

**SAMPLE COSTS TO PRODUCE DRYLAND GRAIN
SHASTA VALLEY, SISKIYOU COUNTY
JANUARY 1974**

Production data: Yield 1200 lbs.

Operation	Hours Per Acre	Cash and labor cost per acre				Total
		Labor	Fuel & Repairs	Materials Kind and Quantity	Cost	
<u>Cultural Costs</u>						
Plow (disc)	.5	1.45	2.60			4.05
Disc 2 times	.5	1.45	3.05			4.50
Fertilizer (contract rig)	.22	.64	.97	\$2 rent + 45 lbs rig NH ₃	13.70	15.31
Plant	.1	.29	.66	Wheat 60 lbs x 10¢	6.00	6.95
Spray weeds (contract)					2.50	2.50
TOTAL CULTURAL COSTS		3.83	7.28		22.20	33.31
<u>Harvest Costs</u>						
Combine	.5	1.45	3.78			5.23
Haul	.5	1.45	1.13			2.58
Storage, insurance, & shrink					3.00 per ton	1.80
TOTAL HARVEST COST		2.90	4.91			9.61
<u>Cash Overhead</u>						
Misc., Office, etc.		x 6% of cash cost				2.58
Taxes \$100 x 25%		x \$7 rate + machinery tax 48¢				2.23
TOTAL CASH OVERHEAD						4.81
TOTAL CASH COST						47.73
Management 5% of 1200 lbs @ 5¢						3.00
<u>Investment</u>						
		<u>Per Acre</u>	<u>Annual Cost</u>			
			<u>Depreciation</u>	<u>Interest @ 8%</u>		
Land		\$100.00	--	\$ 8.00		
Equipment		64.38	\$ 7.03	2.58		
Total		\$164.38	\$ 7.03	\$10.58		17.61
TOTAL COST PER ACRE						68.34*
						-2.00
						66.34
Cost per 100 lbs @ 1200 lbs yield						5.53

*Credit \$1.50 per acre stubble + 50¢ per acre next spring pasture = \$2.00

INVESTMENT FOR DRYLAND GRAIN

Shasta Valley, Siskiyou County, January 1974. Based on 400 acres of dryland grain.

Item	Cost	Annual use (acres)	Cost per acre	Life (yrs.)	Depreciation	Interest at 8%	Cash costs per hour		
							Fuel	Repairs	Total
D6 70 hp diesel (used)	10,000	800	12.50	7	1.79	.50	.90	3.50	4.40
Disc plow 6' (2)	3,000	800	3.75	10	.38	.15	--	.80	.80
Disc 18' offset (used)	2,500	800	3.13	10	.31	.13	--	1.70	1.70
Drill 10" (2)	4,000	400	10.00	15	.67	.40	--	2.15	2.15
Combine 14' S.P. (used)	12,000	400	30.00	10	3.00	1.20	1.05	6.50	7.55
Truck - 2 ton (used)	1,500	400	3.75	5	.75	.15			2.55
Grain auger (used)	500	400	1.25	10	.13	.05			
TOTAL			64.38		7.03	2.58			

Three representative dryland grain growers helped put this cost study together. These farmers represented other dryland grain growers that raise 400 acres of either wheat or barley.

Labor rates worked out to be \$2.90 per hour with fringe benefits, such as, social security and workman's compensation.

Some operators may have a higher rate if they provide housing, etc. Most dryland grain farms are operated by the family and provide all of the labor.

Fertilizer was 45 pounds per acre of nitrogen. Growers use NH₃ or ammonium sulfate. Cost would be similar with increases in costs.

There was some debate as to whether interest costs for land should be doubled because of one year in crop and one year out.

If you deduct the labor charges from the cash cost of \$47.73 - \$6.73 = \$41.00. This then divided by 1200 = \$3.42 per hundred to raise a crop of dryland grain.

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