

SAMPLE COSTS TO PRODUCE MILK  
 Antelope Valley, Los Angeles County - 1960  
 Donald M. May, Farm Advisor  
 H. Fisk Phelps, Extension Economist, Farm Management

Based on a 40-acre planting used as a rotation with alfalfa on a 160-acre farm; yield per acre of 4500 lbs.; cash costs per hour are labor \$1.50 and 40 HP tractor \$1.35.

| Operation                          | Hours per Acre             | Labor Cost                   | Tractor & Equipment Cost | Materials                                 |        | Total Cost per Acre |
|------------------------------------|----------------------------|------------------------------|--------------------------|---|--------|---------------------|
|                                    |                            |                              |                          | Kind & Amount                             | Cost   |                     |
| Plow 1x - 2-16", 40 HP             | 1.0                        | \$1.50                       | \$2.10                   |   |        | \$ 3.60             |
| Disc 1x - 6', 40 HP                | 1.0                        | 1.50                         | 1.50                     |   |        | 3.00                |
| Border - border disc, 40 HP        | .2                         | .30                          | .30                      |   |        | .60                 |
| Harrow - spike & cultipack, 40 HP  | .3                         | .45                          | .50                      |   |        | .95                 |
| Pre-irrigate 2x                    | 2.0                        | 3.00                         |                          |   |        | 3.00                |
| Fertilize - injected - 40 HP       | .5                         | .75                          | .70                      | NH <sub>3</sub> - 50# N @ 9¢              | \$4.50 | 5.95                |
| Harrow-spike & spring tooth, 40 HP | .3                         | .45                          | .50                      |   |        | .95                 |
| Plant - Grain drill 10', 40 HP     | .3                         | .45                          | .50                      | 11# seed @ \$18/100                       | 2.00   | 2.95                |
| Irrigate                           | 5.0                        | 7.50                         |                          | 3 ft. @ \$6.00                            | 18.00  | 25.50               |
|                                    | <u>Investment per acre</u> | <u>Depreciation per acre</u> | <u>Interest per acre</u> | <u>TOTAL CULTURAL COSTS</u>               |        | <u>46.50</u>        |
| Land                               | \$ 350                     | \$ --                        | \$ 21.00                 | <u>TOTAL HARVESTING COSTS - Combine -</u> |        |                     |
| Tractor & Pickup                   | 47                         | 4.70                         | 1.40                     | Contract \$6/ac+25¢/cwt over 2000#        |        | 12.25               |
| Equipment                          | 18                         | 1.80                         | .55                      | General expense                           |        | 9.00                |
| Irrigation system                  | 120                        | 4.00                         | 3.60                     | Taxes                                     |        | 6.00                |
| Well - 1800 g.p.m., 250'           | 120                        | 9.10                         | 3.60                     | Cash overhead costs                       |        | 15.00               |
| Building                           | 12                         | .60                          | .35                      | <u>TOTAL CASH COSTS</u>                   |        | <u>73.75</u>        |
|                                    | 667                        | 20.20                        | 30.50                    | Depreciation                              |        | 20.20               |
|                                    |                            |                              |                          | Interest on investment                    |        | 30.50               |
|                                    |                            |                              |                          | <u>TOTAL ALL COSTS</u>                    |        | <u>124.45</u>       |

COSTS WITH VARYING YIELDS\*

| Yield | Total/Acre | Cost/cwt |
|-------|------------|----------|
| 2000  | \$112.45   | \$5.62   |
| 3000  | 118.45     | 3.95     |
| 4000  | 123.20     | 3.08     |
| 4500  | 124.45     | 2.77     |
| 5000  | 130.20     | 2.60     |
| 6000  | 132.70     | 2.21     |

\* Only fertilizer and harvest costs were varied. Fertilizer applications were -

- 2000# yield - none
- 3000# yield - 25# N
- 4000# & 4500# - 50# N
- 5000# & 6000# - 100# N