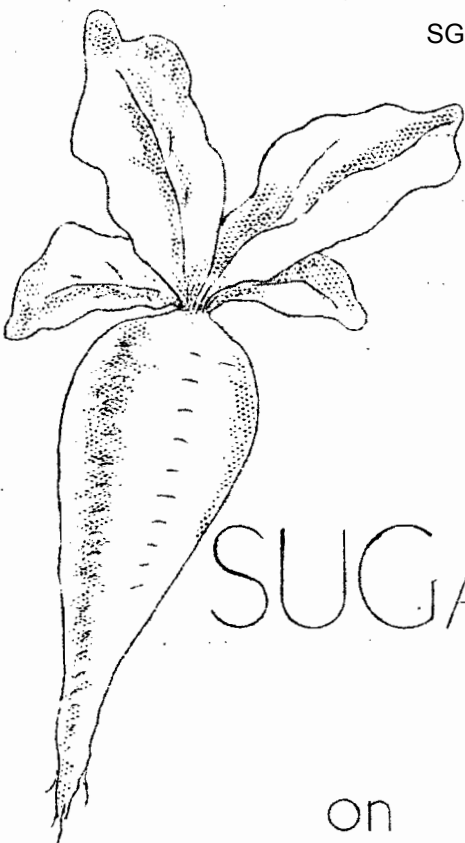


SG-SV-62-1

Sample Production Costs



SUGAR BEETS

on Class I & II
Mineral Soil

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SAMPLE COSTS TO PRODUCE SUGAR BEETS ON CLASS I & II MINERAL SOIL IN SACRAMENTO COUNTY

Rented Land - 1962

Yield 20 ton per acre

Price \$12.70 per ton

Gross Income \$254.00

Operation	Materials	Per Acre Total
Cultural:		
Fall:	Disk 2 times-----	\$ 4.60
	Plow-----	3.35
	Landplane 2 times-----	6.70
Spring:	Disk 2 times-----	4.60
	Float-----	2.20
	Pre-fertilize (1.00)-----120 lb. N @ 10¢ = (\$12.00)-----	13.00
	Plant (\$1.00)-----Seed 6 lb. @ .70¢ = (\$4.20)	
	Fertilizer 11-48-0 - 80 lb. @ 5¢ (\$4.00)	
	Pre-emergence tillam 1½ lb. @ \$4.00 = (\$6.00)-----	15.20
	Thin and hoe 2 times-----	40.00
	Cultivate 6 times-----	3.80
	Irrigate 8 times-----Water 4 acre ft. @ \$3.50-----	21.10
TOTAL CULTURAL COSTS		\$114.55
Harvest:		
	Dig - 20 ton @ \$1.50-----	\$ 30.00
	Haul 20 ton @ \$1.00-----	20.00
TOTAL HARVEST COSTS		\$ 50.00
	Rent - 1/5 of gross income-----	\$ 50.80
	Management - 10% of gross income-----	25.40
TOTAL ALL COSTS		\$240.70
COST PER TON		\$ 12.03

The following items included in the cost of production may be income to the grower:

1. The charge for management.
2. Labor performed by grower.
3. Interest on investment.

Net Returns per Acre at different yields and prices

Yield	Price per Ton				
	\$10.70	\$11.70	\$12.70	\$13.70	\$14.70
12	-54.68	-46.27	-37.86	-29.45	-21.04
16	-34.71	-23.51	-12.31	- 1.09	+10.09
20	-14.74	- .75	+13.30	+27.27	+41.22
24	+ 5.23	+22.01	+38.85	+55.62	+72.35
28	+25.20	+44.79	+64.38	+83.98	+103.57

BASIS OF COST STUDY:

These costs of production are based on a typical 700 acre operation with corn, tomatoes, grain sorghum, safflower, alfalfa and barley in rotation with the sugar beets. The costs of the individual operations include:

1. Labor at \$1.35 per hour which includes compensation insurance and social security.
2. 6% interest on an original investment of \$120 per acre in tractors, trucks and equipment.
3. Fuel and Repairs.
4. Depreciation of the \$120 investment based on a 10 year life.

The charge for management of 10% of gross income is based on 5% for cash costs such as office, travel, accounting, etc., and 5% for the management function itself.