

COSTS DOUBLE: Irrigation costs nearly doubled between 2004 and 2007, with a few jumps to higher than double along the way. University of Georgia Extension agriculture economist Nathan Smith says the 2004 Georgia crop budget estimated irrigation cost at \$5.50 per acre-inch at the start of 2004. The estimated cost in the 2007 budget, which figures diesel at \$2.25, is \$10.50 per acre-inch. Those with electrical motors can figure their costs at 60% of a diesel.



Slow start in '07

By PAM GOLDEN

EVER lost a crop to both a freeze and a drought during the month of May?

Neither had any of Nick McMichen's neighbors — but May 2007 was the month it could have happened.

Wheat yields dropped from between 60 and 80 bushels an acre to 25. Corn was coming up under irrigation, but stalled if it was on dryland. And nobody wanted to talk about soybeans or cotton. Farmers could choose to pray seed out of the dust, file insurance claims for prevented planting or wait for a rain past the planting date for insurance.

The crops fluctuate across the Southeast, but drought conditions for the 2007 season didn't. Fields are either bad or worse.

Farmers in McMichen's corner of northeast Alabama don't have much irrigation and share the drought conditions of their neighbors in Tennessee and Georgia. Folks to the north in Kentucky are a little wetter. Those to the south in southern Georgia, southern Alabama and Florida are drier.

For his part, McMichen, who farms in Centre, Ala., irrigated on March 28

Key Points

- Drought hampers profit potential — even under irrigation.
- Irrigation software boosts efficiency by timing applications.
- Irrigation costs are topping \$10 per inch per acre, but that still allows for profit.

to get fields ready for planting, then drained the irrigation Easter weekend to prepare for the freeze. Though he normally starts irrigating in June, he irrigated the entire month of May.

So, does it pay to irrigate?

"Are they digging themselves in a hole putting out more water?" says Nathan Smith, University of Georgia Extension agriculture economist. "I don't think so from an economic standpoint."

Smith ran the numbers for \$4 corn: If a farmer can make 120 bushels an acre with irrigation, but only 60 bushels if he turns off the pump, that's a 60-bushel difference.

"If you quit, that's a \$240-an-acre difference. That's 20 inches of water right there," Smith says. "I think economically you're better off watering if you can."

One way to curb the cost of irrigation is to carefully time applications.

Less noticeable than herbicide application timing, poorly timed irrigation still shows up on the balance sheet.

Efficient irrigation is key

"Make absolutely sure you're applying water at the right growth stage for your peanuts," says John Beasley, University of Georgia Extension peanut agronomist. "We don't want to water peanuts so much we lose money."

For peanuts, the key is to water in the residual herbicide, then hold off on irrigation until pegging starts.

Cotton, corn and peanut producers can get help with irrigation decisions by using Irrigator Pro. Part of FarmSuite, Irrigator Pro is available through USDA's Agriculture Research Service at www.ars.usda.gov/Services/docs.htm?docid=12488.

Cash flow can empty tank

The question then becomes whether a farmer can pay for the diesel.

"To me, it's almost more of a cash-flow question," Smith says. "The point where it's no longer profitable to put water out is probably not the constraint. The issue probably is whether they have the water and whether they

need to water to make the crop. But if you don't have the ability to pay for the diesel ..."

McMichen figures his energy costs will be 150% higher than he expected. He's watering his fields based on potential profit: \$4 corn is getting a lot of water; 50-cent cotton not so much.

With that kind of cost and figuring about \$10 an inch to irrigate, McMichen says \$4 corn isn't a boon — it's a saving grace.

"If I make corn, it'll cost me \$2 to make that crop," he says. "With corn at \$4, I'll still make a profit, but it's not going to be near what I thought it would." That is, if he can bring the crop to harvest.

"Our worst fear is running out of water," he says. "I won't abandon irrigation now because of the expense, but I'm afraid I'm going to run out of water."

In McMichen's area, farmers pull water from the Coosa River reservoir. Other Southeast farmers pull from ponds. The lucky ones have wells — and they're worried about running dry.

The bottom line, however, is still the bottom line, and irrigation improves it.

"It's one of the few things I'm willing to borrow money for because it'll pay for itself," McMichen says.