Investment Analysis of Conventional vs Conservation Tillage Equipment for Peanut.

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Peanuts are a capital intensive crop because of the specific inputs and equipment needed to produce and harvest a high yield crop. When investing in equipment, farmers have a choice between traditional peanut production equipment (conventional tillage) and reduced tillage equipment (conservation tillage). There has been growing interest in conservation tillage peanut production because of incentives from government programs, benefits to soil and water quality, and cost savings on labor and equipment. An investment analysis of conventional tillage peanut production equipment was compared to that of conservation tillage equipment. The impact of higher fuel and chemical prices on the investment decision were evaluated using a sensitivity analysis. Breakeven yields and prices needed to realize a return on investment were also calculated.