

ALFALFA HAY PRODUCTION IN FRESNO COUNTY

Cost Analysis Worksheet - 1985

Sample costs to produce alfalfa hay in Fresno County. Field labor \$6.00 per hour and equipment operator \$7.00 per hour total costs to the grower. Wheel diesel tractor per hour cash costs \$12.40, depreciation \$2.80 and interest \$2.10.

Costs are based on a yield of 9 tons per acre, with a 3 year stand life on rented land.

	<u>Sample Costs</u>		<u>My Costs</u>	
	<u>Per Acre</u>	<u>Per Ton</u>	<u>Per Acre</u>	<u>Per Ton</u>
Pre-Harvest Cash Costs:				
Irrigate 13 times: labor 8 hrs.	\$ 48.00			
4 1/2 ft. water at \$25.00	112.50			
* Fertilize: 100 lbs. P ₂ O ₅	25.00			
Bulk spreading (200 lb/A)	4.20			
Weed control: herbicide and application	20.00			
Insect control: total cost	20.00			
Land Rent (includes taxes)	150.00			
Repairs, except tractor	20.00			
Misc. labor, materials and 1 hour tractor	20.00			
Interest on operating capital 13% - 1/4 year	21.13			
Office and business costs: 3% of cash costs	18.94			
TOTAL PRE-HARVEST CASH COSTS	459.77	51.09		
Harvest Costs:				
Cut and rake contract \$9.00 per ton	81.00			
Bale: contract \$10.50 per ton	94.50			
Roadside: contract \$4.00 per ton	36.00			
TOTAL HARVEST COSTS	211.50	23.50		
TOTAL CASH COSTS	671.27	74.59		
Depreciation:				
Irrigation system & equipment \$300 cost, 16 years	18.75			
Tractor: 1 hr.	2.80			
Stand: \$223.98 cost, 3 yrs.	74.66			
TOTAL DEPRECIATION	96.21	10.69		
Interest on Investment at 12%:				
Irrigation system: 1/2 cost, \$150	18.00			
Tractor: 1 hr.	2.10			
Stand: 1/2 cost \$111.99	13.44			
TOTAL INTEREST ON INVESTMENT	33.54	3.73		
TOTAL COST OF PRODUCTION	801.02	89.01		

No allowance has been included for the cost of management.

No income from sheep grazing has been included, although this is sometimes earned by hay growers.

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ALFALFA HAY PRODUCTION
Sample Costs of Production at Varying Yields - 1985

WATER - \$25/acre ft.

Yield: Tons Per Acre	Average			Exceptional	
	7	8	9	10	11
Cash Costs Per Ton	\$ 89.18	\$ 80.97	\$ 74.59	\$ 69.48	\$ 65.30
Total Costs Per Ton	\$107.72	\$ 97.19	\$ 89.01	\$ 82.45	\$ 77.09

Sample Costs of Production at Indicated Yields
Per Acre With Varying Water Costs

Yield: Tons Per Acre	Total Cost* of Alfalfa Hay Per Ton at the Indicated Water Cost Per Acre Foot			
	\$ 10.00	\$ 20.00	\$ 30.00	
7	Cash Cost/Ton	79.54	85.97	92.40
	Total Cost/Ton	98.08	104.50	110.93
8	Cash Cost/Ton	72.53	78.16	83.78
	Total Cost/Ton	88.75	94.38	100.00
9	Cash Cost/Ton	67.09	72.09	77.09
	Total Cost/Ton	81.50	86.50	91.50
10	Cash Cost/Ton	62.73	67.23	71.73
	Total Cost/Ton	75.70	80.20	84.70
11	Cash Cost/Ton	59.16	63.25	67.34
	Total Cost/Ton	70.96	75.05	79.14

* Investment and interest costs were assumed to be constant in this table.