



2003 ROUNDUP READY SOYBEAN PRODUCTION BUDGET No-Tillage Practices

ITEM	EXPLANATION			PRICE PER UNIT	YIELD (bu/A)			YOUR BUDGET
					30	40	50	
RECEIPTS								
Soybeans ¹				\$5.15 bu	\$155	\$206	\$258	_____
VARIABLE COSTS								
Seed ²	80 lbs			0.40 /lb	32	32	32	_____
Fertilizer ³								_____
P2O5(lbs)	25	30	40	0.24 lb	6	7	10	_____
K2O(lbs)	60	75	90	0.13 lb	8	10	12	_____
Lime(ton)	0.5			12 ton	6	6	6	_____
Chemicals ⁴					24	24	24	_____
Trucking - Fuel Only	0.03 bu				1	1	2	_____
Fuel, Oil, Grease ⁵					5	5	5	_____
Repairs ⁶					12	12	12	_____
Miscellaneous ⁷					12	13	14	_____
Int. on Oper. Cap. ⁸	5 mo.			9.0%	4	4	4	_____
Hired Labor ⁹					0	0	0	_____
TOTAL VARIABLE COSTS					109	114	119	_____
					3.63	2.84	2.39	_____
FIXED COSTS								
Labor Charge ⁹	2 hours			9.00 /hr	18	18	18	_____
Mach. and Equip. Charge ¹⁰					43	43	43	_____
Land Charge ¹¹					50	70	90	_____
Management Charge					8	10	13	_____
TOTAL FIXED COSTS					118	141	164	_____
TOTAL COSTS								_____
-Per Acre					227	255	283	_____
-Per Bushel					7.58	6.37	5.66	_____
RETURN ABOVE VARIABLE COSTS					45	92	138	_____
RETURN ABOVE TOTAL COSTS					(73)	(49)	(26)	_____
RETURN TO LABOR AND MANAGEMENT ¹²					(47)	(20)	5	_____

- ¹ Price based on average government loan rate for Ohio and not on market price. Roundup Ready soybeans are a genetically modified organism and may receive a slightly lower price in some instances.
- ² Seed costs are \$24.25 per 50 pound bag, untreated.
- ³ Assumes only maintenance application of fertilizer needed, 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.
- ⁴ Based on use of Roundup Ultra for burndown and post applications, application rate will vary with weed pressure and previous crop. Roundup Ready soybeans are often used in part as a tool for perennial weed control. While this intrinsic value is not included in the budget, it should be considered when exploring opportunities with Roundup Ready soybeans.
- ⁵ See table below for specific calculations. Lubrication costs are assumed to be 15% of fuel costs.
- ⁶ See table below for specific calculations.
- ⁷ Includes supplies, utilities, soil tests, small tools, crop insurance, etc...
- ⁸ Interest on all variable costs, except trucking, for 5 months at 9% interest rate.
- ⁹ 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.
- ¹⁰ Reflects 1000 acres, no-till practices. See table below for specific calculations.
- ¹¹ Average based on 1999 data. Land charges vary throughout the state, check your local rates.
- ¹² 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

	Number times used	Cost	Acres/ Hr	Fuel* (\$/A)	Repairs (\$/A)
50 ft. Boom Sprayer	1	\$5,500	25.6	0.11	0.10
15 Ft Grain Drill	1	\$26,800	12.0	0.81	1.43
Combine w/ 20' head	1	\$146,400	5.4	2.02	5.24
Gravity Grain Wagons	2	\$7,000		1.20	0.84
Fertilizer Spreader	1	\$10,400	23.80	0.11	0.23
130 HP Tractor		\$76,200			3.84
Pickup Truck (1/2)		\$12,500		0.10	0.05
Total per Acre		284,800		4.35	11.73
Fixed Costs Rate	15%				
Mach. And Equip Charge =		\$43		Price of Diesel Fuel	\$1.00 /gal

Machinery and Equipment charge = Total Machine Inventory Cost x Fixed Costs Rate / 1000 acres
 =\$284,800 x 15% / 1000 acres = \$43/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.