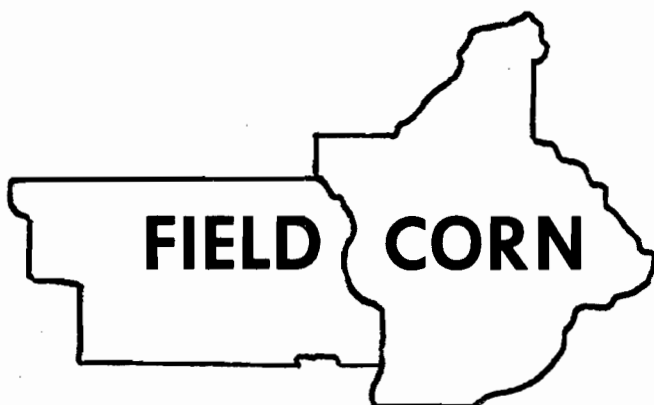


# SAMPLE COSTS OF PRODUCTION



## BUTTE AND GLENN COUNTIES

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## BASIS OF FIELD CORN COST STUDY

1. This study is based on a 1,500 acre field crop operation with 500 acres of field corn. Other crops grown on the ranch may include one or more of the following crops: grain, alfalfa hay, grain sorghum, sugar beets, dry beans, safflower, etc. Much of the equipment is used on the entire acreage some-time during the year.

For reasons of simplicity, we used a landlord-tenant operation with a 75-25 division of the crop. The crop was sold "roadside" at 20% moisture. The landlord pays his own drying costs.

2. In allocating the equipment cost per acre, the following calculations were made: (a) "Original Cost" of equipment is the estimated new cost and includes 6% 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 "Per Acre Cost" divided by the expected life of the equipment. (d) "Interest" on investment is figured on one-half of the new cost per acre multiplied by 8%.
3. Miscellaneous expenses are estimated 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 a \$6.00 hourly rate for skilled labor and \$3.75 hourly rate for unskilled (irrigator). Included are cash wages, compensation insurance, Social Security and other benefits that the employer might pay.
5. ~~Equipment operating costs are listed under fuel and repair. Included is the~~ cost of fuel, maintenance, replacement parts, tires, etc. Tractor charges per hour are: 100-120 HP track diesel \$9.65; 80-90 HP track diesel \$7.50; 100 HP wheel diesel \$4.80 and 80-90 HP wheel diesel \$4.40. This and other information was partially taken from "Machinery Costs and Performance" by A.D. Reed, University of California Extension Economist, Davis.
6. Management (what the grower's decision-making is worth) is figured at 5% of the market value of the crop.
7. These sample costs may not represent the cost of any one individual grower but should serve as a useful guide in reviewing the typical costs in field corn production.
8. Growers from Glenn and Butte counties participated in furnishing information for compiling the basic information in this study. Some information was obtained from agricultural supply sources. Appreciation is expressed to them for their time and help.

SAMPLE COSTS TO PRODUCE FIELD CORN

Butte & Glenn Counties

Operation	Hours Per Acre	Cash and labor cost per acre				Total
		Labor	Fuel & Repairs	Materials Kind and Quantity	Cost	
<b>Cultural Costs</b>						
Stubble disk 2x	.50	\$ 3.00	\$ 9.45			\$12.45
Landplane 2x (every other year)	.30	1.80	5.53			7.33
Chisel or offset 2x	.32	1.92	6.34			8.26
Fertilize (inject N)	.20	1.20	2.10	200 lbs. N @16¢/rent rig \$1.65	\$ 33.65	36.95
Triplane	.20	1.20	2.52			3.72
Disk or springtooth	.20	1.20	2.02			3.22
List beds	.15	.90	1.47			2.37
Pre-irrigate or irrig. up	.85	3.20	-	6 ac. in. @\$5.65/ac.ft.	2.83	6.03
Roll beds 2x (rolling cultivator)	.40	2.40	3.47			5.87
Plant and apply starter fert., herb. & bait	.60	3.60	11.59	starter fert. @\$20, seed @\$20, bait @\$4.85, band. herb. @\$3.70	48.55	63.74
Cultivate & furrow out	.20	1.20	1.74			2.94
Irrigate 7x	5.60	21.00	-	3½ ac.ft. @\$5.65/ac.ft.	19.80	40.80
Ditch preparation (season) 2x	.07	.42	1.55			1.97
Mite control				custom, airplane @ \$3.50 miticide @ \$10	13.50	13.50
Misc. labor (down-time & move & service equip.)	1.00	6.00	-			6.00
Shred stalks	.20	1.20	1.57			2.77
<b>TOTAL CULTURAL COSTS</b>		<b>\$50.24</b>	<b>\$49.35</b>		<b>\$118.33</b>	<b>\$217.92</b>
<b>Harvest Costs</b>						
Combine	.45	2.70	9.66			12.36
Bankout (haul to roadside)	.45	2.70	1.89			4.59
Drying (¾ of crop)				20% moisture @\$5.50/ton	18.00	18.00
<b>TOTAL HARVEST COSTS</b>		<b>\$ 5.40</b>	<b>\$ 11.55</b>			<b>\$ 34.95</b>
<b>Cash overhead</b>						
Miscellaneous (office, etc.)	6% of cultural and harvest costs					15.17
Taxes and insurance	1% of investment/acre				4.75	4.75
Rent	25% x 8000 lbs. @15½% moisture = 2000 x 6.00				120.00	120.00
<b>TOTAL CASH OVERHEAD</b>						<b>\$ 139.92</b>
<b>TOTAL CASH COSTS</b>						<b>\$ 392.79</b>
Management Fee 5% of 8000 lbs. @\$6/cwt						\$ 24.00
<b>Annual Cost</b>						
<b>INVESTMENT</b>	<b>Per Acre</b>	<b>Depreciation</b>		<b>Interest</b>		
Equipment & Buildings	\$473.00	\$ 36.81		\$ 18.34		
<b>Total</b>						<b>\$ 55.15</b>
<b>TOTAL COST PER ACRE</b>						<b>\$471.94</b>
Cost per cwt @ 80 cwt yield						<b>\$ 5.77</b>
<b>NET PER ACRE AT 8000 lbs/A (15½% moisture) AT VARIOUS PRICES PER HUNDRED</b>						
Price per hundred	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00	
Income per acre	-\$71.94	-\$31.94	\$ 8.06	\$ 48.06	\$ 88.06	

## EQUIPMENT AND BUILDING LIST

ITEM	ORIGINAL COST	ANNUAL USE (ACRES)	COST PER ACRE	LIFE (YEARS)	NON-CASH OVERHEAD	
					DEPRE- CIATION	INTEREST AT 9%
Tractor, 100-120 HP Tr. Diesel	\$ 72,000	1,500	\$ 48.00	20	\$ 2.40	\$ 2.16
Tractor, 80-90 HP Tr. Diesel	56,000	1,500	37.33	20	1.87	1.68
Tractor, 100 HP Wheel Diesel	27,000	1,500	18.00	10	1.80	.81
Tractor, 80-90 HP Wheel Diesel	25,000	1,500	16.67	10	1.67	.75
Plow 4-18 hydraulic 2-way	6,500	750	8.67	10	.87	.39
Disk, stubble, 12 ft.	14,300	750	19.07	10	1.91	.86
Disk, offset, 21 ft.	13,300	1,500	8.86	10	.89	.40
Chisel (heavy-duty) 16 ft.	5,000	1,500	3.33	10	.33	.15
Springtooth or field cultivator - 30 ft.	6,300	1,500	4.20	10	.42	.19
Spiketooth adjust. - 30 ft.	600	1,500	.40	10	.04	.02
Rolling cultivator - 6-row	36,400	1,000	36.40	10	3.64	1.64
Planter, w/sled and incorporator 6-row & bait applicator	15,400	1,000	15.40	7	2.20	.69
Triplane - 16 ft.	8,400	1,500	5.60	15	.37	.25
Landplane - 60 ft.	15,400	1,500	10.27	20	.51	.46
Bedding tools	1,400	1,000	1.40	10	.14	.06
Ditcher - 4 ft.	2,240	1,500	1.49	15	.10	.07
Fertilizer attachments (dry and liquid)	7,000	800	8.75	10	.88	.39
Tool carrier (used)	5,600	1,500	3.73	10	.37	.17
Combine 16 ft., S.P.	48,000	800	60.00	10	6.00	2.70
Corn header 6-row	14,000	500	28.00	10	2.80	1.26
Truck (used)	7,000	1,500	4.67	5	.93	.21
Pickup - 3/4 ton	8,500	1,500	5.67	5	1.13	.26
2 Pickups (used)	8,500	1,500	5.67	3	1.89	.26
Bankout wagon, pull-type (used)	5,000	800	6.25	10	.63	.28
Siphons	5,600	1,500	3.73	10	.37	.17
Shredder (15')	4,900	800	6.13	10	.61	.28
Shop tools	8,400	1,500	5.60	15	.37	.25
Buildings	50,000	1,500	33.33	20	1.67	1.50
TOTAL	\$477,740		\$473.00		\$36.81	\$18.34

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