

# ALFALFA HAY

## Costs of Establishing

David R. Woodruff - Farm Advisor

These studies show an operating schedule of the most generally accepted farm practices, together with depreciation and interest costs. Perhaps their most important use is in comparing an actual or proposed budget or farming program with these sample costs. A brief review of each major section of the work sheet may be helpful in explaining their construction and uses.

### Cash Costs

This section includes representative farm practices and costs, based upon the illustrated labor, equipment and other input costs. No one farm may require all of the inputs in a given year, however, or have exactly the same equipment as indicated. This emphasizes the value as a work sheet, as well as a cost guide.

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COST ANALYSIS WORK SHEET ESTABLISHING A STAND OF ALFALFA FOR HAY IN KERN COUNTY - 1975

Man labor at \$3.00 and equipment operator \$3.60, including Workman's Compensation Insurance and Social Security

Tractors available are 80 h.p. crawler, 80 h.p. wheel diesel and 50 h.p. wheel diesel.

Cash, depreciation and interest costs per hour for each tractor are: 80 h.p. crawler, \$6.90, \$4.50, and \$3.00, 80 h.p. wheel tractor \$3.60, \$1.45, and .65¢, 50 h.p. wheel tractor \$2.45, \$1.05, and .50¢.

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Cash Costs		Sample Costs Per Acre	My Costs Per Acre
Shred previous crop residue - 1/2 hr. man and 80 h.p. wheel tractor		\$ 3.60	
Disc 2 times: total 1/2 hr. - man and crawler tractor		5.25	
Chisel: 1 hr. man and crawler tractor		10.50	
Landplane 1 time: 1/6 hr. man and crawler tractor		1.75	
Border preparation: 1/2 hr. man and 80 h.p. wheel tractor		3.60	
Landplane between borders: 1/6 hr. man and crawler tractor		1.75	
Fertilize: 44 lbs. phosphate, phosphorus @ .30¢ per lb.		13.20	
Application: custom bulk spreading		2.00	
Preirrigate: 1 ft. of water @ \$10.00 per acre-foot		10.00	
Labor: 1 hr. per acre		3.00	
Disc or springtooth for seedbed preparation: 1/4 hr. per acre man and 50 h.p. wheel tractor		1.50	
Reshape borders: 1/12 hrs. man and 80 h.p. wheel tractor		.60	
Weed control: custom		15.00	
Plant: seed, 20 lbs. at \$1.75		35.00	
Plant by airplane		1.75	
Cover seed: 1/8 hr. man and 80 h.p. wheel tractor		.90	
Repairs to equipment except tractors		2.75	
Office and business expenses - 6% of cash costs		6.75	
Total Cash Costs		\$118.90	
Depreciation			
Tractors: Crawler		9.00	
80 h.p. wheel tractor		1.75	
50 h.p. wheel tractor		.25	
Equipment except tractors		2.75	
Total Depreciation		\$ 13.75	
Interest on Investment at 9%			
Tractors: Crawler		6.00	
80 h.p. wheel tractor		.80	
50 h.p. wheel tractor		.15	
Equipment except tractors		1.35	
Total Interest on Investment		\$ 8.30	
TOTAL COST TO ESTABLISH ALFALFA		\$140.95	

## Depreciation

Equipment used in the operating schedule, and the original costs are depreciated as illustrated in the cost schedule. These will serve as guides to include depreciation on the actual cost and equipment found on a given farm or in a proposed budget.

## Interest on Investment

These costs, as shown, will serve as guides for an actual situation. The owner's costs of improvements, equipment, etc., must be considered. Also, if the grower owns all of these assets outright, then interest charges that are indicated would return to him as income, or reduce the cash requirements for production accordingly. Annual investment costs and real estate taxes are charged to the hay production schedule, so are omitted from the development costs.

## Summary

One cost schedule cannot illustrate each farm situation. It can serve as a guide to recommended practices and sample costs, against which any actual or proposed schedule can be tested for completeness and unit cost of production.

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