

SAMPLE COSTS TO PRODUCE DRYLAND ALFALFA HAY
SISKIYOU COUNTY
1974

| Operation | Hours Per Acre | Cash and Labor Cost per Acre | | | | Total |
|--|----------------------|--------------------------------|-------------------|-------------------------------|-----------------------|--------------|
| | | Labor \$3/hr | Fuel & Repairs | Material Kind and Quantity | Cost | |
| <u>Cultural Costs</u> | | | | | | |
| Spray weevils (contract) | | | | Fly \$2.50+Furadan | \$1.25 | 4.15 |
| Fertilizer (contract) | | | | Spread | 1.25 | |
| | | | | Sulfur | 2.00 | |
| | | | | Single Super-phosphate | 4.50 | |
| | | | | everyother year) | <u>7.75</u> | 3.88 |
| TOTAL CULTURAL COSTS | | | | | | 8.03 |
| <u>Harvest Costs</u> | | | | | | |
| Swath 1 time | .25 | .75 | 1.03 | | | 1.78 |
| Bale 1 time | .25 | .75 | .56 | Wire \$3.35 x 1 ton | | 4.66 |
| | | | | @ \$55 per roll | | |
| Haul (contract) | | | | \$4/ton x 1 ton | | 4.00 |
| TOTAL HARVEST COST | | | | | | 10.44 |
| <u>Cash Overhead</u> | | | | | | |
| Misc., Office, etc. | | x 6% of cash cost | | | | 1.10 |
| Taxes \$230 x 25% | | x \$7 rate + machinery tax 48¢ | | | | 4.54 |
| TOTAL CASH OVERHEAD | | | | | | 5.64 |
| TOTAL CASH COST | | | | | | 24.11 |
| Management 5% of 1 ton @ \$50 | | | | | | 2.50 |
| <u>Investment</u> <u>Per Acre</u> <u>Annual Cost</u> | | | | | | |
| Land | _____ | | | <u>Depreciation</u> | <u>Interest @ 10%</u> | |
| Equipment | _____ | | | <u>Repayment</u> | | |
| Stand | _____ | | | _____ | _____ | |
| Total | _____ | | | _____ | _____ | |
| Cost per ton at 1 ton per acre yield | | | | | | _____ |

Under investment - land costs may vary from \$100 to \$250 per acre. I would suggest that for your comparison that you put in your repayment cost per acre per year under interest.

Equipment investment would be a minimum of \$25,000 to \$30,000 for a swather, 2-wire baler, 35 hp tractor, and siderake. Divide this cost by number of acres to get investment per acre. Depreciation costs should be figured by dividing cost per acre of equipment by life. Interest cost of equipment can be your actual costs divided by acres of use for your annual cost.

The usual cost for depreciation is from \$7 to \$12 per acre and interest is from \$5 to \$10 per acre for interest on equipment

It is safe to figure \$40 to \$50 per acre to establish an alfalfa stand to point of production.

The usual cost of producing dryland hay will vary from \$35 to \$65 per acre depending on land costs and interest payments.