



ORGANIC CORN PRODUCTION BUDGET- 2009 Conventional Tillage Practices

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ITEM	EXPLANATION	YOUR PROD. NUMBERS	PRICE PER UNIT	YIELD (bu/A) ¹			YOUR BUDGET			
				59	75	92	100			
RECEIPTS										
Corn ¹			\$9.50	/bu	560.50	712.50	874.00	950.00		
LDP ²	\$2.00	County Loan Price		\$0.00	/bu	0.00	0.00	0.00	0.00	
	DP Yields									
Direct Payment ²	96.1	116.8	141.6	141.6	\$0.28	17.00	20.63	25.08	25.08	
	29.75	36	44	44	\$0.44					
	CC Yields									
C.C. Payment ²	105.6	136.5	165.5	165.5	\$0.00	0.00	0.00	0.00	0.00	
TOTAL RECEIPTS					577.50	733.13	899.08	975.08		
VARIABLE COSTS										
Seed (kernels) ³	28000	32000	34000	34000	\$2.34	/1000	65.45	74.80	79.48	79.48
	Seed Cost Per Bag			\$187.00	/bag					
Nutrients ⁴										
Manure and Sludge			4500	gal	\$0.02	/gal	90.00	90.00	90.00	90.00
Cover Cropping					\$75.00	/acre	75.00	75.00	75.00	75.00
Animal/Plant Byproducts				units		/units				
(Blood meal, fish meal, cottonseed meal, etc)										
Other Nutrients				units		/units				
Drying - Fuel & Electric only ⁵	\$2.00	/gal LP			0.11	/bu	6.49	8.25	10.12	11.00
Trucking - Fuel Only ⁶					\$0.15	/bu	8.85	11.25	13.80	15.00
Fuel, Oil, Grease ⁷							25.07	25.07	25.07	25.07
Repairs ⁸							15.04	15.04	15.04	15.04
Crop Insurance ⁹							18.00	18.60	20.40	22.80
Miscellaneous ¹⁰							6.00	7.00	8.00	8.00
Int. on Oper. Cap. ¹¹		7	mo.		9.00%		15.46	16.04	16.43	16.56
Hired Labor ¹²										
Hoeing						/hr	0.00	0.00	0.00	0.00
TOTAL VARIABLE COSTS							325.36	341.05	353.33	357.94
				-Per Acre			5.51	4.55	3.84	3.58
				-Per Bushel						
FIXED COSTS										
Labor Charge ¹³	5	hours			13.50	/hr	67.50	67.50	67.50	67.50
Mach. And Equip. Charge ¹⁴							118.76	118.76	118.76	118.76
Organic Certification and Inspection ¹⁵							20.00	20.00	20.00	20.00
Land Charge ¹⁶		Rent					95.00	124.00	157.00	200.00
Management Charge ¹⁷	5%	of gross revenue					28.87	36.66	44.95	48.75
TOTAL FIXED COSTS							330.14	366.92	408.22	455.02
TOTAL COSTS							655.50	707.97	761.55	812.96
				-Per Acre			11.11	9.44	8.28	8.13
				-Per Bushel						
RETURN ABOVE VARIABLE COSTS							252.14	392.08	545.74	617.14
RETURN ABOVE TOTAL COSTS							-78.00	25.16	137.53	162.12
RETURN TO LABOR AND MANAGEMENT¹⁸							18.37	129.32	249.98	278.37
RETURN TO LAND							17.00	149.16	294.53	362.12

Values highlighted in gold may be changed to assist in computing "Your Budget" Column using macros embedded within the spreadsheet.

Values highlighted in light blue are cells embedded with macros and will be calculated for the user based on data entered.

These cells may be input manually, but macros will be overwritten!

Values highlighted in gray are stand alone cells that require direct input from the user.

¹ Yield is based on survey "Ohio Cropland Values and Cash Rents 2007-08" (with trend yield increases added) located at:

http://ohioline.osu.edu/ae-fact/pdf/Cropland_Values_Rents_07_08.pdf

Yields based on a 50% decrease from traited corn yields

Price is based on recent organic corn price quotes

² LDP is calculated as loan rate minus market price. LDP is 0 if market price is greater than loan rate.

² Direct Payments (DP) are calculated by averaging the corn and soybean direct payment per acre.

Program yields displayed for both: First Line - corn; Second Line - soybeans.

Direct payments are calculated by multiplying DP Yields by 85% by the DP Price of \$0.44/bu. (soybeans) and \$0.28/bu. (corn). (Direct payments are paid only on 85% of base acres.) Direct payment yields are calculated as 85%, 80%, and 80% of the Program Yields 113/bushels per acre (bpa), 146/bpa, and 177/bpa, respectively.

² Counter Cyclical Payments (CCP) are calculated and included when market price + DP is less than the Target Price of \$2.63/bu. Calculation of the CCP is based on Counter Cyclical (CC) Yield multiplied by 85% multiplied by the CCP Rate ((Target Price - (Mkt Price + DP)). CC Yield assumed to be 93.5% of Program Yield (113, 146 and 177 bpa).

³ Seed price based on traited seed corn at \$187/bag. 80,000 kernels/bag.

⁴ Nutrients assume only organic manures and cover crops. Manure and sludge prices estimated by OSU Manure Specialists

⁵ Drying costs are based on 2.5% moisture removed (0.02 gal of LP per % point of moisture removed).

An additional \$0.01 is added per bushel for electricity

⁶ Trucking set at 0.09/bushel based on "12 miles or less" field to market.

⁷ See table below for specific calculations. Lubrications costs are assumed to be 10% of fuel costs

⁸ See table below for specific calculations.

⁹ Crop Insurance cost is based on CRC Insurance at 70% coverage level and 100% Price Protection Level. 2007 Cost Estimates.

¹⁰ Includes supplies, utilities, soil tests, small tools, software/hardware, transport of supplies and equipment, etc...

¹¹ Interest on all variable costs, except drying and trucking, for 7 months at 9% interest rate.

¹² 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.

¹³ Labor rate includes cash wages plus benefits.

Reflects 1450 acres, conservation tillage corn/no-till RR soybean rotation and 50 Acres Organic Production. See table below for specific calc

¹⁴ Reflects 1450 acres, conservation tillage corn/no-till RR soybean rotation and 50 Acres Organic Production. See table below for specific calcula

¹⁵ Based on estimates from the Ohio Ecological Food & Farm Association and other like resources. Assumes a per acre pricing

<http://www.oeffa.org/certification.php>

¹⁶ Average based on 2007-2008. Land charges vary throughout the state, check your local rates.

<http://aede.osu.edu/resources/docs/pdf/UJDSIO6SG-9315-IQAW-X7QLG33KLHMNAZZ6.pdf>

¹⁷ Management Charge is calculated as 5% of Total Receipts.

¹⁸ 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	Machinery Cost	Acres per Year	Cost per Acre	Acres/ Hr	Fuel* (gal/A)	Hours/ Year	Repairs (\$/A)
Moldboard Plow 6, 9 Ft	1	\$20,000	750	\$3.62	4.2	1.29	179.86	2.07
23 ft. Field Cultivator	1	\$23,000	750	\$4.17	16.6	0.32	45.21	0.45
8 Row Planter	1	\$28,000	750	\$4.73	9.3	0.34	80.39	0.88
21 ft. Rotary Hoe	1	\$11,000	50	\$20.47	26.0	0.34	1.93	0.18
20 ft. Row Cultivator	3	\$9,000	50	\$16.75	10.3	1.32	14.56	0.63
Combine 275 HP	1	\$207,000	1,500	\$19.38	-----	-----	147.35	6.78
Corn Head 20'	1	\$45,200	750	\$8.46	5.1	2.41	147.35	1.03
Manure Spreader	1	\$11,550	50	\$21.49	25.6	0.24	1.95	0.24
Semi Tractor/Trailer**	1	\$31,500	1,500	\$2.81	-----	***	-----	1.75
200 HP Tractor	5	\$142,000	1,500	\$12.69	-----	-----	305.45	0.96
75 HP Tractor	2	\$32,000	1,500	\$2.76	-----	-----	3.88	0.01
Pickup Truck (1/2)**	1	\$16,000	1,500	\$1.43	-----	0.21	-----	0.05
				Fuel		22.79		
Machinery and Equipment Charge per Acre				\$118.76	F&L	25.07	Repairs	15.04

Price of Diesel Fuel = \$3.50

Machinery cost estimates, fuel estimates and cost calculations based on information from the "Farm Machinery Cost Estimates March 2008". See the reference online at:

<http://www.extension.umn.edu/distribution/businessmanagement/DF6696.pdf>

Machinery and Equipment charge =

Cost per Acre = Machinery Cost (New Cost) Assumes 8 Year Useful Life using Straight Line Depreciation, 6.0% Interest on Average Value, 0.5% Insurance Cost on Average Value and 1.0% Housing Cost on Average Value. Salvage Values are based on ASAE formulas.

Machines are all assumed to be new and in the first year of use (Except for Semi Tractor Trailer and Pickup Truck).

View next worksheet (tab below machinery costs) to view a number explanation

*Fuel calculations are based on the implement plus tractor.

**Semi Tractor Trailer and Pickup Truck are assumed to be used equipment.

***Fuel for Semi is included in Budget as Trucking - Fuel Only