

ESTIMATED COSTS AND RETURNS FOR PRODUCING COTTON IN
FIVE COUNTIES IN ARIZONA - 1965

N. Gene Wright, Research Associate
Thomas M. Stubblefield, Acting Head, Department of Agricultural Economics

The Department of Agricultural Economics conducted a study to determine the estimated income and costs per acre for producing upland cotton in Arizona in 1965 in Cochise, Graham, Maricopa, Pima, Pinal, and Yuma Counties.

The estimated returns per acre to management, plus profit, for producing cotton in each of the counties are as follows:

Cochise	-\$19.29
Graham	- 2.75
Maricopa	18.90
Pima	10.18
Pinal	31.37
Yuma	80.75

If a return to management of 10 percent of total cash costs is allowed, the only counties showing an estimated return above total costs, including management, were Pinal County of \$1.73 per acre, and Yuma County of \$45.40. Four factors of cost accounted for most of the difference in costs. These were fertilizer, insecticides, water, and rent value of the land. Yield was the one factor of income that caused the wide variation in total income.

Table 1. Estimated Income and Costs per Acre for Producing Upland Cotton,
Cochise County, Arizona, 1965

Income		
Lint, Machine Picked, 755 pounds @ \$28.90		\$223.98
Lint, Scrapping Operation, 75 pounds @ \$18.00		13.50
Seed, 1,360 pounds @ \$48.00 per ton		<u>32.64</u>
Total Income		\$270.12
Costs		
Preharvest		
Land Preparation	\$ 17.00	
Planting	4.00	
Cultivation	8.00	
Hoe and Thin	12.00	
Irrigation and Ditch Labor	9.68	
Seed	4.00	
Chemical Weed Control	6.00	
Fertilizer and Application	20.40	
Insecticide and Application	26.00	
Defoliation	5.50	
Production Credit	5.96	
Cash Farm Overhead	27.20	
Water	<u>47.25</u>	
Total Preharvest Costs		\$192.99
Harvesting Costs		
Pick and Haul	\$ 34.88	
Scrapping	7.50	
Ginning	<u>30.19</u>	
Total Harvesting Costs		\$ 72.57
Total Cash Costs		<u>\$265.56</u>
Fixed Costs		
Rental Value of Land	\$ 20.00	
Taxes	<u>3.85</u>	
Total Fixed Costs		\$ 23.85
Total Costs Exclusive of Management		<u>\$289.41</u>
Return to Management and Profit		<u><u>- \$ 19.29</u></u>

Table 2. Estimated Income and Costs per Acre for Producing Upland Cotton,
Graham County, Arizona, 1965

Income		
Lint, Machine Picked, 750 pounds @ \$28.90		\$216.75
Lint, Scrapping Operation, 75 pounds @ \$18.00		13.50
Seed, 1,320 pounds @ \$43.00 per ton		<u>31.68</u>
Total Income		\$261.93
Costs		
Preharvest		
Land Preparation	\$ 19.00	
Planting	5.00	
Cultivation	10.00	
Hoe and Thin	15.00	
Irrigation and Ditch Labor	9.68	
Seed	3.50	
Chemical Weed Control	6.00	
Fertilizer and Application	11.75	
Insecticide and Application	10.00	
Defoliation	5.50	
Production Credit	4.78	
Cash Farm Overhead	27.50	
Water	<u>25.00</u>	
Total Preharvest Costs		\$152.71
Harvesting Costs		
Pick and Haul	\$ 33.75	
Scrapping	7.50	
Ginning	<u>29.32</u>	
Total Harvesting Costs		\$ 70.57
Total Cash Costs		\$223.28
Fixed Costs		
Rental Value of Land	\$ 35.00	
Taxes	<u>6.40</u>	
Total Fixed Costs		\$ 41.40
Total Costs Exclusive of Management		<u>\$264.68</u>
Return to Management and Profit		- \$ 2.75

Table 3. Estimated Income and Costs per Acre for Producing Upland Cotton,
Maricopa County, Arizona, 1965.

Income		
Lint, Machine Picked, 1,025 pounds @ \$28.90		\$296.22
Lint, Scrapping Operation, 100 pounds @ \$18.00		18.00
Seed, 1,800 pounds @ \$48.00 per ton		<u>43.20</u>
Total Income		\$357.42
Costs		
Preharvest		
Land Preparation	\$ 19.00	
Planting	6.00	
Cultivation	8.00	
Hoe and Thin	5.00	
Irrigation and Ditch Labor	10.75	
Seed	3.50	
Chemical Weed Control	6.00	
Fertilizer and Application	25.25	
Insecticide and Application	26.75	
Defoliation	5.50	
Production Credit	5.60	
Cash Farm Overhead	18.00	
Water	<u>37.50</u>	
Total Preharvest Costs		\$176.85
Harvesting Costs		
Pick and Haul	\$ 46.12	
Scrapping	10.00	
Ginning	<u>40.25</u>	
Total Harvesting Costs		\$ 96.37
Total Cash Costs		\$273.22
Fixed Costs		
Rental Value of Land	\$ 60.00	
Taxes	<u>5.30</u>	
Total Fixed Costs		\$ 65.30
Total Costs Exclusive of Management		<u>\$338.52</u>
Return to Management and Profit		<u><u>\$ 18.90</u></u>

Table 4. Estimated Income and Costs per Acre for Producing Upland Cotton,
Pima County, Arizona, 1965.

Income		
Lint, Machine Picked, 810 pounds @ \$28.90		\$234.09
Lint, Scrapping Operation, 30 pounds @ \$18.00		14.40
Seed, 1,440 pounds @ \$48.00 per ton		<u>34.56</u>
Total Income		\$283.05
Costs		
Preharvest		
Land Preparation	\$ 17.00	
Planting	5.00	
Cultivation	9.00	
Hoe and Thin	9.10	
Irrigation and Ditch Labor	8.60	
Seed	3.50	
Chemical Weed Control	3.65	
Fertilizer and Application	12.80	
Insecticide and Application	13.35	
Defoliation	5.00	
Production Credit	4.95	
Cash Farm Overhead	24.00	
Water	<u>42.00</u>	
Total Preharvest Costs		\$157.95
Harvesting Costs		
Pick and Haul	\$ 36.45	
Scrapping	8.00	
Ginning	<u>31.62</u>	
Total Harvesting Costs		\$ 76.07
Total Cash Costs		\$234.02
Fixed Costs		
Rental Value of Land	\$ 35.00	
Taxes	<u>3.85</u>	
Total Fixed Costs		\$ 38.85
Total Costs Exclusive of Management		<u>\$272.87</u>
Return to Management and Profit		<u><u>\$ 10.18</u></u>

Table 5. Estimated Income and Costs per Acre for Producing Upland Cotton,
Pinal County, Arizona, 1965.

Income		
Lint, Machine Picked, 1,090 pounds @ \$28.90		\$315.01
Lint, Scrapping Operation, 110 pounds @ \$18.00		19.80
Seed, 1,920 pounds @ \$48.00 per ton		<u>46.08</u>
Total Income		\$380.89
Costs		
Preharvest		
Land Preparation	\$ 17.00	
Planting	5.50	
Cultivation	10.00	
Hoe and Thin	9.10	
Irrigation and Ditch Labor	10.75	
Seed	3.50	
Chemical Weed Control	6.00	
Fertilizer and Application	21.00	
Insecticide and Application	29.25	
Defoliation	5.00	
Production Credit	6.25	
Cash Farm Overhead	21.75	
Water	<u>52.50</u>	
Total Preharvest Costs		\$197.60
Harvesting Costs		
Pick and Haul	\$ 49.05	
Scrapping	11.00	
Ginning	<u>42.66</u>	
Total Harvesting Costs		<u>\$102.71</u>
Total Cash Costs		\$300.31
Fixed Costs		
Rental Value of Land	\$ 45.00	
Taxes	<u>3.85</u>	
Total Fixed Costs		\$ 48.85
Total Costs Exclusive of Management		<u>\$349.16</u>
Return to Management and Profit		<u><u>\$ 31.73</u></u>

Table 6. Estimated Income and Costs per Acre for Producing Upland Cotton,
(Skip-Row Planting) Yuma County, Arizona, 1965.

Income		
Lint, Machine Picked, 1,500 pounds @ \$28.90		\$433.50
Lint, Scrapping Operation, 150 pounds @ \$18.00		27.00
Seed, 2,640 pounds @ \$48.00 per ton		<u>63.36</u>
Total Income		\$523.86
Costs		
Preharvest		
Land Preparation	\$ 29.25	
Planting	7.50	
Cultivation	12.00	
Hoe and Thin	18.00	
Irrigation and Ditch Labor	17.20	
Seed	4.50	
Chemical Weed Control	9.00	
Fertilizer and Application	36.60	
Insecticide and Application	27.60	
Defoliation	8.25	
Production Credit	6.90	
Cash Farm Overhead	19.29	
Water	<u>18.00</u>	
Total Preharvest Costs		\$214.09
Harvesting Costs		
Pick and Haul	\$ 67.50	
Scrapping	15.00	
Ginning	<u>56.92</u>	
Total Harvesting Costs		\$139.42
Total Cash Costs		\$353.51
Fixed Costs		
Rental Value of Land	\$ 80.00	
Taxes	<u>9.60</u>	
Total Fixed Costs		\$ 89.60
Total Costs Exclusive of Management		<u>\$443.11</u>
Return to Management and Profit		<u><u>\$ 80.75</u></u>