

SAMPLE COSTS OF GROWING IRRIGATED SMALL GRAINS IN MADERA COUNTY

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The table on the opposite page shows sample costs of growing irrigated barley or wheat in Madera County. These costs are based on good management practices on a farm having about 40 acres of grain yielding $1\frac{1}{2}$ tons per acre and grown as a double crop followed by beans, silage corn or grain sorghum, and grown in rotation with alfalfa, cotton, or other field crops. Because land used for small grain is usually double cropped, only one-half of the annual interest, depreciation and taxes are charged to the grain crop.

Since many variations, such as size of operation, cultural practices, location, soils, water, weeds, and insect pests all have an influence on costs, the figures given can only be approximate costs. You can make the best use of this information by placing your own costs in the spaces provided. Analyzing all of your crops in such a manner may help you to determine your most profitable cropping system or how new crops will fit into your rotation.

These costs are based on an owner-operator management. Where your crops are grown on a cash or crop share rental basis, rent should be substituted for interest on land, interest and depreciation on buildings and irrigation system, land taxes and any other items paid for by the land owner.

For simplicity, where it is desired merely to compare costs of two or more crops on the same ranch, only the cash costs need be considered. Other non-cash and overhead expenses may likely be the same for several crops.

Regular farm labor has been figured at \$1.15 and contract labor at \$1.00 per hour. In figuring your hired labor costs, other benefits to laborers, such as housing, utilities and farm produce should be included. Tractor and machinery costs have been divided into cash costs under cultural practices and into depreciation and interest on investments.

Interest on investments is shown at 6%. Even if property is free from indebtedness, this item should be included in costs comparable to income that might be obtained from equivalent investments in other securities or income producing property.

EFFECT OF YIELD AND VARYING PRICES ON NET PROFITS PER ACRE

Yield Tons Per Acre	Net Profit Per Acre At Varying Price Per Ton Of Grain							
	\$25	\$30	\$35	\$40	\$45	\$50	\$55	\$60
1	-\$30.00	-\$25.00	-\$20.00	-\$15.00	-\$10.00	-\$5.00	-0-	\$5.00
1.5	-17.50	-10.00	-2.50	5.00	12.50	20.00	\$27.50	35.00
2.0	-5.00	5.00	15.00	25.00	35.00	45.00	55.00	65.00
2.5	7.50	20.00	32.50	45.00	57.50	70.00	82.50	95.00
3.0	20.00	35.00	50.00	65.00	80.00	95.00	110.00	125.00

(over)

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SAMPLE COSTS TO PRODUCE IRRIGATED SMALL GRAINS IN MADERA COUNTY

Yield - 1½ Tons Per Acre

Operation	Hours Per Acre	Cash and Labor Cost Per Acre			Total	Your Costs
		Labor	Fuel and Repairs-Equip.	Material & Other Costs		
Cultural:						
Land Preparation	2.0	\$2.30	\$2.20		\$4.50	
Fertilize (broadcast)	.5	.60	.65	40# N @ 12¢	\$4.80	6.05
Plant (broadcast or drill)	.5	.60	.65	80# Seed @ \$4.00 cwt.	3.20	4.45
Irrigate: 2 crop	2.0	2.30	1.00	1 Acre ft., tax & power	4.50	7.80
Miscellaneous		.60	.65		.50	1.75
Taxes (1/2 of annual)					3.00	3.00
Total Cultural Costs		\$6.40	\$5.15	\$16.00	\$27.55	
Harvest:						
Combine				Contract	\$6.00	
Haul				Contract @ \$2.00 per ton	3.00	\$9.00
Total Harvest Costs					\$9.00	
Total Cash and Labor Costs					\$36.55	
INVESTMENT						
	Per Acre	Annual Cost				
		½ of Depreciation	½ of Interest @ 6%			
Land	\$400	--	\$12.00			
Irrigation System	40	\$1.00 (20 yrs)	.60			
Buildings	40	1.00 (20 yrs)	.60			
Tractor & Truck	30	1.50 (10 yrs)	.45			
Equipment	20	1.00 (10 yrs)	.30			
Total	\$530	\$4.50	\$13.95			\$18.45
		Total Cost Per Acre			\$55.00	
		Cost Per Ton @ 1½ ton yield			36.67	