

*as per*SAMPLE PRODUCTION COSTS - DRYLAND BARLEY, STANISLAUS COUNTY - 1969

Based on Yields of 1500 and 1700 lbs./A. on Summer Fallow

Costs on a 2400-acre farm with 1200 in crop and 1200 fallow each year. Man. labor @ \$2.10 per hour, including Soc. Sec. and Comp. Insurance. Heavy tractor figured at \$3.50 per hour cash cost.

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Sample Costs		Sample Costs	
For 1500 Lb. Yield		For 1700 Lb. Yield	
Per Acre	Per Cwt.	Per Acre	Per Cwt.

PRE-HARVEST CASH AND LABOR COSTS:Fallow Year:

Disc: 2 times @ 6.5 A/hr./time 0.30 hr. man and heavy tractor \$ 1.68

Plow: Stockton gang @ 4.5 A/hr. 0.20 hr. man and heavy tractor 1.12

Pickup - use in summer fallowing .08

Crop Year:

Fertilize - 100 lbs. 16-20 @ \$66/T + \$1.00 for 1500 lb. yield (150 lbs. for 1700 lb. yield) 4.30

Seed - 8 A/hr., 0.13 hr. for 1 man &amp; heavy tractor, plus \$4.00 for 100 lbs. of own seed 4.73

Pickup &amp; 1½ ton truck - use in seeding .08

Spray for radish - 45¢ for 8oz. 2,4-D, 90¢/A plane 1.35

County taxes on 2 years @ \$3.00/A/year 6.00

Misc. - office, ins., int. on operating capital etc. 1.50

Repairs to equipment, except tractor 1.50

Total Pre-Harvest Cash & Labor Costs	\$22.34	\$1.49	\$24.24	\$1.42
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All costs the same except for fertilize  
\$ 6.20  
4.30  
1.90

HARVESTING COSTS:

Combine and 1 man - Av. 25 A/12 hr. day \$ 1.45

Hauling to storage - 1½ ton truck &amp; man 1.25

Total Harvesting Costs	\$ 2.70	\$ .18	\$ 2.70	\$ .16
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TOTAL CASH AND LABOR COSTS

\$25.04	\$1.67	\$26.94	\$1.58
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DEPRECIATION:

Tractor, truck and pickup (orig. cost \$30/crop A) \$ 2.43

Buildings and shop (orig. cost \$4.17/crop A) .17

Other equipment including combine (orig. cost \$25/crop A) 2.17

Grain storage &amp; elevator (orig. cost \$7.50/crop A) .30

Total Depreciation	\$ 5.07	\$ .34	\$ 5.07	\$ .30
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TOTAL CASH AND DEPRECIATION COSTS

\$30.11	\$2.01	\$32.01	\$1.88
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INTEREST ON INVESTMENT @ 6%

Land - 2 yrs. @ \$200.00 \$24.00

Tractor, truck &amp; pickup (av. val./crop A - \$17.00) 1.02

Bldgs. and shop (av. val. \$2.08/crop A) .12

Equipment, including combine (av. val. \$13.33/crop A) .80

Grain storage &amp; elevator (av. val. \$3.75/crop A) .23

Total Interest	\$26.17	\$1.74	\$26.17	\$1.54
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TOTAL COST OF PRODUCTION

\$56.28	\$3.75	\$58.18	\$3.42
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\*Less Possible Credit for Stubble

-2.00	-.13	-2.00	-.12
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\$54.28	\$3.62	\$56.18	\$3.30
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COSTS PER CWT. AT VARYING YIELDS - OWNERSHIP BASIS

(With same cultural costs except that it is assumed the 900 and 1200 lb. yields received no fertilizer, the 1500 lb. yield received 100 lbs. of 16-20 and the 1800 and 2100 lb. yields received 150 lbs. of 16-20.)

Yield in Lbs./A		900	1200	1500	1800	2100
With No Stubble Credit	Cash, Labor & Deprec. Costs Only	\$2.87	\$2.15	\$2.01	\$1.78	\$1.52
	Total Costs	\$5.78	\$4.33	\$3.75	\$3.23	\$2.77
\$2.00/A *Stubble Credit	Cash, Labor & Deprec. Costs Only	\$2.65	\$1.98	\$1.87	\$1.67	\$1.43
	Total Costs	\$5.55	\$4.17	\$3.62	\$3.12	\$2.68

The costs listed on the analysis sheet include a charge for the owner-operator's labor, trucks and office. Depreciation and interest are included on the equipment and buildings.

There is no charge for interest on investment in the figures on the upper line. If 6% is charged on the equipment and buildings and on a \$200 per acre evaluation for the land, the operation winds up in red ink. Note the above table shows that it costs \$3.75 per cwt. to produce barley with a 1500 lb./A yield. It would take a yield of about 2300 lbs./A to pay all these costs, including interest on investment, figuring interest on \$200 an acre land, figuring barley at \$2.50/cwt. with storage.

RETURNS TO THE RENTER

Much of our grainland is farmed on a rental basis. The following table is based on a one-third share going to the landowner who pays the county taxes on the land and one-third of the fertilizer and 2,4-D spraying costs and provides storage. (Fertilizer practices and costs are the same as in the table above.)

NET INCOME PER ACRE ABOVE CASH, LABOR AND DEPRECIATION COSTS --  
SHARE RENT AND OWNERSHIP BASIS. (NO CHARGES FOR INTEREST ON INVESTMENT AND NO CREDIT FOR STUBBLE.)

Ave. Yield/A	Net Income/A Cropland Share Rent Basis	Net Income/A Cropland Ownership Basis
900 lbs.	\$-4.06	\$-3.31
1200 lbs.	+0.94	+4.19
1500 lbs.	3.07	7.39
1800 lbs.	6.81	12.99
2100 lbs.	11.81	20.49

A 2400-acre rented farm with 1200 acres of crop averaging 1500 lbs./A would net \$3,684 (\$6,168 for a 1700 lb. yield) above cash, labor and depreciation costs on a share-rent basis, figuring barley at \$2.50 with storage. The same farm would return \$8,868 for a 1500 lb. yield and \$12,588 for 1700 lb. yield, for the man who owns his land. Self labor would add about another \$800 and stubble credit\* another \$2,400 for the owner and \$1,600 for the renter. This totals about \$12,068 (1500 lb. yield) or \$15,788 (1700 lb. yield) for the man who owns his own land but only about \$6,084 (1500 lb. yield) or \$8,568 (1700 lb. yield) for the renter. When "interest on investment" is added, net income drops considerably and it takes a 2300 lb. yield to break even (on an ownership basis).

\*Only a small portion of the stubble land has been rented for grazing (maybe 25%). Share rents vary but the one-third share to the owner is probably the most common and is used here.