

variable and fixed cost of disking. From Table 4 it is seen that the variable cost per hour of operating the disk was \$.31. Reference to Table 3 notes that 1.83 hours of disk time per acre are used. The product of (\$.31 x 1.83) gives the total variable cost per acre (\$.57); when this value is multiplied by the number of acres under consideration, the gross variable cost of disking is derived. The cost of the remaining inputs is determined in a similar manner.

But what about the price of labor? For this analysis, all domestic labor, except for labor involving special kinds of tasks, was assumed to be \$2.00 per hour. However, added to this was 5.2 percent for Social Security and 3.64 percent for workmen's compensation payments. Thus, a price of \$2.18 per hour for labor is charged.

For cane cutters, who are imported from the British West Indies (BWI), a basic labor cost of \$2.51 per hour is used. This cost was arrived at by assuming a minimum wage of \$2.00 per hour and weighting it in accordance with factors developed in a 1968 survey performed by a BWI representative. Additionally, 1 percent for BWI welfare and 7.42 percent for BWI workmen's compensation must be added to the \$2.51, making a total per hour cost of \$2.72. The two ticket writers and the two lead men, who are also off-shore workers, are paid \$2.39 and \$2.42 per hour, respectively. Since their tasks are considered to be very essential, they are usually paid a wage above the minimum level for cutters. The field foreman also receives a wage above the minimum.

In this analysis overhead expenses have been listed separately. Some individual producers may desire to allocate them on some sort of proportionate basis to each of the specific operations in order to arrive at a more comprehensive cost per acre for each individual operation.

At the end of Table 5 gross cash expenses and gross other expenses have been calculated in order to arrive at net revenue. From this gross taxes, which are composed of drainage taxes and land taxes, are deducted to arrive at net revenue over gross expenses and gross taxes. The annual cost of land is deducted from this figure to arrive at a final net revenue figure of \$34.38 per acre.

It should be pointed out that drainage taxes vary widely across the many drainage districts in south Florida. Nevertheless, it is felt that the assumed value of \$5.00 per acre is quite realistic. The tax on land is the rate charged in the Belle Glade and South Bay areas of Palm Beach County. The tax rate was applied to the assessed value of the land. Land used for growing sugarcane generally has an assessed value ranging from \$100 per acre to \$400 per acre. An arbitrary value of \$300 per acre was used in this analysis (Tables 5 and 6).

Furthermore, an annual cost of land was calculated by assuming an investment rate of 6 percent and a market value of land of \$1,400 per acre (Tables 5 and 6). Discussions with knowledgeable people in the local tax office, in real estate, and in financial institu-