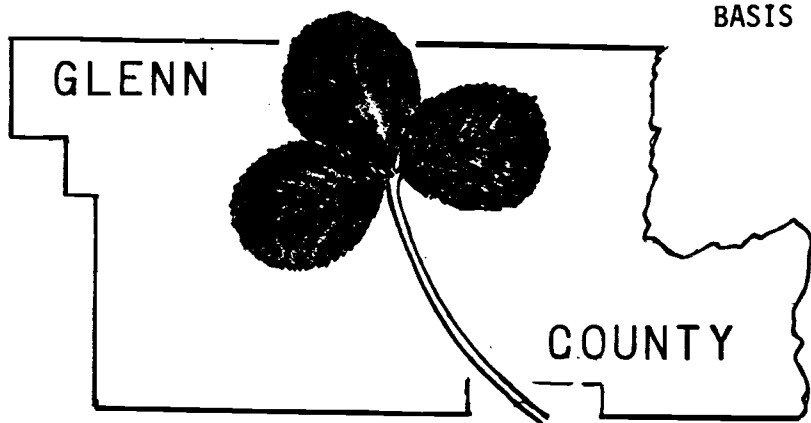


Estimated Costs to Produce Ladino Clover Seed

TENANT

LANDOWNER

BASIS



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The yield basis for the crop is 350 lbs. of clover seed per acre. According to the Glenn County Agricultural Commissioner's Report the average yield of Ladino clover in Glenn County during the 5-year period (1972-76) was 346 lbs. per acre with a range of 295 to 394 lbs. per acre. An estimated price of \$1.15 per pound which might be expected is based on information from contracting concerns. Returns for different varieties will vary and the \$1.15 per lb. used in the cost study is at best an estimate taking into current situations. Consult contracting companies should you have interest in price outlook for Ladino clover seed.

In discussion with the growers assisting with the input into this cost study it was decided to use contract prices for several operations (examples: establishing borders, ground spraying, harvesting, etc.) This provided for simplification of some inputs. If a grower is doing his own ground spraying, preparing borders and harvesting, then equipment to carry out these operations would need to be inventoried accordingly and labor, fuel and repairs, depreciation, interest, etc. determined as a cost of production.

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) "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 "Cost Per Acre" divided by the expected life of the equipment; (d) "Interest" on investment is figured on one-half of the original 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 interest on operating money, used of pick-up truck, office, etc.
4. Labor costs are based on a \$5.00 hourly rate for skilled labor and \$3.75 hourly rate for unskilled (irrigator). Included are cash wages, compensation insurance, Social Security, Unemployment Insurance, and other benefits that the employer might pay.
5. On the sheet which inventories the equipment for this Ladino clover operation there is a column indicating "Cost Per Hour". In the case of the tractor, this represents an hourly operating cost including fuel and repairs. For the other pieces of equipment not requiring fuel, the "Cost Per Hour" represents repairs only.
6. Management (what the grower's decision making is worth) is figured at 5% of the market value of the crop.
7. These estimated costs to produce Ladino clover seed may not represent the cost of any one individual grower. However, growers may base their decision as to which crops to grow by comparing cultural and harvest costs for specific crops with estimated gross income from crops. This cost study should assist in this aspect of decision making as well as related investment and other fixed costs.
8. There is a column provided entitled "Your Cost Per Acre" which growers can use to insert their individual costs. Operations and cost may vary and growers are encouraged to use this column which in turn should assist them with budget questions as well as evaluate their cost-income relationship with Ladino clover seed.
9. Five Glenn County Ladino seed growers furnished the basic information for this study. Appreciation is expressed to these growers. Input from other persons is also appreciated and acknowledged.

EQUIPMENT FOR LADINO CLOVER PRODUCTION
IN GLENN COUNTY

Item	1977 Original Cost		Years Life	Annual Use Acres	Fuel & Repairs Per Hr.	Non-Cash Overhead	
	Total	Per Acre				Depreciation	Interest @ 8%
Wheel tractor, diesel 150 HP	\$36,000	\$ 72.00	15	500	\$5.10	\$ 4.80	\$2.88
Chisel 12'	2,500	5.00	15	500	1.15	.33	.20
Disk, offset 16'	8,000	16.00	15	500	2.40	1.07	.64
Float 14'	1,000	2.00	10	500	.35	.20	.08
Harrow, spiketooth 15'	650	1.30	15	500	.30	.09	.05
Shredder 12'	4,500	11.25	12	400	1.20	.94	.45
Roller 21'	3,500	7.00	20	500	.50	.35	.28
Pickup ½ ton	7,000	14.00	5	500		2.80	.56
Pickup (used)	3,000	6.00	5	500		1.20	.24
Shop building	15,000	30.00	30	500		1.00	1.20
Tools	5,000	10.00	15	500		.67	.40
TOTAL	\$86,150	\$174.55				\$13.45	\$6.98

BASIS OF LADINO CLOVER SEED COST STUDY

1. This cost study is based on a 500 acre field crop operation with 200 acres of Ladino seed. Other crops grown on the acreage on rotation with clover seed might include small grains, grain hay, grain sorghum, field corn, etc. Most of the equipment listed would be used on the entire acreage sometime during the year. Irrigation is based on underground pipe and valves.

This cost study is figured on a tenant-landowner basis with the landowner receiving 25% of the gross crop return of clean seed. The landlord contributed 25% to the cost of the seed cleaning, sampling and bagging.

The cost study includes a cost to establish the stand and the production costs for a one year period using the estimated costs for the second or third year of a four year period over which a seed crop is harvested. The annual production cost was begun after the crop was harvested and carried through harvest the following summer. In the cost study, the establishment costs are shown separate and then 25% (4-year life) of the cost of stand establishment is added to the annual cost to obtain a total annual cost.

Estimated Costs to Produce Ladino Clover Seed
 Glenn County - 1977-1978
 (Continued)

				Total	Your Cost Per Ac.
<u>Cash Overhead</u>					
Misc., office, etc. (\$274.94 @ 6%)				\$ 16.50	
Taxes and Insurance				2.54	
Rent 25% of 350 lbs./Ac. @ \$1.15/lb.				100.63	
TOTAL CASH OVERHEAD				\$119.67	
TOTAL CASH COSTS				\$394.63	
Management 5% @ 350 lbs. @ \$1.15 (\$402.50)				\$ 20.13	
<u>INVESTMENT</u>	<u>Per Acre</u>	<u>Annual Cost</u>			
		<u>Depreciation</u>	<u>Interest</u>		
Equipment and buildings	\$174.55	\$13.45	\$6.98	\$ 20.43	
TOTAL COST PER ACRE				\$435.19	
Cost per pound @ 350 lbs./Ac.				\$ 1.24	
Establishment Costs @ 25% based on 4-year life of clover				\$ 18.92	
Annual plus establishment costs				\$454.11	
Cost per pound @ 350 lbs./Ac. , Establishment plus annual costs				\$ 1.30	

ESTIMATED COSTS TO PRODUCE LADINO CLOVER SEED
GLENN COUNTY - 1977-1978

Operation	Hours Per Ac.	Labor	Fuel & Repairs	Materials Kind and Quality	Cost	Total	Your Cost Per Ac.
<u>Cultural</u> Fertilize (phosphorus)				80 lbs. P ₂ O ₅ @ \$18.06 by ground @ \$2.00	\$ 20.06	\$ 20.06	
Irrigate 2X Roll 1X	.66 .20	\$ 2.48 1.00	\$1.12	9.4 ac. in. @ \$7.00/Ac. ft.	5.48	7.96 2.12	
Herbicide fall (½ acreage)				Broadleaves @ \$1.90/Ac herbicide by ground rig @ \$2.50/Ac	2.20	2.20	
(Contract) Dec-Jan Spring				Grass control, herbicide @ \$17.85/Ac, plane @ \$2.75	20.60	20.60	
Shred Pesticides (Contract)	.25	1.25	1.58	Broadleaf @ \$7.98, ground rig @ \$2.50/Ac. Insecticides @ \$3.27/Ac. ground rig @ \$2.75/Ac.	10.48 6.02	10.48 2.83 6.02	
Lygus 2½X				Lygus insecticide @ \$23.70/Ac. Appl: 1½X ground @ \$2.75 and 1X plane @ \$3.50 + flag @ 25¢ = \$7.88	31.59	31.59	
Spider mites				Miticide @ \$9.61/Ac. ground @ \$3.00/Ac.	12.61	12.61	
Pollination Irrigation Apr-July 10X	3.33	12.49		1 hive/Ac. @ \$8.00 47 ac. in. @ \$7.00 ac. ft.	8.00 27.42	8.00 39.91	
Spot weed and rodent control				Labor and materials	5.00	5.00	
TOTAL CULTURAL COSTS	4.44	\$17.22	\$2.70		\$149.46	\$169.38	
<u>Harvest</u> Swath Mow borders Harvest Haul Clean, sampling bags, tags				Contract @ \$ 8.00/Ac. Contract @ \$ 3.00/Ac. Contract @ \$65.00/Ac. 350 lbs. @ 20¢/100 350 lbs. @ 11¢ @ 75%		\$ 8.00 3.00 65.00 .70 28.88	
TOTAL HARVEST COSTS						\$105.58	

(Continued)

ESTIMATED COSTS TO ESTABLISH LADINO CLOVER SEED
GLENN COUNTY - 1977-1978

Operation	Hours Per Ac.	Labor	Fuel & Repairs	Materials Kind and Quality	Cost	Total	Your Cost Per Ac.
<u>Cultural</u>							
*Burn							
Irrigate 1X	.33	\$ 1.24		5.0 ac. in @ \$7.00/Ac. ft.	\$ 2.92	\$ 4.16	
Chisel 2X	.66	3.30	\$ 4.13			7.43	
Disc 1X	.25	1.25	1.88			3.13	
Landplane 3X	1.00	5.00	5.10	Rent @ \$3.00	3.00	13.10	
Ridge				Contract @ \$8.00	8.00	8.00	
Float	.16	.80	.87			1.67	
Fertilize (phosphorus)				80 lbs. P ₂ O ₅ /A @ \$18.06 ground application @ \$2.00	18.06 2.00	20.06	
Harrow	.16	.80	.87			1.67	
Seed				3 lbs. @ \$3.50, plane @ \$2.50	6.00	6.00	
Irrigate 2X	.66	2.48		10.0 ac. in. @ \$7.00/Ac. ft.	5.83	8.31	
Miscellaneous (*burning field, downtime, etc.)	.33	1.65	.50			2.15	
TOTAL	3.55	\$16.52	\$13.35		\$45.81	\$75.68	

NET/ACRE @) LBS./A AND VARYING LADINO CLOVER PRICES

Price/Lb.	\$0.85	\$1.00	\$1.15	\$1.30	\$1.45
Income/A	\$-125	\$- 88	\$- 52	\$- 15	\$+ 22

NET/A @ \$1.15/LB. AND VARYING YIELD IN LBS./A

Lbs./A	250	350	450	550	650
Income/A	-\$124	-\$ 52	+\$ 21	+\$ 93	+\$165

RELATIONSHIP BETWEEN YIELD LBS/A TOTAL COSTS & COST/LB

Lbs./A	250	350	450	550	650
Total Cost	\$ 411	\$ 454	\$ 497	\$ 540	\$ 582
Cost/Lb.	\$1.64	\$1.30	\$1.10	\$.98	\$.90

MANAGEMENT INCOME FROM VARYING YIELDS @ \$1.15/LB.

Yield Lbs./A	250	350	450	550	650
Cash, Dep., Int., Costs	\$386	\$415	\$444	\$473	\$501
Gross Income	\$287	\$402	\$517	\$633	\$747
Management Income	-\$ 99	-\$ 13	+\$ 73	+\$160	+\$246

Farm Advisor's Office
Glenn County

November 1977
200 Copies

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