

= Cost of prod. studies =
rangeland

SAMPLE COSTS TO PRODUCE

UNIMPROVED SAGEBRUSH

RANGE

AND

IMPROVED SAGEBRUSH

RANGE

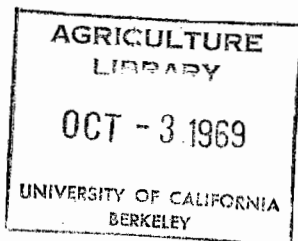
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SAMPLE COSTS TO PRODUCE PASTURE FROM
UNIMPROVED SAGEBRUSH RANGE

<u>CASH COSTS</u> (Includes labor)	<u>PER ACRE</u>
Repairs- Fence & water facilities	\$ 0.25
Taxes - \$25/acre market value	
X 25% @ \$7 rate	0.44
Miscellaneous - Rodent control	<u>0.10</u>
TOTAL CASH COST PER ACRE -	\$ 0.79

INCOME

Assume 10 acres required to carry
 one yrlg. steer for 4 mo., &
 \$3 per acre pasture rate.

4 mo. @ \$3 per mo. ÷ 10 acres =	1.20
TOTAL INCOME PER ACRE -	1.20
LESS PER ACRE CASH COST -	<u>0.79</u>
PER ACRE INCOME ABOVE CASH COSTS -	\$ <u>0.41</u>

INVESTMENT COSTS VALUE PER ACRE

Land (Unimproved)	\$ 25.00
Fences	<u>5.00</u> (20 years)
Total -	\$ 30.00
Interest @ 6% (land 1.50, fence 0.15)	1.65
Depreciation (fence 0.25)	<u>.25</u>
TOTAL INVESTMENT COST PER ACRE -	1.90
LESS INCOME ABOVE CASH COST -	<u>.41</u>

NET RETURN PER ACRE - MINUS \$ 1.49

SAMPLE COSTS TO PRODUCE PASTURE FROM
IMPROVED SAGEBRUSH RANGE

<u>CASH COSTS</u> (Includes labor)	<u>PER ACRE</u>
Repairs- Fence & water facilities	\$ 0.25
Taxes - \$100/acre market value	
X 25% @ \$7 rate	1.75
Miscellaneous - Rodent control	<u>0.10</u>
TOTAL CASH COST PER ACRE -	\$ 2.10

INCOME

Assume 3 acres required to carry
one yrlg. steer for 4 mo., &
\$3 per acre pasture rate.

4 mo. @ \$3 ÷ 3 acres =	4.00
TOTAL INCOME PER ACRE -	4.00
LESS PER ACRE CASH COST -	<u>2.10</u>
PER ACRE INCOME ABOVE CASH COSTS -	\$ <u>1.90</u>

<u>INVESTMENT COSTS</u>	<u>VALUE PER ACRE</u>
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Land (Improved)	\$100.00
Water development	1.00 (20 years)
Fences	<u>5.00 (20 years)</u>
Total -	\$106.00
Interest @ 6% (land \$6, water .03, fence .15)	6.18
Depreciation (water .05, fence .25)	<u>.30</u>
TOTAL INVESTMENT COST PER ACRE -	6.48
LESS INCOME ABOVE CASH COST -	<u>1.90</u>
NET RETURN PER ACRE -	<u>MINUS \$ 4.58</u>

These are sample costs and as such should be used as a guide to help producers determine what their costs and returns may be. The costs shown here represent one range type and situation. It is hoped that producers may be able to alter these figures to fit whatever situation they may have.

Each sheet shows two different per acre income figures. One is income minus cash costs only. The other is net income after interest and depreciation have been deducted. No allowance has been made for management.

The big cost item is interest on the investment in land. If this land is not paid for, then this interest becomes a cash cost and should be handled differently.