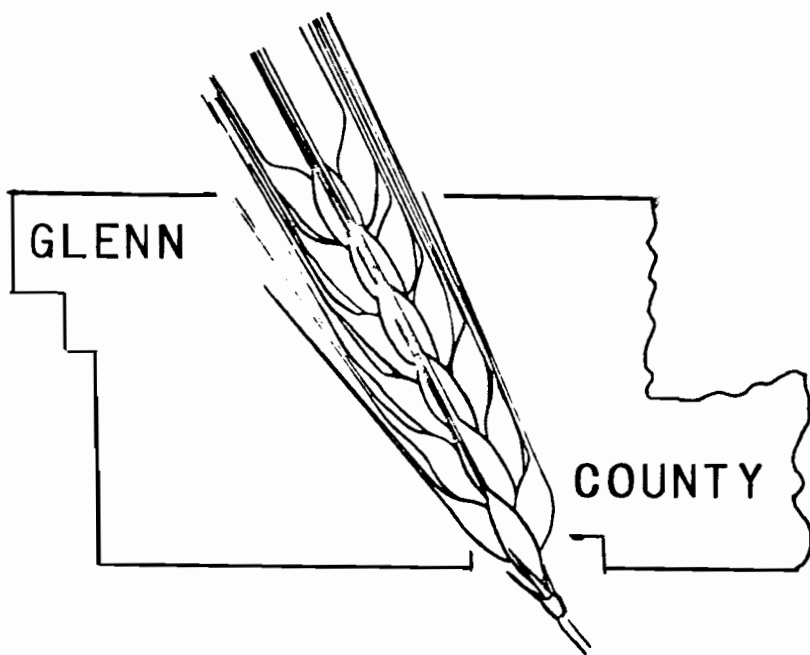


SAMPLE COSTS

TO PRODUCE

DRYLAND GRAIN



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EQUIPMENT AND BUILDING LIST

Item	Original Cost		Years Life	Annual Use (acres)	Non-Cash Overhead	
	Total	Per Acre			Depreciation	Interest at 8%
2 Crawler Tractors 100 h.p. - Diesel	\$100,000	\$ 50.00	20	2,000	\$ 2.50	\$ 2.00
4 Mold Board Plows, 5-14	12,000	6.00	20	2,000	.30	.24
2 Discs, Offset Hydraulic 18 feet	15,800	7.90	20	2,000	.40	.32
Disc, Stubble - 12 Ft.	7,500	3.75	20	2,000	.19	.15
Spiketooth Harrow, 40' w/cart and evener	2,400	1.20	20	2,000	.06	.05
Springtooth Harrow, 30'	2,900	1.45	20	2,000	.08	.06
Chisel, 14 ft.	2,900	5.80	20	500	.29	.23
Bulk Seeder - Pull Type	2,500	2.50	20	1,000	.13	.10
Tool Carrier - 28 ft.	4,000	2.00	20	2,000	.10	.08
Bankout Wagon (used)	4,000	4.00	20	1,000	.20	.16
Bazooka, 6-inch	1,500	1.50	20	1,000	.03	.06
Combine - 16 ft. SP, Sidehill	35,000	70.00	15	500	4.66	2.80
Combine - 16 ft. SP	25,000	50.00	15	500	3.33	2.00
Truck - 2 ton	7,000	3.50	12	2,000	.30	.14
Pickup - 4 wheel drive	6,000	3.00	5	2,000	.60	.08
Pickup (Used 1/2 ton)	2,000	1.00	3	2,000	.34	.04
Buildings	8,000	4.00	30	2,000	.14	.16
Tools	3,000	1.50	15	2,000	.10	.06
Total	\$241,500	\$219.10			\$13.75	\$ 8.73

BASIS OF DRYLAND GRAIN COST STUDY

1. The cost study is based on a 1,000 acre dryland grain operation (barley, wheat or both) where the grower is renting the land and planting 1,000 acres each year. Normally the land planted will be on a 2 to 5 or more year frequency. A grower may be summer fallowing a comparable acreage. This study does not attempt to reflect a grain-sheep operation.
2. In allocating the equipment cost per acre in the equipment list the following calculations were made: (a) "Original Cost" of equipment is the estimated new cost and includes 6% sales tax. (b) "Cost Per Acre" is new cost divided by the number of acres the equipment will be used on. (c) "Depreciation" is based on the "Per Acre Cost" divided by the expected life of the equipment. (d) "Interest" on investment is figured on one-half of the new cost per acre multiplied by 8%.
3. Miscellaneous expenses have been found to be about 6% of the total cultural and harvest costs. They include such costs as preparing roadways, general weed control, office, bookkeeping, interest on operating money, etc.
4. Labor costs are based on a \$3.85 hourly rate for labor basic to the operation. Included are cash wages, compensation insurance, Social Security and other benefits that the employer might pay.
5. Equipment cash operating costs would include fuel and repairs. Included is the cost of fuel, maintenance, replacement parts, tires, etc. Tractor charges per hour are: 100 hp crawler diesel, \$7.50.
6. Management (what the grower's decision making is worth) is figured at 5% of the market value of the crop.
7. Dryland grain operations in Glenn County vary and this study represents sample or typical, rather than specific operations.

These sample costs to produce dryland grain (barley or wheat) may not represent the cost of any one individual grower. However, this cost study should serve as a useful guide in reviewing the typical costs and practices in dryland grain production. Growers are encouraged to make use of the column "Your Costs Per/A." provided to permit a comparison of the sample costs in this study with individual grower costs.

Each individual grower must decide on the use made of his labor in-put, his management fee and depreciation. Each of these items is listed separately and considered as production costs in this study.

8. Investment costs for equipment are over \$200 per acre. Where increased acreages of dryland grain are farmed without comparable increases in equipment, cost of production per cwt. of grain will be reduced.
9. Several Glenn County dryland grain growers cooperated in compiling the basic information for this study. Appreciation is expressed to these growers.

SAMPLE COSTS TO PRODUCE DRYLAND GRAIN
Glenn County 1974

YIELD: 2,000 lbs./acre.....YEAR 1974

Operation	Hours Per/A	Cash and Labor Costs Per Acre			Total Materials	Total	Your Cost Per Acre
		Labor	Fuel & Repair	Description of Materials			
<u>Cultural Costs</u>							
Plow	.50	\$1.93	\$ 4.35			\$ 6.28	
Disc (2x)	.40	1.54	4.20			5.74	
Harrow, Spiketooth (2x)	.10	.39	.86			1.25	
Harrow, Springtooth	.10	.39	.96			1.35	
Seeding	.05	.20	.42	110 lbs. Seed @ \$11.00 cwt.	\$11.00	11.62	
Harrow, Spiketooth Weed Control (Aerial)	.05	.20	.43	Airplane \$2.50 Per/A + 10 oz. 2,4-D - \$1.10/A	3.60	3.60	
Fire Insurance					.40	.40	
Misc. Labor (Down-time, move, Service Equipment, etc.)	.25	.97	.25			1.22	
TOTAL CULTURAL COSTS	1.45	\$5.62	\$11.47		\$15.00	\$32.09	
<u>Invest Costs</u>							
Combine	.40	\$1.54	\$ 4.80			\$ 6.34	
Bankout	.40	1.54	1.50	(Roadside Grain)		3.04	
TOTAL HARVEST COSTS	.80	\$3.08	\$ 6.30			\$ 9.38	
<u>Cash Overhead</u>							
Misc. office, etc.						\$ 2.48	
Taxes & Insurance						2.83	
Rent 33 1/3% of 2,000 lbs. x \$5.00 cwt.					\$33.33	33.33	
TOTAL CASH OVERHEAD						\$38.64	
TOTAL CASH COSTS						\$80.11	
Management 5% of 2,000 lbs. x \$5.00 cwt.						\$ 5.00	
<u>Annual Costs</u>							
<u>INVESTMENT</u>	<u>Per Acre</u>	<u>Depreciation</u>		<u>Interest</u>			
Equip., Bldgs., Tools	\$ 219.10	\$13.75	\$ 8.73			\$ 22.48	
TOTAL COST PER ACRE						\$107.59	
Cost per cwt. @ 2,000 lbs. yield						\$ 5.38	

Net Per Acre At 2,000 Lbs./A and Varying Grain Prices*

Small Grain Price/Cwt.	\$ 4.00	\$ 4.50	\$ 5.00	\$ 5.50	\$ 6.00	\$ 6.50	\$ 7.00	\$ 7.50	\$ 8.00
Income/Acre	-\$20.00	-\$14.00	-\$ 8.00	-\$ 1.00	+\$ 5.00	+\$11.00	+\$17.00	+\$23.00	+\$29.00

varying grain prices result in a corresponding increase or decrease in the value of the 33 1/3% rent paid to the landlord and the 5% management value. The increase or decrease in these two items is accounted for in compiling this table.

In this study, the growers furnishing information for the sample costs to produce dryland grain represent both flat land and hill land grain operations. For the basis of this study, half of the production is flat land and half hill land.

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