



2003 OATS PRODUCTION BUDGET ¹
Grain and Straw Harvested

ITEM	EXPLANATION	PRICE PER UNIT	YIELD (bu/A)			YOUR BUDGET
			50	85	120	
RECEIPTS						
Oats (Grain Only) ²		\$2.00 /bu	\$100	\$170	\$240	_____
VARIABLE COSTS						
Seed	2.5 lbs	6.50 /bu	16	16	16	_____
Fertilizer ³						
N (lbs.)	20 30 65	0.24 /lb	5	7	16	_____
P ₂ O ₅ (lbs)	20 25 25	0.24 /lb	5	6	6	_____
K ₂ O(lbs)	30 35 45	0.13 /lb	4	5	6	_____
Lime(lbs)	1000	12 /ton	7	7	7	_____
Trucking - Fuel Only		0.03 /bu	2	3	4	_____
Fuel, Oil, Grease ⁴			5	5	5	_____
Repairs ⁵			11	11	11	_____
Miscellaneous ⁶			12	13	14	_____
Int. on Oper. Cap. ⁷	6 mo.	9.0%	3	3	4	_____
Hired Labor ⁸			0	0	0	_____
TOTAL VARIABLE COSTS	-Per Acre		69	75	88	
	-Per Bushel		1.38	0.89	0.73	_____
FIXED COSTS						
Labor Charge ⁸	2 hours	9.00 /hr	18	18	18	_____
Mach. And Equip. Charge ⁹			52	52	52	_____
Land Charge ¹⁰			50	70	90	_____
Management Charge	5% of gross revenue		5	9	12	_____
TOTAL FIXED COSTS			125	149	172	_____
TOTAL COSTS (Grain Only)	-Per Acre		194	224	260	_____
	-Per Bushel		3.88	2.64	2.17	_____
RETURN ABOVE VARIABLE COSTS			31	95	152	_____
RETURN ABOVE TOTAL COSTS			(94)	(54)	(20)	_____
RETURN TO LABOR AND MANAGEMENT ¹¹			(71)	(28)	10	_____
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RECEIPTS (Straw Only)	1 ton/A	45 /ton	45			_____
VARIABLE COSTS (Straw Only)						
Fuel, Oil, Grease ⁵			1			_____
Repairs ⁶			4			_____
Miscellaneous			4			_____
Hired Labor ⁹						_____
TOTAL VARIABLE COSTS- Per Acre (Per Ton)			9		9	_____
FIXED COSTS (Straw Only)						
Labor Charge ⁹	1.5 hours	8.00 /hour	12			_____
Mach. & Equip. Charge ¹⁰			8			_____
Management Charge	5% of gross revenue		2			_____
TOTAL FIXED COSTS			22			_____
TOTAL COSTS (Straw Only)- Per Acre (Per Ton)			31		31	_____
RETURN ABOVE VARIABLE COSTS (Straw Only)			36			_____
RETURN ABOVE TOTAL COSTS (Straw Only)			14			_____
RETURN TO LABOR AND MANAGEMENT (Straw Only) ¹²			28			_____

- ¹ Does not include costs or returns for storage of grain.
- ² Price is the 5-year historical price average for Ohio.
- ³ Assumes only maintenance application of fertilizer needed, soil test values of 20 ppm P/A and 125 ppm K/A, and 20 CEC. If straw is removed: K20:50,75,100. Prices were quoted in October, 2000. Fertilizer prices vary over time and by area. Check with local sources for current prices.
- ⁴ See tables below for specific calculations. Lubrication costs are assumed to be 15% of fuel costs.
- ⁵ See tables below for specific calculations.
- ⁶ Includes supplies, utilities, soil tests, small tools, crop insurance, etc...
- ⁷ Interest on all variable costs, except trucking, for 8 months at 9% interest rate.
- ⁸ 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.
- ⁹ Reflects 1000 acres, conservation tillage. See tables below for specific calculations.
- ¹⁰ Average based on 1999 data. Land charges vary throughout the state, check your local rates.
- ¹¹ 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.

Machinery Inventory - Grain Only

	Number times used	Cost	Acres/ Hr	Fuel* (\$/A)	Repairs (\$/A)
15 ft. Chisel Plow	1	\$7,800	8.5	0.60	0.28
28 ft. Field Cultivator	1	\$19,400	20.2	0.32	0.33
25 Ft Grain Drill	1	\$26,100	10.6	0.49	0.84
Combine w/ 20' head	1	\$141,000	12.7	1.31	3.38
Gravity Grain Wagons	1	\$7,000		1.20	0.84
Fertilizer Spreader	1	\$10,400	23.8	0.11	0.23
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		348,700		4.13	10.93
Fixed Costs Rate	15%				
Mach. And Equip Charge =		\$52		Price of Diesel Fuel =	\$1.00 /gal

Machinery and Equipment charge = Total Machine Inventory Cost x Fixed Costs Rate / 1000 acres
 =\$348,700 x 15% / 1000 acres = \$52/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.

Machinery Inventory - Straw Only

	Number times used	Cost	Acres/ Hr	Fuel* (gal/A)	Repairs (\$/A)
Hay Baler	1	\$17,500	4.4	0.45	1.90
Hay Wagon	1	\$3,200	4.4	0.50	0.25
Hay Rake	1	\$4,700	5.2	0.25	0.26
75 HP Tractor		\$27,200			1.14
Total per Acre		52,600		1.20	3.55
Fixed Costs Rate	15%				
Mach. And Equip Charge =		\$8		Price of Diesel Fuel =	\$1.00 /gal