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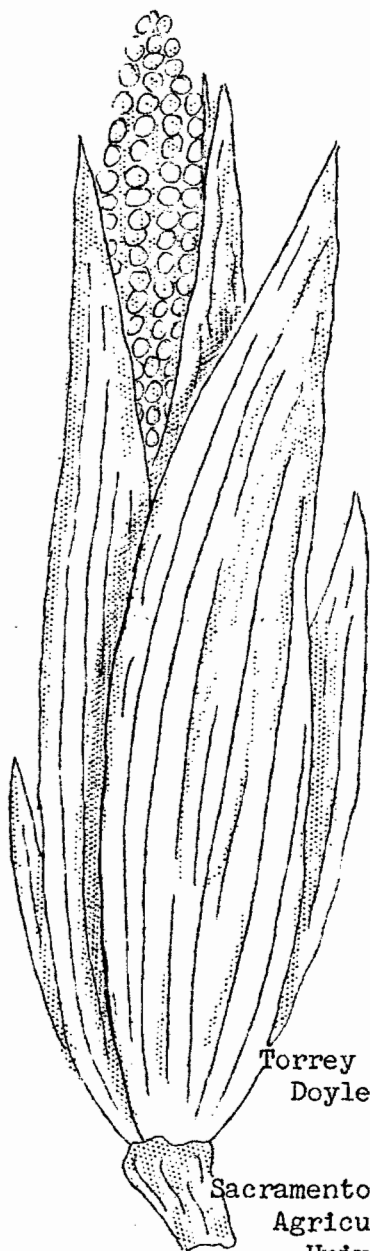
Sample Production Costs

CORN

on

Class I & II

Mineral Soil



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SAMPLE COSTS TO PRODUCE CORN ON CLASS I & II MINERAL SOIL IN SACRAMENTO COUNTY

Rented Land - 1962

Yield 6000 lbs. per acre

Price \$2.50 per CWT

Gross Income \$150.00

Operation	Materials	Per Acre Total
Cultural:		
Fall:	Disk 2X-----	\$ 4.60
	Plow-----	3.35
	Landplane 2X-----	6.70
Spring:	Disc 2X-----	4.60
	Float-----	2.20
	Fertilizer-----Nitrogen 160 lbs. @ 10¢ (\$16.00)-----	17.80
	Plant & Fertilize-----Seed 15 lb. @ (\$3.00)	
	6-24-0 160 lb.@ 3.75¢ (\$6.00)-----	10.55
	Cultivate 5X-----	3.80
	Irrigate 6X-----Water 3 ft. @ \$3.50 (\$10.50)-----	16.25
	Weed spray $\frac{1}{4}$ X-----2-4,D Applied-----	.50
	Miticide-----Ethion Applied \$6.85-----	6.85
TOTAL CULTURAL COSTS		\$ 77.20
Harvest		
	Haul and Harvest - 3 ton @ \$7.00 per ton-----	\$ 21.00
	Dry 3 ton @ \$1.75-----	5.25
TOTAL HARVEST COSTS		\$ 26.25
	Rent - $\frac{1}{4}$ of gross income-----	\$ 37.50
	Management - 10% of gross income-----	15.00
TOTAL ALL COSTS		\$155.95
COST PER CWT		\$ 2.61

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

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

Net Returns per Acre at different yields and prices

Yield	Price per CWT				
	\$2.00	\$2.25	\$2.50	\$2.75	\$3.00
4,000	-42.70	-36.20	-29.70	-23.20	-16.70
5,000	-34.08	-25.95	-17.82	- 9.70	- 1.58
6,000	-25.45	-15.70	-15.95	+ 3.80	+13.55
7,000	-16.82	- 5.45	+ 5.92	+17.30	+28.68
8,000	- 8.20	+ 4.80	+17.80	+30.80	+43.80

BASIS OF COST STUDY:

These costs of production are based on a typical 700 acre operation with sugar beets, tomatoes, grain sorghum, safflower, alfalfa and barley in rotation with the corn. The costs of the individual operations include:

1. Labor at \$1.35 per hour which includes compensation insurance and social security.
2. Fuel and Repairs.
3. 6% interest on an original investment of \$120 per acre in tractors, trucks and equipment.
4. Depreciation of the \$120 investment based on a 10 year life.

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