm eradication: \$1.75/bale (480 lbs.)	3.28			
Classing fee 67¢/bale	1.26			
National Cotton Council: 30¢/bale				
Western Cotton Growers 2¢/bale	.60			
TOTAL MISCELLANEOUS COSTS	9.45	1.05¢		
TOTAL CASH & MISCELLANEOUS COSTS	\$594.05	66.00¢		
Depreciation				
Irrigation system: \$280 - 20 years	14.00			
Tractor: 6 hrs. @ \$3.25	19.50			
Equipment: \$120 - 10 years	12.00			
TOTAL DEPRECIATION	\$45.50	5.06¢		
Interest on Investment @ 12%				
Irrigation system: 1/2 cost \$140	16.80			
Tractor: 6 hrs. @ \$2.28	13.68			
Equipment: 1/2 cost \$60	7.20			
Land: \$3000	360.00			
TOTAL INTEREST ON INVESTMENT	\$397.68	44.19¢		
TOTAL COST OF PRODUCTION	\$992.23	110.25¢		
Credit for seed - 1620 lbs. @ \$101/ton	81.81	9.09¢		
NET COST OF PRODUCTION	\$910.42	101.16¢		

*applicable district taxes must be added to the water cost