

# Texas Extension Report

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**Joe L. Outlaw**  
**Regents Fellow, Professor & Extension**  
**Economist**  
**Co-Director, AFPC**

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**San Diego, CA**

TEXAS A&M  
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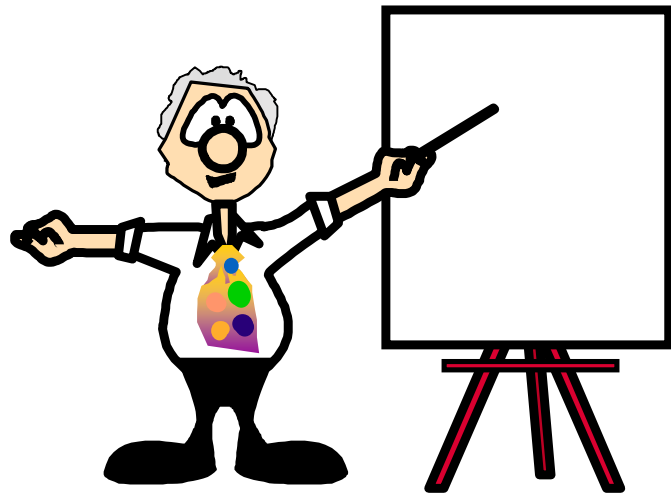
**December 6-7, 2018**

**AFPC**

# Presentation Outline

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- A Closer Look at TX Rice Farm Economics
  - Last year went over updates
  - This time going to focus on costs



# Definition of Financial Position

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- **Good** – Less than 25% chance of a negative ending cash balance and less than 25% chance of losing real net worth
- **Marginal** – A 25-50% chance of a negative ending cash balance and a 25–50% chance of losing real net worth
- **Poor** – Greater than 50% chance of a negative ending cash balance and a greater than 50% chance of losing real net worth

# Economic Viability of Texas Representative Rice Farms, August 2018 Baseline

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2018	2023	2018-2023	2018-2023
1/9/5				
TXR1500	Yellow	Red	Red	Red
TXR3000	Yellow	Red	Red	Yellow
TXBR1800	Yellow	Yellow	Red	Green
TXER3200	Red	Red	Red	Red

# Texas East Rice (Wharton County)

	2007	2017	Percent Change
Variable Costs (\$/Acre)			07 to '17
Seed	47.00	63.00	34%
Fert N	111.00	118.38	7%
Fert Pk	45.00	68.62	52%
Herbicide	63.00	92.00	46%
Insecticide	14.59	45.00	208%
Fungicide	20.00	30.00	50%
Custom Apps	56.50	100.00	77%
Consultant	8.00	0.00	-100%
Irrigation	110.00	170.00	55%
Drying	132.80	143.00	8%
Checkoff	12.80	15.00	17%
Custom Hauling	25.60	35.00	37%
<b>Total</b>	<b>646.29</b>	<b>880.00</b>	<b>36%</b>

# Texas East Rice Wharton County

	2007	2017	Percent Change 07 to '17
Yield (cwt/Acre)	80.00	100.00	25%
Price (\$/cwt)	12.50	11.75	-6%
Cash Rent	53.30	66.70	25%

# Texas East Rice Wharton County

	2007	2017	Percent Change
<b>Selected Overhead</b>			<b>07 to '17</b>
Labor	117,370.60	146,144.70	25%
Property Tax	1,702.90	2,554.60	50%
Accounting/Legal	6,000.00	9,000.00	50%
Repairs/Maintenance/Supplies	131,686.59	87,289.00	-34%
Liability Insurance	6,000.00	43,000.00	617%
Misc.	1,768.70	2,435.90	38%
Fuel	96,000.00	68,676.00	-28%
Utilities/Communications	5,000.00	7,913.40	58%
<b>Total</b>	<b>365,528.79</b>	<b>367,013.60</b>	<b>0.41%</b>

# Texas East Rice Wharton County

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Some costs went up... a few went down

Yields increased 25%

Variable Expenses increased 36%

Overhead Expenses basically flat

Prices are 6% less

Government support per acre higher due to yield update

Bottom Line... Flat to a little less Net Receipts