

# Factors Influencing Native Seed Cost

---

Keith Pawelek

Assistant Director-South Texas Natives Project  
Caesar Kleberg Wildlife Research Institute

# Retail Price

- Production cost + return=Retail price
- Production Cost= How much money is spent to produce the seed
- Return= the amount the company needs to make off of the seed to be profitable



# Production Cost

- Land rent
- Equipment
- Time
- Irrigation
- Planting cost
- Chemicals
- Field maintenance



# Land Rent

- \$250/acre
- Prime farmland, Irrigated
- Competing against high commodity prices





# Equipment

- \$1.00/lb of seed
- Covers fuel, parts, and maintenance
- Estimate assumes one already has most of the equipment





# Time (Labor)

- \$150/ acre
- Assuming that all the needed equipment is available
- Tractor operation, planting, field labor, spraying, watering, etc



# Irrigation

- \$140 per acre
- Assuming average rainfall
- Assuming 3yr average fuel cost
- Assuming equipment and infrastructure already exist





# Planting cost

- \$120 per acre
- Cost planted by seed
- With most grasses there is no seed harvested the first year.
- 5-7 yr. Production restriction





# Chemicals

- \$150-175 per acre
- Includes herbicides, pesticides, and fertilizers
- Some species may require additional treatments at additional cost



# Field maintenance

- \$1 per lb of seed
- Includes field labor to keep the product free of foreign materials
- Often required before TDA inspection





# Harvest cost

- Equipment
- Operators
- TDA Field certification
- Transport
- Drying



# Equipment

- \$1.00 per lbs mainly recover wear and fuel cost, does not include actual cost of harvesters
- Flail Vac \$15,000 (12ft)
- Used combine \$20,000
- Shellborne header \$25,000
- New combine \$250,000





# Operators

- \$1.00 per lb
- This covers the worker cost during the entire harvest process





# Field Certification

- \$1.00 per pound
- This includes inspection, and cost for processing fees incurred by the seed company





# Transport

- \$0.50 per pound
- Bulky seed
- Multiple trips



# Drying

- \$0.50 per pound
- Space
- Utilities
- Equipment





# Seed Processing

- Conditioning
- Bagging
- Storage
- Seed Tests
- Mixing orders



# Conditioning

- \$2.00 per pound
- Includes labor and equipment wear
- Includes utilities
- Does not include equipment cost





# Bagging

- \$0.15 per pound
- Includes labor and materials





# Storage

- \$0.25 per pound
- Standard cost for most seed
- Fluffy seed cost more
- Cold storage cost more
- Transportation adds to cost





# Seed Test

- \$0.15 per pound
- Includes the test and the cost incurred in the process
- If seed is not sold in a timely manner, additional tests may be required





# Mixing

- \$0.10 per pound
- Includes labor
- Paperwork
- Bagging





# Wild Harvest?

- Deals are brokered with land owner where sales are split.
- 75% to the seed company/25% to the landowner
- Seed company assumes little risk/investment
- Seed quality is often lower, and dormancy often higher





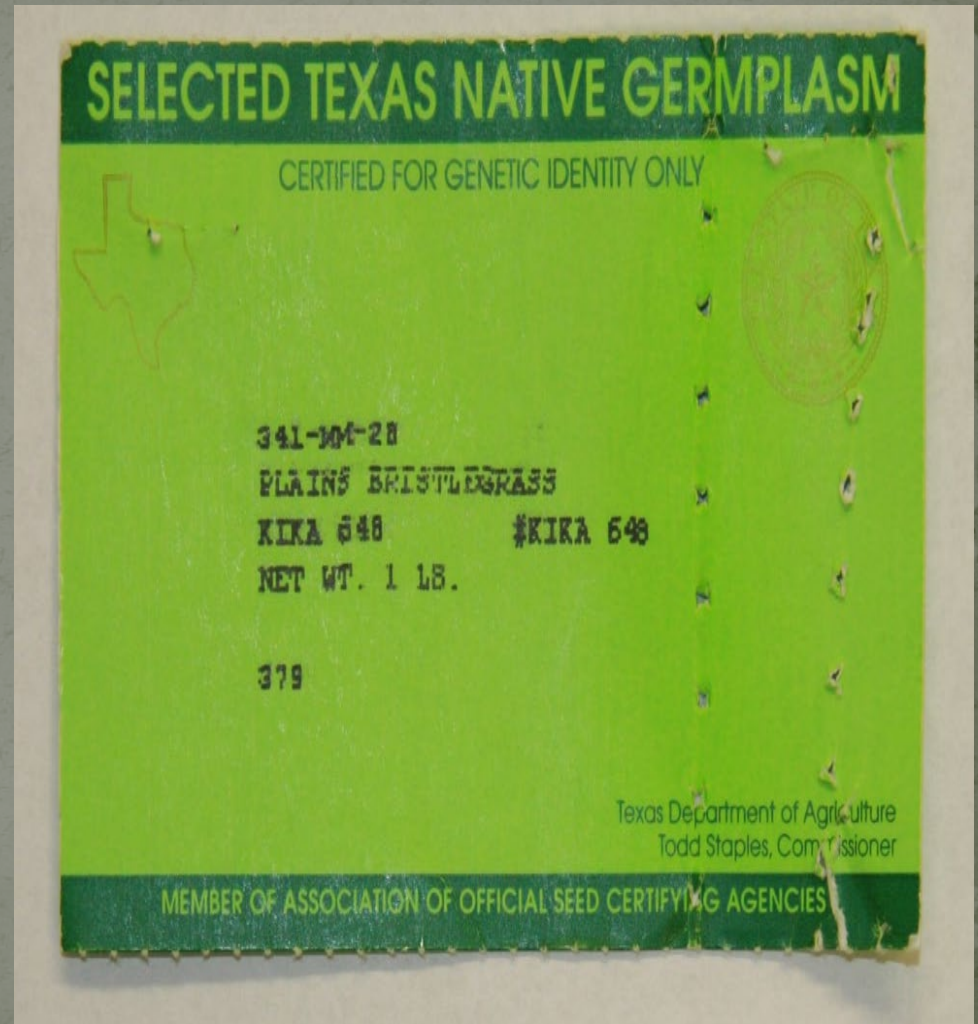
# Pure Live Seed

- Often referred to as PLS
- % of seed that has the ability to germinate within a measured quantity (usually calculated by the pound)
- lb. weight of any seed lot can vary with harvest
- Used to ensure that the correct amount of viable seed is being used.



# How all seed should be sold in an Ideal World

- On a pure live seed basis(PLS)
- Sold as Germplasm or Variety name, include on a TDA certified Tag
- Wild harvest should include location harvested and a test that confirms percentages of each species in the mix
- There should also be a tag with the testing information included.





# Cost of seed

## Species A-easy to produce

---

- Production cost=\$5.60
- Harvest cost =\$3.50
- Seed processing cost=\$2.65
- Total cost=\$11.75
- Retail cost/pls/lb.=\$16.50

## Species B-hard to produce

---

- Production cost=\$15.84
- Harvest cost=\$9.65
- Seed processing cost=\$10.35
- Total cost=\$35.84
- Retail cost/pls /lb.=45.84



# Business Cost

- Marketing
- Sales
- Customer service
- Shipping
- Consulting
- Business Overhead
- Etc.



# Supply and Demand

- Eagle Ford Shale Play
- Rain
- Government Programs