

TCE Rice Cost of Production Estimates for the 2004 Crop

The planning budgets shown in the following pages were developed with input from producers, custom service and product suppliers, Texas Cooperative Extension (TCE) specialist and TCE agent input. These budgets are based on projections for input and output prices for the 2004 crop year. These budgets are intended to represent the cost structure for a hypothetical 450-acre rice operation on land that requires 18-20 levees per 100 acres. First and second crop budgets have been separated, and all general and administrative costs, crop insurance, consulting, land and vehicle charges assigned to 1st crop.

Annual usage rates for tractors are projected at 600 hours, with capital recovery factors calculated over a 14-year useful life. Annual usage rate for the combine was estimated at 200 hours with capital recovery factor calculated over a 10-year useful life. No adjustment was made in aerial application costs for irregular shaped fields.

The budgeted fertility program for the first crop includes a base fertilizer application, one pre-flood application and two top-dress applications. The total first crop fertilizer application is comprised of 215 units of N, 33 units of P and 28 units of K. The budgeted first crop herbicide program includes an initial ground applied treatment of clomazone, an aerial application of a general tank-mix over the total planted acreage and a follow-up aerial application over one-half the planted acres to control escaped weeds. The budgeted pesticide program for the first crop includes a pyrethroid application to control water weevils, one fungicide application and three applications to control rice stink bugs.

The budgeted irrigation program for the first crop includes 1.57 hours per acre of labor for three flushes, flood maintenance and draining. Total first crop water usage is budgeted at 3.5 acre-feet, with water charges based on projected LCRA rates for 2004.

The budgeted fertility program for the second crop includes one top-dress application. The total second crop fertilizer application is comprised of 69 units of N. The budgeted pesticide program for the second crop includes one application to control rice stink bugs.

The budgeted irrigation program for the second crop includes 0.71 hours per acre of labor for one flush, flood maintenance and draining. Total second crop water usage is budgeted at 1 acre-foot, with water charges based on projected LCRA rates for 2004.

No counter-cyclical or direct payments from USDA are included in these budgets. The breakeven price level needed to cover the budget's direct expenses for the first crop is \$9.27 per hundredweight. The breakeven price level needed to cover the budget's total specified expenses for the first crop is \$10.20 per hundredweight, with \$11.93 per hundredweight needed to cover total specified and residual expenses.

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Table 6.E Summary of estimated costs and returns per ACRE
RICE WEST OF HOUSTON - 1ST CROP
450 ACRE FARM, TCE District 11, 2004

ITEM	UNIT	PRICE	QUANTITY	AMOUNT	YOUR FARM
		dollars		dollars	
INCOME					
RICE-1ST CROP LOAN	CWT	6.90	66.0000	455.40	_____
RICE-1ST CROP PREM.	CWT	2.00	66.0000	132.00	_____

TOTAL INCOME				587.40	_____
DIRECT EXPENSES					
ADJUVANTS	ACRE	7.00	1.0000	7.00	_____
CUSTOM FERTILIZE	ACRE	21.25	1.0000	21.25	_____
CUSTOM SPRAY	ACRE	36.13	1.0000	36.13	_____
FERTILIZERS	ACRE	77.87	1.0000	77.87	_____
FUNGICIDES	ACRE	19.35	1.0000	19.35	_____
HERBICIDES	ACRE	60.67	1.0000	60.67	_____
INSECTICIDES	ACRE	14.38	1.0000	14.38	_____
IRRIGATION SUPPLIES	ACRE	9.25	1.0000	9.25	_____
SEED	ACRE	18.90	1.0000	18.90	_____
SURVEY LEVEES	ACRE	4.00	1.0000	4.00	_____
CROP INSURANCE-RICE	ACRE	6.75	1.0000	6.75	_____
IRRIGATION	ACRE	73.73	1.0000	73.73	_____
CHECKOFF/COMMISSION	ACRE	10.56	1.0000	10.56	_____
DRYING - RICE	ACRE	79.65	1.0000	79.65	_____
RICE HAULING	ACRE	21.24	1.0000	21.24	_____
STORAGE - RICE	ACRE	21.12	1.0000	21.12	_____
SERVICE FEES	ACRE	20.00	1.0000	20.00	_____
VEHICLES	ACRE	12.00	1.0000	12.00	_____
OPERATOR LABOR	hour	10.75	1.3603	14.66	_____
RICE WATER LABOR	hour	10.75	1.5700	16.87	_____
DIESEL FUEL	gal	0.95	12.6673	12.02	_____
REPAIR & MAINTENANCE	ACRE	32.73	1.0000	32.73	_____
INTEREST ON OP. CAP.	ACRE	21.91	1.0000	21.91	_____

TOTAL DIRECT EXPENSES				612.04	_____
RETURNS ABOVE DIRECT EXPENSES				-24.64	_____
TOTAL FIXED EXPENSES				61.13	_____

TOTAL SPECIFIED EXPENSES				673.17	_____
RETURNS ABOVE TOTAL SPECIFIED EXPENSES				-85.77	_____
RESIDUAL ITEMS					
RICE LAND RENT	acre	75.00	1.0000	75.00	_____
G&A OVERHEAD	acre	10.50	1.0000	10.50	_____
MANAGEMENT CHARGE	%	587.40	0.0500	29.37	_____

RESIDUAL RETURNS				-200.64	_____

Note: Cost of production estimates are based on 18-20 levees per 100 acre.

General and administrative (G&A) includes accounting, legal, general liability insurance and miscellaneous expenses estimated at \$4,725/year.

Vehicle charge is based on IRS allowance for 20,000 miles of annual use.

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Table 6.C Estimated costs for field operations, per ACRE
RICE WEST OF HOUSTON - 1ST CROP
450 ACRE FARM, TCE District 11, 2004

OPERATION/ OPERATING INPUT	SIZE/ UNIT	-----DIRECT COST-----							FIXED COST	TOTAL COST	
		OP INPUT	FUEL	R&M	LABOR	LEASE	INTER	TOTAL			
-----dollars-----											
Disk Down Levees	225 HP/28'		0.61	1.15	0.60			0.06	2.42	2.27	4.69
Disk	225HP/28'		1.10	2.08	1.08			0.08	4.34	4.09	8.43
Disk	225HP/28'		1.10	2.08	1.08			0.04	4.30	4.09	8.39
Shuffle Plane	225 HP		0.73	0.75	0.72			0.01	2.21	1.84	4.05
Shuffle Plane	225 HP		0.73	0.75	0.72			0.01	2.21	1.84	4.05
Field Cultivate	225 HP/32'		0.55	0.88	0.54			0.11	2.08	1.95	4.03
Field Cultivate	225 HP/32'		0.55	0.88	0.54			0.10	2.07	1.95	4.02
Field Cultivate	225 HP/32'		0.55	0.88	0.54			0.09	2.06	1.95	4.01
Harrow	225 HP/30'		0.44	0.98	0.43			0.09	1.94	2.24	4.18
Drill	150 HP/30'		0.37	3.25	0.54			0.20	4.36	6.68	11.04
RICE SEED	CWT	18.90						0.91	19.81		19.81
Roll - Cement Roller	150 HP/36'		0.29	0.41	0.43			0.05	1.18	1.39	2.57
SURVEY LEVEES	ACRE	4.00						0.19	4.19		4.19
MNGMNT/CONSULTING	ACRE	20.00						0.96	20.96		20.96
Pull & Plant Levees	150 HP		0.16	0.60	0.24			0.05	1.05	1.26	2.31
Roll levees	100 HP		0.11	0.18	0.24			0.03	0.56	0.39	0.95
Plow Bar Pits	100 HP		0.17	0.21	0.36			0.03	0.77	1.00	1.77
Make Ditches	100 HP		0.16	0.26	0.33			0.03	0.78	0.66	1.44
BUTT UP FIELD	ACRE	2.75						0.12	2.87		2.87
PLASTIC	ACRE	3.50						0.15	3.65		3.65
PIPE	ACRE	3.00						0.13	3.13		3.13
Combine - Rice			2.32	15.00	2.69			0.58	20.59	21.29	41.88
Grain Cart/150 HP	Tractor		1.22	1.49	1.79			0.13	4.63	3.56	8.19
Grain Cart/100 HP	Tractor		0.86	0.89	1.79			0.10	3.64	2.23	5.87
PICKUP CHARGE	ACRE	12.00						0.17	12.17		12.17
CROP INSURANCE	ACRE	6.75						0.06	6.81		6.81
FUEL TANKS (4)	each			0.01					0.01	0.45	0.46
FERTILIZER-TABLE 7.C	ACRE	99.12						4.22	103.34		103.34
PESTICIDE-TABLE 8.C	ACRE	137.53						5.33	142.86		142.86
IRRIGATION-TABLE 9.C	ACRE	73.73			16.87			4.07	94.67		94.67
POST HVST-TABLE 10.C	ACRE	132.57						3.81	136.38		136.38
TOTALS		513.85	12.02	32.73	31.53	0.00	21.91	612.04	61.13	673.17	

Note: Cost of production estimates are based on 18-20 levees per 100 acres.

Table 7.C Estimated costs for field operations, per ACRE
RICE FERTILIZER-1ST CROP
450 ACRE FARM, TCE District 11, 2004

OPERATION/ OPERATING INPUT	SIZE/ UNIT	-----DIRECT COST-----							FIXED COST	TOTAL COST
		OP INPUT	FUEL	R&M	LABOR	LEASE	INTER	TOTAL		
-----dollars-----										
BASE FERTILIZER	ACRE	4.75						0.23	4.98	4.98
23-13-11-12	TON	31.37						1.50	32.87	32.87
PRE-FLOOD APP	ACRE	6.00						0.26	6.26	6.26
33-0-0	TON	21.05						0.91	21.96	21.96
TOP DRESS	ACRE	5.25						0.20	5.45	5.45
46-0-0	TON	17.40						0.67	18.07	18.07
TOP DRESS	ACRE	5.25						0.18	5.43	5.43
21-0-0	TON	8.05						0.27	8.32	8.32
TOTALS		99.12	0.00	0.00	0.00	0.00		4.22	103.34	103.34

Note: Cost of production estimates are based on 18-20 levees per 100 acres.

Table 8.C Estimated costs for field operations, per ACRE
RICE PESTICIDES-1ST CROP
450 ACRE FARM, TCE District 11, 2004

OPERATION/ OPERATING INPUT	SIZE/ UNIT	-----DIRECT COST-----						FIXED COST	TOTAL COST
		OP INPUT	FUEL	R&M	LABOR	LEASE	INTER		
-----dollars-----									
GROUND APPLICATION	ACRE	4.50					0.22	4.72	4.72
CLOMAZONE	GAL	8.50					0.41	8.91	8.91
HERB - SURFACTANT	APPL	2.50					0.12	2.62	2.62
AERIAL APPLICATION	ACRE	5.75					0.25	6.00	6.00
HERB-POSTEM-1ST TRT.	APPL	41.81					1.80	43.61	43.61
WATERWEEVIL	GAL	3.94					0.17	4.11	4.11
HERB - SURFACTANT	APPL	2.50					0.11	2.61	2.61
AERIAL APPLICATION	ACRE	2.88					0.10	2.98	2.98
HERB-POSTEM-2ND TRT.	OZ	10.36					0.35	10.71	10.71
HERB - SURFACTANT	APPL	1.25					0.04	1.29	1.29
AERIAL APPLICATION	ACRE	5.75					0.19	5.94	5.94
STINKBUGS	PT	3.48					0.12	3.60	3.60
AERIAL APPLICATION	ACRE	5.75					0.19	5.94	5.94
FUNGICIDE	OZ	19.35					0.65	20.00	20.00
FUNG-SURFACTANT	APPL	0.75					0.03	0.78	0.78
AERIAL APPLICATION	ACRE	5.75					0.19	5.94	5.94
STINKBUGS	PT	3.48					0.12	3.60	3.60
AERIAL APPLICATION	ACRE	5.75					0.17	5.92	5.92
STINKBUGS	PT	3.48					0.10	3.58	3.58
TOTALS		137.53	0.00	0.00	0.00	0.00	5.33	142.86	142.86

Note: Cost of production estimates are based on 18-20 levees per 100 acres.

Table 9.C Estimated costs for field operations, per ACRE
 IRRIGATE RICE-1ST CROP
 450 ACRE FARM, TCE District 11, 2004

OPERATION/ OPERATING INPUT	SIZE/ UNIT	-----DIRECT COST-----							FIXED COST	TOTAL COST
		OP INPUT	FUEL	R&M	LABOR	LEASE	INTER	TOTAL		
-----dollars-----										
BASE WATER CHARGE	ACRE	39.20						1.88	41.08	41.08
FLUSH-IRRIGATE										
RICE WATER LABOR	hour				1.93			0.08	2.01	2.01
WATER:MARCH-JUNE	AC FT	2.47						0.11	2.58	2.58
FLUSH-IRRIGATE										
RICE WATER LABOR	hour				1.93			0.08	2.01	2.01
WATER:MARCH-JUNE	AC FT	2.47						0.11	2.58	2.58
FLUSH-IRRIGATE										
RICE WATER LABOR	hour				1.93			0.08	2.01	2.01
WATER:MARCH-JUNE	AC FT	2.47						0.11	2.58	2.58
FLOOD-IRRIGATE										
RICE WATER LABOR	hour				4.09			0.18	4.27	4.27
WATER:MARCH-JUNE	AC FT	27.12						1.17	28.29	28.29
MAINTAIN FLOOD										
RICE WATER LABOR	hour				6.45			0.25	6.70	6.70
DRAIN										
RICE WATER LABOR	hour				0.54			0.02	0.56	0.56
TOTALS		73.73	0.00	0.00	16.87	0.00	4.07	94.67	0.00	94.67

Note: Cost of production estimates are based on 18-20 levees per 100 acres.

Table 10.C Estimated costs for field operations, per ACRE
 POST HARVEST-1ST CROP
 450 ACRE FARM, TCE District 11, 2004

OPERATION/ OPERATING INPUT	SIZE/ UNIT	-----DIRECT COST-----							FIXED COST	TOTAL COST
		OP INPUT	FUEL	R&M	LABOR	LEASE	INTER	TOTAL		
-----dollars-----										
RICE HAULING	CWT	21.24						0.61	21.85	21.85
RICE DRYING	CWT	79.65						2.29	81.94	81.94
CHECK OFF	CWT	5.28						0.15	5.43	5.43
COMMISSION	CWT	5.28						0.15	5.43	5.43
RICE STORAGE	CWT	21.12						0.61	21.73	21.73
TOTALS		132.57	0.00	0.00	0.00	0.00		3.81	136.38	136.38

Note: Cost of production estimates are based on 18-20 levees per 100 acres.

Table 11.E Summary of estimated costs and returns per ACRE
RICE WEST OF HOUSTON-2ND CROP
450 ACRE FARM, TCE District 11, 2004

ITEM	UNIT	PRICE	QUANTITY	AMOUNT	YOUR FARM
		dollars		dollars	
INCOME					
RICE-2ND CROP LOAN	CWT	6.90	16.0000	110.40	_____
RICE-2ND CROP PREM	CWT	2.00	16.0000	32.00	_____

TOTAL INCOME				142.40	_____
DIRECT EXPENSES					
CUSTOM FERTILIZE	ACRE	5.25	1.0000	5.25	_____
CUSTOM SPRAY	ACRE	5.75	1.0000	5.75	_____
FERTILIZERS	ACRE	17.40	1.0000	17.40	_____
INSECTICIDES	ACRE	3.48	1.0000	3.48	_____
IRRIGATION	ACRE	10.96	1.0000	10.96	_____
CHECKOFF/COMMISSION	ACRE	2.56	1.0000	2.56	_____
DRYING - RICE	ACRE	20.24	1.0000	20.24	_____
RICE HAULING	ACRE	5.40	1.0000	5.40	_____
STORAGE - RICE	ACRE	5.12	1.0000	5.12	_____
OPERATOR LABOR	hour	10.75	0.3500	3.77	_____
RICE WATER LABOR	hour	10.75	0.7100	7.64	_____
DIESEL FUEL	gal	0.95	2.7795	2.63	_____
REPAIR & MAINTENANCE	ACRE	10.43	1.0000	10.43	_____
INTEREST ON OP. CAP.	ACRE	1.84	1.0000	1.84	_____

TOTAL DIRECT EXPENSES				102.47	_____
RETURNS ABOVE DIRECT EXPENSES				39.93	_____
TOTAL FIXED EXPENSES				16.25	_____

TOTAL SPECIFIED EXPENSES				118.72	_____
RETURNS ABOVE TOTAL SPECIFIED EXPENSES				23.68	_____
RESIDUAL ITEMS					
MANAGEMENT CHARGE	%	142.40	0.0500	7.12	_____
RESIDUAL RETURNS				16.56	_____

Note: Cost of production estimates are based on 18-20 levees per 100 acre.

All general and administrative costs including accounting, legal, general liability insurance and miscellaneous expenses are charged to 1st crop.

All crop insurance, consulting and land charges are assigned to 1st crop.

Vehicle charges assigned to 1st crop.

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Table 11.C Estimated costs for field operations, per ACRE
RICE WEST OF HOUSTON-2ND CROP
450 ACRE FARM, TCE District 11, 2004

OPERATION/ OPERATING INPUT	SIZE/ UNIT	-----DIRECT COST-----							FIXED COST	TOTAL COST	
		OP INPUT	FUEL	R&M	LABOR	LEASE	INTER	TOTAL			
-----dollars-----											
TOP DRESS	ACRE	5.25						0.13	5.38		5.38
46-0-0	TON	17.40						0.42	17.82		17.82
FLUSH-IRRIGATE											
RICE WATER LABOR	hour				1.93			0.05	1.98		1.98
WATER:JUL-OCT	AC FT	2.74						0.07	2.81		2.81
AERIAL APPLICATION											
STINKBUGS	PT	3.48						0.07	3.55		3.55
FLOOD-IRRIGATE											
RICE WATER LABOR	hour				4.09			0.08	4.17		4.17
WATER:JUL-OCT	AC FT	8.22						0.16	8.38		8.38
MAINTAIN FLOOD											
RICE WATER LABOR	hour				1.08			0.02	1.10		1.10
DRAIN											
RICE WATER LABOR	hour				0.54			0.01	0.55		0.55
Combine - Rice			1.39	9.00	1.61			0.17	12.17	12.77	24.94
Grain Cart/150 HP	Tractor		0.73	0.89	1.08			0.04	2.74	2.14	4.88
Grain Cart/100 HP	Tractor		0.51	0.54	1.08			0.03	2.16	1.34	3.50
RICE HAULING	CWT	5.40						0.08	5.48		5.48
RICE DRYING	CWT	20.24						0.29	20.53		20.53
CHECK OFF	CWT	1.28						0.02	1.30		1.30
COMMISSION	CWT	1.28						0.02	1.30		1.30
RICE STORAGE	CWT	5.12						0.07	5.19		5.19

TOTALS		76.16	2.63	10.43	11.41	0.00	1.84	102.47	16.25	118.72	

Note: Cost of production estimates are based on 18-20 levees per 100 acres.

Table 9. Operating inputs: estimated prices, TCE District 11, 2004

ITEM NAME	UNIT	PRICE
		dollars
ADJUVANTS		
FUNG-SURFACTANT	APPL	0.75
HERB - SURFACTANT	APPL	2.50
INSECT-SURFACTANT	APPL	0.30
CHECKOFF/COMMISSION		
CHECK OFF	CWT	0.08
COMMISSION	CWT	0.08
CUSTOM FERTILIZE		
BASE FERTILIZER	ACRE	4.75
PRE-FLOOD APP	ACRE	6.00
TOP DRESS	ACRE	5.25
CUSTOM SPRAY		
AERIAL APPLICATION	ACRE	5.75
GROUND APPLICATION	ACRE	4.50
DRYING - RICE		
RICE DRYING	CWT	1.05
FERTILIZERS		
21-0-0	TON	161.00
23-13-11-12	TON	247.00
33-0-0	TON	210.50
46-0-0	TON	232.00
FUNGICIDES		
FUNGICIDE	OZ	2.15
HARVEST		
RICE-CUSTOM COMBINE	CWT	1.00
HERBICIDES		
CLOMAZONE	GAL	85.00
FACET	LB	50.00
HERB-POSTEM-1ST TRT.	APPL	41.81
HERB-POSTEM-2ND TRT.	OZ	1.48
PERMIT	OZ	15.31
STAM	LB	4.00
INSECTICIDES		
STINKBUGS	PT	3.48
WATERWEEVIL	GAL	355.00
IRRIGATION SUPPLIES		
BUTT UP FIELD	ACRE	2.75
PIPE	ACRE	3.00
PLASTIC	ACRE	3.50
IRRIGATION		
BASE WATER CHARGE	ACRE	39.20
WATER:JUL-OCT	AC FT	10.96
WATER:MARCH-JUNE	AC FT	9.86
CROP INSURANCE-RICE		
CROP INSURANCE	ACRE	6.75
RENT		
RICE CASH RENT	ACRE	75.00
RICE HAULING		
RICE HAULING	CWT	0.28
SEED		
RICE SEED	CWT	21.00
SERVICE FEES		
MNGMNT/CONSULTING	ACRE	20.00
SURVEY LEVEES		
SURVEY LEVEES	ACRE	4.00
STORAGE - RICE		
RICE STORAGE	CWT	0.32
VEHICLES		
PICKUP CHARGE	ACRE	12.00

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