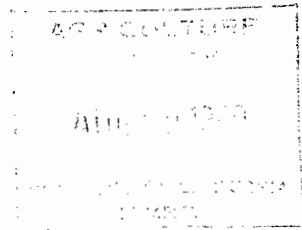
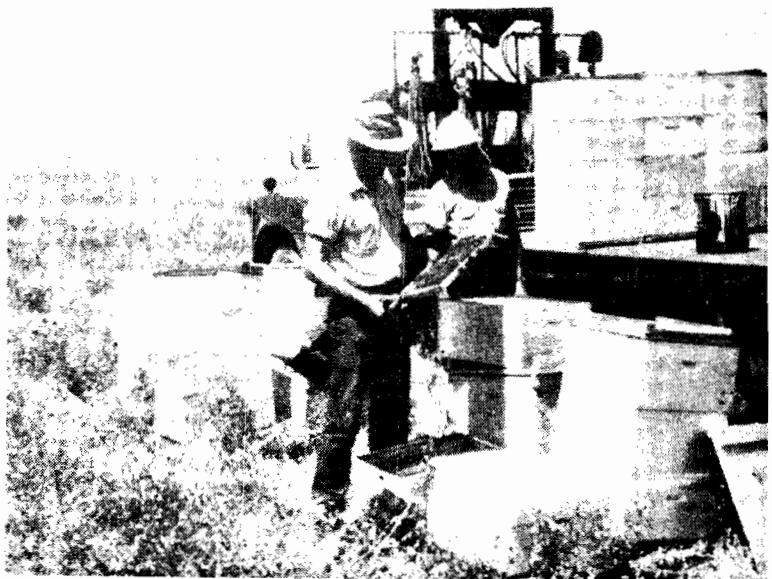


# alfalfa SEED



## *Economics*

IN  
FRESNO COUNTY



ALFALFA SEED PRODUCTION ECONOMICS IN FRESNO COUNTY  
Bob Sheesley and E. A. Yeary\*

Alfalfa seed was grown on 47,000 acres in Fresno County during 1967. Yields for alfalfa seed in this area have averaged 530 lbs. per acre. Yields exceeding 1,200 lbs. are possible with some varieties on deep loam soils under skilled management. Information concerning cultural practice operations for growing alfalfa seed is included in a bulletin entitled "Alfalfa Seed Production in Fresno County," which is available at the Farm and Home Advisors Office, 1720 S. Maple St., Fresno, California 93702.

There are no governmental acreage or production control programs that apply directly to alfalfa seed growing or marketing. Proprietary varieties are contracted with the appropriate seed company prior to planting. The most recent market and price information concerning public varieties may be obtained from the U.S.D.A. statistical reporting service, P.O. Box 1258, Sacramento, California 95806.

Table #1

Alfalfa Seed: Acreage, Yield, Production, Farm Price, and Value  
California Totals, 1962-1968

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Crop Year	Acreage Harvested	Yield Per Acre	Production (clean seed)	Average Price	Value of Production
	<u>1,000 acres</u>	<u>lbs.</u>	<u>1,000 lbs.</u>	<u>Per cwt. Dollars</u>	<u>1,000 Dollars</u>
1962	115	350	40,250	39.90	16,060
1963	104	415	43,160	33.80	14,588
1964	106	450	47,700	32.70	15,598
1965	110	440	48,400	34.10	16,504
1966	105	420	44,100	38.20	16,846
1967	97	460	44,620	44.50	19,856
1968 (estimated)	98	500	49,000	-----	-----

\* Bob Sheesley, Farm Advisor, Fresno County  
E. A. Yeary, Farm Advisor, Statewide

Table #2

Alfalfa Seed: Acreage, Yield, Production, Farm Price, and Value  
United States Totals

Crop Year	Acreage Harvested	Yield Per Acre	Production (clean seed)	Average Price	Value of Production
	1,000 <u>acres</u>	<u>lbs.</u>	1,000 <u>lbs.</u>	Per cwt. <u>Dollars</u>	1,000 <u>Dollars</u>
Average 1962-66	687	193	131,505	34.27	45,065
1967	472	240	113,324	41.80	47,369
1968 (estimated)	562	203	113,873	-----	-----

Table #3\*\*

ALFALFA SEED SUPPLY: UNITED STATES, AVERAGE 1962-66, ANNUAL 1967 & 1968

Item	Average 1962-66	1967	Estimated 1968
	---1,000 pounds---		
Production	131,505	113,324	113,873
Farm carryover	8,344	5,360	5,665
Dealer carryover	28,337	28,922	30,077
Supply (production plus ( carryover )	168,186	147,606	149,615

\*\*Source: United States Department of Agriculture Statistical Reporting Service.

## NOTES ON USING COST ANALYSIS WORK SHEETS

These worksheets 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. 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 worksheet, as well as a cost guide.

If the grower owns all of the business assets outright, then interest charges that are indicated would return to him as income, or reduce the cash requirements for production accordingly.

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

ALFALFA SEED PRODUCTION  
Cost Analysis Work Sheet 1968

Sample costs to produce Certified Alfalfa Seed on the West Side of Fresno County. Based on a yield of 600 pounds of cleaned seed per acre. Man labor \$1.75 per hour total and equipment operator \$1.90. Seventy horsepower-tracklayer per hour cash costs \$3.50, depreciation-\$1.50 and interest-90¢. Medium wheel tractor \$1.20, 60¢, and 30¢.

	Sample Costs		My Costs	
	Per Acre	Per Pound	Per Acre	Per Pound
<u>Pre-harvest Cash Costs</u>				
Field clean up: Combine wind rows 1/2 hour per acre man and wheel tractor		.39		
Burner: Contact \$1.75 per acre		1.75		
Chisel lx: 1/3 hour per acre man and tracklayer		1.80		
Irrigate: Fall irrigation 1 1/4 ac. ft.		9.38		
winter irrigation 3/4 ac. ft.		5.62		
2 summer irrigations 1 ac. ft.		7.50		
water cost \$7.50/acre ft.				
labor: 11 hours total		19.25		
Disc or harrow: Fall 2x; spring 1x 1/2 hour man and tracklayer		2.70		
Furrow out and cultivate 1/2 hour man and wheel tractor		1.55		
Cultivate 2x: 1/2 hour man and wheel tractor		1.55		
Chemical weed control; custom		11.50		
Clip back: Flail chopper 1/2 hour per acre man and wheel tractor		1.55		
Miscellaneous tractor work: 1/2 hour man and tracklayer		2.70		
*Insect control: Materials		*25.00		
5 applications at \$2.00		10.00		
Bee rental: 3 strong colonies at \$5.50		16.50		
Defoliation: contract		5.50		
Taxes: estimate		10.50		
Repairs to equipment except tractors		5.00		
Office and business expense		8.38		
<u>Total Pre-harvest Cash Costs</u>		148.12	24.7¢	

Harvesting and Processing Costs

Harvest and haul: 600 lbs. clean seed at 2¢.		12.00		
Cleaning and bagging: \$1.50 cwt. field run; 750 lbs. at \$1.50		11.25		
Re-run: 60 lbs. at \$1.50 cwt.		.90		
Bags: 50¢ cwt. clean seed		3.00		
Fees: Certification Fee and certified seed council, 25¢ cwt. clean seed		1.50		
Field inspection: 20¢ per acre		.20		
<u>Total Harvesting and Processing Costs</u>		28.85	4.8¢	
<u>Total Cash Costs</u>		176.97	29.5¢	

\*In the Huron-Five Points area, add \$10.00 per acre to this figure.

ALFALFA SEED PRODUCTION (continued)

	Sample Costs		My Costs	
	Per Acre	Per Pound	Per Acre	Per Pound
<u>Depreciation</u>				
Establish Stand				
Deep plow or chisel	2.70			
Disc 3x:	5.40			
Land plane 2x:	2.70			
Float 1x:	1.35			
List beds	1.55			
Cultipak	.78			
Plant	1.37			
Seed: 3/4 lb. at \$2.50	1.88			
Irrigate: Water	7.50			
Labor	3.50			
Weeding; and herbicide	20.95			
Miscellaneous overhead	2.70			
Interest and depreciation on equipment	8.33			
Total				
				\$60.71
Stand Depreciation; 3 year life	20.24			
Irrigation Equipment and well				
\$240 cost, 12 years	20.00			
Tractors: Crawler: 1 1/2 hours at \$1.50	2.25			
Wheel: 1 5/8 hours at 60¢	.98			
Other equipment: \$24 Cost, 10 years	2.40			
Total Depreciation	\$45.87	7.6¢		
<u>Interest on Investment at 7 Percent</u>				
Irrigation system and well: 1/2 cost \$120.	8.40			
Tractors: Crawler: 1 1/2 hours at 90¢	1.35			
Wheel: 1 5/8 hours at 30¢	.49			
Other equipment: 1/2 cost at \$12.00	.84			
Stand: 1/2 cost, \$30.36	2.12			
Land: \$500	35.00			
Total Interest on Investment	48.20	8.0¢		
Total Cost of Production	271.04	45.1¢		

SAMPLE COSTS AT VARYING YIELDS

Yield: lbs. Per acre	Average					Exceptional			
	400	500	600	700	800	900	1000	1200	1400
Cash Costs									
Per Acre \$	167.42	172.20	176.97	181.75	186.52	191.30	196.07	205.62	215.17
Per Pound ¢	41.8	34.4	29.5	26.0	23.3	21.3	19.6	17.1	15.4
Total All Costs									
Per Acre \$	261.49	266.27	271.04	275.82	280.59	285.37	290.14	299.69	309.24
Per Pound ¢	65.4	53.2	45.1	39.4	35.1	31.7	29.0	25.0	22.1

## ALFALFA SEED PRODUCTION-1968

Sample Expense Flow Sheet for the First Year--Including Stand EstablishmentCosts Per Acre

Activity	Sept	Oct.	Nov.	Dec.	Jan.	Feb.	Mar	Apr	May	June	July	Aug.	Total
Land Preparation	13.70	1.55											15.25
Irrigation	11.00			7.00				7.00		7.00	7.00		39.00
Seed and Planting		3.25											3.25
Weed Control		15.70					5.25						20.95
Tillage								1.55		1.55			3.10
Clip Stand								1.55					1.55
Insect Control									7.00	7.00	14.00	7.00	35.00
Pollination												16.50	16.50
Defoliation												5.50	5.50
Field Inspection Fee							.20						.20
Harvest and Processing												28.65	28.65
Field clean-up												2.14	2.14
Taxes				5.25				5.25					10.50
Repairs					2.50	2.50							5.00
Office and Business Expenses	.92	.92	.92	.92	.92	.92	.92	.92	.92	.92	.92	.92	11.04
<b>Sub-Total Cash Costs</b>	<b>25.62</b>	<b>21.42</b>	<b>.92</b>	<b>13.17</b>	<b>3.42</b>	<b>3.42</b>	<b>6.37</b>	<b>16.27</b>	<b>7.92</b>	<b>16.47</b>	<b>21.92</b>	<b>60.71</b>	<b>197.63</b>
Depreciation	2.13	2.13	2.13	2.13	2.14	2.14	2.14	2.14	2.14	2.14	2.14	2.13	25.63
Interest on Investment	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	46.08
<b>Total Costs Per Area</b>	<b>31.59</b>	<b>27.39</b>	<b>6.89</b>	<b>19.14</b>	<b>9.40</b>	<b>9.40</b>	<b>12.35</b>	<b>22.25</b>	<b>13.90</b>	<b>22.45</b>	<b>27.90</b>	<b>66.68</b>	<b>269.34</b>

Convert to cash flow by applying crop income to cost figures.

ALFALFA SEED PRODUCTION

Sample Expense Flow Sheet for Second or Third Year

(This is a companion sheet to be used with the first-year expense flow. This sheet does not include interest or depreciation on the stand. Costs of establishment are included on the first-year expense flow.)

Activity	Sept	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr	May	June	July	Aug.	Total
Chisel	1.80												1.80
Irrigation		16.38		10.87					7.25		7.25		41.75
Tillage			1.80	.77		.90			1.55		.78		5.80
Chemical Weed Control				11.50									11.50
Clip Stand								1.55					1.55
Miscellaneous Tractor Work							2.70						2.70
Insect Control									7.00	7.00	14.00	7.00	35.00
Pollination												16.50	16.50
Defoliation												5.50	5.50
Field inspection							.20						.20
Harvest and Processing												28.65	28.65
Field clean-up												2.14	2.14
Taxes and repairs				5.25	2.50	2.50		5.25					15.50
Office and Business Expenses	.70	.70	.70	.70	.70	.70	.70	.70	.70	.70	.69	.69	8.38
<b>Sub-Total Cash Costs</b>	<b>2.50</b>	<b>17.08</b>	<b>2.50</b>	<b>29.09</b>	<b>3.20</b>	<b>4.10</b>	<b>3.60</b>	<b>7.50</b>	<b>16.50</b>	<b>7.70</b>	<b>22.72</b>	<b>60.48</b>	<b>176.97</b>
Depreciation	2.13	2.13	2.13	2.13	2.14	2.14	2.14	2.14	2.14	2.14	2.14	2.13	25.63
Interest on Investment	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	48.08
<b>Total All Costs</b>	<b>8.47</b>	<b>23.05</b>	<b>8.47</b>	<b>35.06</b>	<b>9.18</b>	<b>10.08</b>	<b>9.58</b>	<b>13.48</b>	<b>22.48</b>	<b>13.68</b>	<b>28.70</b>	<b>66.45</b>	<b>248.68</b>

Convert to cash flow by applying crop income to cost figures.



Table #4

SAMPLE COSTS OF PRODUCTION AT THE INDICATED YIELDS OF  
CLEANED SEED PER ACRE WITH VARYING WATER COSTS

Yield: Pounds of Cleaned Seed Per Acre	Total cost of alfalfa seed per pound at the indicated water cost per acre foot.							
	\$6.00	\$7.50	\$8.00	\$10.00	\$12.00	\$14.00	\$16.00	\$18.00
400	64.2¢	65.4¢	65.8¢	67.2¢	68.8¢	70.2¢	71.8¢	73.2¢
500	52.4	53.2	53.6	54.8	56.0	57.2	58.4	59.6
600	44.4	45.1	45.4	46.4	47.4	48.4	49.4	50.4
700	38.8	39.4	39.6	40.5	41.3	42.2	43.0	43.9
800	34.5	35.1	35.3	36.0	36.8	37.5	38.3	39.0
900	31.2	31.7	31.9	32.5	33.2	33.9	34.5	35.2
1,000	28.6	29.0	29.2	29.8	30.4	31.0	31.6	32.2
1,200	24.6	25.0	25.1	25.6	26.1	26.6	27.1	27.6
1,400	21.8	22.1	22.2	22.6	23.0	23.5	23.9	24.3

\*Investment per acre in the irrigation system was assumed to be constant.

Table #5

SAMPLE COSTS TO PRODUCE 600 LBS. OF CLEANED SEED PER  
ACRE AT A WATER COST OF \$7.50 PER ACRE FOOT AT VARYING  
LAND INVESTMENTS. ALL OTHER COSTS ARE ASSUMED TO BE CONSTANT.

Actual Investment Per Acre in Land	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800
Total Seed Costs in Cents Per Pound	40.5	41.7	42.8	44.0	45.1	46.3	47.5	48.7

1720 S. Maple Street, Fresno, California 93702

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