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UNIVERSITY OF CALIFORNIA
AGRICULTURAL EXTENSION SERVICE

SAMPLE PRODUCTION COSTS - DRYLAND BARLEY, STANISLAUS COUNTY - 1966

Based on an Average Yield of 1700 lbs./A on Summer Fallow

Costs on a 2400 acre farm with 1200 in crop and 1200 fallow each year. Man labor @ \$2.00 per hour, including Soc. Sec. and Comp. Insurance. Heavy tractor figured at \$3.50 per hour cash cost.

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Sample Costs My Costs
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		\$ 1.65	
Plow: Stockton gang @ 4.5 A/hr.	0.20 hr. man		
and heavy tractor		1.10	
Pickup - use in summer fallowing		.08	

Crop Year:

Fertilize - 150 lbs. 16-20 @ \$62/T + \$1.25 for plane application		5.90	
Seed - 8 A/hr., 0.13 hr. for 1 man & heavy tractor, 100 lbs. @ \$3.80 for own seed		4.52	
Pickup & 1½ ton truck - use in seeding		.08	
Spray for radish - 25¢ 2,4-D, \$1/A plane		1.25	
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	\$23.58	\$1.39
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HARVESTING COSTS:

Combine and 1 man - Av. 25 A/12 hr. day	\$ 1.40	
Hauling to storage - 1½ ton truck & man	1.20	

Total Harvesting Costs	\$ 2.60	\$.15
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TOTAL CASH AND LABOR COSTS

\$26.18	\$1.54
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DEPRECIATION:

Tractor, truck and pickup (orig. cost \$28/crop A.)	\$ 2.27	
Buildings and shop (orig. cost \$4.17/crop A.)	.17	
Other equipment including combine (orig. cost \$25/crop A.)	2.17	
Grain storage & elevator (orig. cost \$6.25/crop A.)	.25	

Total Depreciation	\$4.86	\$.29
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TOTAL CASH AND DEPRECIATION COSTS.

\$31.04	\$1.83
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INTEREST ON INVESTMENT @ 6%

Land - 2 yrs. @ \$200.00	\$24.00	
Tractor, truck & pickup (av. val./crop acre = \$16)	.96	
Bldgs. and shop (av. val. \$2.08/crop acre)	.12	
Equipment, including combine (av. val. \$13.33/crop A.)	.80	
Grain storage & elevator (av. val. \$3.13/crop A.)	.19	

Total Interest	\$26.07	\$1.53
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TOTAL COST OF PRODUCTION

\$57.11	\$3.36
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Less Possible Credit for Stubble

-2.00	-.12
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UC COOPERATIVE EXTENSION

\$55.11	\$3.24
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COSTS PER CWT. AT VARYING YIELDS - OWNERSHIP BASIS

(with same cultural costs)

<u>Yield In Lbs./A</u>		900	1200	1500	1800	2100
With No Stubble Credit	Cash & Depreciation Costs Only	\$3.45	\$2.59	\$2.07	\$1.73	\$1.48
	Total Costs	\$6.35	\$4.76	\$3.81	\$3.17	\$2.72
\$200/A. Stubble Credit	Cash & Depreciation Costs Only	\$3.22	\$2.42	\$1.93	\$1.61	\$1.38
	Total Costs	\$6.12	\$4.59	\$3.67	\$3.06	\$2.62

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 \$3.67 per cwt. to produce barley with a 1500 lb./A yield. It would take a yield of about 1700 lbs./A to pay all these costs, including interest on investment, figuring interest on \$200 an acre land.

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, we will assume, pays the county taxes on the land and one-third of the fertilizer and 2,4-D spraying costs and provides storage.

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.)

<u>Av. Yield/A</u>	<u>Net Income/A Share Rent Basis</u>	<u>Net Income/A Ownership Basis</u>
900 lbs.	-\$ 6.80	-\$ 7.60
1200 lbs.	- 1.60	--
1500 lbs.	3.60	8.00
1800 lbs.	8.80	16.00
2100 lbs.	14.00	24.00

A 1200 acre farm with 600 acres of crop averaging 1500 lbs./acre would net \$2160 above cash, labor and depreciation costs on a share-rent basis, figuring barley at \$2.60 with storage. The same farm would return \$4800 for the man who owns his land. Self labor would add about another \$800 and stubble credit another \$1200 in both cases. This totals about \$6800 for the man who owns his own land but only about \$4160 for renter. When "interest on investment" is added, net income drops considerably and it takes a 2100 lb. yield to break even (on an ownership basis).