



## 2003 CORN PRODUCTION BUDGET <sup>1</sup>

### Conventional Tillage Practices <sup>2</sup>

ITEM	EXPLANATION			PRICE PER UNIT	YIELD (bu/A)			YOUR BUDGET
					100	130	160	
<b>RECEIPTS</b>								
Corn <sup>3</sup>				\$2.40 /bu	\$240	\$312	\$384	_____
<b>VARIABLE COSTS</b>								
Seed (kernels)	24000	28000	32000	1.10 /1000 kernels	26	31	35	_____
Fertilizer <sup>4</sup>								
N (lbs.)	60	110	145	0.24 /lb	14	26	35	_____
P <sub>2</sub> O <sub>5</sub> (lbs)	35	45	55	0.24 /lb	8	11	13	_____
K <sub>2</sub> O(lbs)	45	50	65	0.13 /lb	6	7	8	_____
Lime(ton)		0.5		12 /ton	6	6	6	_____
Chemicals <sup>5</sup>					22	22	22	_____
Drying - Fuel & Electric Only <sup>6</sup>				0.18 /bu	18	23	29	_____
Trucking - Fuel Only				0.04 /bu	4	5	6	_____
Fuel, Oil, Grease <sup>7</sup>					7	7	7	_____
Repairs <sup>8</sup>					10	10	10	_____
Miscellaneous <sup>9</sup>					12	13	14	_____
Int. on Oper. Cap. <sup>10</sup>		7 mo.		9.0%	6	7	8	_____
Hired Labor <sup>11</sup>					0	0	0	_____
<b>TOTAL VARIABLE COSTS</b>				<b>-Per Acre</b>	140	168	194	_____
				<b>-Per Bushel</b>	1.40	1.29	1.21	_____
<b>FIXED COSTS</b>								
Labor Charge <sup>11</sup>		3.6 hours		9.00 /hr	32	32	32	_____
Mach. And Equip. Charge <sup>12</sup>					59	59	59	_____
Land Charge <sup>13</sup>		Rent			50	70	90	_____
Management Charge				5% of gross revenue	12	16	19	_____
<b>TOTAL FIXED COSTS</b>					153	177	201	_____
<b>TOTAL COSTS</b>				<b>-Per Acre</b>	293	345	394	_____
				<b>-Per Bushel</b>	2.93	2.65	2.46	_____
<b>RETURN ABOVE VARIABLE COSTS</b>					100	144	190	_____
<b>RETURN ABOVE TOTAL COSTS</b>					(53)	(33)	(10)	_____
<b>RETURN TO LABOR AND MANAGEMENT <sup>14</sup></b>					(9)	15	42	_____

- <sup>1</sup> Does not include costs or returns for storage of grain.
- <sup>2</sup> Primary tillage implement is moldboard plow.
- <sup>3</sup> Revenue from government payments was not included due to high degree of variation from farm to farm.
- <sup>4</sup> Assumes only maintenance application of fertilizer needed, corn-soybean rotation, 3.8 O.M., 20 CEC, and soil test values of 25 ppm P/A and 150 ppm K/A. Prices were quoted in October, 2002. Fertilizer prices vary over time and by area. Check with local sources for current prices.
- <sup>5</sup> Based on use of Bicep II Magnum. Consult "Weed Control Guide for Ohio Field Crops 2003 Edition" - Bulletin 789-99 for specific recommendations.
- <sup>6</sup> Drying costs are based on 10% moisture removed and \$1/gal LP gas  
An additional \$0.01 is added per bushel for electricity
- <sup>7</sup> See table below for specific calculations. Lubrications costs are assumed to be 15% of fuel costs
- <sup>8</sup> See table below for specific calculations.
- <sup>9</sup> Includes supplies, utilities, soil tests, small tools, crop insurance, etc...
- <sup>10</sup> Interest on all variable costs, except drying and trucking, for 7 months at 9% interest rate.
- <sup>11</sup> Part or all of labor may be a variable cost if paid labor varies with acres farmed. It's a fixed cost if labor costs do not change with acres farmed.
- <sup>12</sup> Reflects 1000 acres, conventional tillage. See table below for specific calculations.
- <sup>13</sup> Average based on 1999 data for Ohio cash rents. Land charges vary throughout the state, check your local rates.
- <sup>14</sup> Return to labor and management is the revenue less total expenses except operator labor and management. It is a measure of the returns to the operator's labor and management.

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### Machinery Inventory

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	Number times used	Cost	Acres/ Hr	Fuel* (\$/A)	Repairs (\$/A)
12 ft. Moldboard Plow	1	\$23,100	5.6	1.29	1.91
28 ft. Field Cultivator	1	\$19,400	20.2	0.32	0.33
50 ft. Boom Sprayer	1	\$5,500	25.6	0.11	0.10
8 Row Planter	1	\$21,500	9.3	0.35	0.68
20 ft. Row Crop Cultivator	1	\$6,600	10.3	0.44	0.15
Combine w/ 20' head	1	\$162,400	5.1	1.93	0.74
Gravity Grain Wagons	2	\$7,000		1.20	0.84
Fertilizer Spreader	1	\$10,400	23.8	0.13	0.26
160 HP Tractor		\$94,200			3.84
75 HP Tractor		\$30,300			1.14
Pickup Truck (1/2)		\$12,500		\$0.10	0.05

**Total per Acre**

**392,900**

**6.75**

**10.04**

Fixed Costs Rate 15%

**Mach. And Equip Charge =**

**59**

**Price of Diesel Fuel = \$1.00 /gal**

Machinery and Equipment Charge = Total Machine Inventory Cost x Fixed Costs Rate / 1000 acres  
 =\$392,900 x 15% / 1000 acres = \$59/acre

Machines are all assumed to be new and in the first year of use. Older/used machines will likely have lower machinery costs. Size of operation will also effect cost of machinery per acre. For an analysis on machine costs for different sized operations, see economies of scale budgets in this publication

Fixed costs rate includes depreciation, interest, housing, and insurance.

\*Fuel calculations are based on the implement plus tractor.