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# SAMPLE PRODUCTION COSTS

UNIVERSITY OF CALIFORNIA

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## WHEAT, OATS AND BARLEY - RENTED LAND

Placer County cereal grain acreage in 1966 totaled: Barley - 1,500; Oats - 8,200; and Wheat - 7,330. Cereal grains are grown in the Valley area of the County. Dry-farmed grain is grown under the summer fallow system, i.e. a crop is grown every other year.

SOILS: Most of the dry-farmed cereals are grown on the San Joaquin, Rocklin and Whitney soils.

VARIETIES: Popular varieties include Atlas, Arivat and Grande barley; Sierra, Curt and California Red Oats; Pitic 62, Cnas 53 and Nainari wheat.

PLANTING: September, October and November are the usual planting months. Some winter sowing is done during January and February. 70-85 pounds seed is planted per acre.

FERTILIZATION: 16 to 30 pounds nitrogen and 9 to 17 pounds phosphorus (20-40 lbs. P<sub>2</sub>O<sub>5</sub>) applied per acre at planting time is the common practice.

HARVESTING: Most grain is harvested in June and July. Grain is combined when the grain is below 15% moisture.

WEED CONTROL: Most broad-leaved weeds can be controlled with 2,4-D and other chemical sprays. Time and rate of application is critical.

The sample Cost of Production is based on a 2,000 acre farming operation on rented land. Half of the acreage is summer fallowed each year, and half is used to produce dryland grain.

The interest and depreciation are based on a \$59,000 investment for equipment, including a 90 hp. track layer, two plows, an offset disk, two grain drills, a harrow, a self-propelled combine, two trucks, an auger and a pickup. Investment for buildings is \$9,000 for a machine shed, shop and grain storage.

## PRODUCTION COSTS FOR VARYING YIELDS

	Yield in pounds per acre					
	1,000	1,200	1,400	1,600	1,800	2,000
Total Cash and Depreciation Cost	2.96	2.56	2.28	2.07	1.90	1.77
Total Cost Including Interest & Management Fee	3.25	2.82	2.52	2.29	2.11	1.97

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SAMPLE COSTS TO PRODUCE WHEAT, OATS & BARLEY ON RENTED LAND

Production data: 2,000 acre farm      Labor rate: \$1.90/hr. incl. SS. & WC  
 1,000 acres cropped annually

Yield 1600 lbs.

Operation	Hours Per Acre	Labor	Cash and labor cost per acre		Total
			Fuel & Repairs	Materials Kind & Quantity Cost	
<b>Cultural costs</b>					
<u>Fallow Year</u>					
Plow	0.20	0.38	0.82		1.20
Disk 2x	0.30	0.57	1.58		2.15
<u>Crop Year</u>					
Planting	0.15	0.28	0.67		0.95
Fertilizer				25N @ 0.10      2.50	2.50
				13P @ 0.25      3.25	3.25
Seed				80 Lbs/A @ 4.00      3.20	3.20
Weed Control				Contract plane      1.50	1.50
				3/4 lb 2,4-D Amine      .60	0.60
Equipment Repair	0.50	0.90			0.90
<b>TOTAL CULTURAL COSTS</b>	<b>1.15</b>	<b>2.13</b>	<b>3.07</b>		<b>11.05 16.25</b>

<b>Harvest costs</b>					
Combine	0.25	0.48	1.11		1.59
Haul	0.20	0.38	0.52		0.90
<b>TOTAL HARVEST COSTS</b>	<b>0.45</b>	<b>0.86</b>	<b>1.63</b>		<b>2.49</b>

<b>Cash overhead</b>					
Misc., office, etc.			@ 5% of above costs		0.94
Rent			1/4 gross (\$9.20) - 1/4 fertilizer (\$1.44)		7.76
<b>TOTAL CASH OVERHEAD</b>					<b>8.70</b>

**TOTAL CASH & LABOR COST** 27.44

Management 5% of 16 cwt @ 2.30 1.84

INVESTMENT	Per Acre	Annual Cost		Total
		Depreciation	Interest 6%	
Land	-	-	-	-
Buildings	9.00 per crop acre	0.65	0.27	
Equipment	59.00 per crop acre	4.96	1.49	
<b>Total</b>	<b>68.00</b>	<b>5.61</b>	<b>1.76</b>	<b>7.37</b>

**TOTAL COST PER ACRE** 36.65  
 Cost per cwt @ 16 cwt yield 2.29

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