

UNIVERSITY OF CALIFORNIA
AGRICULTURAL EXTENSION SERVICE
Stanislaus County - 1968

SAMPLE PRODUCTION COSTS - FIELD (CORN) - SINGLE-CROPPED

By

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Field corn has been grown in Stanislaus County to a limited extent for many years. In spite of our using large quantities of corn, primarily in poultry feeds, most of this is shipped in from the Midwest at prices which are usually lower than our average cost of production.

Acreage

The acreage has not changed much during the past few years and it probably will remain about the same in the future. The reason for this is obvious - low yields and low prices. So far, local growers have not been able to take the newer varieties, herbicides and modern equipment and use them to produce the higher yields characteristic of much of the rest of the country. Prices are set by the price of southwestern milo and midwestern corn plus freight, and probably will not increase much.

In spite of continually increasing costs, there seems to be no hope for California corn to be priced higher because of the oversupply of total feed grains on a national basis.

A few find that corn occasionally fills a hole in their cropping programs. Since some growers are going to grow corn for one reason or another, we want to look at the management factors that will allow them to do the best job possible.

Analysis of Costs

The costs listed on the other side include a charge for the owner-operator's labor, his pickup and office. Depreciation charges and interest are included on the equipment, buildings and irrigation facilities. The amount for interest on land investment and for county taxes provides a "rental allowance" of about \$74 an acre single-crop and \$44 double-crop. These are somewhat higher than actual rents.

These costs are based on an owner-operator management. Where crops are grown on a cash or crop share rental basis, rent should be substituted for interest on land, interest and depreciation on buildings and irrigation systems, land taxes and any other items paid for by the land owner.

What Are The Possibilities?

It is obvious that, at present prices, average yields will not return enough money to pay for all of these charges. The yields used on the "sample costs" on the reverse side are actually about 1,000 lbs. per acre higher than average. Costs on small acreages will be somewhat higher. In order to make the crop profitable, the farmer must reduce his expenses by careful management and he must have above average yields. Double-crop yields are usually lower than single-crop and the corn must be dried, which increases cost. On the Westside, higher costs for tillage and for water usually eliminate the chance for profit. Westside yields are generally no higher than those on the Eastside.

The cost data sheet on the reverse side will provide a more detailed picture of production costs. The cash costs will not differ much from grower to grower. Depreciation and interest on investment will be considered differently. For the man who owns his land, payment for his labor and a "realistic depreciation charge" may be sufficient income. For the man who is trying to pay for a ranch and provide a living for his family, it does not appear that corn offers much promise.

SAMPLE PRODUCTION COSTS - FIELD CORN - STANISLAUS CO. - 1968

Based on Yield of 5000 Lbs. Per Acre Single-crop and 4000 Lbs. Double-crop

Man labor @ \$2.00 per hr., including Social Security, Compensation Insurance, etc.
 Medium tractor per hr. cash cost \$1.30, depreciation 75¢, and interest 30¢. Details given below are for single-crop. Only estimated costs, and no details, are given for double-crop.

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	SINGLE-CROP		DOUBLE-CROP			
	Sample Costs		Sample Costs			
	per acre	per cwt.	per acre	per cwt.		
PREHARVEST CASH COSTS:						
Land preparation: man & tractor, 2 hrs.	\$ 6.60		\$ 3.00			
Plant: man & tractor, 0.5 hr.	1.65		1.65			
Seed: 15 lbs. @ 30¢	4.50		4.50			
Fertilizer: 200 lbs. 10-10-10 or equiv. at planting.	8.50		8.50			
Fertilizer: 150 lbs. N @ 11¢ applied	16.50		16.50			
* Irrigate: 1 pre & 4 crop, 2½ man-hours	5.00		5.00			
* Water: 3.0 acre ft.	1.25		.75			
Cultivate: 2 X, man & tractor, 1.0 hrs.	3.30		3.30			
Misc: labor, tractor & material	3.00		2.50			
County taxes:	20.00		12.00			
Office, car, operating capital, etc.	4.50		4.50			
Repairs: irrig. system, equip. except tractor	3.00		2.75			
Total Preharvest and Cash Costs	\$77.80	\$1.56	\$64.95	\$1.62		
HARVESTING COSTS: (Wet Weight Basis for Double-crop)						
Combine: @ \$6.50/T for 5000 lb. yield; \$7.00 for for 4000 lbs.	\$16.25		\$16.00			
** Drying: @ \$3.00/T.	** -----		6.85			
** Hauling to dryer & weight loss @ \$2.40/T.	** -----		5.50			
Total Harvesting Costs	\$16.25	\$.33	\$28.35	\$.71		
TOTAL CASH COSTS	\$94.05	\$1.89	\$93.30	\$2.33		
DEPRECIATION:						
Irrig. systems (orig. cost \$100) 20 yrs. life	\$ 5.00		\$ 3.00			
Buildings: (orig. cost \$10) 20 yrs. life	.50		.30			
Tractor: 4 hrs. @ 75¢	3.00		3.00			
Equipment: (orig. cost \$30) 10 yrs. life	3.00		1.80			
Total Depreciation	\$11.50	\$.23	\$ 8.10	\$.20		
TOTAL CASH PLUS TOTAL DEPRECIATION COSTS	\$105.55	\$2.11	\$101.40	\$2.53		
INTEREST ON INVESTMENT @ 6%						
Land: @ \$900	\$54.00		\$32.40			
Irrig. system: on ½ cost (\$50)	3.00		1.80			
Buildings: on ½ cost (\$5)	.30		.18			
Tractor: 4 hrs. @ 30¢	1.20		1.20			
Equipment: on ½ cost (\$15.00)	.90		.50			
Total Interest	\$59.40	\$1.19	\$36.08	\$.90		
TOTAL COST OF PRODUCTION	\$164.95	\$3.30	\$137.48	\$3.43		
* Costs based on Eastside with "low" costs for water.						
** The crop is normally sold in the field, if dry enough, with no drying or hauling costs. Otherwise, sold at drier.						
COST PER CWT. AT VARYING YIELDS						
Yield - Lbs./A.	3000	4000	5000	6000	7000	8000
SINGLE-CROP - Cash and depr. costs	\$3.34	\$2.56	\$2.11	\$1.82	\$1.61	\$1.45
Total Cost	5.32	4.04	3.30	2.81	2.46	2.19
DOUBLE-CROP - Cash and depr. costs	\$3.15	\$2.53	\$2.14	\$1.90		
Total Cost	4.35	3.43	2.86	2.50		