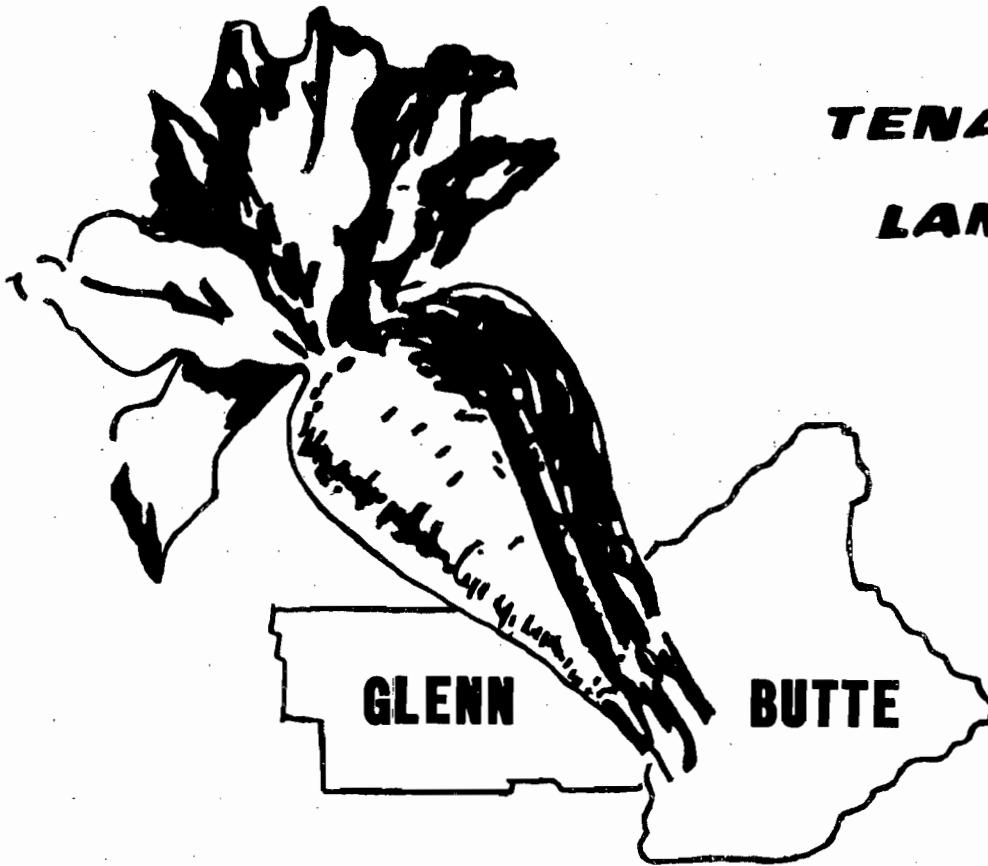


SUGARBEET

PRODUCTION COSTS

**TENANT
LANDOWNER
BASIS**



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Assumptions of Sugar Beet Cost Study

1. Every operation of every grower in Butte and Glenn Counties is not necessarily the same. Therefore, the cost study is an effort to provide a basis rather than an absolute program of the cost of growing sugar beets.

These sample costs to produce sugar beets in the two-county area designated may not represent the cost of any one individual grower. However, this cost study should serve as a useful guide in reviewing the typical costs and practices in sugar beet production. Growers are encouraged to make use of the column "Your Costs" provided to permit a comparison of the sample costs in this study with individual grower costs.

Grower representation from Glenn and Butte Counties participated in furnishing information for compiling the basic information for this study. Appreciation is expressed to these growers.

2. This cost study is based on a 1,500 acre field crop operation with 250 acres of sugar beets. Other crops grown on the ranch may include one or more of the following crops: grain crops, alfalfa hay, legume seed, grain sorghum, field corn, beans, safflower, rice, etc. Much of the equipment listed will be used on the entire acreage sometime during the year.
3. In allocating the equipment cost per acre in the equipment list, the following calculations were made: (a) "Original Cost" of equipment is the estimated new cost and includes 6% 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 "Per Acre Cost" divided by the expected life of the equipment; (d) "Interest" on investment is figured on one-half of the new cost per acre multiplied by 13%.
4. Overhead costs are estimated to be about 10% of the total cultural and harvest costs. They include such costs as preparing roadways, general weed control, office, bookkeeping, liability insurance, etc.
5. Labor costs are based on a \$7.00 hourly rate for skilled labor and \$5.20 hourly rate for irrigator. Included are cash wages, compensation insurance, Social Security, unemployment insurance and other benefits that the employer might pay.
6. Practices such as insecticide and fungicide applications and certain herbicide applications may not always be necessary every year or on the entire acreage every year. However, a reasonably complete pesticide program is included in this study.
7. Percent sucrose and net selling price of sugar determine the per ton return on sugar beets. As these factors vary, changes in returns per ton for sugar beets will change accordingly. For this study a value of \$35.00 per ton is used which reflects strictly an estimate of a proposed 1984 return based on estimated potential sugar prices for 14% sugar.

SAMPLE COSTS TO PRODUCE SUGAR BEETS
Glenn & Butte Counties - 1984

| Operation | Hours per Acre | Cash and Labor Costs Per Acre | | | Total Cost | Your Cost |
|---|---------------------|-------------------------------|---|---------------------|------------|-----------|
| | | Labor Fuel & Repairs | Materials | | | |
| | | | Kind & Quantity | Cost | | |
| Cultural Costs: | | | | | | |
| Stubble disc | 0.25 | 1.75 | 7.50 | | \$ 9.25 | |
| Offset disc(2x) | 0.20 | 1.40 | 5.20 | | 6.60 | |
| Laser touch up-contract | | | \$40 every 8 years | 5.00 | 5.00 | |
| Chisel | 0.20 | 1.40 | 5.45 | | 6.85 | |
| Triplane(2x) | 0.40 | 2.80 | 9.60 | | 12.40 | |
| List beds | 0.16 | 1.12 | 3.52 | | 4.64 | |
| Herbicide appl.-1/2 acreage | 0.10 | 0.70 | material - \$12.72 application | \$4.50 | 17.22 | 0.70 |
| Cultivate beds-1/2 acreage | 0.10 | 0.70 | 2.10 | | 2.80 | |
| Starter fertilizer | 0.16 | 1.12 | 3.20 | N-P-K \$27.72 | 27.72 | 32.04 |
| Plant - | 0.33 | 2.31 | 7.26 | 2# seed @ \$4.50/lb | 9.00 | 18.57 |
| 1/2 acreage (Jan. & Feb.) | | | herbicide band - | | | |
| 1/2 acreage & incorporate herbicide (March & April) | | | \$14.72/acre | 7.36 | 7.36 | |
| Irrigate up - 1/2 acreage | 0.50 | 3.50 | 1/2 of 8 ac ln/ac | 5.00 | 8.50 | |
| Early post emergence herb. | 0.20 | 1.40 | 3.80 | herbicide band | 16.47 | 21.67 |
| Hand thin & weed - contract | | | | 75.00 | 75.00 | |
| Fertilize | 0.25 | 1.75 | 5.00 | 100# N @ \$.21/lb | 21.00 | 27.75 |
| Cultivate (2x) | 0.50 | 3.50 | 10.00 | | 13.50 | |
| & bait 1/2 acreage | | | material \$21.20/ac | 10.60 | 10.60 | |
| Layby herbicide-1/2 acreage | 0.25 | 1.75 | 4.75 | material \$6.93/ac | 3.47 | 9.97 |
| Mildew control (3x) | | | material | 14.76 | 14.76 | |
| | | | aerial application | 18.00 | 18.00 | |
| Worm control | | | material | 11.10 | 11.10 | |
| | | | aerial application | 4.50 | 4.50 | |
| Irrigate (10x) | 7.00 | 36.40 | 50 acre inches | 62.50 | 98.90 | |
| Misc. downtime | 1.50 | 10.50 | | | 10.50 | |
| Interest on operating capital - 12.5% for 7 mo. | | | | 32.68 | 32.68 | |
| TOTAL CULTURAL COSTS | | 72.10 | 67.38 | 341.37 | \$ 480.85 | |
| Harvest costs: | | | | | | |
| Dig & top | | | Contract 26.4 tons/A @ \$2 per screened ton | | 52.75 | |
| Load & haul(15 miles) | | | Contract 27.4 gross tons | | 46.44 | |
| TOTAL HARVEST COSTS | | | | | \$ 99.19 | |
| Overhead costs: | | | | | | |
| Misc. office, bookkeeping, etc. | | | | | 58.00 | |
| Rent at 20% of 25 tons/acre @ \$35/ton | | | | | 175.00 | |
| TOTAL CASH OVERHEAD | | | | | \$ 233.00 | |
| INVESTMENT COSTS | | | | | | |
| | Investment per Acre | Annual Cost | | | | |
| | | Depreciation | Interest | | | |
| Equipment & building \$ 524500 | | \$32.02 | \$23.69 | | \$ 55.71 | |
| TOTAL COST PER ACRE | | | | | \$ 868.76 | |
| TOTAL COST PER TON @ 25 TON YIELD | | | | | \$ 34.75 | |

EQUIPMENT AND BUILDING LIST

| Equipment Name | Cost | Acres Used | Years of Life | -----COST PER ACRE----- | | |
|-------------------------------|-----------|---------------|------------------|-------------------------------|-----------------|-------|
| | | | | Depreciation Straight Line | Interest 13% | Total |
| Tractors: | | | | | | |
| 125 HP track diesel | 125000.00 | 1500.00 | 15.00 | 5.56 | 5.42 | 10.97 |
| 180-200 HP, 4WD diesel | 90000.00 | 1500.00 | 10.00 | 6.00 | 3.90 | 9.90 |
| 120 HP wheel diesel | 55000.00 | 1500.00 | 10.00 | 3.67 | 2.38 | 6.05 |
| 100 HP wheel diesel | 45000.00 | 1500.00 | 10.00 | 3.00 | 1.95 | 4.95 |
| Disk, 12' stubble | 18000.00 | 1000.00 | 15.00 | 1.20 | 1.17 | 2.37 |
| Disc, 21' offset | 18000.00 | 1500.00 | 15.00 | 0.80 | 0.78 | 1.58 |
| Chisel (heavy duty) 16' | 8000.00 | 1500.00 | 15.00 | 0.36 | 0.35 | 0.70 |
| Field cultivator 32'(used) | 7500.00 | 1500.00 | 7.00 | 0.71 | 0.33 | 1.04 |
| Spiketooth adjust. 30'(used) | 6000.00 | 1500.00 | 7.00 | 0.57 | 0.26 | 0.83 |
| Rolling cultivator, 6 row | 6000.00 | 1000.00 | 10.00 | 0.60 | 0.39 | 0.99 |
| Planter, sled & incorp. 6 row | 18000.00 | 10000.00 | 10.00 | 0.18 | 0.12 | 0.30 |
| Cultivator sled & equipment | 6000.00 | 1000.00 | 10.00 | 0.60 | 0.39 | 0.99 |
| Triplane, 16' (used) | 10000.00 | 1500.00 | 10.00 | 0.67 | 0.43 | 1.10 |
| Bedding tools, 6 row | 3000.00 | 1000.00 | 15.00 | 0.20 | 0.20 | 0.40 |
| Ditcher, 5' | 4000.00 | 1500.00 | 20.00 | 0.13 | 0.17 | 0.31 |
| Saddle tanks (2 sets) | 8000.00 | 1000.00 | 10.00 | 0.80 | 0.52 | 1.32 |
| Tool carrier (used) | 4000.00 | 1500.00 | 20.00 | 0.13 | 0.17 | 0.31 |
| Bait applicator | 1000.00 | 500.00 | 10.00 | 0.20 | 0.13 | 0.33 |
| Truck (used) | 6000.00 | 1500.00 | 10.00 | 0.40 | 0.26 | 0.66 |
| Pickup | 10000.00 | 1500.00 | 5.00 | 1.33 | 0.43 | 1.77 |
| 2 pickups (used) | 6000.00 | 1500.00 | 3.00 | 1.33 | 0.26 | 1.59 |
| Siphons & irrigation equip. | 3000.00 | 250.00 | 7.00 | 1.71 | 0.78 | 2.49 |
| Shop tools | 10000.00 | 1500.00 | 15.00 | 0.44 | 0.43 | 0.88 |
| Buildings | 50000.00 | 1500.00 | 30.00 | 1.11 | 2.17 | 3.28 |
| Misc. equip. (fuel tank) | 7000.00 | 1500.00 | 15.00 | 0.31 | 0.30 | 0.61 |
| TOTAL | 524500.00 | | | 32.02 | 23.69 | 55.71 |

