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# **Costs and Returns Data: Florida-Based Gulf of Mexico Shrimp Trawlers, 1977**

VITO J. BLOMO and WADE L. GRIFFIN  
Department of Agricultural Economics  
Texas Agricultural Experiment Station

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by

Vito J. Blomo  
and  
Wade L. Griffin

Research Fellow and Associate Professor, respectively

Department of Agricultural Economics  
Texas Agricultural Experiment Station  
Texas A&M University

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## ABSTRACT

This report summarizes estimates of costs and returns for vessels of different characteristics that anchor in Florida and shrimp-trawl in the Gulf of Mexico. Data for the calendar year 1977 were collected from vessel owners. Results are presented in self-explanatory tables. No attempt is made to draw inferences or discuss implications of trends, or relationships, which may be apparent in the data.

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## INTRODUCTION

In Florida, as well as in other Gulf of Mexico states, shrimping is the major fishing activity in terms of value and employment. Shrimp landings off the Gulf coast of Florida were 20.6 million pounds<sup>1</sup> in 1977, contributing \$39.9 million to the state's economy. During the 1968-1977 period annual landings have fluctuated from twenty to twenty-seven million pounds. One of the highest catches, 49.1 million pounds, occurred in 1956 [4, 5, 6]. Florida ranks third in dollar value and pounds of shrimp landed, after Texas and Louisiana; however, it is a major area for shrimp processing.

Equipment and techniques used to catch shrimp have changed significantly since the early 1900's. Early vessels caught shrimp with drag seines, cast nets and fixed traps. The introduction of the otter trawl, however, increased productivity so that, in 1974, the 1,853 otter trawls accounted for 100 percent of the Florida catch [7]. In addition, large vessels constructed of wood, fiberglass or steel can fish year-round in the deeper waters of the Gulf.

In 1974, there were 913 vessels along Florida's Gulf coast operating with shrimp otter trawls. Most vessels fell into the 68- to 75-foot-length class, had 300- to 400-horsepower diesel engines, three crewmen, automatic pilot, depth finder, radiotelephone, refrigeration and several other electronic aids [1]. More than 2,500 fishermen were employed in 1974, counting those aboard vessels as well as fishermen on boats of less than five gross tons. Costs, revenues, investment requirements and profitability varied sig-

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<sup>1</sup>All pounds are reported in heads-off weight.

nificantly in relation to the size, construction and other characteristics of the vessel.

Many vessels registered in Florida fish off the coasts of the other Gulf states and Mexico as well as off Florida. This is especially true for large-sized vessels that can weather the open Gulf. Many large vessels shrimp in Florida waters during the first half of the year and move westward as the shrimping season progresses, spending three to six months in Texas waters. The small vessels and boats fish in the bays regularly and sometimes in Gulf waters (weather permitting).

The purpose of this report is to present a summarization of costs and returns estimates for West Coast Florida vessels of various characteristics, operating in the Gulf of Mexico shrimp fishery. A detailed understanding of relevant costs and revenues relationships is important to many people. Investment decisions are predicated on an accurate estimate of expected costs and revenues. Public agencies responsible for managing fishery sources must be able to examine the impact of alternative proposals on both the resource and the fishing industry.

Data for the year 1977 were collected from the Florida-based Gulf of Mexico shrimp fleet and were analyzed by vessel class. The data sources and procedures for collection are presented in the next section. Following that is a description of the methods used in analyzing the data and preparing it in a format useful for making comparisons and in decision-making. The results are then presented, primarily in self-explanatory tables. This report is intended to be descriptive. Thus no attempt is made to draw inferences or discuss the implications of trends or relationships which may be apparent in the data.

## DATA DESCRIPTION

The costs and returns financial data used in this study were gathered by personal contact with shrimp vessel owners and/or managers operating out of ports in Florida. . Additional financial information was obtained from officials of various lending institutions which engage in shrimp vessel financing. All data are for the period covering the calendar year 1977.

The vessels surveyed come from the population of shrimp vessels registered with the U.S. Coast Guard in 1975. There were 527 shrimp vessels registered in Florida gulf ports for 1975. For sampling purposes the vessels were grouped as follows: those with keel lengths of 28 to 55 feet were classified as small vessels, and those with keel lengths of 56 to 80 feet were classified as large vessels. Registered vessels included 180 small ones and 347 large ones. Approximately ten percent of these were surveyed for this study.

Variable cost items were divided into: ice; fuel; nets, supplies, and groceries; repair and maintenance; crew shares; payroll taxes; and packing charges. Variable cost data reported by the vessel owners were used.

Fixed cost items included: insurance, depreciation, interest and opportunity cost. Fixed charges for insurance and overhead are reported data, while charges relating directly to investment--depreciation and interest for costs and returns budgets--were calculated in nominal dollars for new vessels.<sup>2</sup>

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<sup>2</sup>Specifically, the standard formula for straight-line depreciation is:

$$D = \frac{I - S}{L}$$

where:

D = yearly charge for depreciation  
I = new vessel price  
S = book salvage value  
L = depreciable life in years

New vessel prices were estimated from cost data collected from shrimp vessel owners. To estimate terminal vessel value, each owner was asked to estimate what a given vessel would cost as a used vessel in the current year, had he held it for the number of years that he customarily fishes a new vessel. Respondents indicated they fished a new vessel from 3 to 15 years, with 8 years being the most frequent response. Depreciation charges were calculated using straight-line depreciation, with a 10-year depreciable life assuming 50 percent salvage value.

The difference in terminal value and book salvage value should be specifically recognized. As noted, book salvage value was taken as 50 percent of original cost, but terminal value was figured as 100 percent of original vessel cost. The reason for this difference is that even in periods of minimal new vessel price escalations, most vessel owners have been able to sell or trade their vessels at the end of their holding period for almost double book salvage value.

Interest charges for costs and returns budgets, and interest and principal payments for cash flow budgets were calculated using 80 percent financing at current percent interest, for ten years, with twelve equally amortized payments per year. These terms were found to be representative in interviews with vessel owners and officials of lending institutions engaged in shrimp vessel financing. The specific amount of interest reported in each costs and returns budget is for the fifth year of vessel life.

#### METHODS USED IN ANALYSIS OF DATA

A systematic procedure was established to assimilate and report the data according to the desired vessel classifications, interest rate, percent financed, number of years financed, number of loan payments per year, depreciation method, crew share agreement, rate of packing charges, payroll tax

rate, discount rate, planning horizon and object year under consideration. This procedure is organized in a computer program format referred to as a budget generator. The program reported results in the form of total costs and returns budgets, unit costs and returns budgets, and projected cash flow budgets.

### Cost and Returns Budgeting

Costs and returns budgets presented in this study are similar to the annual income statements used in business, with a subsection showing required return to equity capital<sup>3</sup> and returns to owner's labor and management. Opportunity cost used in this study applies to equity capital only, since all vessels in the sample represented leveraged investments. Therefore all returns should be measured with respect to the equity capital used to gain ownership in the income-producing assets. While those two items may be ignored for accounting purposes, they are important in economic and financial analysis.

The equity requirement for investment in shrimp vessels was assumed to be a pool of liquid assets which could have been invested elsewhere. The rate of return for this pool of equity capital should be based on the rate on the next best alternative use of this capital. However, after the investment is committed, the required return to equity capital must be adjusted

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<sup>3</sup>The formula used in calculating opportunity cost (required return to equity capital) is:

$$OC = E \times R$$

where

- OC = annual opportunity cost
- E = Equity (original down payment plus any additional negative net cash inflows from operations)
- R = required annual rate of return to equity capital

to take into consideration this loss of liquidity. In general, the more liquid an investment, the less the risk associated with it [6, p. 43]. Furthermore, there is a trade-off between risk and rates of return: risk and return vary directly [3, p. 95]. In other words, since a loss of liquidity occurs after the purchase of a shrimp vessel, a "risk premium" must be added to the rate of return on annual basis for the next best alternative use for the equity capital. The "risk premium" is somewhat arbitrary in that each vessel owner is in a unique situation, and has different risk-return preferences and investment alternatives. For this study the yield of Baa corporate bonds was chosen as a base, and the risk premium, for the sake of simplicity, was figured at 5.0 percent.

Returns to owner's labor and management are simply excess returns over the fixed and variable costs. No absolute requirements were applied here, although each vessel owner must evaluate that item in terms of his own abilities.

#### Cash Flow Budgeting

The cash flow budget is a measure of the projected timing and magnitude of cash inflows and outflows for the business under consideration, for a given period of time [2, p. 118]. More than any other type of budget, it is a measure of the relative liquidity of a firm. It identifies those periods that should exhibit a shortage of cash, indicating the need for arrangements for additional cash, and also those periods which exhibit an excess of cash above projected needs, indicating the opportunity for other investments (including early loan retirements) to best utilize that excess. The cash flow projections are on an annual basis and illustrate the demands on cash for a planning horizon for the life of the vessel, assuming that the conditions existing in a particular year would hold for the entire period.

## Investment Analysis

Investigating the feasibility of any investment alternative is at best a very subjective undertaking. Each vessel owner must set those standards of performance for the investment which are most meaningful in terms of his own situation. However, without some set of established criteria for evaluation, no basis for decision would exist. For this study, two methods of discrimination were established: (1) internal rate of return to original equity capital and (2) payback period.

### Internal Rate of Return Criterion

Internal rate of return to equity capital analysis is a standard tool used to evaluate investments, and is a measure of the time costs of cash flows. The internal rate of return to equity is the discount rate necessary to set the sum of the present values of the net cash inflows per period equal to the original equity requirement (down payment) [2, p. 206].<sup>4</sup>

### Payback Period

The payback period of an investment with respect to the equity requirement is the length of time that elapses between the initial investment and that period when the accumulated flow of undiscounted net operating returns

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<sup>4</sup>The formula used to calculate internal rate of return to equity is:

$$I = \sum_{N=1}^N P_n (1 + d)^{-n}$$

where

I = initial investment (equity requirement)  
N = planning horizon in years  
n = specific period in years (1, 2, 3, ..., N)  
P<sub>n</sub> = net cash inflow for period n  
d = discount rate  
IRR = internal rate of return to equity capital



generated by the investment equals the investment. In terms of the budgets presented in this study, the payback must have occurred by the end of the vessel's economic life in order for the investment to be acceptable. Economic vessel life is ten years.

## RESULTS

The report presents costs and returns information by vessel classes. The vessels were classified according to three basic criteria: length, horsepower rating, and construction (wood or steel). Representatives of the industry were consulted as to how to classify vessels into groups. Additionally, frequency distribution of the number of vessels by length category was used. All sections present average annual costs and returns budgets, and average annual cash flow statements from 1977 to 1986 (based on several assumptions). These sections indicate financial information for the 45 vessels surveyed, and for these vessels grouped into separate categories based on: (1) length, (2) type construction and (3) combinations thereof. Vessels carrying freezer equipment were not treated separately from ice boats, as the freezer equipment was used only for trips outside of Florida waters, and the decreased ice expense is usually compensated by the cost to run the equipment.

TABLE 1 . 1977 AVERAGE ANNUAL COSTS AND RETURNS OF 45 GULF  
OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 80 FEET  
IN OVERALL LENGTH, ALL TYPE(S) OF CONSTRUCTION,  
AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES \*1\* 103126

COSTS:

VARIABLE COSTS:

ICE	2429
FUEL *2*	14803
NETS, SUPPLIES AND GROCERIES	8489
REPAIR AND MAINTENANCE	8940

SUBTOTAL VAR. COSTS NOT  
DIRECTLY PROPORTIONAL TO CATCH 34661

CREW SHARES *3*	32706
PAYROLL TAXES *4*	160
PACKING *5*	3472

TOTAL VARIABLE COSTS	70999	
RETURNS ABOVE VARIABLE COSTS		32127

FIXED COSTS:

INSURANCE	4995
DEPRECIATION 1 *6*	6191
OVERHEAD *7*	1969
INTEREST *8*	5033

TOTAL FIXED COSTS 18188

TOTAL COSTS OF OPERATION 89187

TOTAL PROFIT OR LOSS FROM OPERATIONS 13939

REQUIRED RETURN TO EQUITY CAPITAL \*9\* 3714

RETURN TO OWNERS LABOR AND MANAGEMENT 10225

=====

\*1\* BASED ON AVG OF 46614 LBS LANDED; AVG PRICE OF \$2.21/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 34830 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 31.71%

\*4\* BASED ON PAYROLL TAX RATE OF 0.49%

\*5\* BASED ON \$0.109 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$123814; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%; 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

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TABLE 2 • 1977 AVERAGE ANNUAL COSTS AND RETURNS PER POUND,  
45 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28  
TO 30 FEET IN OVERALL LENGTH, ALL TYPE(S) OF  
CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES \*1\* 2.21

COSTS:

VARIABLE COSTS:

ICE	0.05	
FUEL *2*	0.32	
NETS, SUPPLIES AND GROCERIES	0.18	
REPAIR AND MAINTENANCE	0.19	
	=====	
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	0.74	

CREW SHARES *3*	0.70	
PAYROLL TAXES *4*	0.00	
PACKING *5*	0.07	
	=====	
TOTAL VARIABLE COSTS	1.52	
RETURNS ABOVE VARIABLE COSTS		0.69

FIXED COSTS:

INSURANCE	0.11	
DEPRECIATION 1 *6*	0.13	
OVERHEAD *7*	0.04	
INTEREST *8*	0.11	
	=====	
TOTAL FIXED COSTS	0.39	

TOTAL COSTS OF OPERATION		1.91
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=====

TOTAL PROFIT OR LOSS FROM OPERATIONS	0.30
REQUIRED RETURN TO EQUITY CAPITAL *9*	0.08

=====

RETURN TO OWNERS LABOR AND MANAGEMENT	0.22
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=====

\*1\* BASED ON AVG OF 46614 LBS LANDED; AVG PRICE OF \$2.21/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 34830 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 31.71%

\*4\* BASED ON PAYROLL TAX RATE OF 0.49%

\*5\* BASED ON \$0.109 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$123814; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 3 . 1977 AVERAGE ANNUAL CASH FLOW STATEMENT OF 45 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 80 FEET IN OVERALL LENGTH, ALL TYPE(S) OF CONSTRUCTION AND 100 TO 462 HORSEPOWER.

ITEM	UNIT	YEAR									
		0	1	2	3	4	5	6	7	8	9
LOAN INFORMATION #1*:											
1. INVESTMENT REQUIREMENT	DOL.	123814	0	0	0	0	0	0	0	0	0
2. EQUITY REQUIREMENT	DOL.	24763	0	0	0	0	0	0	0	0	0
3. LOAN BALANCE	DOL.	99051	92649	85646	77987	69609	60445	50421	39457	27465	14348
CASH FLOW											
4. PRODUCTION:											
POUNDS											
PRICE/POUND	LBS.	0	46614	46614	46614	46614	46614	46614	46614	46614	46614
TOTAL SHRIMP SALES	DOL.	0.00	2.21	2.21	2.21	2.21	2.21	2.21	2.21	2.21	2.21
5. CAPITAL SALES	DOL.	0	103126	103126	103126	103126	103126	103126	103126	103126	103126
6. TOTAL CASH INFLOW	DOL.	0	103126	103126	103126	103126	103126	103126	103126	103126	226940
7. CASH OPERATING EXPENSES #2*											
8. LOAN PAYMENT #1*:											
PRINCIPAL PORTION	DOL.	0	6402	7003	7659	8378	9164	10024	10964	11992	13117
INTEREST PORTION	DOL.	0	8654	8054	7397	6678	5892	5033	4092	3064	1939
9. INCOME TAXES #3*:											
ON ORDINARY INCOME	DOL.	0	2269	2401	2546	2704	2877	3066	3273	3499	3747
ON RECAPTURED DEPR. #4*	DOL.	0	0	0	0	0	0	0	0	0	12258
ON CAPITAL GAINS #4*	DOL.	0	0	0	0	0	0	0	0	0	0
10. CAPITAL PURCHASES (EQUITY) #1*	DOL.	24763	0	0	0	0	0	0	0	0	0
11. TOTAL CASH OUTFLOW	DOL.	24763	95288	95421	95565	95723	95896	96086	96292	96518	109024
12. NET CASH INFLOW	DOL.	-24763	7838	7705	7561	7403	7230	7040	6834	6608	117916
13. CUMULATIVE CASH POSITION	DOL.	-24763	-16925	-9220	-1659	5744	12974	20014	26848	33456	151372

INTERNAL RATE OF RETURN = 35.07%

#1\* BASED ON NEW VESSEL COST OF \$123814; 80% FINANCED FOR 10 YEARS.  
 12 EQUALLY AMORTIZED PAYMENTS PER YEAR. AT 9.00% INTEREST RATE.  
 #2\* EXCLUSIVE OF PRINCIPAL AND INTEREST PAYMENTS.  
 #3\* BASED ON INCOME TAX RATE OF 22%.  
 #4\* BASED ON SALES PRICE OF \$123814.  
 DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 4. 1977 AVERAGE ANNUAL COSTS AND RETURNS OF 33 GULF  
OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 80 FEET  
IN OVERALL LENGTH, WOOD TYPE(S) OF CONSTRUCTION,  
AND 100 TO 462 HORSEPOWER.

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	94321
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COSTS:

VARIABLE COSTS:

ICE	2456	
FUEL *2*	12314	
NETS, SUPPLIES AND GROCERIES	7190	
REPAIR AND MAINTENANCE	8109	
<hr/>		
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	30069	

CREW SHARES *3*	30599	
PAYROLL TAXES *4*	128	
PACKING *5*	3344	
<hr/>		
TOTAL VARIABLE COSTS	64140	
RETURNS ABOVE VARIABLE COSTS		30181

FIXED COSTS:

INSURANCE	4525	
DEPRECIATION 1 *6*	4237	
OVERHEAD *7*	2035	
INTEREST *8*	3445	
<hr/>		
TOTAL FIXED COSTS	14242	

TOTAL COSTS OF OPERATION	78382
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TOTAL PROFIT OR LOSS FROM OPERATIONS	15939
--------------------------------------	-------

REQUIRED RETURN TO EQUITY CAPITAL *9*	2542
---------------------------------------	------

RETURN TO OWNERS LABOR AND MANAGEMENT	13397
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- \*1\* BASED ON AVG OF 43849 LBS LANDED; AVG PRICE OF \$2.15/LB  
 \*2\* AVERAGE GALLONS OF FUEL USED WAS 28974 GALLONS FUEL  
 \*3\* BASED ON SHARE AGREEMENT OF 32.44%  
 \*4\* BASED ON PAYROLL TAX RATE OF 0.42%  
 \*5\* BASED ON \$0.113 PER POUND  
 \*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;  
 DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6  
 NEW COST OF VESSEL = \$ 84746; PERCENT SALVAGE VALUE = 50%  
 \*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES  
 \*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
 FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR  
 \*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
 INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%  
 DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 5. 1977 AVERAGE ANNUAL COSTS AND RETURNS PER POUND,  
33 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28  
TO 80 FEET IN OVERALL LENGTH, WOOD TYPE(S) OF  
CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	2.15
--------------------------------------	------

COSTS:

VARIABLE COSTS:

ICE	0.06
FUEL *2*	0.28
NETS, SUPPLIES AND GROCERIES	0.16
REPAIR AND MAINTENANCE	0.18

SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	0.69
---	------

CREW SHARES *3*	0.70
PAYROLL TAXES *4*	0.00
PACKING *5*	0.08

TOTAL VARIABLE COSTS	1.46	
RETURNS ABOVE VARIABLE COSTS		0.69

FIXED COSTS:

INSURANCE	0.10
DEPRECIATION 1 *6*	0.10
OVERHEAD *7*	0.05
INTEREST *8*	0.08

TOTAL FIXED COSTS	0.32
-------------------	------

TOTAL COSTS OF OPERATION	1.79
--------------------------	------

TOTAL PROFIT OR LOSS FROM OPERATIONS	0.36
REQUIRED RETURN TO EQUITY CAPITAL *9*	0.06

RETURN TO OWNERS LABOR AND MANAGEMENT	0.31
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\*1\* BASED ON AVG OF 43849 LBS LANDED; AVG PRICE OF \$2.15/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 28974 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 32.44%

\*4\* BASED ON PAYROLL TAX RATE OF 0.42%

\*5\* BASED ON \$0.113 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$ 84746; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 6 • 1977 AVERAGE ANNUAL CASH FLOW STATEMENT OF 33 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 80 FEET IN OVERALL LENGTH, WOOD TYPE(S) OF CONSTRUCTION AND 100 TO 462 HORSEPOWER.

ITEM	UNIT	YEAR									
		0	1	2	3	4	5	6	7	8	9
LOAN INFORMATION #1**											
1. INVESTMENT REQUIREMENT	DOL.	84746	0	0	0	0	0	0	0	0	0
2. EQUITY REQUIREMENT	DOL.	16950	0	0	0	0	0	0	0	0	0
3. LOAN BALANCE	DOL.	67796	63414	58621	53379	47645	41373	34512	27008	18800	9822
CASH FLOW											
4. PRODUCTION:											
POUNDS	LBS.	0	43849	43849	43849	43849	43849	43849	43849	43849	43849
PRICE/POUND	DOL.	0.00	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15
TOTAL SHRIMP SALES	DOL.	0	94321	94321	94321	94321	94321	94321	94321	94321	94321
5. CAPITAL SALES	DOL.	0	0	0	0	0	0	0	0	0	84746
6. TOTAL CASH INFLOW	DOL.	0	94321	94321	94321	94321	94321	94321	94321	94321	179067
7. CASH OPERATING EXPENSES #2*											
8. LOAN PAYMENT #1*:	DOL.	0	70700	70700	70700	70700	70700	70700	70700	70700	70700
PRINCIPAL PORTION	DOL.	0	4382	4793	5242	5734	6272	6861	7504	8208	8978
INTEREST PORTION	DOL.	0	5923	5512	5063	4571	4033	3445	2801	2097	1327
9. INCOME TAXES #3*:											
ON ORDINARY INCOME	DOL.	0	2961	3051	3150	3258	3377	3506	3648	3803	3972
ON RECAPTURED DEPR. #4*	DOL.	0	0	0	0	0	0	0	0	0	8389
ON CAPITAL GAINS #4*	DOL.	0	0	0	0	0	0	0	0	0	0
10. CAPITAL PURCHASES (EQUITY) #1*	DOL.	16950	0	0	0	0	0	0	0	0	0
11. TOTAL CASH OUTFLOW	DOL.	16950	83966	84056	84155	84263	84382	84512	84653	84808	93366
12. NET CASH INFLOW	DOL.	-16950	10355	10265	10166	10058	9939	9809	9668	9513	85701
13. CUMULATIVE CASH POSITION	DOL.	-16950	-6595	3670	13836	23894	33833	43642	53310	62823	148524

INTERNAL RATE OF RETURN = 59.49%

#1\* BASED ON NEW VESSEL COST OF \$ 84746; 80% FINANCED FOR 10 YEARS.  
 12 EQUALLY AMORTIZED PAYMENTS PER YEAR, AT 9.00% INTEREST RATE.  
 #2\* EXCLUSIVE OF PRINCIPAL AND INTEREST PAYMENTS.  
 #3\* BASED ON INCOME TAX RATE OF 22%.  
 #4\* BASED ON SALES PRICE OF \$ 84746.

DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 7 • 1977 AVERAGE ANNUAL COSTS AND RETURNS OF 12 GULF  
OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 80 FEET  
IN OVERALL LENGTH, STEEL TYPE(S) OF CONSTRUCTION,  
AND 100 TO 462 HORSEPOWER.

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RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	127341
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COSTS:

VARIABLE COSTS:

ICE	2355	
FUEL *2*	21647	
NETS, SUPPLIES AND GROCERIES	12061	
REPAIR AND MAINTENANCE	11225	
	=====	
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	47288	

CREW SHARES *3*	38501
PAYROLL TAXES *4*	247
PACKING *5*	3823
	=====

TOTAL VARIABLE COSTS	89859	
RETURNS ABOVE VARIABLE COSTS		37482

FIXED COSTS:

INSURANCE	6286
DEPRECIATION 1 *6*	11563
OVERHEAD *7*	1787
INTEREST *8*	9400
	=====

TOTAL FIXED COSTS	29036
	=====

TOTAL COSTS OF OPERATION	118895
	=====

TOTAL PROFIT OR LOSS FROM OPERATIONS	8446
	=====

REQUIRED RETURN TO EQUITY CAPITAL *9*	7055
	=====

RETURN TO OWNERS LABOR AND MANAGEMENT	1391
	=====

\*1\* BASED ON AVG OF 54219 LBS LANDED; AVG PRICE OF \$2.35/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 50934 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 30.23%

\*4\* BASED ON PAYROLL TAX RATE OF 0.64%

\*5\* BASED ON \$0.101 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$231250; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV



TABLE 8 . 1977 AVERAGE ANNUAL COSTS AND RETURNS PER POUND,  
12 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28  
TO 80 FEET IN OVERALL LENGTH, STEEL TYPE(S) OF  
CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	2.35
--------------------------------------	------

COSTS:

VARIABLE COSTS:

ICE	0.04	
FUEL *2*	0.40	
NETS, SUPPLIES AND GROCERIES	0.22	
REPAIR AND MAINTENANCE	0.21	
	=====	
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	0.87	

CREW SHARES *3*	0.71	
PAYROLL TAXES *4*	0.00	
PACKING *5*	0.07	
	=====	
TOTAL VARIABLE COSTS	1.66	
RETURNS ABOVE VARIABLE COSTS		0.69

FIXED COSTS:

INSURANCE	0.12	
DEPRECIATION 1 *6*	0.21	
OVERHEAD *7*	0.03	
INTEREST *8*	0.17	
	=====	
TOTAL FIXED COSTS	0.54	

TOTAL COSTS OF OPERATION	2.19
--------------------------	------

=====

TOTAL PROFIT OR LOSS FROM OPERATIONS	0.16
REQUIRED RETURN TO EQUITY CAPITAL *9*	0.13

=====

RETURN TO OWNERS LABOR AND MANAGEMENT	0.03
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=====

\*1\* BASED ON AVG OF 54219 LBS LANDED; AVG PRICE OF \$2.35/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 50934 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 30.23%

\*4\* BASED ON PAYROLL TAX RATE CF 0.64%

\*5\* BASED ON \$0.101 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$231250; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 9. 1977 AVERAGE ANNUAL CASH FLOW STATEMENT OF 12 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 80 FEET IN OVERALL LENGTH, STEEL TYPE(S) OF CONSTRUCTION AND 100 TO 462 HORSEPOWER.

ITEM	UNIT									
	YEAR									
	0	1	2	3	4	5	6	7	8	9
LOAN INFORMATION #1*:										
1. INVESTMENT REQUIREMENT	DOL.	231250	0	0	0	0	0	0	0	0
2. EQUITY REQUIREMENT	DOL.	46250	0	0	0	0	0	0	0	0
3. LOAN BALANCE	DOL.	185000	173042	159963	145657	130009	112893	94171	73693	51294
										26794
CASH FLOW										
4. PRODUCTION:										
POUNDS	LBS.	0	54219	54219	54219	54219	54219	54219	54219	54219
PRICE/POUND	DOL.	0.00	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35
TOTAL SHRIMP SALES	DOL.	0	127341	127341	127341	127341	127341	127341	127341	127341
CAPITAL SALES	DOL.	0	0	0	0	0	0	0	0	231250
6. TOTAL CASH INFLOW	DOL.	0	127341	127341	127341	127341	127341	127341	127341	356591
7. CASH OPERATING EXPENSES #2*										
LOAN PAYMENT #1*:	DOL.	0	97932	97932	97932	97932	97932	97932	97932	97932
PRINCIPAL PORTION	DOL.	0	11958	13079	14306	17116	18722	20478	22399	24500
INTEREST PORTION	DOL.	0	16164	15043	13816	12474	11006	9400	7644	5723
INCOME TAXES #3*:	DOL.	0	370	616	886	1181	1504	1858	2244	2667
ON ORDINARY INCOME	DOL.	0	0	0	0	0	0	0	0	3129
ON RECAPTURED DEPR. #4*	DOL.	0	0	0	0	0	0	0	0	22894
ON CAPITAL GAINS #4*	DOL.	0	0	0	0	0	0	0	0	0
CAPITAL PURCHASES (EQUITY) #1*	DOL.	46250	0	0	0	0	0	0	0	0
11. TOTAL CASH OUTFLOW	DOL.	46250	126424	126670	126940	127235	127558	127912	128298	128721
12. NET CASH INFLOW	DOL.	-46250	917	671	401	106	-217	-571	-957	-1380
13. CUMULATIVE CASH POSITION	DOL.	-46250	-45333	-44662	-44261	-44155	-44372	-44943	-45900	-47280
										159234

INTERNAL RATE OF RETURN = 15.86%

- \*1\* BASED ON NEW VESSEL COST OF \$231250; 80% FINANCED FOR 10 YEARS.  
 12 EQUALLY AMORTIZED PAYMENTS PER YEAR, AT 9.00% INTEREST RATE.  
 \*2\* EXCLUSIVE OF PRINCIPAL AND INTEREST PAYMENTS.  
 \*3\* BASED ON INCOME TAX RATE OF 22%.  
 \*4\* BASED ON SALES PRICE OF \$231250.  
 DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 10. 1977 AVERAGE ANNUAL COSTS AND RETURNS OF 7 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 55 FEET IN OVERALL LENGTH, ALL TYPE(S) OF CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	27815
--------------------------------------	-------

COSTS:

VARIABLE COSTS:

ICE	1019	
FUEL *2*	3578	
NETS, SUPPLIES AND GROCERIES	3434	
REPAIR AND MAINTENANCE	2894	
	=====	
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	10925	

CREW SHARES *3*	10044	
PAYROLL TAXES *4*	0	
PACKING *5*	870	
	=====	
TOTAL VARIABLE COSTS	21839	
RETURNS ABOVE VARIABLE COSTS		5976

FIXED COSTS:

INSURANCE	1140	
DEPRECIATION 1 *6*	2605	
OVERHEAD *7*	96	
INTEREST *8*	2117	
	=====	
TOTAL FIXED COSTS	5958	

TOTAL COSTS OF OPERATION	=====	27797
--------------------------	-------	-------

TOTAL PROFIT OR LOSS FROM OPERATIONS	=====	18
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REQUIRED RETURN TO EQUITY CAPITAL *9*	=====	2997
---------------------------------------	-------	------

RETURN TO OWNERS LABOR AND MANAGEMENT	=====	=2979
---------------------------------------	-------	-------

=====

\*1\* BASED ON AVG OF 15386 LBS LANDED; AVG PRICE OF \$1.81/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 8419 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 36.11%

\*4\* BASED ON PAYROLL TAX RATE OF 0.00%

\*5\* BASED ON \$0.089 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$ 52095; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 11 . 1977 AVERAGE ANNUAL COSTS AND RETURNS PER POUND,  
7 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28  
TO 55 FEET IN OVERALL LENGTH, ALL TYPE(S) OF  
CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES #1*	1.81
--------------------------------------	------

COSTS:

VARIABLE COSTS:

ICE	0.07	
FUEL #2*	0.23	
NETS, SUPPLIES AND GROCERIES	0.22	
REPAIR AND MAINTENANCE	0.19	
	=====	
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	0.71	

CREW SHARES #3*	0.65
PAYROLL TAXES #4*	0.00
PACKING #5*	0.06
	=====

TOTAL VARIABLE COSTS	1.42	
RETURNS ABOVE VARIABLE COSTS		0.39

FIXED COSTS:

INSURANCE	0.07
DEPRECIATION 1 #6*	0.17
OVERHEAD #7*	0.01
INTEREST #8*	0.14
	=====

TOTAL FIXED COSTS	0.39
	=====

TOTAL COSTS OF OPERATION	1.81
	=====

TOTAL PROFIT OR LOSS FROM OPERATIONS	0.00
REQUIRED RETURN TO EQUITY CAPITAL #9*	0.19
	=====

RETURN TO OWNERS LABOR AND MANAGEMENT	-0.19
	=====

- \*1\* BASED ON AVG OF 15386 LBS LANDED; AVG PRICE OF \$1.81/LB
- \*2\* AVERAGE GALLONS OF FUEL USED WAS 8419 GALLONS FUEL
- \*3\* BASED ON SHARE AGREEMENT OF 36.11%
- \*4\* BASED ON PAYROLL TAX RATE OF 0.00%
- \*5\* BASED ON \$0.089 PER POUND
- \*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;  
DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6  
NEW COST OF VESSEL = \$ 52095; PERCENT SALVAGE VALUE = 50%
- \*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES
- \*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR
- \*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%
- DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 12 • 1977 AVERAGE ANNUAL CASH FLOW STATEMENT OF 7 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 55 FEET IN OVERALL LENGTH, ALL TYPE(S) OF CONSTRUCTION AND 100 TO 462 HORSEPOWER.

ITEM	UNIT	YEAR									
		0	1	2	3	4	5	6	7	8	9
LOAN INFORMATION #1*:											
1. INVESTMENT REQUIREMENT	DOL.	52095	0	0	0	0	0	0	0	0	0
2. EQUITY REQUIREMENT	DOL.	10419	0	0	0	0	0	0	0	0	0
3. LOAN BALANCE	DOL.	41676	38983	36037	32815	29290	25435	21218	16605	11560	6041
CASH FLOW											
4. PRODUCTION:											
POUNDS	LBS.	0	15386	15386	15386	15386	15386	15386	15386	15386	15386
PRICE/POUND	DOL.	0.00	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81
TOTAL SHRIMP SALES	DOL.	0	27815	27815	27815	27815	27815	27815	27815	27815	27815
5. CAPITAL SALES	DOL.	0	0	0	0	0	0	0	0	0	52095
6. TOTAL CASH INFLOW	DOL.	0	27815	27815	27815	27815	27815	27815	27815	27815	79910
7. CASH OPERATING EXPENSES #2*	DOL.	0	23075	23075	23075	23075	23075	23075	23075	23075	23075
8. LOAN PAYMENT #1*:	DOL.	0	2693	2946	3222	3525	3855	4217	4613	5045	5519
PRINCIPAL PORTION	DOL.	0	3641	3368	3112	2810	2479	2117	1722	1289	816
INTEREST PORTION	DOL.	0	0	0	0	0	0	0	0	0	0
9. INCOME TAXES #3*:	DOL.	0	0	0	0	0	0	0	0	0	0
ON ORDINARY INCOME	DOL.	0	0	0	0	0	0	0	0	0	0
ON RECAPTURED DEPR. #4*	DOL.	0	0	0	0	0	0	0	0	0	0
ON CAPITAL GAINS #4*	DOL.	0	0	0	0	0	0	0	0	0	0
10. CAPITAL PURCHASES (EQUITY) #1*	DOL.	10419	0	0	0	0	0	0	0	0	0
11. TOTAL CASH OUTFLOW	DOL.	10419	29409	29409	29409	29410	29409	29412	29500	29595	34857
12. NET CASH INFLOW	DOL.	-10419	-1594	-1594	-1594	-1595	-1594	-1597	-1685	-1780	-45053
13. CUMULATIVE CASH POSITION	DOL.	-10419	-12013	-13607	-15201	-16796	-18390	-19987	-21672	-23452	-21601

INTERNAL RATE OF RETURN = 8.58%

#1\* BASED ON NEW VESSEL COST OF \$ 52095; 80% FINANCED FOR 10 YEARS.

#2\* 12 EQUALLY AMORTIZED PAYMENTS PER YEAR, AT 9.00% INTEREST RATE.

#3\* EXCLUSIVE OF PRINCIPAL AND INTEREST PAYMENTS.

#4\* BASED ON INCOME TAX RATE OF 22%.

#4\* BASED ON SALES PRICE OF \$ 52095.

DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 13 . 1977 AVERAGE ANNUAL COSTS AND RETURNS OF 38 GULF  
OF MEXICO SHRIMP VESSELS IN A CLASS OF 56 TO 80 FEET  
IN OVERALL LENGTH, ALL TYPE(S) OF CONSTRUCTION,  
AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	116999
--------------------------------------	--------

COSTS:

VARIABLE COSTS:

ICE	2689	
FUEL *2*	16871	
NETS, SUPPLIES AND GROCERIES	9420	
REPAIR AND MAINTENANCE	10054	
	=====	
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	39034	

CREW SHARES *3*	36881
PAYROLL TAXES *4*	189
PACKING *5*	3951
	=====

TOTAL VARIABLE COSTS	80055	
RETURNS ABOVE VARIABLE COSTS		36944

FIXED COSTS:

INSURANCE	5705
DEPRECIATION 1 *6*	6851
OVERHEAD *7*	2314
INTEREST *8*	5570
	=====

TOTAL FIXED COSTS	20440
	=====

TOTAL COSTS OF OPERATION	100495
	=====

TOTAL PROFIT OR LOSS FROM OPERATIONS	16504
	=====

REQUIRED RETURN TO EQUITY CAPITAL *9*	4110
	=====

RETURN TO OWNERS LABOR AND MANAGEMENT	12394
	=====

- \*1\* BASED ON AVG OF 52367 LBS LANDED; AVG PRICE OF \$2.23/LB
- \*2\* AVERAGE GALLONS OF FUEL USED WAS 39096 GALLONS FUEL
- \*3\* BASED ON SHARE AGREEMENT OF 31.52%
- \*4\* BASED ON PAYROLL TAX RATE OF 0.51%
- \*5\* BASED ON \$0.110 PER POUND
- \*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;  
DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6  
NEW COST OF VESSEL = \$137025; PERCENT SALVAGE VALUE = 50%
- \*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES
- \*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR
- \*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%
- DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 14. 1977 AVERAGE ANNUAL COSTS AND RETURNS PER POUND,  
38 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 56  
TO 80 FEET IN OVERALL LENGTH. ALL TYPE(S) OF  
CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

---

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES \*1\* 2.23

COSTS:

VARIABLE COSTS:

ICE	0.05
FUEL *2*	0.32
NETS, SUPPLIES AND GROCERIES	0.18
REPAIR AND MAINTENANCE	0.19

---

SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	0.75
---	------

CREW SHARES *3*	0.70
PAYROLL TAXES *4*	0.00
PACKING *5*	0.08

---

TOTAL VARIABLE COSTS	1.53
RETURNS ABOVE VARIABLE COSTS	0.71

FIXED COSTS:

INSURANCE	0.11
DEPRECIATION 1 *6*	0.13
OVERHEAD *7*	0.04
INTEREST *8*	0.11

---

TOTAL FIXED COSTS	0.39
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---

TOTAL COSTS OF OPERATION	1.92
--------------------------	------

---

TOTAL PROFIT OR LOSS FROM OPERATIONS	0.32
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REQUIRED RETURN TO EQUITY CAPITAL *9*	0.08
---------------------------------------	------

---

RETURN TO OWNERS LABOR AND MANAGEMENT	0.24
---------------------------------------	------

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\*1\* BASED ON AVG OF 52367 LBS LANDED; AVG PRICE OF \$2.23/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 39696 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 31.52%

\*4\* BASED ON PAYROLL TAX RATE OF 0.51%

\*5\* BASED ON \$0.110 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$137025; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

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TABLE 15. 1977 AVERAGE ANNUAL CASH FLOW STATEMENT OF 38 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 56 TO 80 FEET IN OVERALL LENGTH, ALL TYPE(S) OF CONSTRUCTION AND 100 TO 462 HORSEPOWER.

ITEM	UNIT	YEAR									
		0	1	2	3	4	5	6	7	8	9
LOAN INFORMATION #1*:											
1. INVESTMENT REQUIREMENT	DOL.	137025	0	0	0	0	0	0	0	0	0
2. EQUITY REQUIREMENT	DOL.	27405	0	0	0	0	0	0	0	0	0
3. LOAN BALANCE	DOL.	109620	102535	94785	86308	77036	66894	55801	43667	30395	15878
CASH FLOW											
4. PRODUCTION:											
POUNDS	LBS.	0	52367	52367	52367	52367	52367	52367	52367	52367	52367
PRICE/POUND	DOL.	0.00	2.23	2.23	2.23	2.23	2.23	2.23	2.23	2.23	2.23
TOTAL SHRIMP SALES	DOL.	0	116999	116999	116999	116999	116999	116999	116999	116999	116999
5. CAPITAL SALES	DOL.	0	0	0	0	0	0	0	0	0	137025
6. TOTAL CASH INFLOW	DOL.	0	116999	116999	116999	116999	116999	116999	116999	116999	254024
7. CASH OPERATING EXPENSES #2*	DOL.	0	88074	88074	88074	88074	88074	88074	88074	88074	88074
8. LOAN PAYMENT #1*:	DOL.	0	7085	7750	8477	9272	10142	11093	12134	13272	14517
PRINCIPAL PORTION	DOL.	0	9578	8913	8186	7391	6521	5570	4529	3391	2146
INTEREST PORTION	DOL.	0	2749	2895	3055	3230	3421	3630	3859	4110	4384
INCOME TAXES #3*:	DOL.	0	0	0	0	0	0	0	0	0	13564
ON ORDINARY INCOME	DOL.	0	0	0	0	0	0	0	0	0	0
ON RECAPTURED DEPR. #4*	DOL.	0	0	0	0	0	0	0	0	0	0
ON CAPITAL GAINS #4*	DOL.	0	0	0	0	0	0	0	0	0	0
10. CAPITAL PURCHASES (EQUITY) #1*	DOL.	27405	0	0	0	0	0	0	0	0	0
11. TOTAL CASH OUTFLOW	DOL.	27405	107486	107632	107792	107967	108158	108367	108596	108847	122685
12. NET CASH INFLOW	DOL.	-27405	9513	9367	9207	9032	8841	8632	8403	8152	131339
13. CUMULATIVE CASH POSITION	DOL.	-27405	-17892	-8525	682	9714	18555	27187	35590	43742	175081

INTERNAL RATE OF RETURN = 37.38%

\*1\* BASED ON NEW VESSEL COST OF \$137025; 80% FINANCED FOR 10 YEARS.

12 EQUALLY AMORTIZED PAYMENTS PER YEAR, AT 9.00% INTEREST RATE.

\*2\* EXCLUSIVE OF PRINCIPAL AND INTEREST PAYMENTS.

\*3\* BASED ON INCOME TAX RATE OF 22%.

\*4\* BASED ON SALES PRICE OF \$137025.

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TABLE 16. 1977 AVERAGE ANNUAL COSTS AND RETURNS OF 7 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 55 FEET IN OVERALL LENGTH, WOOD TYPE(S) OF CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES \*1\* 27815

COSTS:

VARIABLE COSTS:

ICE	1019	
FUEL *2*	3578	
NETS, SUPPLIES AND GROCERIES	3434	
REPAIR AND MAINTENANCE	2894	
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	10925	

CREW SHARES *3*	10044	
PAYROLL TAXES *4*	0	
PACKING *5*	870	
TOTAL VARIABLE COSTS	21839	
RETURNS ABOVE VARIABLE COSTS		5976

FIXED COSTS:

INSURANCE	1140	
DEPRECIATION 1 *6*	2605	
OVERHEAD *7*	96	
INTEREST *8*	2117	
TOTAL FIXED COSTS	5958	

TOTAL COSTS OF OPERATION 27797

TOTAL PROFIT OR LOSS FROM OPERATIONS 18

REQUIRED RETURN TO EQUITY CAPITAL \*9\* 2997

RETURN TO OWNERS LABOR AND MANAGEMENT -2979

\*1\* BASED ON AVG OF 15386 LBS LANDED; AVG PRICE OF \$1.81/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 8419 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 36.11%

\*4\* BASED ON PAYROLL TAX RATE OF 0.00%

\*5\* BASED ON \$0.089 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$ 52095; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

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TABLE 17. 1977 AVERAGE ANNUAL COSTS AND RETURNS PER POUND,  
7 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28  
TO 55 FEET IN OVERALL LENGTH, WOOD TYPE(S) OF  
CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	1.81
--------------------------------------	------

COSTS:

VARIABLE COSTS:

ICE	0.07
FUEL *2*	0.23
NETS, SUPPLIES AND GROCERIES	0.22
REPAIR AND MAINTENANCE	0.19

SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	0.71
---	------

CREW SHARES *3*	0.65
PAYROLL TAXES *4*	0.00
PACKING *5*	0.06

TOTAL VARIABLE COSTS	1.42	
RETURNS ABOVE VARIABLE COSTS		0.39

FIXED COSTS:

INSURANCE	0.07
DEPRECIATION 1 *6*	0.17
OVERHEAD *7*	0.01
INTEREST *8*	0.14

TOTAL FIXED COSTS	0.39
-------------------	------

TOTAL COSTS OF OPERATION	1.81
--------------------------	------

TOTAL PROFIT OR LOSS FROM OPERATIONS	0.00
REQUIRED RETURN TO EQUITY CAPITAL *9*	0.19

RETURN TO OWNERS LABOR AND MANAGEMENT	-0.19
---------------------------------------	-------

=====

\*1\* BASED ON AVG OF 15386 LBS LANDED; AVG PRICE OF \$1.81/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 8419 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT CF 36.11%

\*4\* BASED ON PAYROLL TAX RATE CF 0.00%

\*5\* BASED ON \$0.089 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$ 52095; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

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TABLE 18. 1977 AVERAGE ANNUAL CASH FLOW STATEMENT OF 7 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 28 TO 55 FEET IN OVERALL LENGTH, WOOD TYPE(S) OF CONSTRUCTION AND 100 TO 462 HORSEPOWER.

ITEM	UNIT	YEAR									
		0	1	2	3	4	5	6	7	8	9
LOAN INFORMATION #1:											
1. INVESTMENT REQUIREMENT	DOL.	52095	0	0	0	0	0	0	0	0	0
2. EQUITY REQUIREMENT	DOL.	10419	0	0	0	0	0	0	0	0	0
3. LOAN BALANCE	DOL.	41676	38983	36037	32815	29290	25435	21218	16605	11560	6041
CASH FLOW											
4. PRODUCTION:											
POUNDS	LBS.	0	15386	15386	15386	15386	15386	15386	15386	15386	15386
PRICE/POUND	DOL.	0.00	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81
TOTAL SHRIMP SALES	DOL.	0	27815	27815	27815	27815	27815	27815	27815	27815	27815
5. CAPITAL SALES	DOL.	0	0	0	0	0	0	0	0	0	52095
6. TOTAL CASH INFLOW	DOL.	0	27815	27815	27815	27815	27815	27815	27815	27815	79910
7. CASH OPERATING EXPENSES #2:	DOL.	0	23075	23075	23075	23075	23075	23075	23075	23075	23075
8. LOAN PAYMENT #1:	DOL.	0	2693	2946	3222	3525	3855	4217	4613	5045	5519
PRINCIPAL PORTION	DOL.	0	3641	3388	3112	2810	2479	2117	1722	1289	816
INTEREST PORTION	DOL.	0	0	0	0	0	0	0	0	0	290
9. INCOME TAXES #3:	DOL.	0	0	0	0	0	0	0	0	0	5157
ON ORDINARY INCOME	DOL.	0	0	0	0	0	0	0	0	0	0
ON RECAPTURED DEPR. #4:	DOL.	0	0	0	0	0	0	0	0	0	0
ON CAPITAL GAINS #4:	DOL.	0	0	0	0	0	0	0	0	0	0
10. CAPITAL PURCHASES (EQUITY) #1:	DOL.	10419	0	0	0	0	0	0	0	0	0
11. TOTAL CASH OUTFLOW	DOL.	10419	29409	29409	29409	29410	29409	29412	29500	29595	34857
12. NET CASH INFLOW	DOL.	-10419	-1594	-1594	-1594	-1595	-1594	-1597	-1685	-1780	45053
13. CUMULATIVE CASH POSITION	DOL.	-10419	-12013	-13607	-15201	-16796	-18390	-19987	-21672	-23452	21601

INTERNAL RATE OF RETURN = 8.58%

\*1\* BASED ON NEW VESSEL COST OF \$ 52095; 80% FINANCED FOR 10 YEARS.

12 EQUALLY AMORTIZED PAYMENTS PER YEAR, AT 9.00% INTEREST RATE.

\*2\* EXCLUSIVE OF PRINCIPAL AND INTEREST PAYMENTS.

\*3\* BASED ON INCOME TAX RATE OF 22%.

\*4\* BASED ON SALES PRICE OF \$ 52095.

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TABLE 19. 1977 AVERAGE ANNUAL COSTS AND RETURNS OF 26 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 56 TO 80 FEET IN OVERALL LENGTH, WOOD TYPE(S) OF CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	112226
--------------------------------------	--------

COSTS:

VARIABLE COSTS:

ICE	2842	
FUEL *2*	14666	
NETS, SUPPLIES AND GROCERIES	8201	
REPAIR AND MAINTENANCE	9513	
	=====	
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	35222	

CREW SHARES *3*	36133	
PAYROLL TAXES *4*	162	
PACKING *5*	4011	
	=====	
TOTAL VARIABLE COSTS	75528	
RETURNS ABOVE VARIABLE COSTS		36698

FIXED COSTS:

INSURANCE	5437	
DEPRECIATION 1 *6*	4677	
OVERHEAD *7*	2557	
INTEREST *8*	3802	
	=====	
TOTAL FIXED COSTS	16473	

TOTAL COSTS OF OPERATION	92001
--------------------------	-------

TOTAL PROFIT OR LOSS FROM OPERATIONS	20225
--------------------------------------	-------

REQUIRED RETURN TO EQUITY CAPITAL *9*	2806
---------------------------------------	------

RETURN TO OWNERS LABOR AND MANAGEMENT	17419
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=====

\*1\* BASED ON AVG OF 51512 LBS LANDED; AVG PRICE OF \$2.18/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 34508 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 32.20%

\*4\* BASED ON PAYROLL TAX RATE OF 0.45%

\*5\* BASED ON \$0.115 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$ 93537; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

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TABLE 20 . 1977 AVERAGE ANNUAL COSTS AND RETURNS PER POUND,  
26 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 56  
TO 80 FEET IN OVERALL LENGTH, WOOD TYPE(S) OF  
CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	2.18
--------------------------------------	------

COSTS:

VARIABLE COSTS:

ICE	0.06
FUEL *2*	0.28
NETS, SUPPLIES AND GROCERIES	0.16
REPAIR AND MAINTENANCE	0.18

SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	0.68
---	------

CREW SHARES *3*	0.70
PAYROLL TAXES *4*	0.00
PACKING *5*	0.08

TOTAL VARIABLE COSTS	1.47
RETURNS ABOVE VARIABLE COSTS	0.71

FIXED COSTS:

INSURANCE	0.11
DEPRECIATION 1 *6*	0.09
OVERHEAD *7*	0.05
INTEREST *8*	0.07

TOTAL FIXED COSTS	0.32
-------------------	------

TOTAL COSTS OF OPERATION	1.79
--------------------------	------

TOTAL PROFIT OR LOSS FROM OPERATIONS	0.39
REQUIRED RETURN TO EQUITY CAPITAL *9*	0.05

RETURN TO OWNERS LABOR AND MANAGEMENT	0.34
---------------------------------------	------

=====

\*1\* BASED ON AVG OF 51512 LBS LANDED; AVG PRICE OF \$2.10/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 34508 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 32.20%

\*4\* BASED ON PAYROLL TAX RATE OF 0.45%

\*5\* BASED ON \$0.115 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$ 93537; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

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TABLE 21. 1977 AVERAGE ANNUAL CASH FLOW STATEMENT OF 26 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 56 TO 80 FEET IN OVERALL LENGTH, WOOD TYPE(S) OF CONSTRUCTION AND 100 TO 462 HORSEPOWER.

ITEM	UNIT	YEAR									
		0	1	2	3	4	5	6	7	8	9
LOAN INFORMATION #1*:											
1. INVESTMENT REQUIREMENT	DOL.	93537	0	0	0	0	0	0	0	0	0
2. EQUITY REQUIREMENT	DOL.	18708	0	0	0	0	0	0	0	0	0
3. LOAN BALANCE	DOL.	74829	69993	64703	58917	52588	45665	38093	29810	20750	10841
CASH FLOW											
4. PRODUCTION:											
POUNDS	LBS.	0	51512	51512	51512	51512	51512	51512	51512	51512	51512
PRICE/POUND	DOL.	0.00	2.18	2.18	2.18	2.18	2.18	2.18	2.18	2.18	2.18
TOTAL SHRIMP SALES	DOL.	0	112226	112226	112226	112226	112226	112226	112226	112226	112226
5. CAPITAL SALES	DOL.	0	0	0	0	0	0	0	0	0	93537
6. TOTAL CASH INFLOW	DOL.	0	112226	112226	112226	112226	112226	112226	112226	112226	205763
7. CASH OPERATING EXPENSES #2*	DOL.	0	83522	83522	83522	83522	83522	83522	83522	83522	83522
8. LOAN PAYMENT #1*:	DOL.	0	4836	5290	5786	6329	6923	7572	8283	9060	9909
PRINCIPAL PORTION	DOL.	0	6538	6084	5588	5045	4451	3802	3092	2315	1465
9. INCOME TAXES #3*:	DOL.	0	3847	3947	4056	4176	4306	4449	4605	4776	4963
ON ORDINARY INCOME	DOL.	0	0	0	0	0	0	0	0	0	9260
ON RECAPTURED DEPR. #4*	DOL.	0	0	0	0	0	0	0	0	0	0
ON CAPITAL GAINS #4*	DOL.	18708	0	0	0	0	0	0	0	0	0
10. CAPITAL PURCHASES (EQUITY) #1*	DOL.	18708	98743	98843	98952	99072	99202	99345	99502	99673	109119
11. TOTAL CASH OUTFLOW	DOL.	-18708	13483	13383	13274	13154	13024	12881	12724	12553	96644
12. NET CASH INFLOW	DOL.	-18708	-5225	8158	21432	34586	47610	60491	73215	85768	182412
13. CUMULATIVE CASH POSITION	DOL.	-18708	-5225	8158	21432	34586	47610	60491	73215	85768	182412

INTERNAL RATE OF RETURN = 69.58%

\*1\* BASED ON NEW VESSEL COST OF \$ 93537; 80% FINANCED FOR 10 YEARS.

12 EQUALLY AMORTIZED PAYMENTS PER YEAR, AT 9.00% INTEREST RATE.

\*2\* EXCLUSIVE OF PRINCIPAL AND INTEREST PAYMENTS.

\*3\* BASED ON INCOME TAX RATE OF 22%.

\*4\* BASED ON SALES PRICE OF \$ 93537.

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TABLE 22. 1977 AVERAGE ANNUAL COSTS AND RETURNS OF 12 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 56 TO 80 FEET IN OVERALL LENGTH, STEEL TYPE(S) OF CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	127341
--------------------------------------	--------

COSTS:

VARIABLE COSTS:

ICE	2355	
FUEL *2*	21647	
NETS, SUPPLIES AND GROCERIES	12061	
REPAIR AND MAINTENANCE	11225	
	=====	
SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH		47288

CREW SHARES *3*	38501	
PAYROLL TAXES *4*	247	
PACKING *5*	3823	
	=====	
TOTAL VARIABLE COSTS		89859
RETURNS ABOVE VARIABLE COSTS		37482

FIXED COSTS:

INSURANCE	6286	
DEPRECIATION 1 *6*	11563	
OVERHEAD *7*	1787	
INTEREST *8*	9400	
	=====	
TOTAL FIXED COSTS		29036

TOTAL COSTS OF OPERATION		118895
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=====

TOTAL PROFIT OR LOSS FROM OPERATIONS		8446
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=====

REQUIRED RETURN TO EQUITY CAPITAL *9*		7055
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RETURN TO OWNERS LABOR AND MANAGEMENT		1391
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=====

- \*1\* BASED ON AVG OF 54219 LBS LANDED; AVG PRICE OF \$2.35/LB
- \*2\* AVERAGE GALLONS OF FUEL USED WAS 50934 GALLONS FUEL
- \*3\* BASED ON SHARE AGREEMENT OF 30.23%
- \*4\* BASED ON PAYROLL TAX RATE OF 0.64%
- \*5\* BASED ON \$0.101 PER POUND
- \*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;  
DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6  
NEW COST OF VESSEL = \$231250; PERCENT SALVAGE VALUE = 50%
- \*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES
- \*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR
- \*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%
- DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

TABLE 23. 1977 AVERAGE ANNUAL COSTS AND RETURNS PER POUND,  
12 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 56  
TO 80 FEET IN OVERALL LENGTH, STEEL TYPE(S) OF  
CONSTRUCTION, AND 100 TO 462 HORSEPOWER.

=====

RETURNS:

GROSS RECEIPTS FROM SHRIMP SALES *1*	2.35
--------------------------------------	------

COSTS:

VARIABLE COSTS:

ICE	0.04
FUEL *2*	0.40
NETS, SUPPLIES AND GROCERIES	0.22
REPAIR AND MAINTENANCE	0.21

SUBTOTAL VAR. COSTS NOT DIRECTLY PROPORTIONAL TO CATCH	0.87
---	------

CREW SHARES *3*	0.71
PAYROLL TAXES *4*	0.00
PACKING *5*	0.07

TOTAL VARIABLE COSTS	1.66	
RETURNS ABOVE VARIABLE COSTS		0.69

FIXED COSTS:

INSURANCE	0.12
DEPRECIATION 1 *6*	0.21
OVERHEAD *7*	0.03
INTEREST *8*	0.17

TOTAL FIXED COSTS	0.54
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TOTAL COSTS OF OPERATION	2.19
--------------------------	------

TOTAL PROFIT OR LOSS FROM OPERATIONS	0.16
--------------------------------------	------

REQUIRED RETURN TO EQUITY CAPITAL *9*	0.13
---------------------------------------	------

RETURN TO OWNERS LABOR AND MANAGEMENT	0.03
---------------------------------------	------

=====

\*1\* BASED ON AVG OF 54219 LBS LANDED; AVG PRICE OF \$2.35/LB

\*2\* AVERAGE GALLONS OF FUEL USED WAS 50934 GALLONS FUEL

\*3\* BASED ON SHARE AGREEMENT OF 30.23%

\*4\* BASED ON PAYROLL TAX RATE OF 0.64%

\*5\* BASED ON \$0.101 PER POUND

\*6\* METHOD OF DEPRECIATION: STRAIGHT LINE;

DEPRECIABLE LIFE OF 10 YEARS; OBJECT YEAR = 6

NEW COST OF VESSEL = \$231250; PERCENT SALVAGE VALUE = 50%

\*7\* INCLUDES OFFICE, PROFESSIONAL, AND LICENSE EXPENSES

\*8\* BASED ON INTEREST RATE OF 9.00%, 80% OF NEW VESSEL COST FINANCED  
FOR 10 YEARS, 12 EQUALLY AMORTIZED PAYMENTS PER YEAR

\*9\* EQUITY CONSISTS OF DOWN PAYMENT PLUS ANY NEGATIVE NET CASH  
INFLOWS TO DATE. REQUIRED RATE OF RETURN IS 15.00%

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TABLE 24 • 1977 AVERAGE ANNUAL CASH FLOW STATEMENT OF 12 GULF OF MEXICO SHRIMP VESSELS IN A CLASS OF 56 TO 80 FEET IN OVERALL LENGTH, STEEL TYPE(S) OF CONSTRUCTION AND 100 TO 462 HORSEPOWER.

ITEM	UNIT	YEAR									
		0	1	2	3	4	5	6	7	8	9
LOAN INFORMATION #1:											
1. INVESTMENT REQUIREMENT	DOL.	231250	0	0	0	0	0	0	0	0	0
2. EQUITY REQUIREMENT	DOL.	46250	0	0	0	0	0	0	0	0	0
3. LOAN BALANCE	DOL.	185000	173042	159963	145657	130009	112893	94171	73693	51294	26794
CASH FLOW											
4. PRODUCTION:											
POUNDS	LBS.	0	54219	54219	54219	54219	54219	54219	54219	54219	54219
PRICE/POUND	DOL.	0.00	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35
TOTAL SHRIMP SALES	DOL.	0	127341	127341	127341	127341	127341	127341	127341	127341	127341
5. CAPITAL SALES	DOL.	0	0	0	0	0	0	0	0	0	231250
6. TOTAL CASH INFLOW	DOL.	0	127341	127341	127341	127341	127341	127341	127341	127341	358591
7. CASH OPERATING EXPENSES #2:	DOL.	0	97932	97932	97932	97932	97932	97932	97932	97932	97932
8. LOAN PAYMENT #1:	DOL.	0	11958	13079	14306	15648	17116	18722	20478	22399	24500
PRINCIPAL PORTION	DOL.	0	16164	15043	13816	12474	11006	9400	7644	5723	3622
INTEREST PORTION	DOL.	0	370	616	886	1181	1504	1858	2244	2667	3129
9. INCOME TAXES #3:	DOL.	0	0	0	0	0	0	0	0	0	22894
ON ORDINARY INCOME	DOL.	0	0	0	0	0	0	0	0	0	0
ON RECAPTURED DEPR. #4:	DOL.	0	0	0	0	0	0	0	0	0	0
ON CAPITAL GAINS #4:	DOL.	0	0	0	0	0	0	0	0	0	0
10. CAPITAL PURCHASES (EQUITY) #1:	DOL.	46250	0	0	0	0	0	0	0	0	0
11. TOTAL CASH OUTFLOW	DOL.	46250	126424	126670	126940	127235	127558	127912	128298	128721	152077
12. NET CASH INFLOW	DOL.	-46250	917	671	401	106	-217	-571	-957	-1380	206514
13. CUMULATIVE CASH POSITION	DOL.	-46250	-45333	-44662	-44261	-44155	-44372	-44943	-45900	-47280	159234

INTERNAL RATE OF RETURN = 15.86%

#1\* BASED ON NEW VESSEL COST OF \$231250; 80% FINANCED FOR 10 YEARS.  
 12 EQUALLY AMORTIZED PAYMENTS PER YEAR, AT 9.00% INTEREST RATE.  
 #2\* EXCLUSIVE OF PRINCIPAL AND INTEREST PAYMENTS.  
 #3\* BASED ON INCOME TAX RATE OF 22%.  
 #4\* BASED ON SALES PRICE OF \$231250.

DEVELOPED BY THE DEPT OF AG ECON, TAES, TEXAS A&M UNIV

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