

COST OF SUGAR BEET PRODUCTION

Fresno County - 1960

Cost of production of a crop will vary from one farm to another depending upon size of operation, soil characteristics, water costs, extent of insect and weed control, etc.

This work sheet gives an example of costs to produce sugar beets that may or may not be typical of any one farm. It includes all those cultural operations and costs normally experienced to produce the crop in this area. Growers are encouraged to figure their own costs using the columns provided.

NOTES

1. Costs per acre will vary with size of operation. Those given are based on an 80 to 100 acre single-row bed planting on land owned by the grower.
2. Under a rental arrangement, cash costs would be increased by the rental cost and decreased by the amount of county taxes on the land, and depreciation and interest on investment on the irrigation system and the land.
3. Wage rates are assumed to include social security costs.
4. This study is based on mechanical thinning. Hand thinning will cost approximately \$14 to \$18 per acre.
5. Fertilization costs are based on two applications and a total of 150 pounds per acre of nitrogen. Rates used will vary with past cropping history.
6. Yield per acre is based on the following schedule:
  - 23 tons - hauled to beet dump
  - 22 tons - received by processor
  - 20 tons - grower yield of clean beets.
7. Hauling cost is based on 85¢/ton plus 3¢ per ton-mile for an average 10-mile haul to the beet dump.
8. Hauling credit is based on the practice of a rebate by the processor to the grower. It is computed on the basis of 15¢/ton clean beets plus 2½¢ per ton-mile for an average 10-mile haul to the dump.
9. Although a cost of picking up dropped beets is included, many growers will turn cattle or sheep into a field after harvest. The grazing value of these tops and unrecovered beets is not accounted for. This credit may range between \$5.00 and \$10.00 per acre where grazing is practiced.

10. This study assumes a November or December planting and harvest during August or September.
11. Total cost of production will vary with yield per acre due primarily to variation in harvest and hauling costs and amount of rebate. Included is a table to show this variation in cost.
12. Grower returns per ton of beets vary with sugar content of the beets, processor net returns per hundred weight of sugar, and USDA Commodity Stabilization Service payments under the Sugar Act.

#### Farm Advisors

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# C O S T   A N A L Y S I S   W O R K   S H E E T

## Sample Costs to Produce Sugar Beets in Fresno County - 1960

Based on a yield of 20 tons of clean beets per acre. Man labor at \$1.05 per hour and tractor operator @ \$1.30 per hour total costs.

<u>PRE-HARVEST CASH AND LABOR COSTS</u>	<u>Sample Costs</u>		<u>My Costs</u>	
	<u>Per acre</u>	<u>Per ton</u>	<u>Per acre</u>	<u>Per ton</u>
<u>Disc</u> 2 x @ 4 ac. per hour each ½ hr. man & 70 h.p. tracklayer	1.98			
<u>Plow</u> 1 x, 1 ac. per hr. 1 hr. man & tracklayer	3.95			
<u>Chisel</u> 1 x, 1 ac. per hr. 1 hr. man & tracklayer	3.95			
<u>Disc</u> 1 x, @ 4 ac. per hr. ¼ hr. man & tracklayer	.99			
<u>Landplane</u> 3 ac. per hour ¼ hr. man & tracklayer	.99			
<u>Fertilize</u> with ammonium sulphate material - 300 lbs. - cost \$54.00/ton	8.10			
application - broadcast - total cost	1.00			
<u>List beds</u> - 3 ac. per hour 1/3 hr. man & 50 h.p. wheel tractor	.87			
<u>Cultipak beds</u> , 4 ac. per hour ¼ hr. man & wheel tractor	.65			
<u>Plant</u> - 2 ac. per hour ½ hr. per acre, 2 men & wheel tractor	1.83			
<u>Seed</u> 5 lbs. @ 55¢ processed & treated	2.75			
<u>Irrigation</u> - 1 pre-irrigation & 6 crop irrigations 6 crop irrigations power - 4 ac. ft. @ \$8.50	34.00			
labor - 10½ hrs. @ \$1.05	11.03			
<u>Thin</u> - mechanical, 2 ac. per hour ½ hr. man & wheel tractor	1.30			
<u>Fertilize</u> material - 90 lbs. N @ 6½¢	5.85			
application - contract	2.50			
<u>Hand weed</u> - 1 x 5 hrs. per acre	5.25			
<u>Cultipak</u> - 1 x - 2 ac. per hour ½ hr. man & wheel tractor	1.30			
<u>Cultivate</u> - 2 x (before & after thinning) @ 1 ac/hr. 2 hrs. man & wheel tractor	5.20			
<u>Cultivate</u> - 2 x at 2 hrs. per acre 1 hr. man & wheel tractor	2.60			
<u>Misc. tractor work</u> - ditches, borders & discing 1½ hr. man & tracklayer	4.95			
<u>County taxes</u>	4.50			
<u>Repairs</u> to equipment except tractor	3.50			
<u>General cash expenses</u> - office, auto, etc. 5% of cash costs	5.29			
<b>Total Pre-Harvest Cash and Labor Costs</b>	<b>114.33</b>	<b>5.72</b>		

	<u>Sample Costs</u>		<u>My Costs</u>	
	<u>Per</u>	<u>Per</u>	<u>Per</u>	<u>Per</u>
	<u>acre</u>	<u>ton</u>	<u>acre</u>	<u>ton</u>
<b><u>HARVESTING COSTS:</u></b>				
<u>Dig &amp; load</u>				
Contract @ \$1.30/ton on 22 tons		28.60		
<u>Hauling</u> - \$1.15/ton on 23 tons		26.45		
<u>Pick up</u> dropped beets - 1½ man hours		1.57		
<b>Total Harvesting Costs</b>		<b>56.62</b>	<b>2.83</b>	
<b>TOTAL PRE-HARVEST AND HARVEST CASH COSTS</b>		<b>170.95</b>	<b>8.55</b>	
<b><u>DEPRECIATION</u></b>				
Irrigation system and well		10.00		
Tracklayer - 4½ hrs. @ \$1.73		7.57		
Wheel tractor - 5 1/12 hrs. @ \$1.08		5.49		
Farm equipment		4.00		
<b>Total Depreciation</b>		<b>27.06</b>	<b>1.35</b>	
<b><u>INTEREST ON INVESTMENT AT 6%</u></b>				
Irrigation equipment and well		6.00		
Tracklayer, 4½ hrs. @ 30¢		3.40		
Wheel tractor 5 1/12 hrs. @ 32¢		1.63		
Farm equipment		1.30		
Land @ \$500		30.00		
<b>Total Interest</b>		<b>42.33</b>	<b>2.11</b>	
<b>TOTAL COST OF PRODUCTION FOR 20 TONS PER ACRE</b>		<b>240.34</b>	<b>12.01</b>	
<b>HAULING CREDIT - Rebate</b>		<b>8.00</b>		
<b>NET PRODUCTION COST PER TON</b>		<b>232.34</b>	<b>11.62</b>	

**PRODUCTION COST PER TON AT VARYING YIELDS**

Yield - tons/acre	16	18	20	22	24	26	28	30
Cash and labor cost - \$	10.01	9.20	8.55	8.03	7.58	7.22	6.90	6.62
Total cost per ton - \$	13.95	12.66	11.62	10.78	10.07	9.49	8.98	8.53

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