

AF-IR-70-2
 SAMPLE COSTS TO PRODUCE ALFALFA HAY IN TULARE COUNTY
 Cost Analysis Work Sheet - 1970

Based on an average yield of 8½ tons per acre over a 3-year stand life. Man labor at \$2.20 per hour, which includes employer's Social Security and Workman's Compensation insurance payments. 50 h.p. wheel diesel tractor per hour cash costs \$1.50, depreciation 75¢ and interest 40¢. Costs per acre are rounded to the nearest 5¢.

	Sample Costs		My Costs	
	Per Acre	Per Ton	Per Acre	Per Ton
<u>Pre-Harvest Cash Costs</u>				
Irrigate 13 times: labor 8 hrs.	\$ 17.60			
power for 4½ ac. ft. water @ \$6.50	29.25			
Fertilize: *44 lbs. of "actual" phosphorus in phosphate form	11.00			
Bulk spreading of fertilizer	2.00			
Weed control: including application	10.00			
Insect control:	5.00			
Taxes	18.00			
Repairs to irrigation system and equipment except tractor	3.85			
Misc. labor, materials, 1 hr. man & tractor	5.00			
Business expense, office, car, etc.: 7% of pre-harvest and harvest costs	11.90			
TOTAL PRE-HARVEST CASH COSTS	\$113.60	\$ 13.36		
<u>Harvesting Costs</u>				
Swath 7 X: contract \$2.25 per time	15.75			
Turn: contract, 7 X at 50¢	3.50			
Bale: contract, \$4.00 per ton	34.00			
Roadside: contract \$1.75 per ton	14.90			
TOTAL HARVESTING COSTS	\$ 68.15	\$ 8.02		
TOTAL CASH COSTS	\$181.75	\$ 21.38		
<u>Depreciation</u>				
Irrigation system and equipment \$200.00 - 12 yr. life	16.65			
Tractor: 1 hr.	.75			
**Stand: Cost \$81.20 - 3 yrs.	27.05			
TOTAL DEPRECIATION	\$ 44.45	\$ 5.23		
TOTAL CASH AND DEPRECIATION COSTS	\$226.20	\$ 26.61		
<u>Interest on investment at 7%</u>				
Irrigation system and equipment: ½ cost \$100	7.00			
Tractor 1 hr.	.40			
Stand: 1/2 cost \$40.60	2.85			
Land: \$700.00 per acre	49.00			
TOTAL INTEREST ON INVESTMENT	\$ 59.25	\$ 6.97		
TOTAL COST OF PRODUCTION	\$285.45	\$ 33.58		

No allowance has been included for the cost of management.

No income from winter sheep grazing or green chopping has been indicated, although this is often earned by hay growers.

* P x 2.29 = P₂O₅ (or 500 lbs. of single super phosphate per acre)

** First year stand establishment included under depreciation.

ALFALFA HAY PRODUCTION

Sample Costs Per Ton at Varying Yields - 1970

Yield Tons Per Acre	Average				Exceptional	
	7	8	9	10	11	12
Cash costs per ton	\$24.73	\$22.36	\$20.51	\$19.04	\$17.83	\$16.82
Cash and depreciation per ton	31.08	27.91	25.45	23.48	21.87	20.53
Total costs per ton	\$39.54	\$35.32	\$32.03	\$29.41	\$27.25	\$25.46

Sample costs per ton at indicated yields per acre with varying water costs.

Yield: tons per acre	Total cost* of alfalfa hay per ton at the indicated water cost per acre foot			
	\$4.00	\$6.00	\$8.00	\$10.00
7	\$37.93	\$39.22	\$40.50	\$41.79
8	33.91	35.04	36.16	37.29
9	30.78	31.78	32.78	33.78
10	28.28	29.18	30.09	30.99
11	26.23	27.05	27.86	28.68
12	24.52	25.27	26.02	26.77

* Investment per acre in the irrigation system was assumed to be constant in this table.

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