

ALFALFA HAY PRODUCTION

Cost Analysis Work Sheet

Sample costs to produce alfalfa hay in Merced County. Man labor \$2.90 per hour total and equipment operator \$3.60, which includes employer's social security and workmen's compensation insurance payments. 50 H.P. wheel diesel tractor per hour cash costs \$2.28, depreciation \$1.34, and interest 67¢. Costs are based on a yield of 7 tons per acre with a 3-year stand life. Swather \$3.78, depreciation \$5.00 and interest \$1.25.

	SAMPLE COSTS		MY COSTS	
	Per Acre	Per Ton	Per Acre	Per Acre
<b>PRE-HARVEST CASH COSTS:</b>				
Irrigation labor: 6 hrs. total	\$ 17.40			
Water: \$15.00 per acre total	15.00			
Fertilize: Materials & application \$15.00	15.00			
Weed control: including application	10.00			
Insect control	10.00			
Taxes	18.00			
Repairs, except tractor and swather	6.00			
Misc. labor, materials 1 hr. man & tractor	7.38			
Bus. exp., office, car, etc. 6% of cash costs	10.63			
<b>TOTAL PRE-HARVEST CASH COSTS</b>	<b>\$109.41</b>	<b>\$ 15.63</b>		
<b>HARVESTING COSTS:</b>				
Swath 6X: 1/5 hr. per acre per time	12.10			
Combine windrows & turn 6X: 1/2 hr. per acre per time				
man & tractor	2.94			
Bale: Contract \$6.50 per ton	45.50			
Roadside Contract \$2.55 per ton	17.85			
<b>TOTAL HARVESTING COSTS</b>	<b>\$ 78.39</b>	<b>\$ 11.20</b>		
<b>TOTAL CASH COSTS</b>	<b>\$187.80</b>	<b>\$ 26.83</b>		
<b>DEPRECIATION:</b>				
Irrigation system and equipment \$200.00 cost 20 year-life	10.00			
Tractor: 1 2/5 hrs. @ \$1.34	1.88			
Swather: 1 1/5 hrs. @ \$5.00	6.00			
Stand: Cost \$130.70 3-year life	43.57			
<b>TOTAL DEPRECIATION</b>	<b>\$ 61.45</b>	<b>\$ 8.78</b>		
<b>INTEREST ON INVESTMENT @ 8%</b>				
Irrigation system & equipment, 1/2 cost \$100	8.00			
Tractor: 1 2/5 hrs. @ 67¢	.94			
Swather: 1/15 hrs. @ \$1.25	1.50			
Stand: 1/2 cost \$65.35	5.23			
Land: \$700	56.00			
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$ 71.67</b>	<b>\$ 10.24</b>		
<b>TOTAL COST OF PRODUCTION</b>	<b>\$320.92</b>	<b>\$ 45.85</b>		

No allowance for the cost of management or income from sheep grazing have been considered. These are sometimes included.

SAMPLE COSTS AT VARYING YIELDS

Yield - Tons per acre	5	6	7	8	9	10
Cash Costs per ton	\$33.94	\$29.79	\$26.83	\$24.61	\$22.88	\$21.50
Total costs per ton	\$60.56	\$51.98	\$45.85	\$41.25	\$37.67	\$34.81

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