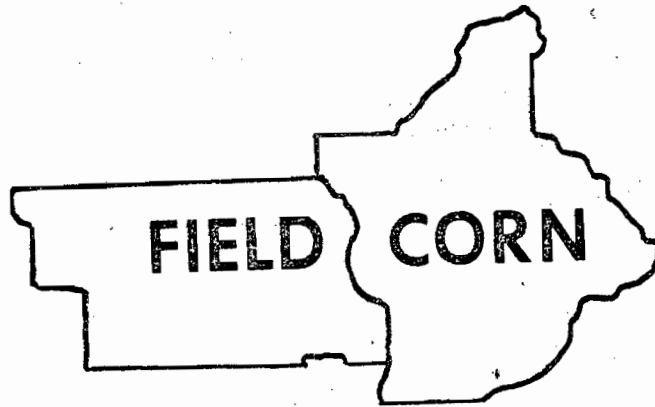


# SAMPLE COSTS OF PRODUCTION



BUTTE AND GLENN COUNTIES

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## BASIS OF FIELD CORN COST STUDY

1. This study is based on a hypothetical 1,500 acre field crop operation with 500 acres of field corn. Other crops grown on the ranch may include one or more of the following: grain, alfalfa hay, grain sorghum, sugar beets, dry beans, safflower. Much of the equipment is used on the entire acreage some time during the year.

These sample costs may not represent the cost of any one individual grower but should serve as a useful guide in reviewing the typical costs in field corn production. Production operations will vary from year to year and some costs will not be the same for all growers. Insecticide, herbicide and fertilizer rates and costs may also be different.

2. Labor costs are based on an hourly rate of \$7.00 for skilled labor and \$5.20 for irrigators. Included are cash wages, compensation insurance, social security and other benefits that the employer might pay.
3. Equipment operating costs are listed under fuel and repair. Included is the cost of fuel, maintenance, replacement parts, tires, etc. Tractor charges per hour are: 120 HP track diesel \$20.00 and 80-90 HP track diesel \$18.00, 100 HP wheel diesel \$12.00 and 80-90 HP wheel diesel \$11.00.
4. Harvest costs - For reasons of simplicity, we used a landlord-tenant operation with a 75-25 division of the crop. The crop was sold "roadside" at 20% moisture and dried to 14% moisture at a cost of \$7/ton. The landlord pays his own drying costs.
5. Miscellaneous 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, etc.
6. Investment cost - In allocating the equipment cost per acre, 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 12%. (e) The investment cost per acre is calculated as 60% of the cost of all new equipment to reflect a mix of new and used equipment.
7. Storage costs are about 35 cents per cwt for the season but are not included in this cost study.
8. Growers from Glenn and Butte counties participated in furnishing information for compiling the basic information in this study. Some information was obtained from agricultural supply sources. Appreciation is expressed to them for their time and help.

**SAMPLE COSTS TO PRODUCE FIELD CORN**

Butte & Glenn Counties 1984

Labor rate \$ 7.00 /hr. tractor operator  
5.20 /hr. Irrigators

Operation	Hours per Acre	Labor	Cash and Labor Costs per Acre			Total Cost	Your Cost
			Fuel & Repairs	Kind and Quantity	Materials Cost		
<b>Cultural costs:</b>							
Stubble disk 2x	.50	3.50	14.50			18.00	
Landlevel 2x (every other year)	.30	2.10	7.50			9.60	
Chisel or offset 2x	.32	2.24	7.68			9.92	
Fertilize-Inject N	.20	1.40	3.60	Aqua 200 lbs. @ \$.1975	39.50		
				Rent rig	2.50	47.00	
Triplane	.20	1.40	4.60			6.00	
Disk or springtooth	.20	1.40				1.40	
List beds	.15	1.05				1.05	
Pre-irrigate	.85	4.42		6 ac in @ \$10/ac ft	5.00	9.42	
Roll beds 2x (rolling cultivator)	.40	2.80	6.40			9.20	
Plant & apply starter fert. & herb.	.60	4.20	12.60	starter fertilizer	25.20		
				seed	23.00		
				band herbicide	6.80	71.80	
Cultivate & furrow out	.20	1.40	3.20			4.60	
Irrigate 7x	5.60	29.12		3 1/2 acre feet @ \$10/AF	35.00	64.12	
Ditch preparation & maintenance 2x	.07	.49				.49	
wee control				custom airplane miticide	4.25 14.65	18.90	
Misc. labor&downtime	1.00	7.00				7.00	
Shred stalks	.20	1.40	12.50			13.90	
Interest on operating capital @ 14% for 6 mo.						20.47	
<b>TOTAL CULTURAL COSTS</b>	<b>10.79</b>	<b>63.92</b>	<b>60.08</b>		<b>168.40</b>	<b>312.87</b>	
<b>Harvest costs:</b>							
Combine	.45	3.15	11.25			14.40	
Bankout (haul to roadside)	.45	3.15	2.25			5.40	
Drying (3/4 of crop)			3.23	tons dried from 20% moisture to 14%	22.58	22.58	
<b>TOTAL HARVEST COSTS</b>						<b>42.38</b>	
<b>Cash overhead:</b>							
Ice, telephone, etc.						35.52	
Rent				25% * 8000 lbs. @ 14% moisture = 2000 lbs. @ \$6.50/cwt.	130.00	130.00	
<b>TOTAL CASH OVERHEAD COSTS</b>						<b>165.52</b>	
<b>TOTAL CASH COSTS</b>						<b>520.77</b>	
<b>Investment</b>							
Equipment & buildings	Per Acre	394.25	Annual Cost	Depreciation	Interest @ 12%	59.04	
				35.39	23.65		
<b>TOTAL CASH COSTS PER ACRE</b>						<b>579.81</b>	
Cost per cwt. @ 80 cwt. yield						<b>7.25</b>	

## EQUIPMENT AND BUILDING LIST

ITEM	ORIGINAL COST	ANNUAL USE (ACRES)	COST PER ACRE	LIFE (YEARS)	OVERHEAD DEPREC- IATION	INTEREST AT 12%
<b>Tractors</b>						
120 HP track diesel	125000	1500	83.33	20	4.17	5.00
120 HP wheel diesel	53000	1500	35.33	10	3.53	2.12
100 HP wheel diesel	45000	1500	30.00	10	3.00	1.80
Plow 4-18 hydraulic 2-way	10000	750	13.33	10	1.33	.80
Disk, offset, 21'	18000	1500	12.00	10	1.20	.72
Tandem disk 21'	11600	1500	7.73	10	.77	.46
Rolling cultivator - 6 row	6000	1000	6.00	10	.60	.36
Planter, 6 row	6000	1000	6.00	7	.86	.36
Triplane - 16 ft.	16000	1500	10.67	15	.71	.64
Landleveler - 60 ft.	20000	1500	13.33	20	.67	.80
Bedding tools - 6row	3000	1000	3.00	10	.30	.18
Ditcher - 5 ft.	4000	1500	2.67	15	.18	.16
Saddle tanks - 2 sets	8000	800	10.00	10	1.00	.60
Tool carrier	5600	1500	3.73	20	.19	.22
Ditch plow, 3 bottom	3500	1500	2.33	10	.23	.14
Cultivator sled & equipment	6000	1250	4.80	15	.32	.29
Bean cutter, 6 row	5000	250	20.00	20	1.00	1.20
Windrower - 6 row	7500	250	20.00	10	2.00	1.20
Truck - 2 ton (used)	12500	1500	8.33	5	1.67	.50
Pickup - 3/4 ton	12000	1500	8.00	5	1.60	.48
2 pickups (used)	10000	1500	6.67	3	2.22	.40
Shop tools	12300	800	15.38	10	1.54	.92
Siphons & irrigation equip.	5400	1500	3.60	10	.36	.22
Shop tools	12300	1500	8.20	15	.55	.49
Buildings	50000	1500	33.33	30	1.11	2.00
Fuel tank, equipment, pump	7000	1500	4.67	10	.47	.28
<b>TOTAL COST</b>	<b>474700</b>		<b>372.44</b>		<b>31.57</b>	<b>22.35</b>
<b>60% OF NEW COSTS</b>	<b>284820</b>		<b>223.47</b>		<b>18.94</b>	<b>13.41</b>



