



2003 SOYBEAN PRODUCTION BUDGET ¹ Reduced Tillage Practices

ITEM	EXPLANATION			PRICE PER UNIT	YIELD (bu/A)			YOUR BUDGET
					30	40	50	
RECEIPTS								
Soybeans ²				\$5.15 /bu	\$155	\$206	\$258	_____
VARIABLE COSTS								
Seed	80 lbs.			0.25 /lb	20	20	20	_____
Fertilizer ³								
P ₂ O ₅ (lbs)	25	30	40	0.24 /lb	6	7	10	_____
K ₂ O(lbs)	60	75	90	0.13 /lb	8	10	12	_____
Lime(ton)				12 /ton	6	6	6	_____
Chemicals ⁴					26	26	26	_____
Trucking - Fuel Only				0.03 /bu	1	1	2	_____
Fuel, Oil, Grease ⁵					5	5	5	_____
Repairs ⁶					13	13	13	_____
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	-Per Acre				100	105	110	_____
	-Per Bushel				3.33	2.61	2.21	_____
FIXED COSTS								
Labor charge ⁹	2.6 hours			9.00 /hr	23	23	23	_____
Mach. and Equip. Charge ¹⁰					54	54	54	_____
Land Charge ¹¹					50	70	90	_____
Management Charge	5% of gross revenue				8	10	13	_____
TOTAL FIXED COSTS					135	158	180	_____
TOTAL COSTS	-Per Acre				235	262	291	_____
	-Per Bushel				7.83	6.56	5.81	_____
RETURN ABOVE VARIABLE COSTS					55	101	147	_____
RETURN ABOVE TOTAL COSTS					(81)	(56)	(33)	_____
RETURN TO LABOR AND MANAGEMENT ¹²					(49)	(23)	3	_____

- ¹ Does not include costs or returns for storage of grain.
- ² Price received is estimated government loan rate for soybeans in Ohio. Loan rates vary by county, check with your local FSA office for rates in your county. No other government payments are included.
- ³ Assumes only maintenance application of fertilizer needed, soil test values of 20 ppm P/A and 125 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 Canopy, Fusion, & COC. Consult "Weed Control Guide for Ohio Field Crops 2003 Edition" - Bulletin 789-99 for specific recommendations.
- ⁵ See table below for specific calculations. Lubrications 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, conservation tillage. 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)
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
50 ft. Boom Sprayer	2	\$5,500	25.6	0.22	0.20
25 Ft Grain Drill	1	\$26,100	10.6	0.49	0.84
Combine w/ 18' head	1	\$146,400	5.4	2.02	5.24
Gravity Grain Wagons	1	\$7,000		0.60	0.42
Fertilizer Spreader	1	\$10,400	23.80	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		359,600		4.46	12.57
Fixed Costs Rate	15%				
Mach. And Equip Charge =		\$54		Price of Diesel Fuel =	\$1.00 gal

Machinery and Equipment charge = Total Machine Inventory Cost x Fixed Costs Rate / 1000 acres
 =\$359,600 x 15% / 1000 acres = \$54/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.