

COOPERATIVE EXTENSION
UNIVERSITY OF CALIFORNIA

MCARTHUR, CALIFORNIA 96056
P.O. BOX 9
(INTER MOUNTAIN FAIRGROUNDS)
TELEPHONE: FALL RIVER MILLS
(916) 336-5784

SHASTA-LASSEN COUNTIES

1987

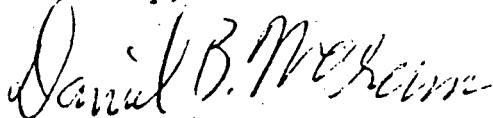
PRODUCTION COSTS FOR
ALFALFA
ASPARAGUS
CEREALS
CHRISTMAS TREES
DRY ONIONS
GARLIC
IRRIGATED PASTURE
POTATOES
WILD RICE
IN FALL RIVER AND
BIG VALLEY

Dear Producer:

The attached cost studies are estimates of current cost of production of some of the important crops of this area. They are only estimates and average costs for this area were utilized. Producers paying current real estate prices and buying new equipment will find higher costs. Note also, that this is a cash flow cost study; labor costs are included, and management and return to investment values are not included. Profit is defined as net earnings above these costs.

This year electronic spread sheets for Christmas trees, asparagus, and dry onions are added over last year. Note that the Christmas tree and asparagus cost studies are multiyear studies using a calculation for present value to look at opportunity of investment money. If you would like to make your own cost study, call and make an appointment and I'll be pleased to work with you on one. Virtually everyone has a change or two they would like to see in a cost study and with a microcomputer, changes take seconds. Come on in and see how some changes might affect your 1987 projections.

Sincerely,



Daniel B. Marcum
Farm Advisor

SAMPLE CEREAL PRODUCTION COSTS - FALL RIVER AND BIG VALLEY PORTION OF NORTHEASTERN CALIFORNIA - 1987

PREPARED BY DANIEL B. MARCUM - SHASTA-LASSEN FARM ADVISOR BOX 9, MCARTHUR, CALIFORNIA 96056 916-336-5784

ACRES OF GRAIN 80
 YIELD IN TONS 2.5
 PRICE PER TON 70.00

LONG TERM INTEREST RATE YEAR 12.00
 SHORT TERM INTEREST RATE MON 1.00

INCOME	RANCH TOTAL	TOTAL PER ACRE	PERCENT
SALES OF GRAIN	14000.00	175.00	100
TOTAL INCOME	14000.00	175.00	100

COSTS	LABOR OR CUSTOM MATERIALS			RANCH TOTAL	TOTAL PER ACRE	PERCENT
	\$ PER ACRE	UNIT	COST/UNIT	COST/SEASON	PER SEASON	
VARIABLE EXPENSES						
FERTILIZER:						
AQUA PLUS SULFUR	7.00	160	.26	3888.00	48.60	13
WATER						
IRRIGATION	2.00	4	10.00	3840.00	48.00	13
SOIL PREP AND CULTIVATION						
PLOW ONCE	12.00			960.00	12.00	3
DISC 2X	8.00			640.00	8.00	2
HARROW	4.00			320.00	4.00	1
DRILL SEED	4.00	100	.13	1680.00	21.00	6
WEED CONTROL						
WEED CONTROL	4.00	.25	12.00	560.00	7.00	2
HARVEST						
CUSTOM HARVEST	20.00	6.6		1616.50	20.21	5
HAUL TO STORAGE	4.00			320.00	4.00	1
SHORT TERM INTEREST						
MONTHS		5		691.23	8.64	2
TOTAL OF VARIABLE EXPENSES				14515.73	181.45	

FIXED EXPENSES	VALUE FOR ENTIRE RANCH	YEARS OF PAYMENTS			
MORTGAGE	80000.00	40	9704.29	121.30	32
EQUIPMENT	20000.00	5	5548.19	69.35	18
TAXES	400.00		400.00	5.00	1
TOTAL OF FIXED EXPENSES			15652.48	195.66	

TOTAL OF ALL EXPENSES 30168.21 377.10 100
 NET PROFIT(LOSS) -16168.21 -202.10

COST OF PRODUCTION PER TON OF GRAIN UC Cooperative Extension 150.84