

U.S. Peanut Cost of Production

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Two national data bases are available to determine peanuts' cost of production. One is the United States Department of Agriculture Economic Research Service (USDA-ERS) data base and the other is from The University of Georgia National Center for Peanut Competitiveness (NCPC) data base. NCPC has 22 representative peanut farms stretching from Virginia to New Mexico that are proportioned based on state's share of national peanut production. NCPC is built by personal interviews with peanut farmers while the USDA-ERS peanut budget is built on a survey mailed to peanut farmers.

When comparing the two data bases, the NCPC representative farms variable cost (VC) of production per acre for 2016 was significantly higher than USDA-ERS by approximately 64% while the NCPC total cash flow cost of production per ton (TC) was \$552.43 which is 12% higher than USDA-ERS total cost of production for 2016. Significant differences between the two data bases were also found in the 2012 NCPC representative farm update where VC and TC reported were higher than USDA-ERS estimates by 28% and 18% respectively. Historically, farmers may not accurately fill out surveys they receive from USDA-NASS due to time pressure and/or other factors while NCPC interviews with peanut farmers take significant time in order to ensure that all costs are taking into account. These significant differences can have major implications during the farm bill development process.