

SG-SV-62-2

Sample  
Production  
Costs

SUGAR BEETS

on Peat and  
Muck Soil

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SAMPLE COSTS TO PRODUCE SUGAR BEETS ON PEAT AND MUCK SOIL IN SACRAMENTO COUNTY - RENTED LAND - 1962

Yield 21 Ton per Acre		Price \$12.70 per Ton			Gross Income \$266.70
Operation	Hours Per Acre	Cash and Labor Costs per Acre			Per Acre Total
		Labor	Fuel & Repairs	Materials and Other Costs	
<u>Fall</u>					
Flood every 3rd year	.3	.40	.60		1.00
Disk - 2 X	.4	.55	1.45		2.00
Plow	.3	.40	1.00		1.40
<u>Spring</u>					
Landplane - 2 X	.6	.80	2.00		2.80
Disk - 2 X	.7	.55	1.45		2.00
Harrow - 2 X	.2	.25	.65		.90
Plant, fertilize & herbicide	.4	1.10	.60	(Seed 5 lbs. @ .70¢ (8-24-0 25 gal. @ .40¢ (Tillam 3.2 lbs. @ \$4.00	3.50 10.00 12.80
Thin and hoe - 2 X		40.00			40.00
Cultivate - 6 X	1.2	2.00	1.50		3.50
Sub-irrigate - 4 X	1.6	2.10	.50	Spud ditches at \$18. per mile	2.50 5.10
Drainage Maintenance				Weed control, cleaning, re-ditching	2.25 2.25
<b>TOTAL CULTURAL COSTS</b>		<b>48.15</b>	<b>9.75</b>		<b>31.05</b>
<b>Harvest:</b>					
Dig				Custom Rate - 21 Ton @ 1.50	31.50
Haul				Custom Rate - 21 Ton @ 1.00	21.00
<b>TOTAL HARVEST COSTS</b>					<b>52.50</b>
<b>TOTAL CULTURAL and HARVEST</b>					<b>141.45</b>
Depreciation and Interest		\$120. per acre investment in tractors, trucks and equipment, 10 year life and 6% interest			13.25
Rent		20% of gross income			53.35
Management		10% of gross income			26.65
<b>TOTAL ALL COSTS</b>					<b>234.70</b>
<b>COST PER TON @ 21 TON YIELD</b>					<b>11.17</b>

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

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

## BASIS OF COST STUDY:

These costs of production are based on a typical 700 acre operation with grain sorghum, tomatoes, barley, wheat and safflower in rotation with the sugar beets.

Labor is charged at \$1.35 per hour which includes compensation insurance and social security.

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

An owner can compare his costs with these by substituting for the rent figure the total of: (1) interest on his investment in land, buildings and irrigation equipment, (2) depreciation on buildings and irrigation equipment, and (3) property taxes and the reclamation district assessment.

## NET RETURNS PER ACRE AT DIFFERENT YIELDS AND PRICES:

Yld/T per A	Price per Ton				
	10.70	11.70	12.70	13.70	14.70
12	-35.40	-27.60	-19.80	-12.00	-4.20
16	-17.60	- 7.20	3.25	13.65	24.05
20	2.55	15.00	27.40	39.85	52.25
24	18.10	33.70	49.30	64.90	80.50
28	35.90	54.10	72.30	90.50	108.70

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