

COOPERATIVE EXTENSION
UNIVERSITY OF CALIFORNIA

MCARTHUR, CALIFORNIA 96056
P.O. BOX 9
(INTER MOUNTAIN FAIRGROUNDS)
TELEPHONE: FALL RIVER MILLS
(916) 336-5784

SHASTA-LASSEN COUNTIES

1987

PRODUCTION COSTS FOR
~~ALFALFA~~
ASPARAGUS
CEREALS
CHRISTMAS TREES
DRY ONIONS
GARLIC
~~IRRIGATED PASTURE~~
POTATOES
WILD RICE

IN FALL RIVER AND
BIG VALLEY

Dear Producer:

The attached cost studies are estimates of current cost of production of some of the important crops of this area. They are only estimates and average costs for this area were utilized. Producers paying current real estate prices and buying new equipment will find higher costs. Note also, that this is a cash flow cost study; labor costs are included, and management and return to investment values are not included. Profit is defined as net earnings above these costs.

This year electronic spread sheets for Christmas trees, asparagus, and dry onions are added over last year. Note that the Christmas tree and asparagus cost studies are multiyear studies using a calculation for present value to look at opportunity of investment money. If you would like to make your own cost study, call and make an appointment and I'll be pleased to work with you on one. Virtually everyone has a change or two they would like to see in a cost study and with a microcomputer, changes take seconds. Come on in and see how some changes might affect your 1987 projections.

Sincerely,



Daniel B. Marcum
Farm Advisor

SAMPLE IRRIGATED PASTURE PRODUCTION COSTS - FALL RIVER AND BIG VALLEY PORTION OF NORTHEASTERN CALIFORNIA - 1987

PREPARED BY DANIEL B. MARCUM - SHASTA-LASSEN FARM ADVISOR BOX 9, MCARTHUR, CALIFORNIA 96056 916-336-5784

ACRES OF PASTURE 40
 HAY YIELD - TONS 4
 GRAZING YIELD AUM 4 ONE AUM = 800 LB HAY
 PRICE FOR HAY \$ 50
 PRICE FOR AUM 10

LONG TERM INTEREST RATE YEARLY % 12.00

SHORT TERM INTEREST RATE MONTHLY % 1.00

INCOME		RANCH TOTAL	TOTAL PER ACRE	PERCENT OF TOTAL
	HAY SALES	8000.00	200.00	83
	LIVESTOCK GRAZING	1600.00	40.00	17
	TOTAL INCOME	9600.00	240.00	100

COSTS	VARIABLE EXPENSES	LABOR OR CUSTOM \$ PER ACRE	MATERIALS		RANCH TOTAL COST/SEASON	TOTAL PER ACRE PER SEASON	PERCENT OF TOTAL
			UNITS	COST/UNIT			
	FERTILIZER						
	NITROGEN	4.00	150	.30	1950.00	49.00	16
	SULFUR	4.00	15	.05	190.00	4.75	2
	WATER						
	IRRIGATION	2.00	6	2.50	1050.00	27.00	9
	HARVEST						
	SWATH	3.00	1	2.00	200.00	5.00	2
	RAKE	1.50	1	1.00	100.00	2.50	1
	BALE	3.00	4	4.50	840.00	21.00	7
	ROADSIDE		16	.40	1024.00	25.60	8
	SHORT TERM INTEREST						
	MONTHS		5		218.50	5.46	2
	TOTAL OF VARIABLE EXPENSES				5612.50	140.31	
	FIXED EXPENSES	VALUE FOR ENTIRE RANCH	YEARS OF PAYMENTS				
	MORTGAGE	20000.00	20		2677.58	66.94	22
	EQUIPMENT	10000.00	5		2774.10	69.35	23
	STAND ESTABLISHMENT	6000.00	10		1061.90	26.55	9
	TAXES	200.00			200.00	5.00	2
	TOTAL OF FIXED EXPENSES				6713.58	167.84	
	TOTAL OF ALL EXPENSES				12326.08	308.15	100
	NET PROFIT (LOSS)				-2726.08	-68.15	
	OF PRODUCTION PER TON OF HAY EQUIVALENT					55.03	