



CO-SV-62-2

# Sample Production Costs

# CORN

ON

# Peat and Muck Soil

Torrey Lyons - Farm Advisor  
Doyle Reed - Extension Economist

Sacramento County Farm Advisors' Office  
Agricultural Extension Service  
University of California  
3020 Federal Building, 650 Capitol Avenue  
Sacramento, California

UC Cooperative Extension

SAMPLE COSTS TO PRODUCE CORN ON PEAT AND MUCK SOIL IN SACRAMENTO COUNTY - RENTED LAND - 1962

Yield 6,000 lbs. per acre		Price \$2.50 per Cwt.			Gross Income \$150.	
		Cash and Labor Costs per Acre				
Operation	Hours Per Acre	Labor	Fuel & Repairs	Materials and Other Costs	Per Acre Total	
<u>Fall</u>						
Flood every 3rd year	.3	.40	1.00		1.40	
Disk - 2 X	.4	.55	1.45		2.00	
Plow	.3	.40	1.00		1.40	
<u>Spring</u>						
Landplane - 2 X	.6	.80	2.00		2.80	
Disk - 2 X	.4	.55	1.45		2.00	
Harrow - 2 X	.2	.25	.65		.90	
Plant, fertilize insecticide	.4	.55	.60	(Seed 15 lbs. @ 20¢ (8-24-0 25 gal. @ 40¢ (Aldrin 1½ lbs. @ \$3.33	\$3.00 10.00 5.00	19.15
Cultivate - 4 X	1.0	1.35	1.10		2.45	
Sub-irrigate - 3 X	1.2	1.60	.40	Spud ditching @ 1800/mile	2.50	4.50
Drainage Maintenance				New ditches, ditch cleaning-weed control	2.25	2.25
Weed Spray				2, 4-D applied	2.25	2.25
Miticide - ½ acreage				Ethion - 1 lb. actual applied (7.00)	3.50	3.50
TOTAL CULTURAL COSTS		6.45	9.65		28.50	44.60
Harvest and haul				Custom Rate - 3 tons @ 7.00	21.00	
Dry				Custom Rate - 3 tons @	8.25	
TOTAL HARVEST COSTS						29.25
TOTAL CULTURAL and HARVEST						73.85
Depreciation and Interest		\$120. per acre investment in tractors, trucks and equipment, 10 year life and 6% interest				11.85
Rent		One-fourth of gross income				37.50
Management		10% of Gross Income				15.00
TOTAL ALL COSTS						138.20
COST PER CWT. at 6,000 lbs. yield						2.36

The following items included in the cost of production may be income to the grower:

1. Labor performed by grower
2. The change in management
3. Interest on Investment

## BASIS OF COST STUDY:

The costs of production are based on a typical 700 acre operation with sugar beets, tomatoes, barley, wheat and safflower in rotation with the corn.

Labor is charged at \$1.35 per hour which includes compensation insurance and social security.

The charge for management of 10% of gross income is based on 5% for cash costs such as office, travel and accounting, and 5% for the management function itself.

An owner can compare his costs with these by substituting for the rent figure the total of: (1) interest on his investment in land, buildings and irrigation equipment, (2) depreciation on buildings and irrigation equipment, and (3) property taxes and the reclamation district assessment.

## NET RETURNS PER ACRE AT DIFFERENT YIELDS AND PRICES:

Yield	Price per Cwt.				
	\$2.00	\$2.25	\$2.50	\$2.75	\$3.00
4,000	-23.95	-17.45	-10.95	- 4.45	2.05
5,000	-15.82	- 7.70	.42	8.55	16.68
6,000	- 7.70	2.05	11.80	21.55	31.30
7,000	.42	11.80	23.18	34.55	45.92
8,000	8.55	21.55	34.55	42.55	60.55

March 1963 c-360