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UNIVERSITY OF CALIFORNIA  
AGRICULTURAL EXTENSION SERVICE

SAMPLE PRODUCTION COSTS - DRYLAND BARLEY, STANISLAUS COUNTY - 1966

Based on an Average Yield of 1700 lbs./A on Summer Fallow

Costs on a 2400 acre farm with 1200 in crop and 1200 fallow each year. Man labor @ \$2.00 per hour, including Soc. Sec. and Comp. Insurance. Heavy tractor figured at \$3.50 per hour cash cost.

E. E. Stevenson, Farm Advisor

Burt B. Burlingame, Extension Economist

Sample Costs      My Costs  
per acre      per cwt.      per acre per cwt.

PRE-HARVEST CASH AND LABOR COSTS:

Fallow Year:

Disc: 2 times @ 6.5 A/hr./time      0.30 hr. man  
and heavy tractor      \$ 1.65

Plow: Stockton gang @ 4.5 A/hr.      0.20 hr. man  
and heavy tractor      1.10

Pickup - use in summer fallowing      .08

Crop Year:

Fertilize - 150 lbs. 16-20 @ \$62/T + \$1.25 for  
plane application      5.90

Seed - 8 A/hr., 0.13 hr. for 1 man & heavy  
tractor, 100 lbs. @ \$3.80 for own seed      4.52

Pickup & 1½ ton truck - use in seeding      .08

Spray for radish - 25¢ 2,4-D, \$1/A plane      1.25

County Taxes on 2 years @ \$3.00/A/year      6.00

Misc. - Office, ins., int. on operating capital, etc.      1.50

Repairs to equipment, except tractor      1.50

Total Pre-Harvest Cash & Labor Costs      \$23.58      \$1.39

HARVESTING COSTS:

Combine and 1 man - Av. 25 A/12 hr. day      \$ 1.40

Hauling to storage - 1½ ton truck & man      1.20

Total Harvesting Costs      \$ 2.60      \$ .15

TOTAL CASH AND LABOR COSTS

\$26.18      \$1.54

DEPRECIATION:

Tractor, truck and pickup (orig. cost \$28/crop A.)      \$ 2.27

Buildings and shop (orig. cost \$4.17/crop A.)      .17

Other equipment including combine (orig. cost  
\$25/crop A.)      2.17

Grain storage & elevator (orig. cost \$6.25/crop A.)      .25

Total Depreciation      \$4.86      \$ .29

TOTAL CASH AND DEPRECIATION COSTS

\$31.04      \$1.83

INTEREST ON INVESTMENT @ 6%

Land - 2 yrs. @ \$200.00      \$24.00

Tractor, truck & pickup (av. val./crop acre = \$16)      .96

Bldgs. and shop (av. val. \$2.08/crop acre)      .12

Equipment, including combine (av. val. \$13.33/crop A.)      .80

Grain storage & elevator (av. val. \$3.13/crop A.)      .19

Total Interest      \$26.07      \$1.53

TOTAL COST OF PRODUCTION

\$57.11      \$3.36

Less Possible Credit for Stubble

-2.00      -.12

\$55.11      \$3.24

COSTS PER CWT. AT VARYING YIELDS - OWNERSHIP BASIS

(with same cultural costs)

| Yield In Lbs./A            |                                | 900    | 1200   | 1500   | 1800   | 2100   |
|----------------------------|--------------------------------|--------|--------|--------|--------|--------|
| With No<br>Stubble Credit  | Cash & Depreciation Costs Only | \$3.45 | \$2.59 | \$2.07 | \$1.73 | \$1.48 |
|                            | Total Costs                    | \$6.35 | \$4.76 | \$3.81 | \$3.17 | \$2.72 |
| \$200/A.<br>Stubble Credit | Cash & Depreciation Costs Only | \$3.22 | \$2.42 | \$1.93 | \$1.61 | \$1.38 |
|                            | Total Costs                    | \$6.12 | \$4.59 | \$3.67 | \$3.06 | \$2.62 |

The costs listed on the analysis sheet include a charge for the owner-operator's labor, trucks and office. Depreciation and interest are included on the equipment and buildings.

There is no charge for interest on investment in the figures on the upper line. If 6% is charged on the equipment and buildings and on a \$200 per acre evaluation for the land, the operation winds up in red ink. Note the above table shows that it costs \$3.67 per cwt. to produce barley with a 1500 lb./A yield. It would take a yield of about 1700 lbs./A to pay all these costs, including interest on investment, figuring interest on \$200 an acre land.

RETURNS TO THE RENTER

Much of our grainland is farmed on a rental basis. The following table is based on a one-third share going to the landowner who, we will assume, pays the county taxes on the land and one-third of the fertilizer and 2,4-D spraying costs and provides storage.

Net Income Per Acre Above Cash, Labor and Depreciation Costs --  
Share Rent and Ownership Basis. (No charges for interest on  
investment and no credit for stubble.)

| Av. Yield/A | Net Income/A<br>Share Rent Basis | Net Income/A<br>Ownership Basis |
|-------------|----------------------------------|---------------------------------|
| 900 lbs.    | -\$ 6.80                         | -\$ 7.60                        |
| 1200 lbs.   | - 1.60                           | --                              |
| 1500 lbs.   | 3.60                             | 8.00                            |
| 1800 lbs.   | 8.80                             | 16.00                           |
| 2100 lbs.   | 14.00                            | 24.00                           |

A 1200 acre farm with 600 acres of crop averaging 1500 lbs./acre would net \$2160 above cash, labor and depreciation costs on a share-rent basis, figuring barley at \$2.60 with storage. The same farm would return \$4800 for the man who owns his land. Self labor would add about another \$800 and stubble credit another \$1200 in both cases. This totals about \$6800 for the man who owns his own land but only about \$4160 for renter. When "interest on investment" is added, net income drops considerably and it takes a 2100 lb. yield to break even (on an ownership basis).