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* In cost studies of previous years, the phosphorus requirement for 3 years of production (300 lb. P_2O_5) has been incorporated at the time of land preparation. However, with high interest rates and the need to minimize borrowing, only the first year's requirement is incorporated in this year's analysis.

rm/300c
1/15/85

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Cooperative Extension Work in Agriculture and Home Economics, U.S. Department of Agriculture, University of California, Tulare County Cooperating
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SAMPLE COSTS TO PRODUCE ALFALFA HAY IN TULARE COUNTY - 1985

Cost Analysis Worksheet

Based on yield of 9 tons/acre with 6 cuttings; field labor at \$4.50/hr. and equipment operator at \$5.50/hr., including benefits; 80 hp diesel tractor per hour cash costs of \$8.50, depreciation \$2.58 and interest \$1.68.

Carol Frate Tulare County Farm Advisor and Kent Olson, Economist, Cooperative Extension, U.C., Davis

	SAMPLE COSTS		MY COSTS	
	PER ACRE	PER TON	PER ACRE	PER TON
<u>Pre-harvest Cash Costs</u>				
Irrigate: 13 X's - 8 hrs. labor	\$36.00			
4 1/2 acre ft. @ \$20/hr.	90.00			
*Fertilize: 100 lb. P ₂ O ₅ @ \$.33/lb	33.00			
Application	4.50			
Winter Weed Control				
Material	17.32			
Application	5.00			
Summer Weed Control - 2 X's (material and labor)	25.13			
Insect Control (weevil)				
Material	9.00			
Application - air	5.00			
Miscellaneous - labor + material, 1 hr. man + tractor	20.00			
Office and business costs	20.00			
County Taxes	10.00			
Land Cost	125.00			
Interest on Operating Costs (total pre-harvest cash costs + 2 X 13%)	25.72			
TOTAL PRE-HARVEST CASH COSTS	\$421.47	\$46.83		
<u>Harvesting Costs</u>				
Cut, rake, and bale 6 X's @ \$17/ton	\$153.00			
Roadside Contract @ \$3.50/ton	31.50			
TOTAL HARVESTING COSTS	\$184.50			
TOTAL CASH COSTS	\$605.97	\$67.33		
<u>Depreciation</u>				
Irrigation system - \$350 - 16 yr. life	21.88			
Other Equipment - \$100 - 10 yr. life	10.00			
Tractor - 80 hp. diesel wheel tractor - 1 hr.	2.58			
Stand - \$327.99 for 3 years	84.10			
TOTAL DEPRECIATION	\$118.55	\$13.17		
<u>Investment 13% Interest</u>				
Irrigation system (1/2 cost)	22.75			
Other equipment (1/2 cost)	6.50			
Tractor - 80 hp diesel wheel - 1 hr.	1.68			
Stand - (1/2 cost) \$164.00	16.40			
TOTAL INVESTMENT COSTS	\$47.33			
TOTAL COST OF PRODUCTION	\$771.86	\$85.76		

(over)

COST PER TON AT VARYING YIELDS AND WATER COSTS

Water @ \$20/Acre Ft.

Yield Tons/Acre	6	8	10	12
Cash costs/ton	\$90.74	\$73.18	\$63.65	\$55.62
Total cost/ton	\$118.39	\$93.92	\$79.24	\$64.45

Water @ \$50/Acre Ft.

Cash Costs/ton	\$114.71	\$91.16	\$77.02	\$67.60
Total Cost/ton	\$144.48	\$113.48	\$94.89	\$82.49

This cost analysis worksheet should be used only as a guid to assist producers in determining their production costs as an aid in helping analyze costs and procedures. The figures shown are based on what are considered good management practices and do not represent industry averages.

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* Fertilizer costs for the first year of production can be eliminated because this cost is included in stand establishment.

** The land cost above is a value related to rental costs rather than the interest on the market value. For the person renting land, the rental price should be substituted for land cost; also, interest and depreciation on the irrigation system and county taxes should be eliminated.

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