

UNIVERSITY OF CALIFORNIA  
AGRICULTURAL EXTENSION SERVICE  
Stanislaus County - 1968

SAMPLE PRODUCTION COSTS - GRAIN SORGHUM - DOUBLE-CROPPED

By

E. E. Stevenson, Farm Advisor

Grain sorghums have been grown in Stanislaus County to a limited extent for many years. The crop is reasonably well adapted to this area and yields of 2 to 3½ tons per acre can be obtained by better than average farmers. Yields are generally better on the deeper and heavier soils.

There is a market for all of the milo we can produce, primarily in poultry feeds and to a lesser extent in dairy feeds. Prices, however, are rarely high enough to pay the cost of production and there is little prospect of it being higher. The price is determined by the price in Texas or Oklahoma plus freight. Our production supplies only a small percentage of the local feed requirement.

Production costs on cereals have been steadily increasing which makes it impossible for most farmers to meet their expenses, pay their taxes and keep up their equipment.

In spite of an unfavorable outlook, the acreage will probably remain about the same for the immediate future. There will be a gradual loss in acreage to trees and vines as has taken place during the past years.

Most farmers plant grain sorghum, not because it is a profitable crop, but because there is often no other choice. A few find that a grain sorghum crop occasionally fills a hole in their cropping programs. Since some growers are going to remain in grain sorghum production for one reason or another, we want to look at some of the management factors that will allow them to do the best job possible.

The costs listed on the other side include a charge for the owner-operator's labor, his pickup, office and his telephone. 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 \$48 an acre, much higher than customary rentals.

It is obvious that, at present prices, the crop will not return enough money at average yields to pay for all of these charges. In order to make the crop profitable, the farmer must either reduce his expenses by careful management of his farming and his equipment, or he must have above average yields. Probably both are necessary. Eastside yields are lower than Westside which makes it a "difficult crop" for the Eastside, even when single-cropped.

Double-cropping is even less profitable because yields are usually about 10 sacks less than on single-crop and an additional \$9.10 per ton is required for hauling and drying. Even with these additional costs, some double-cropped milo will be grown 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 by various growers. For the man who owns his land, the interest on his investment 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 grain sorghums offer much promise.

SAMPLE PRODUCTION COSTS - GRAIN SORGHUM - STANISLAUS CO. - 1968

Double-Cropped  
Based on a Yield of 3,500 Lbs.

Man labor @ \$2.00 per hr. Medium tractor per hr. cash cost \$1.30, depreciation 75¢, and interest 30¢. (Westside milo is usually single-crop only.)\*

E. E. Stevenson, Farm Advisor

Burt B. Burlingame, Extension Economist

	Sample Costs			
	per acre	per cwt.		
<b>PREHARVEST CASH COSTS:</b>				
Land preparation: man & tractor, 1.3 hr.	\$ 4.29			
Fertilizer: 150 lbs. N. @ 11¢ applied	16.50			
Plant: man & med. tractor .3 hr.	.99			
Seed: 12 lbs. @ 25¢	3.00			
Cultivate: 2 X, man & med. tractor 1.0 hr.	3.30			
Irrigate: (1 pre & 2-3 crop) 1.6 man-hours	3.25			
Water: 2.5 A. ft.	1.25			
Misc.: 1 man-hour, ½ hr. tractor, material 50¢	3.15			
County taxes: 60%	12.00			
Office, car, operating capital, etc.	3.00			
Repairs: irrig. system & equip., except tractor	1.80			
Total Preharvest Cash and Labor Costs	\$ 52.53	\$ 1.50		
<b>HARVESTING COSTS: (all contract wet weight basis)</b>				
Combine: @ \$6.00/T.	\$ 10.50			
Drying: @ \$3.00/T.	3.85			
Hauling to dryer @ \$2.20/T.	5.25			
Total Harvesting Costs	\$ 19.60	\$ .56		
<b>TOTAL CASH AND LABOR COSTS</b>	<b>\$ 72.13</b>	<b>\$ 2.06</b>		
<b>DEPRECIATION:</b>				
Irrigation system: (orig. cost \$100) 60%	\$ 3.00			
Buildings: (orig. cost \$10) 20 yrs. 60%	.30			
Tractor: 3.1 hrs. @ 75¢	2.33			
Equipment: (Orig. cost \$30) 10 yrs. 60%	1.80			
Total Depreciation	\$ 7.43	\$ .21		
<b>TOTAL CASH AND DEPRECIATION COSTS</b>	<b>\$ 79.56</b>	<b>\$ 2.27</b>		
<b>INTEREST ON INVESTMENT @ 6%</b>				
Land: @ \$900 (60%)	\$ 32.40			
Irrigation system: on ½ cost (60%) \$30	1.80			
Buildings: on ½ cost (60%) \$3	.18			
Tractor: 3.1 hr. @ 30¢	.93			
Equipment: on ½ cost (60%)	.54			
Total Interest on Investment	\$ 35.85	\$ 1.02		
<b>TOTAL COST OF PRODUCTION</b>	<b>\$115.41</b>	<b>\$ 3.30</b>		
<b>COST PER CWT. AT VARYING YIELDS</b>				
Yield - Lbs./A.	3000	4000	5000	6000
Cash and depr. costs	\$2.65	\$2.15	\$1.85	\$1.65
Total cost per cwt.	\$3.85	\$3.05	\$2.57	\$2.25

\*Westside costs are higher because of increased costs for seedbed preparation, irrigation water and irrigation labor.

4/8/68 750 c.