Project Report
Submitted to
Georgia Agricultural Commodity Commission for Peanuts

Project Title: Peanut Economics and Education Program for Georgia Producers

Investigator: Dr. Nathan B. Smith, Associate Professor and Extension Economist, The University of Georgia, Tifton Campus.
Cooperator: Mrs. Amanda Smith, Extension Economist, The University of Georgia, Tifton Campus.
Objective: Economics educational programming and applied research of peanut cost of production, marketing and policy. Overall objective is to better equip Georgia peanut producers to make economically sound decisions by developing and disseminating economic information and analyses.

Project Update:

Educational programing was conducted during the project period of July 2013 and through 2014. Programs on the peanut marketing, outlook and cost analysis were conducted in Georgia at the request of county agents and stakeholders. Most local meetings were either peanut production meetings or economics meetings requested by county agents. In addition in-service training meetings were conducted by Nathan Smith and/or Amanda Smith for County Extension Agents on market outlook, cost of production and peanut marketing basics. Several new agents were trained on using crop enterprise budgets, the crop comparison tool and how the value of peanuts is determined through the grading process. A peanut economics presentation was made at the Southern Peanut Growers Conference. Southern extension economists and ag lenders were updated on peanut outlook at the Southern Outlook Conference in Atlanta, Georgia in September, 2013. Peanut market and cost and return information was presented at several other professional, industry and regional meetings.

Media utilized information from educational programs and interviews during the project period. Contributions were made for Peanut Perspectives in Southeastern Peanut Farmer magazine and Peanut Pointers during the project period. Other outlets for information included: Local media outlets through UGA CAES news releases, Ag Forecast, Georgia Farm Bureau Farm Report, SE Farm Press, 92.5 The Farm, and WTIF Market Mondays.

Peanut budgets and the Crop Comparison Tool were updated in 2013. Conventional peanut variable costs were budgeted at $672 per acre for irrigated and $551 for non-irrigated. Total costs excluding land rent were estimated at $1,011 per acre for irrigated conventional and $753 for non-irrigated conventional. Strip-tillage costs were budgeted at $665 for irrigated variable costs, $556 for non-irrigated variable cost, $980 for total irrigated and $735 for total non-irrigated costs per acre. Strip-tillage has higher variable costs but lower fixed cost leading to lower total cost at the same yield. County agents and producers continue to utilize the tool. Price comparisons can be used for peanuts versus other crops in determining what price is needed to equal returns of other crops. The 2014 version can be found at www.ugapeanuts.com. The support provided by the growers through the Georgia Peanut Commission is greatly appreciated for support of economics education and research.

Submitted by:
Nathan B. Smith