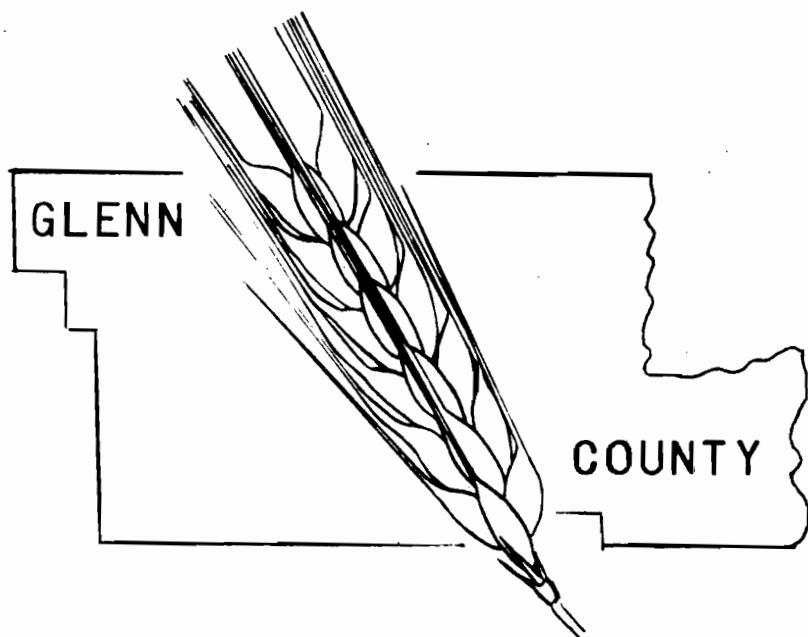


SAMPLE COSTS

TO PRODUCE

DRYLAND GRAIN



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EQUIPMENT AND BUILDING LIST

Item	Original Cost		Years Life	Annual Use (acres)	Non-Cash Overhead	
	Total	Per Acre			Depreciation	Interest at 6%
2 Crawler Tractors 80 h.p. - Diesel	\$ 60,000	\$30.00	20	2,000	\$ 1.50	\$ 1.05
1 Wheel Diesel 60 h.p. (Used)	4,200	2.10	10	2,000	.21	.07
4 Mold Board Plows, 5-14	8,000	4.00	20	2,000	.20	.14
2 Discs, Offset-Hydraulic 18 feet	8,000	4.00	20	2,000	.20	.14
Spiketooth Harrow, 40' w/cart and evener	1,500	.75	20	2,000	.04	.03
Springtooth Harrow, 40'	1,200	.60	20	2,000	.03	.02
Chisel, 14 ft.	1,700	3.40	20	500	.17	.12
Bulk Seeder - Pull Type	1,200	.60	20	2,000	.03	.02
Tool Carrier - 28 ft.	1,900	.95	20	2,000	.05	.03
Bankout Wagon (Used)	1,500	.75	20	2,000	.04	.03
Bazooka, 6-inch	1,000	.50	20	2,000	.03	.02
Combine - 16 ft. SP, Sidehill	27,000	27.00	15	1,000	1.80	.95
Combine - 16 ft. SP	23,000	23.00	15	1,000	1.53	.81
Truck - 2 ton	7,000	3.50	12	2,000	.29	.12
Pickup - 4 wheel Drive	5,000	2.50	5	2,000	.50	.09
Pickup (Used 1/2 ton)	2,000	1.00	3	2,000	.33	.04
Buildings	6,000	3.00	30	2,000	.10	.11
Tools	2,500	1.25	15	2,000	.08	.04
 Total	 \$162,700	 \$108.90			 \$7.13	 \$3.83

SAMPLE COSTS TO PRODUCE DRYLAND GRAIN
Glenn County 1972

YIELD: 2,000 cwt./acre.....YIELD 1972

Operation	Hours Per/A	Cash and Labor Costs Per Acre			Total Materials	Total	Your Cost Per Acre
		Labor	Fuel & Repair	Description of Materials			
Cultural Costs							
Plow	.60	\$1.74	\$2.40			\$ 4.14	
Disc (2x)	.40	1.16	2.30			3.46	
Harrow, Spiketooth (2X)	.15	.44	.53			.97	
Harrow, Springtooth	.08	.23	.32			.55	
Seeding	.08	.23	.18	110 lbs. Seed @ \$4.00 cwt.	\$ 4.40	4.81	
Harrow, Spiketooth	.08	.23	.28			.51	
Weed Control (Aerial)				Airplane \$1.25 Per/A + 8 oz. 2,4-D - \$.46/A	1.71	1.71	
Fire Insurance					.20	.20	
Misc. Labor (Downtime, move, Service Equipment, etc.)	.25	.73	.10			.83	
TOTAL CULTURAL COSTS	1.64	\$4.76	\$6.11		\$ 6.31	\$17.18	
Harvest Costs							
Combine	.40	\$1.16	\$2.48			\$ 3.64	
Bankout	.40	1.16	.90	(Roadside Grain)		2.06	
TOTAL HARVEST COSTS	.80	\$2.32	\$3.38			\$ 5.70	
Cash Overhead							
Misc. office, etc.						1.43	
Taxes & Insurance						1.57	
Rent 33 1/3% of 2,000 cwt. x \$2.50 cwt.					\$ 16.65	16.65	
TOTAL CASH OVERHEAD						\$19.65	
TOTAL CASH COSTS						\$42.53	
Management 5% of 2,000 cwt. x \$2.50						\$ 2.50	
Annual Costs							
<u>INVESTMENT</u>	<u>Per Acre</u>	<u>Depreciation</u>		<u>Interest</u>			
Equip., Bldgs, Tools	\$ 108.90	\$7.13		\$3.83		\$10.96	
TOTAL COST PER ACRE						\$55.99	
Cost per cwt. @ 2,000 cwt. yield						\$ 2.80	

Sample Cost per cwt. at Varying Yields *

Yield cwt./A	1,000	1,500	2,000	2,500	3,000
Total Costs/cwt.	\$4.64	\$3.41	\$2.80	\$2.43	\$2.19

* Rent and management costs have been adjusted to reflect changes at various yields. The price of grain remains constant at \$2.50 cwt.

BASIS OF DRYLAND GRAIN COST STUDY

1. The cost study is based on a 2,000 acre dryland grain operation where the grower is renting the land and planting 2,000 acres each year. Normally the land planted will be on a 2 to 5 or more year frequency. This study does not attempt to reflect a grain-sheep operation.
2. In allocating the equipment cost per acre in the equipment list the following calculations were made: (a) "Original cost" of equipment is the estimated new cost and includes 5% sales tax. (b) "Cost per acre" is the new cost divided by the number of acres the equipment will be used on. (c) "Depreciation" is based on the "per acre cost" divided by the expected life of the equipment. (d) "Interest" on investment is figured on one-half of the new cost per acre multiplied by 7%.
3. Taxes on equipment valued at \$108.90 per acre $\times 75\% \times 25\% =$ assessed value of \$20.42 \times rate of \$7 = \$1.43 per acre. Insurance on major equipment items and shop = \$136,700 $\times 50\% \times 80\% =$ \$54,680 insurance value \times \$.50 per \$100 = \$273.40 \div 2,000 acres = \$.14 per acre.
4. Miscellaneous expenses have been found to be about 6% of the total cultural and harvest costs. They include such costs as preparing roadways, general weed control, office, bookkeeping, interest on operating money, etc.
5. Labor costs are based on a \$2.90 hourly rate for labor basic to the operation. Included are cash wages, compensation insurance, Social Security and other benefits that the employer might pay.
6. Equipment cash operating costs are listed under fuel and repair. Included is the cost of fuel, maintenance, replacement parts, tires, etc. Tractor charges per hour are: 80 hp crawler diesel, \$3.00; 60 hp wheel diesel, \$1.75.
7. Management (what the grower's decision making is worth) is figured at 5% of the market value of the crop.
8. Dryland grain operations in Glenn County vary and this study represents sample or typical, rather than specific operations.

These sample costs to produce dryland grain (barley or wheat) may not represent the cost of any one individual grower. However, this cost study should serve as a useful guide in reviewing the typical costs and practices in dryland grain production. Growers are encouraged to make use of the column "Your Costs Per/A." provided to permit a comparison of the sample costs in this study with individual grower costs.

Each individual grower must decide on the use made of his labor in-put, his management fee and depreciation. Each of these items is listed separately and considered as production costs in this study.

9. Six Glenn County dryland grain growers cooperated in compiling the basic information for this study. Appreciation is expressed to these growers.

In this study, the growers furnishing information for the sample costs to produce dryland grain represent both flat land and hill land grain operations on the Westside of Glenn County. For the basis of this study, half of the production is flat land and half hill land.

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