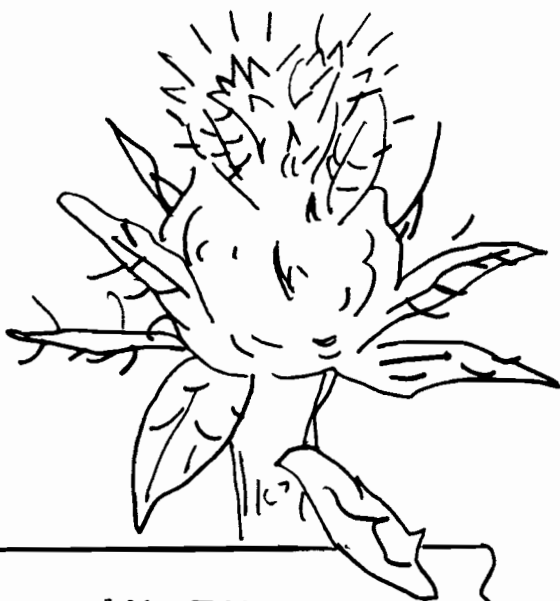


# SAFFLOWER

## PRODUCTION COSTS



IN THE  
RICELAND AREA  
OF  
GLENN COUNTY

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INVESTMENT FOR SAFFLOWER PRODUCTION IN GLENN COUNTY

Item	Year Bought	Original Cost		Years Life	Annual Use (acres)	Non-Cash Overhead	
		Total	Per Acre			Depreciation	Interest at 8%
Crawler Tractor - Diesel 80 HP	1974	\$ 36,000	\$ 42.36	15	850	\$ 2.83	\$ 1.70
Wheel Tractor - Diesel 50 HP	1974	9,000	10.59	10	850	1.06	.43
Disk Offset - 18'	1974	7,000	8.24	10	850	.83	.33
Chisel (Heavy Duty) 14 ft.	1974	4,000	4.71	10	850	.48	.19
Harrow, Spike - 40 ft.	1974	2,000	2.36	10	850	.24	.10
Drill - 12 ft.	1974	3,000	7.50	10	400	.75	.30
Tool Carrier	1974	2,500	2.95	10	850	.30	.12
Combine SP (Used) 16 ft.		15,000	17.65	5	850	3.53	.71
Truck (Used) 2 Ton		3,500	4.12	5	850	.83	.17
Pickup - 1/2 Ton	1974	5,000	5.89	3	850	1.97	.24
Building	1974	2,500	2.95	10	850	.30	.12
Shop Tools	1974	5,000	5.89	20	850	.30	.24
Totals		\$ 94,500	\$115.21			\$13.42	\$4.65

## BASIS OF SAFFLOWER COST STUDY

(In The Riceland Area of Glenn County)

1. The cost study is based on a 850 acre operation with 450 acres of rice being the basic crop. In addition, 200 acres of safflower and 200 acres of grain or other crops are grown. The equipment is somewhat basic equipment for the safflower operation. Additional equipment would be necessary for the rice operation.
2. In allocating the equipment cost per acre in the equipment list the following calculations were made; (a) Unless otherwise indicated, "Original Cost" of equipment is the estimated new cost including sales tax. (b) "Original Cost Per Acre" is the 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%. Land is not considered a depreciable item and interest on it is figured at 8% of the full value.
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 \$3.40 hourly rate. Included are cash wages, compensation insurance, social security and other benefits that the employer must pay.
5. Equipment operating costs are listed on fuel and repair. Included is the cost of fuel, maintenance, replacement parts, tires, etc. Tractor charges per hour are: 80 H.P. crawler diesel, \$4.30; 50 H.P. wheel diesel, \$1.60.
6. Management (what the grower's decision making is worth) is figured at 5% of the market value of the crop.
7. Six Glenn County growers who grow both safflower and rice furnished the basic information for this study. Appreciation is expressed to these growers.
8. There is a column provided entitled "Your Costs Per Acre" providing each grower to insert his individual costs. The costs in this study are sample costs, not the costs for a specific operation/s.

REMEMBER, this cost study is based on a rice operation where safflower is included as a rotation crop and reflects estimated production costs for 1974. Production costs of some items (example, diesel and fertilizer) and the market value of the crop in 1974 may or may not reflect the production situations relative to safflower on a long term basis.

SAMPLE COST TO PRODUCE SAFFLOWER  
Glenn County

YIELD: 1,500 cwt. .... YEAR 1974

Cash and Labor Costs Per Acre							
Operation	Hours Per/A	Labor	Fuel & Repairs	Description of Materials	Total Materials	Total	Your Cost Per Acre
<u>Cultural Costs</u>							
Chisel	.25	\$ .85	\$ 1.33			\$ 2.18	
Disk 2X	.40	1.36	2.36			3.72	
Fertilize	.25	.85	1.08	Rental 50¢/A + 80 lbs. N @ 15¢/lb.	\$ 12.50	14.43	
Harrow 2X	.20	.68	1.03			1.71	
Drill	.25	.85	.93	20 lbs. seed @ 21½¢	4.30	6.08	
<b>TOTAL CULTURAL</b>	<b>1.35</b>	<b>\$4.59</b>	<b>\$ 6.73</b>		<b>\$ 16.80</b>	<b>\$28.12</b>	
<u>Harvest Costs</u>							
Combine	.40	\$1.36	\$ 4.50			\$ 5.86	
Haul to Warehouse (One man for truck)	.40	1.36		plus 10¢/cwt. hauling costs	1.50	2.86	
Shipping Charges \$3.40/ton					2.55	2.55	
<b>TOTAL HARVEST</b>	<b>.80</b>	<b>\$2.72</b>	<b>\$ 4.50</b>		<b>\$ 4.05</b>	<b>\$11.27</b>	
<u>Cash Overhead</u>							
Misc., office, etc.						2.36	
Taxes & Insurance						15.37	
<b>TOTAL OVERHEAD</b>						<b>\$17.73</b>	
<b>TOTAL CASH COSTS</b>						<b>\$57.12</b>	
Management 5% of 1,500 cwt. @ \$250/Ton						9.38	
<u>Annual Costs</u>							
<u>INVESTMENT</u>	<u>Per Acre</u>	<u>Depreciation</u>	<u>Interest</u>				
Land	\$650.00 (w/o rice units)		\$52.00				
Equip. & Building	\$115.00	\$13.42	4.65				
<b>Totals</b>	<b>\$765.00</b>	<b>\$13.42</b>	<b>\$56.65</b>				
<b>TOTAL COST PER ACRE</b>							
<b>Cost per cwt. @ 1,500 yield</b>							

Net Per Acre at 1,500 cwt./A and Varying Safflower Price

Safflower Price/Ton	\$150.00	\$200.00	\$250.00	\$300.00
Income/Acre	- \$ 20.32	+ \$ 15.31	+ \$ 50.93	+ \$ 86.56

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