



Sample Production Costs

GRAIN SORGHUM

on Class I & II
Mineral Soil

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

Rented Land - 1962

Yield 5000 lbs. per acre

Price \$2.25 per CWT

Gross Income \$112.50

Operation	Materials	Per Acre Total
Cultural:		
Fall:	Disk 2 times-----	\$ 4.60
	Plow-----	3.35
	Landplane-----	6.70
Spring:	Disk 2 times-----	4.60
	Float-----	2.20
	Fertilizer-----Nitrogen 100# as aqua @ 10¢ (\$10.00)-----	10.90
	Plant-----Seed 10 lb. @ 30¢ (3.00)-----	3.80
	Irrigate 3 times-----Water 1½ A. Ft. @ 3.50 (\$5.25)-----	8.95
	Cultivate 3 times-----	3.35
	Weed Spray ¼ times-----2,4-D Applied-----	.50
TOTAL CULTURAL COSTS		\$ 50.25
Harvest:		
	Combine - 2½ ton @ \$5.50-----	\$ 13.75
	Haul - 2½ tons at \$1.50-----	3.75
TOTAL HARVEST COSTS		\$ 17.50
	Rent - ¼ of gross income-----	\$ 28.12
	Management - 10% of gross income-----	11.25
TOTAL ALL COSTS		\$107.12
COST PER CWT		\$ 2.14

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				
	\$1.75	\$2.00	\$2.25	\$2.50	\$2.75
3,000	-26.62	-21.75	-16.88	-12.00	- 7.12
4,000	-18.75	-12.25	- 5.25	+ .75	+ 7.25
5,000	-10.88	- 2.75	+ 5.38	+13.50	+21.62
6,000	- 3.00	+ 6.75	+16.50	+26.25	+36.00
7,000	+ 4.88	+18.62	+32.38	+46.12	+50.38

BASIS OF COST STUDY:

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