



Sample Production Costs

GRAIN SORGHUM

ON Peat and
Muck Soil

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SAMPLE COSTS TO PRODUCE GRAIN SORGHUM ON PEAT AND MUCK SOIL IN SACRAMENTO COUNTY - RENTED LAND - 1962

Yield 6,000 lbs. per acre

Price \$2.15 per Cwt.

Gross Income \$129.

Operation	Hours Per Acre	Cash and Labor Costs per Acre			Materials and Other Costs	Per Acre Total
		Labor	Fuel & Repairs			
<u>Fall</u>						
Flood every 3rd year	.3	.40	.60			1.00
Disc - 2X	.4	.55	1.45			2.00
Plow	.3	.40	1.00			1.40
<u>Spring</u>						
Landplane - 2X	.6	.80	2.00			2.80
Disc - 2X	.4	.55	1.45			2.00
Harrow - 2X	.2	.25	.65			.90
Plant and Fertilize	.4	.50	.50	Seed 15 lbs. @ 20¢ - - - - -	3.00	
				80 lbs. 0-45-0 @ \$87.50/Ton - - - -	3.50	7.50
Cultivate - 4X	1.0	1.35	1.10			2.45
Weed Spray				2, 4-D applied - - - - -	2.25	2.25
Irrigate	.4	.55		Control water level in main ditches		.55
Drainage Maintenance				New ditches, ditch cleaning, weed control - - - - -	2.25	2.25
TOTAL CULTURAL COSTS		5.35	8.75		11.00	25.10
Harvest and Haul				Custom Rate 3 tons @ 7.00 - - - -	21.00	
Dry				Custom Rate 3 tons @ 2.75 - - - -	8.25	
TOTAL HARVEST COSTS						29.25
TOTAL CULTURAL and HARVEST						54.35
Depreciation and Interest		\$120. per acre investment in tractors, trucks and equipment, 10 year life and 6% interest				11.85
Rent		One-fourth of gross income				32.25
Management		10% of gross income				12.90
TOTAL ALL COSTS						111.35
COST PER CWT. at 6,000 lbs. yield						1.86

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

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

BASIS OF COST STUDY:

These costs of production are based on a typical 700 acre operation with sugar beets, tomatoes, barley, wheat and safflower in rotation with the grain sorghum.

Labor is charged at \$1.35 per hour which includes compensation insurance and social security.

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

An owner can compare his costs with these by substituting for the rent figure the total of: (1) interest on his investment in land, buildings and irrigation equipment, (2) depreciation on buildings and irrigation equipment, and (3) property taxes and the reclamation district assessment.

NET RETURNS PER ACRE AT DIFFERENT YIELDS AND PRICES:

Price per Cwt.

Yield	\$1.75	\$2.00	\$2.25	\$2.50	\$2.75
4,000	-10.95	-4.45	-2.05	8.55	15.05
5,000	-4.45	3.68	11.70	19.92	28.05
6,000	2.05	11.80	21.55	31.30	41.05
7,000	8.55	19.92	31.30	42.68	54.05
8,000	15.05	28.05	41.05	54.05	67.05