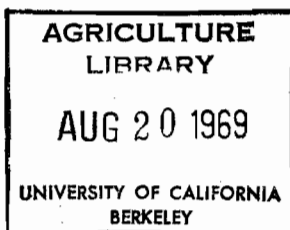


ALFALFA HAY



Sample Costs of Establishing

University of California
Farm and Home Advisor's Office
2610 'M' Street
Bakersfield, California

October, 1968

COST OF ESTABLISHING ALFALFA HAY

Roy M. Barnes - Farm Advisor

These studies show an operating schedule of the most generally accepted farm practices, together with depreciation and interest costs. Perhaps their most important use is in comparing an actual or proposed budget or farming program with these sample costs. A brief review of each major section of the work sheets may be helpful in explaining their construction and uses.

Cash Costs

This section includes representative farm practices and costs, based upon the illustrated labor, equipment and other input costs. No one farm may require all of the inputs in a given year, however, or have exactly the same equipment as indicated. This emphasizes the value as a worksheet, as well as a cost guide.

Depreciation

Equipment used in the operating schedule, and the original costs are depreciated as illustrated in the cost schedule. These will serve as guides to include depreciation on the actual cost and equipment found on a given farm or in a proposed budget.

Interest on Investment

These costs, as shown, will serve as guides for

COST ANALYSIS WORK SHEET ESTABLISHING A STAND OF ALFALFA FOR HAY IN KERN COUNTY - 1968

Man labor at \$1.75 and equipment operator \$1.90, including Workman's compensation Insurance and Social Security

Tractors available are, 80 h.p. crawler, 75 h.p. wheel diesel and 50 h.p. wheel diesel

Cash, depreciation and interest costs per hour for each tractor are: 80 h.p. crawler \$3.50, \$1.60, and \$1.00, 75 h.p. wheel tractor \$2.20, \$1.00, and 50¢, 50 h.p. wheel tractor \$1.50, 75¢, and 40¢.

Roy M. Barnes, Farm Advisor

Edward A. Yeary, Farm Advisor-Statewide

Cash Costs		Sample Costs Per Acre	My Costs Per Acre
Shred previous crop residue - 1/2 hr. man and 75 h.p. wheel tractor		\$ 2.05	
Disc 2 times: total 1/2 hr. - man and crawler tractor		2.70	
Chisel: 1 hr. man and crawler tractor		5.40	
Landplane 1 time: 1/6 hr. man and crawler tractor		.90	
Border preparation: 1/2 hr. man and 75 h.p. wheel tractor		2.05	
Landplane between borders: 1/6 hr. man and crawler tractor		.90	
Fertilize: 44 lbs. phosphate, phosphorous		11.00	
Application: custom bulk spreading		2.00	
Pre-irrigate: power for 1 ft. of water		6.50	
labor: 1 hr. per acre		1.75	
Disc or springtooth for seedbed preparation: 1/4 hr. per acre man and 50 h.p. wheel tractor		.85	
Reshape broders: 1/12 hr. man and 75 h.p. wheel tractor		.35	
Weed control - custom		10.00	
Plant: seed, 20 lbs. at 65¢		13.00	
plant by airplane		1.00	
Cover seed: 1/8 hr. man and 75 h.p. wheel tractor		.50	
Repairs to equipment except tractors		2.00	
Office and business expenses - 6% of cash costs		3.75	
Total Cash Costs		\$66.70	
<u>Depreciation</u>			
Tractors: Crawler		2.95	
75 h.p. wheel tractor		1.20	
50 h.p. wheel tractor		.20	
Equipment except tractors		2.00	
Total Depreciation		\$ 6.35	
<u>Interest on Investment at 7%</u>			
Tractors: crawler		1.85	
75 h.p. wheel tractor		.60	
50 h.p. wheel tractor		.10	
Equipment except tractors		1.15	
Total Interest on Investment		\$ 3.70	
TOTAL COST TO ESTABLISH ALFALFA		\$76.75	

an actual situation. The owner's costs of improvements, equipment, etc., must be considered. Also if the grower owns all of these assets outright, then interest charges that are indicated would return to him as income, or reduce the cash requirements for production accordingly. Annual investment costs and real estate taxes are charged to the hay production schedule, so are omitted from the development costs.

Summary

One cost schedule cannot illustrate each farm situation. It can serve as a guide to recommended practices and sample costs, against which any actual or proposed schedule can be tested for completeness and unit cost of production.