

SAMPLE COSTS TO PRODUCE COTTON
 KERN CO. 1982
 YIELD: 1100 LBS LINT PER ACRE

BY KATER HAKE, FARM ADVISOR
 ED YEARY, SPECIALIST
 P. THOMAS, SRA

	UNIT	PRICE OR COST/UNIT	QUANTITY	VALUE OR COST PER ACRE	YOUR COST
1. GROSS RECEIPTS FROM PRODUCTION:					
COTTON	LBS.	0.700	1100.000	770.00	
COTTON, SEED	TON	95.000	1.050	99.75	
TOTAL RECEIPTS:				869.75	
2. VARIABLE COSTS:					
PREHARVEST:					
HERBICIDE -MAT.	ACRE	6.000	1.000	6.00	
HERBICIDE -APPL	APLC	5.000	1.000	5.00	
COTTON, SEED	LBS.	0.420	15.000	6.30	
CUSTOM THIN&WEED	ACRE	20.000	1.000	20.00	
FERT.-MAT&APPL	LBS.	0.200	120.000	24.00	
INSECT.-MAT&APPL	ACRE	8.000	1.000	8.00	
IRRIGATION WATER	ACIN	2.920	42.000	122.64	
DEFOL.-MAT&APPL	ACRE	15.000	1.000	15.00	
PINK BOLLWORM	BALE	0.750	2.300	1.73	
RESEARCH & PROM.	ACRE	5.000	1.000	5.00	
TRACTOR FOREMAN	ACRE	2.000	12.000	24.00	
TRACTOR (FUEL-LUBE-REPAIRS)	ACRE			28.95	
EQUIPMENT (FUEL-LUBE-REPAIRS)	ACRE			9.15	
BUILDINGS (FUEL-LUBE-REPAIRS)	ACRE			0.03	
IRRIGATION (SYSTEM MAINT.)	ACIN	0.134	42.000	5.64	
MACHINERY LABOR	HOUR	6.250	4.887	30.54	
IRRIGATION LABOR	HOUR	5.250	7.000	36.75	
INTEREST ON OPERATING CAP.	DOL.	0.14000	159.776	21.27	
TOTAL PREHARVEST COSTS:				370.49	
PREHARVEST COST PER LBS.				0.3368	
HARVEST:					
HARVEST-1ST PICK	CWT.	3.000	29.200	87.60	
HARVEST-2ND PICK	ACRE	22.000	1.000	22.00	
GINNING, ETC.	CWT.	2.900	34.380	99.70	
INTEREST ON OPERATING CAP.	DOL.	0.14000	7.300	1.02	
TOTAL HARVEST COSTS:				210.32	
TOTAL VARIABLE COSTS:				580.81	
3. INCOME ABOVE VARIABLE COSTS:				288.94	
4. OVERHEAD:					
PERSONAL PROPERTY TAXES:				5.59	
REAL PROPERTY TAXES:				28.00	
MISC. OFFICE & BOOKKEEPING (2.50% OF TOTAL VARIABLE COSTS)				14.52	
TOTAL OVERHEAD:				48.11	
TOTAL CASH COSTS:				628.92	
TOTAL CASH COST PER LBS.				0.5717	
5. INCOME ABOVE ALL CASH COSTS:				240.83	
6. OWNERSHIP COSTS:					
DEPRECIATION:					
MACHINERY & EQUIPMENT	ACRE			14.18	
IRRIGATION SYSTEM	ACRE			31.07	
BUILDINGS	ACRE			2.02	
TOTAL DEPRECIATION:				47.32	
CAPITAL & INTEREST:					
MACHINERY&EQUIPMENT		0.14000	144.390	20.21	
IRRIGATION SYSTEM		0.14000	285.632	39.99	
BUILDINGS		0.10670	37.683	4.02	
LAND		0.10670	2500.000	266.25	
TOTAL INTEREST CHARGE:				330.97	
TOTAL FIXED COSTS:				378.30	
7. TOTAL OF ABOVE COSTS:				1007.21	
TOTAL COST PER LBS.				0.9156	See notes
8. NET RETURNS:				-137.46	

200 ACRES OF COTTON ON A 600 ACRE FARM
 FURROW IRRIGATION
 6IN TURNOUT IS ASSUMED TO BE 32%
 DATE PRINTED: 02/26/82

CASH FLOW & INVESTMENT SUMMARY FOR COTTON

BUDGET RECORD NUMBER 168

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CATEGORY	UNIT	MONTHLY SUMMARY OF RECEIPTS AND EXPENSES												TOTAL		
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
TOTAL RECEIPTS	\$/AC													560.00	309.75	869.75
OPERATING EXPENSES																
HERBICIDE -MAT.	\$/AC	6.00														6.00
HERBICIDE -APPL	\$/AC	3.00														3.00
COTTON, SEED	\$/AC				6.30											6.30
CUSTOM THIN&WEED	\$/AC						20.00									20.00
FERT.-MAT&APPL	\$/AC						24.00									24.00
INSECT.-MAT&APPL	\$/AC							8.00								8.00
IRRIGATION WATER	\$/AC		29.20					11.68	35.04	35.04	11.68					122.64
DEFOL.-MAT&APPL	\$/AC											15.00				15.00
HARVEST-1ST PICK	\$/AC											87.60				87.60
HARVEST-2ND PICK	\$/AC												22.00			22.00
GINNING, ETC.	\$/AC												99.70			99.70
PINK BOLLWORM	\$/AC												1.73			1.73
RESEARCH & PROM.	\$/AC												5.00			5.00
TRACTOR FOREMAN	\$/AC	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	24.00
MACHINE LABOR COST	\$/AC	4.77	4.20	0.27	4.24	2.22	4.56	2.49	0.55	0.14	0.44	0.41	6.25	30.54		
INTEREST ON OPER. CAP.	\$/AC	2.85	4.95	0.23	1.39	3.42	2.10	2.42	1.67	0.44	1.22	2.10	22.79			
TRACTOR COST	\$/AC	5.21	5.29		3.40	1.65	4.61	1.65		0.41	6.74	28.95				
EQUIPMENT COST	\$/AC	1.70	0.66	0.25	1.61	0.63	0.86	0.88	0.49	0.12	0.14	0.37	9.15			
BLDG OPER. COST	\$/AC												0.03			
IRRIGATION COST	\$/AC		1.34				0.54	1.61	1.61	0.54			5.64			
IRRIQ LABOR COST	\$/AC		5.25				5.25	10.50	10.50	5.25			36.75			
TOTAL EXPENSES	\$/AC	27.52	52.89	2.75	18.95	53.92	39.59	56.59	51.86	20.16	106.82	131.21	18.54	580.81		
		MONTHLY IRRIGATION AND LABOR REQUIREMENTS														
MACHINE LABOR	HR/AC	0.76	0.67	0.04	0.68	0.36	0.73	0.40	0.09	0.02	0.07	0.07	1.00	4.89		
IRRIGATION LABOR	HR/AC		1.00				1.00	2.00	2.00	1.00				7.00		
IRRIQ. WATER APPLIED	ACIN		10.00				4.00	12.00	12.00	4.00				42.00		

MACHINERY OPERATIONS SUMMARY
 SAMPLE COSTS TO PRODUCE COTTON
 KERN CO. 1982
 YIELD: 1100 LBS LINT PER ACRE

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OPERATION	ITEM NO.	DATE	**	LABOR HOUR S	MACHINE HOURS	FUEL,OIL, LUB.,REP. PER ACRE	FIXED COSTS PER ACRE
ROTARY CHOPPER	4,127	DEC	1.00	0.416	0.344	2.32	1.66
DISK OFFSET	11, 60	DEC	2.00	0.540	0.446	5.63	7.64
PICKUP 1/2 T	14	DEC	2.00	0.044	0.036	0.25	0.08
CHISEL	11, 43	JAN	1.00	0.326	0.270	3.59	4.27
FLOAT	11, 89	JAN	1.00	0.123	0.102	1.10	1.41
DISK OFFSET	4, 60	JAN	1.00	0.270	0.223	1.97	1.80
PICKUP 1/2 T	14	JAN	2.00	0.044	0.036	0.25	0.08
FURROWER 4SHOVEL	11, 91	FEB	1.00	0.326	0.270	3.07	3.87
DITCHER	11,138	FEB	0.30	0.303	0.250	2.63	4.68
PICKUP 1/2 T	14	FEB	2.00	0.044	0.036	0.25	0.08
PICKUP 1/2 T	14	MAR	2.00	0.044	0.036	0.25	0.08
SCRAPER	11, 87	APR	0.20	0.049	0.041	0.43	0.60
PLANTER 4ROW	4,108	APR	1.00	0.564	0.466	4.21	2.69
PICKUP 1/2 T	14	APR	3.00	0.065	0.055	0.37	0.12
CULTIVATOR 4 ROW	4, 52	MAY	1.00	0.312	0.257	2.03	1.45
PICKUP 1/2 T	14	MAY	2.00	0.044	0.036	0.25	0.08
DITCHER	11,138	JUNE	0.30	0.303	0.250	2.63	4.68
SCRAPER	11, 87	JUNE	0.20	0.049	0.041	0.43	0.60
CULTIVATOR 4 ROW	4, 52	JUNE	1.00	0.312	0.257	2.03	1.45
PICKUP 1/2 T	14	JUNE	3.00	0.065	0.055	0.37	0.12
CULTIVATOR 4 ROW	4, 52	JULY	1.00	0.312	0.257	2.03	1.45
PICKUP 1/2 T	14	JULY	4.00	0.087	0.073	0.49	0.15
PICKUP 1/2 T	14	AUG	4.00	0.087	0.073	0.49	0.15
PICKUP 1/2 T	14	SEPT	1.00	0.022	0.018	0.12	0.04
SCRAPER	11, 87	OCT	0.20	0.049	0.041	0.43	0.60
PICKUP 1/2 T	14	OCT	1.00	0.022	0.018	0.12	0.04
PICKUP 1/2 T	14	NOV	3.00	0.065	0.055	0.37	0.12

** For Implements - # times over (% covered)
 For Pickups - miles/acre

The fixed and variable costs per acre include tractor costs for the implements listed.

TOTALS 4.887 4.043 38.10 39.98

200 ACRES OF COTTON ON A 600 ACRE FARM
 FURROW IRRIGATION
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FUEL USE SUMMARY FOR BUDGET RECORD NUMBER 168
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 KERN CO. 1982 ED YEARY, SPECIALIST
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FUEL USED IN GALLONS PER HOUR

TRACTOR 75 HP 3.600
 CRAWLER 90HP 5.040
 PICKUP 1/2 T 4.000

FUEL ALLOCATED TO OPERATIONS IN GALLONS PER ACRE COVERED

MACHINE	GALLONS	POWER UNIT
PICKUP 1/2 T	0.073	
ROTRARY CHOPPER	1.361	TRACTOR 75 HP
DISK OFFSET	1.238	CRAWLER 90HP
CHISEL	1.495	CRAWLER 90HP
FLOAT	0.565	CRAWLER 90HP
DISK OFFSET	0.884	TRACTOR 75 HP
FURROWER 4SHOVEL	1.495	CRAWLER 90HP
DITCHER	4.620	CRAWLER 90HP
SCRAPER	1.129	CRAWLER 90HP
PLANTER 4ROW	1.847	TRACTOR 75 HP
CULTIVATOR 4 ROW	1.020	TRACTOR 75 HP

FUEL ALLOCATED TO OPERATIONS FOR THE BUDGET UNIT

	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	FUEL
ROTRARY CHOPPER	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.361	1.361	DIESEL
DISK OFFSET	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.475	2.475	DIESEL
CHISEL	1.495	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.495	DIESEL
FLOAT	0.565	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.565	DIESEL
DISK OFFSET	0.884	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.884	DIESEL
FURROWER 4SHOVEL	0.000	1.495	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.495	DIESEL
DITCHER	0.000	1.386	0.000	0.000	0.000	1.386	0.000	0.000	0.000	0.000	0.000	0.000	2.772	DIESEL
SCRAPER	0.000	0.000	0.000	0.226	0.000	0.226	0.000	0.000	0.000	0.226	0.000	0.000	0.678	DIESEL
PLANTER 4ROW	0.000	0.000	0.000	1.847	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.847	DIESEL
CULTIVATOR 4 ROW	0.000	0.000	0.000	0.000	1.020	1.020	1.020	0.000	0.000	0.000	0.000	0.000	3.059	DIESEL
PICKUP 1/2 T	0.145	0.145	0.145	0.218	0.145	0.218	0.291	0.291	0.073	0.073	0.218	0.145	2.109	GAS
TOTALS	3.089	3.026	0.145	2.291	1.165	2.850	1.311	0.291	0.073	0.299	0.218	3.982	18.739	

GALLONS FUEL BY TYPE

2.11 GAS
 0.00 LP
 16.63 DIESEL
 0.00 N. GAS
 0.00 KWHR

FUEL
 1=GAS
 2=L.P.
 3=DIESEL
 4=N. GAS
 5=ELEC.

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MACHINE	CODE	SIZE	PURCHASE PRICE	YEARS OWNED	ANN HOURS USED	MACHINERY FIXED AND VARIABLE COSTS PER ACRE				VARIABLE COST PER ACRE				HRS PER ACRE
						FIXED COST PER ACRE	TAX & INS	TOTAL	FUEL	LUBE	REPAIRS	TOTAL		
						DEPR.	INTER.							
TRACTOR 75 HP	4	75.0	17400.	12.	1000.	2.16	3.02	0.78	5.96	6.44	0.97	4.15	11.55	1.986
CRAWLER 90HP	11	90.0	66000.	17.	900.	6.78	11.25	3.10	21.12	8.53	1.28	7.59	17.40	1.881
PICKUP 1/2 T	14		9000.	3.	1350.	0.68	0.35	0.08	1.11	2.53	0.38	0.65	3.56	0.527
CHISEL	43	12.0	4320.	12.	215.	0.39	0.43	0.12	0.94	0.00	0.02	0.83	0.85	0.270
CULTIVATOR 4 ROW	52	12.0	2640.	13.	190.	0.72	0.84	0.24	1.81	0.00	0.02	1.14	1.16	0.772
DISK OFFSET	60	14.0	4320.	15.	145.	0.40	0.51	0.15	1.06	0.00	0.01	0.53	0.54	0.223
SCRAPER	87	10.0	2640.	14.	180.	0.11	0.14	0.04	0.29	0.00	0.00	0.05	0.05	0.122
FLOAT	89	20.0	2160.	10.	270.	0.07	0.07	0.02	0.15	0.00	0.00	0.06	0.06	0.102
FURROWER 4SHOVEL	91	12.0	2000.	15.	160.	0.20	0.26	0.08	0.54	0.00	0.01	0.32	0.33	0.270
PLANTER 4ROW	108	12.0	2700.	14.	180.	0.45	0.54	0.16	1.15	0.00	0.02	1.20	1.23	0.466
ROTARY CHOPPER	127	6.0	1680.	14.	180.	0.20	0.25	0.07	0.53	0.00	0.00	0.12	0.12	0.344
FURROW IRIG SYS*	132		105000.	10.	5000.	31.07	39.99	9.92	80.98	0.00	0.11	5.53	5.64	21.000
DITCHER	138	6.0	2000.	15.	50.	1.21	1.53	0.45	3.19	0.00	0.00	0.17	0.17	0.500
TOOLS-SHOP EQUIP	4		4054.	15.		0.95	1.41	0.20	2.55	0.00		0.03	0.03	
STORAGE SHED	8		8687.	35.		1.12	2.55	0.43	4.10	0.00		0.01	0.01	
FUELTANK 550 GAL	18		154.	30.		0.01	0.07	0.01	0.08	0.00		0.00	0.00	

MACHINERY & EQUIPMENT 1174. 46.52 63.20 15.85 125.58 17.50 2.82 22.36 42.68

INVESTMENT & COSTS PER ACRE

TOTAL INVESTMENT 234756.

200 ACRES OF COTTON ON A 600 ACRE FARM

FURROW IRRIGATION

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STORED DATA PAGE (NO CALCULATIONS) FOR COTTON

BUDGET RECORD NUMBER 168

SAMPLE COSTS TO PRODUCE COTTON BY KATER HAKE, FARM ADVISOR
KERN CO. 1982 ED YEARY, SPECIALIST
YIELD: 1100 LBS LINT PER ACRE P. THOMAS, SRA

COSTS AND RETURNS WILL BE DIVIDED BY 1100.0 LBS. TO OBTAIN PER LBS. COSTS

Table with columns: LINE, PRODUCTION, 1-13, PRICE, 14-18, TYPE, XXXX. Rows include 1 COTTON and 2 COTTON, SEED.

Table with columns: OPERATING INPUTS, RATE/UNIT, PRICE, SHARE, UNIT, ITEX, TYPE, HARV. Rows include 6 HERBICIDE -MAT., 7 HERBICIDE -APPL, COTTON, SEED, etc.

Table with columns: MACHINERY REQUIREMENTS, IMPLEMENTS = TIMES OVER, TRUCKS = # MILES/ACRE, TRACTORS = HRS/ACRE, # CREW, POWER, MACH, TYPE, HARV. Rows include 26 ROTARY CHOPPER, 27 DISK OFFSET, etc.

Table with columns: EQUIPMENT REQUIREMENTS, NUMBER OF UNITS, PROPORTION OF COST, XXX, EQUIP CODE, TYPE, XXXX. Rows include TOOLS-SHOP EQUIP, STORAGE SHED, FUELTANK 550 GAL.

Table with columns: LAND REQUIREMENTS, CHARGE METHOD, NUMBER OF ACRES, VALUE OR COST/ACRE, TAXES PER ACRE, PERENNIAL CROPS YRS LIFE, COST/ACRE. Row 71: ENTERPRISE 2-17 REGION/COUNTY 15 UNASSIGNED 00000 MACH COMP 3 IRRIG SYST 6 UNASSIGNED 0 EQUIP SET 1 HARVEST MONTH 11

200 ACRES OF COTTON ON A 600 ACRE FARM
FURROW IRRIGATION
GIN TURNOUT IS ASSURED TO BE 32%

UPDATED 02/26/82
MACHINERY COMPLEMENT 3
EQUIPMENT COMPLEMENT 1

Table with columns: GENERAL MAKE CHANGE, MACHNRY MAKE CHANGE, LINE CHANGE, VALUE, RM CL. Rows include 296 CUSTOM THIN&WEED, 398 RESEARCH & PROM., 200 HERBICIDE -APPL, etc.

Table with columns: PARAMETER CHGS, RM CL, VALUE, RM CL, VALUE, RM CL, VALUE, RM CL, VALUE, RM CL, VALUE, RM CL, VALUE, RM CL. Rows include 11, 11, 11, 11, 11, 11, 11, 11, 11, 11, 11, 11, 11, 11.

Irrigation Schedule:

Feb (pre)	1x	10 acre inches total
June	1x	4 acre inches total
July	2x	12 acre inches total
August	2x	12 acre inches total
September	1x	4 acre inches total
Total	7x	<u>42 acre inches total</u>

Irrigation labor - 1 hr/application

Some growers use wells and others use various surface water that is available. The average cost of obtaining water (pumping costs and/or district water) is assumed for the cotton growing area to be \$35/acre foot or \$2.92/acre inch.

11. Harvest:

Yield: Cotton lint	October	934.4 lbs	1st pick (85%)
	November	<u>165.6 lbs</u>	2nd pick
		1100 lbs total	
Cotton seed	November	1.05 tons	(2100 lbs)
Price: Cotton lint	=	\$.70/lb	
Cotton seed	=	\$94.00/lb	

Operations:

First pick in October - custom 29.2 cwt (85% of total harvest) @\$3.00/cwt
 Second pick in November - custom \$22/acre
 Hauling provided by gin for cotton in modules

Ginning, cleaning, drying, ties, bags, insurance in November:

Gin turnout is assumed to be 32%

34.38 total cwt/acre (picked weight) @ \$2.90/cwt = \$99.70 acre

Note:

Picked weight = 34.38 cwt = 3438 lbs

32% gin turnout

1100 lbs cotton lint / .32 = 3437.5 lbs picked weight = approx 34.38 cwt

3437.5 lbs picked wt less 1100 lbs cotton lint = 2337.5 lbs seeds + other mat.

2337.5 lbs = 1.16 tons (max cotton seed)

1.05 tons (2100 lbs) cotton seed is assumed production for this budget

12. Pickup - ½ ton

Approx. 5800 miles/year for cotton

5800 miles/200 acres = 29 miles per acre per year

13. Building and Equipment:

Shop tools and Equip \$12,285

Storage shed 3000 sq ft \$26,325

Fuel tank 550 gal \$468

Proportion allocated to cotton = 33%

14. Both 90 hp crawler and 75 hp tractor are diesel.

15. Miscellaneous cash costs in November:

Pink Bollworm eradication 2.3 bales/acre @ \$.75/bale = \$1.73/acre

(Note: 1 bale = 480 lbs)

Research and promotion \$5.00/acre

Cotton Incorporated and National Cotton Council

Sample costs to produce Cotton
Kern County 1982
Yield: 1100 lbs lint per acre

By Kater Hake, Farm Advisor
Ed Yeary, Specialist
P. Thomas, SRA

200 acres of cotton on a 600 acre farm
Furrow irrigation
Gin turnout is assumed to be 32%

Additional notes and assumptions:

1. Post Harvest (Land Preparation) in December:
Operations required by law to be done by December 20.
Rotary Chopper, 6' pulled by 75 hp tractor - 1 pass over field
Offset disk, 14' pulled by 90 hp crawler - 2 passes over field
2. Land preparation:
Jan: Chisel, 12' pulled by 90 hp crawler - 1 pass over field
Float, 20' pulled by 90 hp crawler - 1 pass over field
Jan: Pre-emergence herbicide:
Materials - \$6.00/acre
Application - \$5.00/acre
Incorporate - Offset disk, 14' pulled by 75 hp tractor
Feb: Furrower-4 shovel, 12' pulled by 90 hp crawler - 1 pass over field
Pre irrigation of 10 acre inches
3. Head Ditch:
Ditcher, 6' pulled by 90 hp crawler - 30% of acreage covered each month
February and June
Scraper, 10' pulled by 90 hp crawler - 20% of acreage covered April, June,
and October
Ditches put up for irrigations but taken down for planting and harvest.
4. Planting in April:
Seed - 15 lbs/acre @ \$.42/lb = \$6.30/acre
Planter - 4 row, 12' pulled by 75 hp tractor - 1 pass over field
5. Thin and Weed in May:
Contract \$20.00/acre
6. Cultivate once in each month May-July:
Cultivator - 4 row, 12' pulled by 75 hp tractor - 1 pass over field each month
7. Fertilize in May:
120 lbs/acre N @ \$.20/lb (materials and application) = \$24.00/acre
8. Pest control in June:
Insecticide materials and application \$8.00/acre
9. Defoliation in October:
Materials and application \$15.00/acre
10. Irrigation:
Furrow irrigation system includes well \$175/acre x 600 acres = \$105,000

16. Labor rates include benefits:
- | | |
|---------------------|-----------|
| Irrigators | \$5.25/hr |
| Machinery operators | \$6.25/hr |
17. Land owned:
Land value \$2500/acre - Land tax \$28.00/acre
18. Machinery and equipment: Due to depressed cotton prices new purchases have been curtailed. Therefore 1981 prices are being used in this budget.
19. Interest rates:
Short term - operating capital (PCA) 14%
Long term - land ownership (FLB) 10.7%
20. Bookkeeping: 2.5% of total variable costs
21. Total costs/lb adjusted:
Ginning costs are recovered by cotton seed receipts
Total costs of \$1007.21 less cotton seed receipts of \$99.75
divided by 1100 lbs cotton production gives \$.82/lb
22. Machinery costs calculated by computer:
For self-propelled machinery and implements, the width, speed, field efficiency and number of passes in the field are all used in determining the number of hours necessary to complete an operation. Tractor hours are then calculated by taking into consideration all implements pulled.
Per hour cost of depreciation, interest, taxes, insurance, repairs, fuel, and lube are calculated by the computer using purchase price, annual hours of usage, years of life, etc. and this rate is multiplied by the total hours of usage for each machine and equipment.