NET ACRE @ 2,000 LBS./ACRE AND VARYING GRAIN YIELDS

Price/CWT	$ 3.00	$ 3.50	$4.00	$4.50	$5.00	$ 5.50
Income/A	-$21.49	-$14.49	-$7.49	-$ .49	$6.51	$13.51

NET INCOME/A @ $4.00/CWT AND VARYING YIELD IN CWT/ACRE

CWT/A	10	15	20	25	30	35
Income/A	-$35.49	-$21.49	-$7.49	$6.51	$20.51	$34.51

RELATIONSHIP BETWEEN YIELD CWT/A, TOTAL COSTS/A @ $4.00/CWT

CWT/ACRE	10	15	20	25	30	35
Total Costs/A	$75	$81	$87	$93	$99	$105
Cost/CWT	$ 7.50	$ 5.40	$ 4.35	$ 3.72	$ 3.30	$ 3.00

MANAGEMENT INCOME FROM VARYING YIELDS @ $4.00/CWT GRAIN PRICE

Yield CWT/A	10	15	20	25	30	35
Cash,Dep.,Int.,Costs	$72	$78	$83	$ 92	$ 95	$100
Gross Income	40	60	80	100	120	140
Management Income/A	-$32	-$18	-$ 3	$ 8	$ 25	$ 40

Farm Advisor's Office
Glenn County

October 1977
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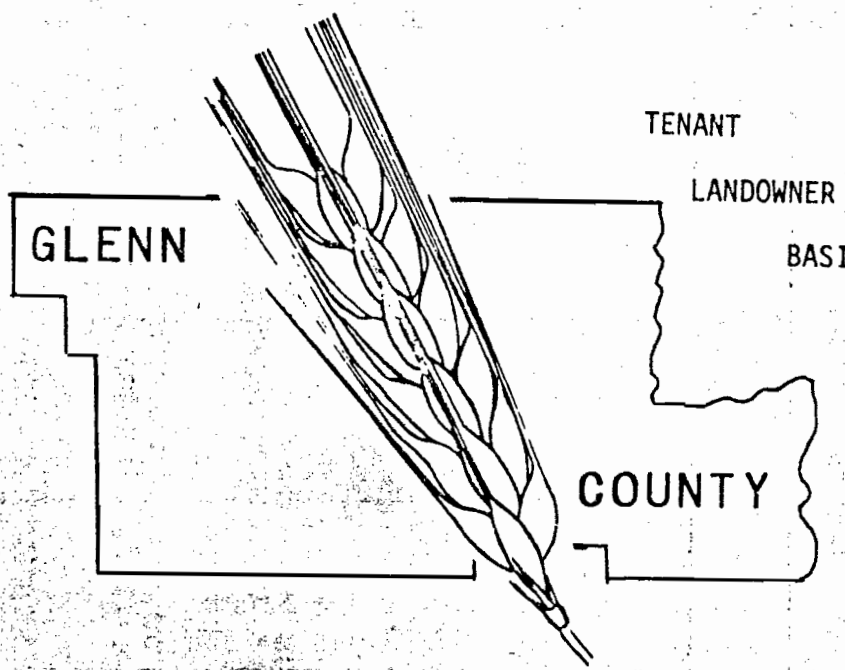
SAMPLE COSTS

TO PRODUCE

DRYLAND GRAIN



Robert L. Sailsbery
Farm Advisor

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Economist-Farm Management

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Agricultural Extension Service
Glenn County

1977

EQUIPMENT FOR DRYLAND GRAIN PRODUCTION IN GLENN COUNTY

Item	1977 Original Cost		Years Life	Annual Use (acres)	Fuel & Repairs Per Hr.	Non-Cash Overhead	
	Total	Per Acre				Depre-ciation	Interest @ 8%
Crawler tractor, 100-125 HP, diesel	$ 70,000	$35.00	20	2,000	$10.00	$1.75	$1.40
Crawler tractor, 70 HP, used, diesel	8,500	4.25	15	2,000	7.00	.28	.17
Disk, stubble, 12'	12,000	6.00	15	2,000	4.80	.40	.24
Disk, offset, 18', hydraulic	12,000	6.00	15	2,000	2.82	.40	.24
[illegible]rrow, spiketooth, cart & evener, 40'	5,500	2.75	20	2,000	1.86	.14	.11
Harrow, springtooth, 30'	4,500	2.25	20	2,000	2.10	.11	.09
(Chisel, 14') *	(3,000)	(3.00)	(20)	(1,000)	(1.32)	(.15)	(.12)
Bulk seeder, pull type	2,500	2.50	20	1,000	.50	.13	.10
Tool carrier	5,000	2.50	20	2,000		.13	.10
Bankout wagon, used	1,000	1.00	20	1,000		.05	.04
Bazooka, 6"	2,000	2.00	15	1,000		.13	.08
Combine, 16',SP,sidehill	50,000	50.00	15	1,000	14.15	3.33	2.00
Truck, 2 ton, used	6,000	3.00	10	2,000		.30	.12
Pickup, 1/2 ton	7,000	3.50	5	2,000		.70	.14
Buildings	10,000	5.00	30	2,000		.17	.20
[illegible]ls	3,000	1.50	15	2,000		.10	.06
TOTALS	$199,000	$127.25				$8.12	$5.09

*Inventoried as sometimes used on this size of operation, but not included in totals since this specific piece of equipment was not used in the cultural sequence selected for this sample study

SAMPLE COSTS TO PRODUCE DRYLAND GRAIN
GLENN COUNTY

YIELD - 2000 lbs/acre . . . . . YEAR 1977-78

	Hours Per Acre	Cash and Labor Costs Per Acre				Total	Your Cost Per/A
		Labor	Fuel and Repairs	Description of Materials	Total Materials		
Cultural Costs							
Stubble disk 1X	.4	$2.20	$6.04			$ 8.24	
Offset disk 2X	.4	2.20	5.25			7.45	
Harrow, spiketooth 2X	.1	.55	.89			1.44	
Harrow, springtooth 1X	.1	.55	1.24			1.79	
Seeding	.07	.39	.53	110 lbs. seed @ $6.00/cwt	$ 6.60	7.52	
Harrow, spiketooth	.05	.28	.61			.89	
Weed control (aerial)				Airplane @ $2.50 per acre + 10 oz. 2,4-D @ $1.50/A	4.00	4.00	
Fire Insurance, grain					.30	.30	
Misc. (downtime, move, service equipment)	.25	1.38	2.80			4.18	
TOTAL CULTURAL COSTS	1.37	$7.55	$17.36		$10.90	$35.81	
Harvest Costs							
Combine	.4	$2.20	$ 5.66				
Bankout				Roadside delivery @ 10¢/cwt	$ 2.00	$ 9.86	
TOTAL HARVEST COSTS	.4	$2.20	$ 5.66		$ 2.00	$ 9.86	
Cash Overhead							
Misc.: office, etc. (6% of cultural and harvest costs $45.67)						$ 2.74	
Taxes ($1.60) and insurance ($.27) on equipment and buildings						1.87	
Rent 25% of 2,000 lbs. @ $4.00/cwt						20.00	
TOTAL CASH OVERHEAD						$24.61	
TOTAL CASH COSTS						$70.28	
Management: 5% of 2,000 lbs. @ $4.00/cwt						$ 4.00	

INVESTMENT	Per Acre	Annual Costs: Depreciation	Annual Costs: Interest	
Equipment, tillage	$120.75	$7.85	$4.83	$12.68
Shop and tools	6.50	.27	.26	.53
TOTAL INVESTMENT COSTS	$127.25	$8.12	$5.09	$13.21

TOTAL COST PER ACRE	$87.49
Cost per cwt @ 2,000 lbs/A yield	$ 4.37

BASIS OF DRYLAND GRAIN COST STUDY

1. The cost study is based on a 1,000 acre dryland grain operation (barley, wheat or both) where the grower is renting the land and planting 1,000 acres each year. Normally the land planted will be on a 2 to 5 or more year frequency. A grower may be summer fallowing a comparable acreage. This study does not attempt to reflect a grain-sheep operation. The current prices of wheat and barley are somewhat similar. This cost study should serve to represent a basic input regardless of whether wheat or barley are being grown. This cost study is figured on a tenant-landowner basis with the landowner receiving 25% of the gross income from the grain and the tenant paying all production costs.

2. In allocating the equipment cost per acre in the equipment list, the following calculations were made: (a) unless otherwise indicated, "Original Cost" of equipment is the estimated new cost including 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 "Cost per Acre" divided by the expected life of the equipment; (d) "Interest" on investment is figured on one-half of the original cost per acre multiplied by 8%.

3. Miscellaneous expenses have been found to be about 6% of the total cultural and harvest costs. They include such costs as preparing roadways, general weed control, office, bookkeeping, interest on operating money, etc.

4. Labor costs are based on $5.00 hourly rate for labor basic to the operation. Included are cash wages, compensation insurance, Social Security and other benefits that the employer might pay.

5. On the sheet which inventories the equipment for this dryland grain operation, there is a column indicating "Cost per Hour." In the case of tractors and the combine, this represents an hourly operating cost including fuel and repairs. For the other pieces of equipment not requiring fuel, the "Cost per Hour" represents repairs only.

6. Management (what the grower's decision making is worth) is figured at 5% of the market value of the crop.

7. Dryland grain operations in Glenn County vary. These sample costs to produce dryland grain (barley or wheat) may not represent the cost of any one individual grower. However, this cost study should serve as a useful guide in reviewing the typical costs and practices in dryland grain production. Growers are encouraged to make use of the column "Your Costs Per/A" provided to permit a comparison of the sample costs in this study with individual grower costs.

   Each individual grower must decide on the use made of his labor input, his management fee and depreciation. Each of these items is listed separately and considered as production costs in this study.

8. Several Glenn County dryland grain growers cooperated in compiling the basic information for this study. Appreciation is expressed to these growers.