

# Sample Production Costs



## ALFALFA

on

## Mineral Soil

Sacramento County Farm Advisors' Office  
Agricultural Extension Service  
University of California  
3020 Federal Building, 650 Capitol Avenue  
Sacramento, California

SAMPLE COSTS TO PRODUCE ALFALFA ON MINERAL SOILS IN SACRAMENTO COUNTY

Rented Land - 1962

Yield 7 tons per acre

Price \$20.00 per ton

Gross Income \$140.00

Operation	Per Acre Total
<b>Cultural:</b>	
Winter weed control 2 times--spring tooth harrow-----	\$ 1.25
Irrigate 6 times--6 hours labor @ \$1.25 hr.-----	7.50
Irrigation ditches 6 times--@ \$7.50 hr. for equipment-----	11.25
Miscellaneous (gopher control, insect control, etc.)-----	1.00
<b>TOTAL CULTURAL COSTS</b>	<b>\$ 21.00</b>
<b>Harvest:</b>	
Swathing 5 times-----	\$ 9.15
Raking 5 times-----	4.00
Baling--\$3.50 ton custom-----	24.50
Roadsiding-- .10¢ bale custom-----	10.50
<b>TOTAL HARVEST COSTS</b>	<b>\$ 48.15</b>
Rent - 1/3 of baled crop-----	\$ 46.65
Depreciation of stand--based on 4 year life with cost @ \$24.00/A-----	6.00
Interest on Stand-----	.75
Management-----	14.00
<b>TOTAL COST PER ACRE</b>	<b>\$136.55</b>
<b>COST PER TON</b>	<b>\$ 19.65</b>

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

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

Thomas E. Kearney - Farm Advisor  
Doyle Reed - Extension Economist

## Net Returns per Acre at Different Yields and Prices

Yield Tons/A	Price per Ton				
	\$18.00	\$20.00	\$22.00	\$24.00	\$26.00
5	-10.25	- 3.60	+ 1.05	+ 6.75	+12.40
6	- 7.30	- .55	+ 6.25	+13.05	+19.80
7	- 4.50	+ 3.45	+11.35	+19.30	+27.25
8	- 1.60	+ 7.45	+16.55	+25.60	+34.65
9	+ 1.25	+11.45	+21.70	+31.90	+42.10
10	+ 4.15	+15.50	+26.85	+38.75	+49.50

### BASIS OF COST STUDY:

The costs of the individual operations include:

1. Labor at \$1.35 per hour which includes compensation insurance and social security.
2. Fuel and Repairs.
3. 6% interest on an original investment of \$50 per acre in tractors and equipment.
4. Depreciation of the \$50 investment based on a 10 year life.

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

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