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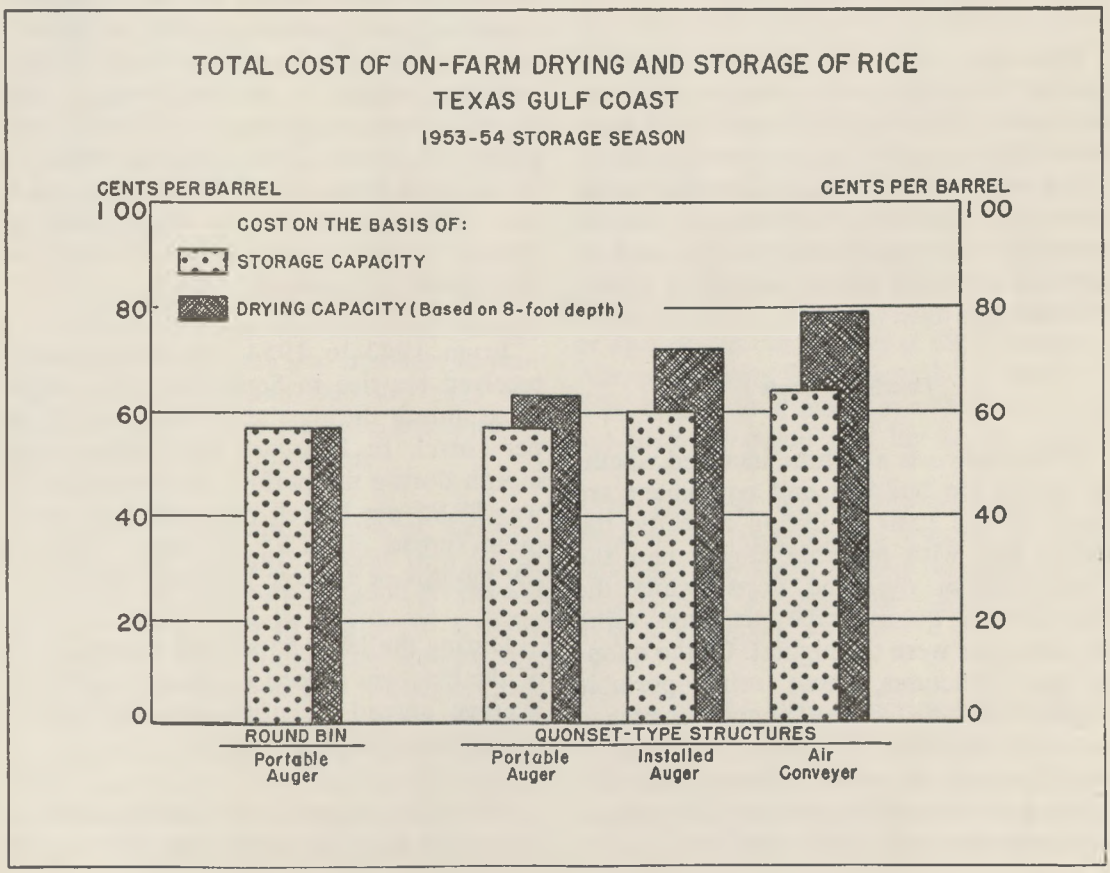
COSTS OF STORING RICE ON THE FARM

Costs of on-farm drying and storage of rice in facilities used by farmers in the gulf coast area during the 1954-55 storage year were studied by R. J. Hildreth, Assistant Professor of Agricultural Economics at Texas A. & M. College. Information on the operations of 29 storage units was obtained to determine the possibilities of on-farm storage as an alternative to the immediate sale of the grain or the use of commercial drying and storage facilities.

Cost figures were calculated according to the storage capacity and drying capacity of each type of structure and equipment commonly used by the farmers. The round bins were equipped with portable augers; in the quonset-type structures, three kinds of grain-moving equipment generally were used — portable augers, installed augers, and air conveyers. A comparison of total costs of on-farm drying and storage of rice is shown in the chart below.



On the basis of both storage capacity and drying capacity, the total annual operating and overhead costs per barrel of rice for on-farm drying and storage were the largest in the case of the quonset-type buildings using air conveyers. Total costs based on storage capacity were the same for the quonset-type structures and the round bins with portable augers. However, costs based on drying capacity were lower for the round bins than for the quonset-type buildings when both were equipped with portable augers.

Operating Costs

The operating costs for the quonset-type buildings and the round bins, with portable augers in both types, were 26 cents and 27 cents, respectively, per barrel of rice. The largest operating cost—29 cents per barrel —occurred in using the quonset-type buildings with installed augers, primarily because of the high labor charges.

Operating costs are a major factor in making the decision as to whether or not to use the buildings and equipment in a given year. If it appears that the spread between prices at harvest time and those that might be received later will more than cover the operating costs, the farmer may do well to dry and store his grain, instead of selling it at harvest time.

Overhead Costs

Overhead costs are those incurred whether or not the building and equipment are used. On the basis of drying capacity, the round bins with portable augers had the lowest annual overhead costs, while the costs for the quonset-type structures using air conveyers were the highest. Of the quonset-type structures, those using portable augers had the lowest annual overhead costs. Depreciation of buildings and equipment, interest on investment, and taxes accounted for the major portion of the annual overhead costs of all the facilities.

When overhead costs were computed on the basis of storage capacity, those for the quonset-type structures with air conveyers (at 36 cents per barrel) were the highest, while costs for the other structures were only slightly above 30 cents per barrel.

Make Comparisons

Professor Hildreth points out that there is no one definite answer to the question of what it costs to dry and store rice on the farm. This is due, in a large measure, to the constant overhead costs, since they are the same for any particular type of structure regardless of how much rice is dried and stored. Overhead costs and the total cost per barrel of rice decrease as the amount of grain dried and stored increases.

In order to determine the feasibility of using on-farm drying and storage facilities, farmers should compare the costs with the possible benefits before deciding to provide such facilities. If rice is not stored in commercial facilities or on the farm, it must be sold when marketings are heaviest and prices are lowest. The major advantage to be obtained from drying and storing rice is that which might accrue as a result of changes in the average prices received for rice during the season.

From 1943 to 1954, the average price received for rice in September (the lowest price month during the period) was $7.20 per barrel. In February, the highest price month during the period, the average price was $8.95 per barrel, representing a maximum spread of $1.75 per barrel between the months of average high and low prices.

During the 1954-55 storage season, much of the rice was placed in the loan, and the average spread in price for the farmers studied was $2.20 per barrel.

A farmer can reduce his income taxes for 5 years by depreciating the cost of his equip-

ment within the 5-year period allowed for grain storage. The reductions would depend upon his income bracket and the costs of the buildings and equipment.

Before a farmer provides drying and storage facilities on his farm, he should consider the time required in the management and operation of the units and the risks of lower prices and deterioration of grain quality. The availability of local public facilities when needed and the charge for their use also should be compared with the costs of on-farm drying and storage facilities.

Eartagging Plan for Identifying Cattle

A nationwide, uniform plan for identifying dairy and beef cattle through the use of only one eartag for each animal is being sponsored by the United States Department of Agriculture. For many years, farmers have complained about the "Christmas-tree" effect of using different identifying tags for each of the various herd improvement and disease control programs.

The eartagging plan for identifying cattle is based on a system which has enough combinations of letters and numbers to provide more than 8,000,000,000 tags for marking cattle in the United States and its territories without duplication.

The most important feature of the new system is that a record is kept in a single "book" of the numbers assigned to official agencies and groups in charge of specific programs in each state. The groups can purchase identification tags wherever they choose, but first they must obtain a block assignment of numbers from the Federal or state official keeping the book for their state. Each state will have a code, plus a block of 169,000,000 different numbers. This series will be sufficient for all of the agricultural groups concerned with dairy herd improvement, artificial breeding, and disease eradication.

Light Up the Hen House

The use of artificial lights to keep hens on the job 13 hours each day during the short days of fall and winter is a management practice that pays dividends in increased egg production. According to Ben Wormeli, Extension poultry husbandman of Texas A. & M. College, the extra hours of light are needed for stimulating hormone production.

Mr. Wormeli says that clean, 60-watt bulbs located 6 feet above the floor and spaced 14 feet apart should provide sufficient light. A clean, 12-inch shallow dome reflector used with each bulb will give good light distribution. All the lights in the chicken house should be kept on at the same time.

Most poultrymen find it convenient to use automatic timing switches for turning on the lights early enough in the morning so that the combined artificial and daylight hours total 13 hours before sunset. Gradual changes should be made in the timing switches to take into account the increase or decrease in the number of daylight hours. Abrupt changes in the length of time artificial light is used may upset the hens, causing them to moult and lay fewer eggs.

In addition, artificial lights should be kept on all day during cloudy or rainy weather. The bulbs should be checked periodically to be sure the intensity of the light is sufficient.

Hints on Grazing Winter Pastures

The amount of winter grazing obtained from small grains and annual clovers depends, to a large extent, upon the manage-

ment practices followed. E. M. Trew, Extension pasture specialist of Texas A. & M. College, recommends that farmers and ranchers—

◆ Give the young plants time to develop hardy root systems before turning the livestock on the pasture to graze. If the plants are at least 6 inches tall, their root systems will be developed to the point where grazing livestock will not reduce the stand materially by pulling up the plants.

◆ Rotate grazing for the most efficient use of forage produced by fast-growing small grains and legumes. Portable fencing for cutting the pasture into small plots is recommended in rotation grazing, since it is inexpensive and easy to move.

◆ Mow the pastures before small grain crops become too tall. This will prevent early booting and will make the grains less susceptible to winter killing.

◆ Supplement winter grazing with a small amount of dry hay to help balance the diet of the livestock.

Wintering Ewes

Good grass or corn silage may be used to winter pregnant ewes if sufficient pasturage is not available, according to Ivan Watson, Extension animal husbandman at New Mexico A. & M. College.

The recommended daily ration for each ewe is 8 to 12 pounds of silage; however, Mr. Watson suggests that at least 1 pound of dry roughage be used in place of 2½ to 3 pounds of the silage. Moldy or frozen silage should not be fed, since it tends to cause digestive disturbances in pregnant ewes.

After fall and early winter grazing is no longer available, each ewe should be given an adequate supply of roughage, plus ½ pound of grain daily. The amount of grain should be increased to 1 pound per head after lambing, until spring pasturage is available.

Shelled corn, a small grain, or a mixture of small grains can be used with grass silage. If corn silage is fed, the same grains may be used and ¼ pound of protein supplement included in the grain mixture.

The grain allowance may be increased gradually to 2 pounds per head daily if silage or other roughages are scarce. Each additional pound of grain fed replaces approximately 1½ pounds of hay or 4 pounds of silage in the ration.

The ewes should have access to salt at all times and should be fed a mixture of three parts of bone meal and one part of salt to insure against mineral deficiencies. In order to prevent pregnancy disease, the ewes should gain weight until lambing time. This can be accomplished best by the liberal feeding of grain and good roughage.

Publications

Louisiana Agricultural Extension Service, Baton Rouge:

Production of Cauliflower, Broccoli, and Brussels Sprouts, Agricultural Extension Publication 1169, by Joseph Montelaro and Ralph T. Brown.

Chemical Weed Control, Extension Publication 1170, by W. E. Monroe.

Louisiana Soybeans, Agricultural Extension Publication 1183, by R. A. Wasson and A. G. Killgore.

Copies of these releases may be obtained by request to the publishers.

The *Agricultural News Letter* is prepared in the Research Department under the direction of J. Z. Rowe, Agricultural Economist.