

NET INCOME/A AT 400 LBS/A AND VARYING PRICES/LB.

Price/Lb.	\$ 1.40	\$ 1.50	\$ 1.60	\$ 1.70	\$ 1.80
Gross Income/A	\$560.00	\$600.00	\$640.00	\$680.00	\$720.00
Total Cost/A	\$608.05	\$616.05	\$624.05	\$632.05	\$640.05
Net Income/A	-\$48.05	-\$16.05	+\$15.95	+\$47.95	+\$79.95
Net Income/Lb.	-\$.12	-\$.04	+\$.04	+\$.12	+\$.20

NET INCOME/A AND COST/LB. AT \$1.50/LB. AND VARYING YIELDS

Lbs./A	300	400	500	600	700
Gross Income/A	\$450.00	\$600.00	\$750.00	\$900.00	\$1050.00
Total Costs/A	\$570.51	\$616.05	\$661.60	\$707.12	\$ 752.67
Net Income per acre	-\$120.51	-\$16.05	+\$88.40	+\$192.88	+\$297.33
Cost/Lb.	\$ 1.90	\$ 1.54	\$ 1.32	\$ 1.18	\$ 1.08

Consult your farm advisor if you have questions regarding this sample cost of production study for Ladino Clover Seed.

Farm Advisor's Office
Glenn County

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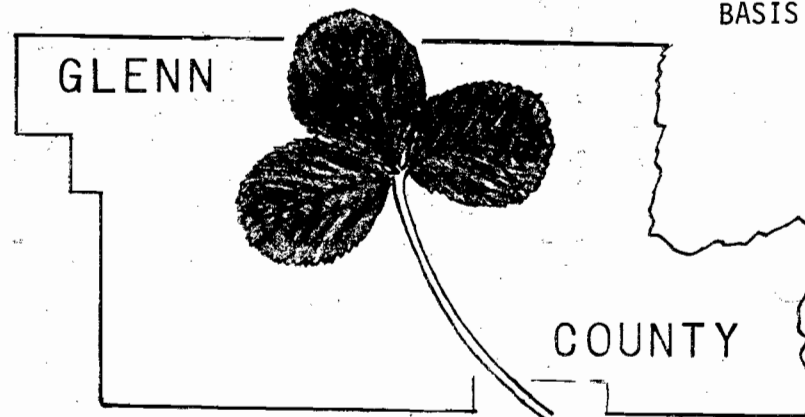
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Estimated Costs to Produce Ladino Clover Seed

TENANT

LANDOWNER

BASIS



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(3 year life) of the cost of stand establishment is added to the annual cost to obtain a total annual cost. Seed is produced on some ladino clover plantings for a 4 year period when stands remain adequate and relatively clean. In such cases the cost of stand establishment could be spread over a 4 year period.

The yield basis for the crop is 400 lbs. of clover seed per acre. While this yield level may be above the average yield of Ladino clover in Glenn County, the level used is perhaps a minimum goal for anyone growing ladino for seed. An estimated price of \$1.50 per pounds is used for this study. Returns for different varieties will vary and the \$1.50 per lb. used in the cost study is at best an estimate taking into consideration current situations. Consult contracting companies should you have interest in price outlook for Ladino clover seed.

In discussion with the growers assisting with the input into this cost study it was decided to use contract prices for harvesting operations. If a grower is doing his own harvesting, equipment to carry out this operation would need to be inventoried accordingly and labor, fuel and repairs, depreciation, interest, etc. determined as a cost of production.

2. In allocating the equipment cost per acre in the equipment list, the following calculations were made : (a) unless otherwise indicated, "Original Cost" of equipment is the estimated new cost including 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 "Cost Per Acre" divided by the expect life of the equipment; (d) "Interest" on investment is figured on one-half of the original cost per acre multiplied by 15%.
3. Miscellaneous expenses are calculated at 8% of the total cultural and harvest costs. They include such costs as insurance on equipment, use of pickup truck, office, insurance, etc.
4. Labor costs are based on a \$6.50 hourly rate for skilled labor and \$5.20 hourly rate for irrigators. Included are cash wages, compensation insurance, Social Security, unemployment insurance, and other benefits that the employer might pay.
5. These estimated costs to produce Ladino clover seed may not represent the cost of any one individual grower. However, growers may base their decision as to which crops to grow by comparing cultural and harvest costs for specific crops with estimated gross income from crops. This cost study should assist in this aspect of decision making as well as related investment and other fixed costs.
6. There is a column provided entitled "Your Cost Per Acre" which growers can use to insert their individual costs. Operations and cost may vary and growers are encouraged to use this column which in turn should assist them with budget questions as well as evaluate their cost-income relationship with Ladino clover seed.
7. Five Glenn County Ladino seed producers assisted in furnishing information for this study. Appreciation is expressed to these growers. Input from other persons is also acknowledged and appreciated.

EQUIPMENT FOR LADINO CLOVER PRODUCTION
IN GLENN COUNTY

Item	Original Cost	Annual Use (Acres)	Cost Per Acre	Life (Years)	Non-Cash Overhead	
					Depreciation	Interest @ 15%
Wheel tractor, diesel 120 HP	\$ 40,000	600	\$ 66.67	15	\$ 4.44	\$ 5.00
Wheel tractor, diesel 70 HP (used)	12,500	600	20.83	10	2.08	1.56
Chisel, 12'	5,000	600	8.33	15	.56	.62
Disk, offset 14'	14,000	600	23.33	15	1.56	1.75
Triplane, 14'	10,000	600	16.67	15	1.11	1.25
Spiketooth harrow 14'	2,000	600	3.33	10	.33	.25
Levee maker	3,000	600	5.00	15	.33	.38
Shredder 12'	8,000	600	13.33	12	1.11	1.00
Cultipacker 14'	2,000	600	3.33	20	.17	.25
Smooth Roller 14'	2,000	600	3.33	20	.17	.25
Spray rig (complete)	8,000	600	13.33	15	.89	1.00
Pickup	8,000	600	13.33	5	2.67	1.00
Pickup (used)	3,000	600	5.00	5	1.00	.38
2 ton truck (used)	6,000	600	10.00	10	1.00	.75
Shop Building	25,000	600	41.67	30	1.39	3.13
Shop tools	7,500	600	12.50	15	.83	.94
TOTAL	\$156,000		\$259.98		\$19.64	\$19.51

BASIS OF LADINO CLOVER SEED COST STUDY

1. This cost study is based on a 600 acre field crop operation with 200 acres of Ladino seed. Other crops grown on the acreage on rotation with clover seed might include small grains, grain hay, grain sorghum, field corn, etc. The equipment listed for this study is considered a fixed cost and is charged against the entire 600 acres. Irrigation is based on underground pipe and valves.

This cost study is figured on a tenant-landowner basis with the landlord receiving 20% of the gross crop return of clean seed. The landlord contributed 20% to the cost of seed cleaning, sampling and bagging.

The cost study includes a cost to establish the stand and the production costs for a one year period of an established stand. The clover is planted in the fall and the first year harvest made the following summer. The annual production cost in this study represents a second or third year production cost. In the cost study, the establishment costs are shown separate and 33 1/3%

ESTIMATED COSTS TO PRODUCE LADINO CLOVER SEED
(Continued)
Glenn County - 1983

			Total	Your Cost Per Ac.
<u>Cash Overhead</u>				
Misc., office, etc. (\$349.48 @ 8%)			\$ 27.96	
Interest on Operating Capital (14% for 6 months)			24.46	
Taxes			2.60	
Rent 20% of 400 lbs/A clean seed @ \$1.50/lb.			120.00	
TOTAL CASH OVERHEAD			\$175.02	
TOTAL CASH COSTS			\$524.50	
<u>INVESTMENT</u>	<u>Per Acre</u>	<u>Annual Cost</u>		
		<u>Depreciation</u>	<u>Interest</u>	
Buildings and Equipment	\$259.98	\$19.64	\$19.51	\$ 39.15
<u>TOTAL COST PER ACRE</u>			\$563.65	
Cost per pound @ 400 lbs/A			\$ 1.41	
Establishment Costs @ 33 1/3% based on 3 year life of clover			\$ 52.50	
Annual plus establishment costs			\$616.15	
Cost per pound @ 400 lbs/A, establishment plus annual costs			\$ 1.54	

ESTIMATED COSTS TO ESTABLISH LADINO CLOVER SEED
GLENN COUNTY - 1983

Operation	Hours Per Ac.	Labor	Fuel & Repairs	Materials Kind and Quantity Cost	Total	Your Cost Per Ac.
Cultural						
Irrigate 1X	.33	\$1.72		5 ac. in. @ \$12.00/AF=\$5.00	\$ 6.72	
Burn*						
Fertilize** (phosphorus)				500 lbs. (125 lbs. P ₂ O ₅) @ \$175/T = \$43.75 + Application Cost \$4.25	48.00	
Chisel 1X	.33	2.15	\$4.66		6.81	
Disk 2X	.50	3.25	9.26		12.51	
Triplane 3X	.75	4.88	10.13		15.01	
Make Levees	.10	.65	1.31		1.96	
Seed				3 lbs. @ \$4.50/lb. =\$13.50 Application by air =\$ 4.50	18.00	
Irrigate 3X	.99	5.15		10 ac.in. @ \$12.00/AF = \$10.00	15.15	
Grass Control				Herbicide - \$24.76 Application, air \$4.50	29.26	
Miscellaneous (*burning field, downtime, etc.)	.50	3.25	1.00		4.25	
**Not all Ladino seed growers use phosphorus.						
TOTAL	3.50	\$21.05	\$26.36	\$110.26	\$157.67	