

UNIVERSITY OF CALIFORNIA
AGRICULTURAL EXTENSION SERVICE
Stanislaus County - 1968

SAMPLE PRODUCTION COSTS - GRAIN SORGHUM - SINGLE-CROPPED

By

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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 \$74 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.

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

Based on Yields of 6000 Lbs. Per Acre Westside and 4000 Lbs. Eastside (Single-Cropped)

Man labor @ \$2.00 hr., including Social Security, Compensation Insurance, etc. Heavy and medium tractors @ \$3.00 and \$1.30 per hr. cash cost; depreciation @ \$2.00 and 75¢ per hr., and interest @ 80¢ and 30¢ per hr. Details given below are for Westside. The Eastside operation varies somewhat in equipment used and water costs.

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	WESTSIDE		EASTSIDE		
	Sample Costs		Sample Costs		
	per acre	per cwt.	per acre	per cwt.	
PREHARVEST CASH AND LABOR COSTS:					
Land preparation: man & heavy tractor, 2 hrs.	\$10.00		\$ 6.60		
Planting: man & medium tractor, 0.3 hrs.	.99		.99		
Seed: 12 lbs. @ 25¢	3.00		3.00		
Fertilizer: 150 lbs. N. @ 11¢ applied	16.50		16.50		
Irrig.: 1 pre & 3 crop, 5 man-hours	10.00		3.20		
Water: 2 A/ft. @ \$5.00 (W.S.) & \$1.25 total (E.S.)	10.00		1.25		
Cultivate & furrow: 2 X, man & med. tractor, 1 hr.	3.30		3.30		
Misc.: labor, tractor and material	3.00		3.50		
County taxes:	20.00		20.00		
Office, car, operating capital, etc.	4.50		4.50		
Repairs: irrig. system, equip., except tractor	3.50		3.00		
Total Preharvest Cash and Labor Costs	\$84.79	\$1.41	\$65.84	\$1.65	
HARVESTING COSTS:					
Combine: @ \$5.00/T. (W.S.), \$6.00 (E.S.)	\$15.00	\$.25	\$12.00	\$.30	
TOTAL CASH COSTS	\$99.79	\$1.66	\$77.84	\$1.95	
DEPRECIATION:					
Irrigation system: (orig. cost \$100) 20 yrs. life	\$ 5.00		\$ 5.00		
Buildings: (orig. cost \$10) 20 yrs. life	.50		.50		
Tractor: 1.7 hrs. @ 75¢ & 2 hrs. @ \$2.00	5.28		2.78		
Equipment: cost \$30, 10 yrs. life	3.00		3.00		
Total Depreciation	\$13.78	\$.23	\$11.28	\$.28	
TOTAL CASH AND DEPRECIATION COSTS	\$113.57	\$1.89	\$89.12	\$2.23	
INTEREST ON INVESTMENT @ 6%					
Land: @ \$900	\$54.00		\$54.00		
Irrigation system: on ½ cost (\$50)	3.00		3.00		
Buildings: on ½ cost or \$5	.30		.30		
Tractors: 1.7 hrs. @ 30¢ & 2 hrs. @ 80¢	2.11		1.11		
Equipment: on ½ cost (\$15.00)	.90		.90		
Total Interest	\$60.31	\$1.01	\$59.31	\$1.48	
TOTAL COST OF PRODUCTION	\$173.88	\$2.90	\$148.43	\$3.71	
If late planting results in the crop having to be dried, add \$4 to \$6 per ton.					
COST PER CWT. AT VARYING YIELDS					
Yield - Lbs./A.	3000	4000	5000	6000	7000
WESTSIDE - Cash and depr. costs	\$----	\$2.71	\$2.22	\$1.89	\$1.66
Total Cost	----	4.22	3.43	2.90	2.52
EASTSIDE - Cash and depr. costs	2.87	2.23	1.84	1.58	1.40
Total Cost	4.85	3.71	3.03	2.57	2.25