



The University of Georgia

®

CRISP CO. AG NEWSLETTER – October 09

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Around the County

Peanut harvest is still ongoing and so far from what I've seen and heard things look good. Rain and especially cool temperatures have really affected peanuts however. John Beasley (UGA Peanut Agronomist) has always said that once temperatures drop below 45 degrees for three nights in a row then peanut seed maturation will cease. Looking at the Arabi Weather station on *Georgiaweather.net*, temperatures October 18th, 19th and 20th were – 39.7, 36.6 and 40 degrees respectively. On top of that, the Arabi station accumulated 2.73" rain October 14-19. More on peanut harvest and cool weather effects in this newsletter.

Peanut Harvest

(The following are comments from John Beasley – UGA Peanut Specialist, related to weather and peanut harvest.)

Although we have no hard and fast data to back this statement, we do have observations and experience that indicates once the minimum temperature drops below 45 degrees for 3 or more days in a row the maturation process of the peanut seed will cease.

Therefore, we do not expect any maturation of peanuts beyond their current status after the cold snap. I DO NOT recommend that all fields still remaining be inverted immediately as this may cause other logistical issues. Only those fields that are in most desperate need of harvest (well past optimal maturity and/or heavy disease pressure) should be prioritized to be dug.

Here are some recommendations:

- 1) All fields that were ready to be inverted before the rain need to be inverted as soon as it is possible. HOWEVER, do not invert any fields the day before any morning in which the low temperature is expected to drop into the 30's. The pods are more protected from freeze or frost damage in the ground. Wait to invert until the risk of frost or freezing has passed.
- 2) Those fields that were expected to be a week or more from digging before the cold morning temperatures need to be evaluated for their vine conditions. If the vines are healthy (low risk of leaf spots, white mold, CBR, etc), then they can remain in the field until the fields at higher risk of pod loss have been harvested. We don't need to get in a hurry to harvest these fields.
- 3) Remind producers we need to make every effort to maximize yield potential of all fields still remaining to be harvested. Despite the upcoming cold snap we still need to harvest the remaining crop on as timely as basis as possible.

Seeding rates for annual coolseason grass species.

Species	Seeding Rate*	
	Grown Alone	Mixture
	----- lbs/acre -----	
Ryegrass	25 - 30	15 - 25
Rye	90 - 120	60 - 90
Wheat	90 - 120	60 - 90
Oats	90 - 120	60 - 90
Triticale	90 - 120	60 - 90

*Use higher seeding rates when seed is broadcast and lower seeding rates when planting into a prepared seedbed or no-tilled into existing sod (overseeding pasture).



Large Patch Disease

I'm getting a fair number of calls about dead patches in St. Augustine grass from homeowners and landscapers. Typically when you hear "dead patches" in St. Augustine grass you suspect chinch bugs. However the margins of these dead spots are almost a fluorescent yellow color. This is a disease called Large Patch caused by *Rhizoctonia solani*. Hot wet weather like we've had earlier this month created perfect growing conditions for the disease. Fungicides applied in fall and spring are effective to control this disease.

Cost and Economic Considerations in Scrapping Cotton

Don Shurley and Amanda Smith

UGA Department of Agricultural and Applied Economics

Some producers may be considering "scrapping" cotton—picking the field a second time. This is rarely done in Georgia, or most parts of the Cotton Belt for that matter, due to the costs and economic disadvantages. Under some conditions, however, this may warrant a closer look.

At first pick, sometimes a significant share of bolls may not have opened. Or after first pick, a large amount of lint may remain intact in the burr. These conditions may be due to disease or insect damage, weather, and/or ineffective defoliation and boll opening treatments. Would picking the field a second time be feasible? There is some belief that the mechanical jarring of the first pick may aid remaining bolls to open.

The most significant cost is running the picker over the field again. This is expensive. Whether his/her own picker or a custom hire operation, the farmer needs to be reasonably sure that enough cotton can be gathered the second time around to more than cover the costs.

Based on 2009 UGA budget estimates, the cost of cotton harvest using a 4-row cotton picker at 3.7 acres per hour is \$38.87 per acre (Table 1). This is the variable cost only-- fuel and lube, labor, and repairs. This includes the picker, boll buggy with tractor, and module builder with tractor based on diesel fuel at \$2.25 per gallon. Fixed cost is estimated to be another \$52.57 per acre so total cost would be \$91.44 per acre.

Table 1. Estimated Variable Cost of Cotton Harvest

	1st Pick (3.7 Acres Per Hr)	2nd Pick (4.5 Acres Per Hr)
<u>PICKER</u>		
Fuel and Lube	\$8.48	\$6.96
Labor	\$4.90	\$4.03
Repairs	\$10.59	\$8.71
<u>BOLL BUGGY</u>		
Fuel and Lube	\$4.14	\$3.40
Labor	\$3.30	\$2.71
Repairs	\$0.76	\$0.62
<u>MODULE BUILDER</u>		
Fuel and Lube	\$3.42	\$2.81
Labor	\$3.30	\$2.71
Repairs *	\$0.00	\$0.00
TOTAL VARIABLE COST	\$38.87	\$31.96

* Assumes module builder owned and provided without charge from the gin.

When scrapping or second pick, the picker can usually run faster than at first pick. Variable costs per acre are based on hours of operation and the number of acres covered per hour. Variable cost per acre decreases as speed of operation increases. Fixed cost remains unchanged. Table 1 is based on 2009 UGA budget estimates and summarizes variable cost for first pick (at 3.7 acres per hour) and second pick (assuming 4.5 acres per hour) and cost per acre is reduced proportionately to acres per hour.

In addition to harvesting costs, other costs may also need to be considered. If re-growth is a problem and/or if additional boll opener or defoliation is required, this cost must be considered as well. Also, if any crop insurance indemnity to be received would be reduced due to added yield, this reduction/loss in payment must also be considered a cost of scrapping.

The feasibility of a second pick depends on all these costs compared to the additional income to be gained. The additional income depends on the additional pounds of yield, the fiber quality of those pounds, and the net price received per pound after ginning, etc. The additional yield needed to exactly cover the additional cost is called the "breakeven yield". This is calculated as:

$$BE\ Yield = \text{Additional Costs} / \text{Net Price per Lb}$$

The Net Price is the price received for the cotton after any fiber quality adjustments and after the cost of ginning and warehousing. The second pick or scrapped cotton may be subject to price discounts for fiber quality. This

should be taken into account. Discounts could range from just 1 or 2 cents to 5 to 8 cents or more. Table 2 shows an example of current cash market discounts on Georgia cotton.

Table 2. Example of Cash (Spot Market) Discounts For Fiber Quality, October 20, 2009.

Description	Grade	Discount (Cents/Lb)
Short Staple	41-4/33	-1.50
Light Spotted and Short Staple	42-4/33	-2.00
Light Spotted, High Leaf, and Short Staple	32-4/32	-4.50
Low Uniformity	78.5 – 79.4	-1.00
Trash	Level 1	-3.75
High Mike	5.0 – 5.2	-2.00
Low Mike	3.3 – 3.4	-1.50
Low Strength	25.5 – 26.4	-.250

SOURCE: USDA/AMS

The cost of ginning, warehousing, storage, marketing, etc. should also be considered. These costs, minus the value of cottonseed, are deducted from cotton lint value. In recent years, due to the high price received for cottonseed, these costs have been minimal but cottonseed prices have since declined. Table 3 illustrates an example of how the Net Price can be calculated.

Table 3. Example Calculation of Net Price Received

Expected Price (Base Grade) Including POP/LDP		.630
Expected Quality Premiums (+) or Discounts (-)		-.050
Net Ginning, Warehousing and Marketing		
Ginning/Lb	.080	
Warehousing and Storage/Bale	\$10.500	
Classing, Marketing and Promotions/Bale	\$5.450	
Cottonseed *	.072	
Net GWM **	.040	-.040
Expected Net Price		.540

* Assumes \$125/ton for seed and 1.15 lbs of seed per lb of lint.

** Assumes a 500-lb bale.

Table 4 illustrates the additional yield from scrapping needed to cover the variable cost of harvesting. This excludes fixed cost and excludes any other costs if applicable. This is the “break-even yield”—i.e. yield needs to be above this amount to return a profit and anything toward fixed cost and other cost. For example, if picking at 4.5 acres per hour and the net price per lb of lint is expected to be 55 cents/lb, the break-even yield needed from the second picking would be 58 lbs per acre or 1 500-lb bale every 8.6 acres.

Table 4. Second Pick Additional Pounds per Acre Needed to Cover Variable Harvest Cost

Net Price Cents Per Lb	2 nd Pick Acres Per Hour			
	3.5	4.0	4.5	5.0
45	91	80	71	64
50	82	72	64	58
55	75	65	58	52
60	68	60	53	48

This does not consider the fixed costs on harvest machinery and equipment. These fixed costs include depreciation (additional wear and tear and related additional loss in value), interest, and insurance. UGA budgets estimate this cost to be \$48.75/acre for the picker, \$3.82/acre on the boll buggy, and no fixed cost on the module builder (assumed owned and supplied by the gin). Scrapping will put additional hours on the picker and reduce its remaining life and value. So some additional yield above these break-even amounts is warranted to reward at least a portion of the picker fixed cost. To cover both variable harvest cost and fixed cost on the picker alone, additional yield from scrapping would need to be at least double the amounts shown in Table 4. If harvest is custom hired, additional yield would need to be sufficient to pay that cost plus allow a profit for the producer.

An Excel® spreadsheet decision-aid, 2NDPICK-UGA.xls, is available to assist producers with costs, price, and yield calculations. The spreadsheet follows the discussion and analysis presented here.

Other Information

Crop Budgets

Budgets for crops ranging from vegetables to GA shrimp and everything in between can be found at:

<http://www.ces.uga.edu/Agriculture/agecon/budgets/budgetsexcel.htm>

These budgets are in Microsoft Excel. The 2010 figures and updated budgets should be out around November.

2010 Wheat budgets are already available.

The printed version can be found at <http://www.ces.uga.edu/Agriculture/agecon/printedbudgets.htm>

Spreadsheet version can be found <http://www.ces.uga.edu/Agriculture/agecon/budgets/budgetsexcel.htm>

Market Watch

This is a newsletter put out every two weeks with commodity pricing information.

<http://www.ces.uga.edu/Agriculture/agecon/marketwatch/10-15-09.pdf>

Forestry Incentive Program

Landowners who have the following invasive plants - Japanese Climbing Fern, Chinese Tallowtree, Privets, non-native roses (multiflora etc.), Autumn Olive and Thorny olive on their lands, to the deadline to apply for an incentive program that will pay 100% of control costs up to \$10,000 per qualified landowner.

The Georgia Forestry Commission, through the American Recovery & Reinvestment Act of 2009, is administering a program that will provide for treatment of invasive plants listed above.

INITIAL APPLICATIONS MUST BE TURNED INTO THE LANDOWNERS GFC FORESTER BY OCTOBER 31, 2009

The initial signup is easy to do - for details & application forms check the Georgia Forestry Commission website link <http://www.gfc.state.ga.us/Recovery/Index.cfm>



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