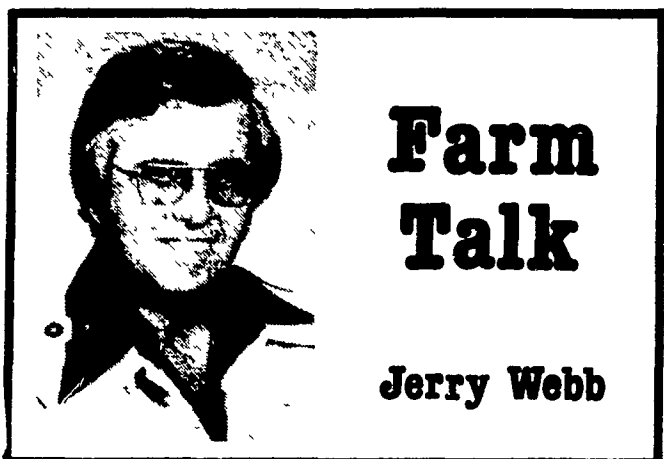


York County extension workshops



Farm Talk

Jerry Webb

By now most farmers should have a pretty good idea of last year's crop production.

Things like yield, fertilizer costs, fuel costs, and so on should be obvious. The only unknown at this point might still be price per bushel.

What I'm leading up to is the opportunity to compare your costs with those of farmers throughout the country.

The 1980 Ford Almanac contains a section on production costs for a variety of farm commodities and includes a low, medium, and high category, and a place for you to pencil in your own production costs. It may be a little hard to relate to the almanac's cost and production data, but maybe it's not too far off.

Let's look first at corn. Ford's medium category lists land at \$2000 an acre, yield at 120 bushels, and a fertilizer rate of 140-50-55. That's actual pounds of plant food per acre. When all costs are counted, including a \$125 per acre land rental rate and \$4 an hour for the labor involved, the production cost per bushel of corn comes out at \$2.65.

When you deal with average figures, there's certainly room to cut some corners, and maybe the average farmer in this area spends less than \$125 an acre to rent land. Of course, if he owns it he doesn't have to spend any money at all except for taxes. But then there is the ownership cost, or ownership value if you prefer, and that is worth something.

Using the highest priced land and the higher costs and yield, production costs still come out to \$2.50 a bushel, mostly because of a substantially higher yield per acre - 150 versus 120 for medium. The low cost

example, which may be more realistic to many farmers in this area, shows corn yield at 100 bushels per acre, a land rental rate of \$100 an acre, and a cost of \$2.67 per bushel.

The three examples yield a very obvious truth and that is better land that yields more than lower costs per bushel. Another truth that is fairly obvious—none of the examples have costs that are low enough to be very profitable in today's corn market. And, of course, that leads to the conclusion that if you're going to grow corn and you can't do much about the cost, at least do something about marketing so you're not stuck with \$2.75 a bushel for a corn crop that cost \$2.67 to produce.

Production cost examples on soybeans are handled about the same way and come out equally gloomy. \$7.09 a bushel cost of production on the lowest land quality, \$6.29 on medium, and \$5.90 on the very best.

Again, the low land quality figures may seem more realistic with yields at 30 bushels an acre and a land rental value of \$100. The Almanac divides costs into direct costs and indirect costs. For the low quality land producing 30 bushels per acre, the almanac comes up with direct costs of about \$57 an acre.

That includes \$8.40 for fertilizer, \$1.50 for lime, \$9 for seed \$11 for herbicides, \$19 for machine operation, and \$8.25 for interest on operating capital and miscellaneous costs. Direct costs include \$39 an acre for machinery and equipment, \$4.50 for grain storage, \$100 for land rental, and \$12 for labor.

Perhaps some farmers don't break their costs down quite that way. Some don't

allow for indirect costs since they already own the land, storage bins, and equipment. And they don't include a labor charge, since whatever is left over is theirs.

But if they're going to be realistic about the costs of producing crops, you must include these items and assign fair value to them.

With 100 bushel-per-acre corn and 30-bushel soybeans, there isn't a whole lot of profit. And a farmer may find it difficult to meet his expenses and feed his family on the \$4 an hour allowed for labor.

On the other hand, if he can spread his indirect costs over more acres he can reduce them some. And if there's a little bit of profit per acre and he has enough acres, there's still the opportunity to make a decent living.

The Almanac doesn't attempt to determine profit since it assigns no value per bushel. But it does leave space for you to figure this one on your own. It's a good economic exercise, one that almost any farmer could benefit from, even if he's doing a much better job than the Almanac's averages.

If you're not on the list for this handy little book, talk to your Ford tractor dealer. He should know how to get one. It's loaded with interesting information for home, garden and farm, and it's spiced with a minimum of commercial message.

One closing note picked up from the Almanac. The average American will have to work from January 1 until June 2 just to pay taxes. That means about 42 cents of every dollar earned goes toward government taxes of some kind.

In 1948, that figure was 24 cents of every dollar; in 1957 it was 35 cents; and in 1968 it was 39 cents.

draperies can help control heat losses.

- Beginning Knitting - Feb. 20, 27, and March 5, 9:30-12:00, at Pleasant Acres. Knit a pair of T.V. slippers in class.

- Super and Slumming - Feb. 22, 10:00-12:00, Pleasant Acres. Low calories ideas from appetizers to desserts.

- Reupholster a Chair - starts March 18, 9:30-2:30, at 4-H Center.

- Drapery Class - March 5, 12, 19, 10:00-12:00, at Pleasant Acres. Learn techniques needed to construct a professional look drapery.

- Machine Quilting, March 18 & 25, 9:30-2:30, at Pleasant Acres. Learn to do quilting with your sewing machine.

- Making slip covers -

March 13, 25, 26, 27, 9:30-2:30, at the 4-H Center. Make a slip cover for your chair in class.

- Bread Winners - March 27, 10:00-12:00, at Pleasant Acres. Emphasis will be on whole grain breads.

There is a fee for some of the workshops and class size is limited. For more information about the workshops and how to register call the Penn State Cooperative Extension Office at 757-9657.

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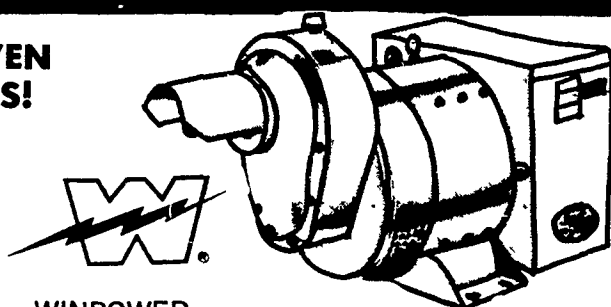
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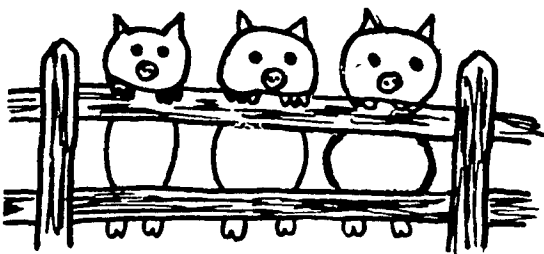
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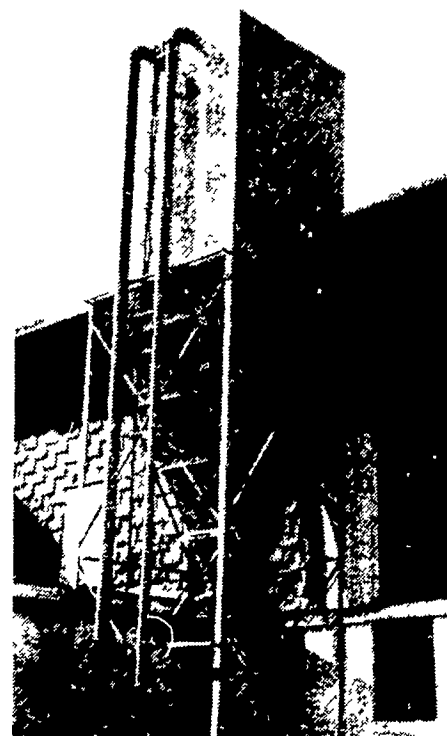
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