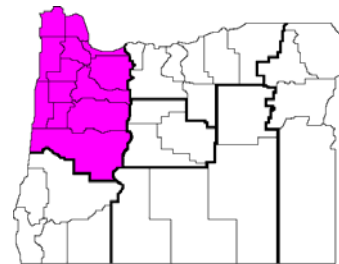


Enterprise Budget

Meadowfoam Seed, Willamette Valley Region

Bart Eleveld, Extension Economist,
Tom Silberstein, Extension Agent, Marion County,
Mark Mellbye, Extension Agent, Linn County,
Bill Young, Extension Seed Production Specialist,
Oregon State University



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This enterprise budget estimates the typical costs of producing meadowfoam seed in the Willamette Valley of Oregon. Meadowfoam is an annual oilseed crop that can be produced with the machinery and equipment typically used by grass seed and grain producers. While efforts were made to reflect common practices, this budget does not represent any particular farm and thus should be used only as a guide to estimating actual costs. Assistance provided by area producers is greatly appreciated.

Several Willamette Valley seed, grain and forage budgets were estimated as a group and are presented in a similar, consistent format. Table 1 shows the summary returns and cost information, with inputs grouped by various categories. Table 2 shows itemized details about the cultural operations performed, and their costs, in a chronological sequence. Table 3 shows break-even prices and net returns around the assumed price and yield for the crop.

Land and Cropping Pattern

This budget is based on a farm with 1200 acres in continuous production of grass seeds or related, similar technology crops such as small grains, oil seeds and forage seeds. Historically, most of the acreage in the Willamette Valley has been in grass seeds, with wheat as a rotation crop, but with the declining grass seed prices and several recent years with strong grain prices, wheat, other grains and oil seed crops have been much more widely planted. The budget estimates establishment costs on a per-acre basis.

A land lease charge of \$90 per acre is included to represent the cost of leasing or owning land. Land cost varies depending on specific location and competition for production of alternate crops.

Labor and Capital

Hired labor typically costs approximately \$16 per hour including worker's compensation, FICA, and other payroll expenses. For this study, all labor is treated as owner/operator labor valued at \$16 per hour, and is assumed to be a cash cost. For mechanized operations, labor hours

are calculated based on machinery hours. Opportunity costs of capital are charged at a rate of 10 percent for current and intermediate capital provided by the owner/operator.

Machinery and Equipment

The machinery complement is sufficient to farm 1200 production acres. Late 2010 replacement costs are used, assuming the machinery is half depreciated. Table 4 (subdivided into A, B, C and D sections) shows the cost of operating owned machinery in the cultural practices used in this and several related Willamette Valley seed, grain and forage budgets. Your machinery costs may differ.

Cultural Practices

The budget shows farming operations in the order they typically are performed. See Table 2, for details of operations,

Results

Table 1 shows the costs and returns for meadowfoam production. The negative net returns do not necessarily translate into a loss in the common interpretation of the word. These budgets include investment costs for all owned resources, such as land and machinery as well as the cost of owner labor. These may not be cash costs for many operators.

The field operations and their costs are detailed in Table 2. The break-even prices needed to cover the total cost of production is given in Table 3. The break-even price of \$0.73 per pound is considerably higher than the \$0.65 price per pound assumed in the budget. Please note that at the break-even price, returns over total costs at the assumed (100%) budget yield are zero—by definition all costs would be covered. Table 3 also shows the sensitivity of returns over variable (or operating costs) and returns over total costs (net profit) as either prices or crop yields are varied.

Table 1.A Estimated costs and returns per acre
Meadowfoam Seed, Production
Willamette Valley, 2010

ITEM	UNIT	PRICE	QUANTITY	AMOUNT	YOUR FARM
		dollars		dollars	
INCOME					
Meadowfoam Seed	lb	0.65	850.0000	552.50	_____

TOTAL INCOME				552.50	_____
DIRECT EXPENSES					
CHEM--FERTILIZER					
16-20-0-14 LB	lb	0.37	100.0000	37.00	_____
40-0-0-6 LB	lb	0.21	100.0000	21.00	_____
MISC BUS EXP					
Misc. business exp	acre	30.00	1.0000	30.00	_____
CUSTOM, FLAT RATE					
Custom Lime MF	ton	50.00	0.3000	15.00	_____
Bee Pollination	hives	40.00	2.0000	80.00	_____
Harvest Truck	mile	5.50	1.0000	5.50	_____
CHEM--HERBICIDE					
Dual	gal	109.00	0.0830	9.05	_____
GlyphosateGAL3	gal	15.00	0.1660	2.49	_____
Clethodim	gal	120.00	0.0938	11.26	_____
SEEDS & PLANTS					
Meadowfoam Seed	lb	0.80	30.0000	24.00	_____
CUSTOM, YIELD PROP.					
Seed Cleaning MF	lb	0.01	750.0000	9.00	_____
Loading Charge	lb	0.00	750.0000	1.50	_____
Operator Labor					
Self-Propelled	hour	8.65	0.2104	1.82	_____
Machinery Labor					
Tractors	hour	16.00	1.4755	23.61	_____
Self-Propelled	hour	16.00	0.3513	5.63	_____
DIESEL FUEL					
Tractors	gal	3.00	12.8670	38.60	_____
Self-Propelled	gal	3.00	3.8927	11.67	_____
REPAIR & MAINTENANCE					
Implements	acre	4.85	1.0000	4.85	_____
Tractors	acre	17.87	1.0000	17.87	_____
Self-Propelled	acre	22.91	1.0000	22.91	_____
INTEREST ON OP. CAP.	acre	19.37	1.0000	19.37	_____

TOTAL DIRECT EXPENSES				392.13	_____
RETURNS ABOVE DIRECT EXPENSES				160.37	_____
FIXED EXPENSES					
Implements	acre	10.63	1.0000	10.63	_____
Tractors	acre	48.26	1.0000	48.26	_____
Self-Propelled	acre	60.82	1.0000	60.82	_____
Land Rent SV	each	90.00	1.0000	90.00	_____
Pickup	each	6721.63	0.0008	5.60	_____
Mach/Equip Ins, Hi	each	6.95	1.0000	13.90	_____

TOTAL FIXED EXPENSES				229.21	_____

TOTAL SPECIFIED EXPENSES				621.34	_____
RETURNS ABOVE TOTAL SPECIFIED EXPENSES				-68.84	_____

Table 2.A Estimated resource use and costs for field operations, per acre
Meadowfoam Seed, Production
Willamette Valley, 2010

OPERATION/ OPERATING INPUT	SIZE/ UNIT	POWER UNIT SIZE	PERF RATE	TIMES OVER	MTH	POWER UNIT COST		EQUIPMENT COST		ALLOC LABOR		OPERATING/DURABLE INPUT			TOTAL COST
						DIRECT	FIXED	DIRECT	FIXED	HOURS	COST	AMOUNT	PRICE	COST	
						-----dollars-----				dollars		-----dollars-----			
FLAIL				1.00	Sep										
Flail	14 ft	140	0.157			6.50	4.33	0.95	1.44	0.18	2.89				16.11
PLOW				1.00	Sep										
Moldboard Plow	6 bottom	215	0.196			14.91	14.78	1.77	2.66	0.22	3.61				37.73
HARROW				1.00	Sep										
Dixon Harrow MF	16 ft	180	0.350			13.56	11.41	0.18	0.45	0.40	6.44				32.04
HARROW & ROLL				1.00	Sep										
Roller MF	18 ft	180	0.350			13.56	11.41	0.60	2.23	0.40	6.44				34.24
Dixon Harrow MF	16 ft		0.350					0.18	0.45						0.63
LAND LEVEL				1.00	Oct										
Land Leveler MF	16 ft	140	0.040			1.26	1.10	0.18	1.37	0.04	0.74				4.65
LIME				1.00	Oct										
Custom Lime MF	ton											0.3000	50.00	15.00	15.00
DITCHING				1.00	Oct										
Ditcher		140	0.050			1.59	1.38	0.03	0.11	0.05	0.92				4.03
PLANT				1.00	Oct										
Drill	13 ft	140	0.139			5.09	3.85	0.96	1.92	0.16	2.57				14.39
Meadowfoam Seed	lb											30.0000	0.80	24.00	24.00
16-20-0-14 LB	lb											100.0000	0.37	37.00	37.00
WINTER BROADLEAF CTL				1.00	Dec										
Spray Bug60 7 mph	60'		0.030			1.22	1.93			0.03	0.56				3.71
Dual	gal											0.0830	109.00	9.05	9.05
GlyphosateGAL3	gal											0.1660	15.00	2.49	2.49
FERTILIZE - SPRING				1.00	Mar										
Fertilizer Buggy	20		0.070			1.79	1.41			0.08	1.30				4.50
40-0-0-6 LB	lb											100.0000	0.21	21.00	21.00
SPRING BROADLEAF CTL				1.00	Apr										
Spray Bug60 7 mph	60'		0.030			1.22	1.93			0.03	0.56				3.71
Clethodim	gal											0.0938	120.00	11.26	11.26
BEE POLLINATION				1.00	May										
Bee Pollination	hives											2.0000	40.00	80.00	80.00
WINDROWING				1.00	Jun										
Swather	15'		0.174			6.36	8.13			0.20	3.21				17.70
COMBINE				1.00	Jun										
Combine 300 slow	300 hp		0.210			23.99	47.42			0.21	1.82				73.23
HAUL SEED				1.00	Jun										
Harvest Truck	mile											1.0000	5.50	5.50	5.50
CLEAN SEED				1.00	Jul										
Seed Cleaning MF	lb											750.0000	0.01	9.00	9.00
LOADING CHARGE				1.00	Jul										
Loading Charge	lb											750.0000	0.00	1.50	1.50
MISCELLANEOUS				1.00	Jul										
Misc. business exp	acre											1.0000	30.00	30.00	30.00
Pickup	each			1.00	Jul				5.60			0.0008			5.60
Land Rent SV	each			1.00	Jul				90.00			1.0000			90.00
Mach/Equip Ins, Hi	each			1.00	Jul				6.95			1.0000			6.95
Mach/Equip Ins, Hi	each			1.00	Jul				6.95			1.0000			6.95
TOTALS						91.05	109.08	4.85	120.13	2.03	31.06			245.80	601.97

INTEREST ON OPERATING CAPITAL	19.37
UNALLOCATED LABOR	0.00
TOTAL SPECIFIED COST	621.34

Table 3.A Breakeven price above total expenses and net returns for price/yield combinations, per acre
Meadowfoam Seed, Production
Willamette Valley, 2010

			-----BREAKEVEN PRICE-----										
Meadowfoam Seed			0.49	0.52	0.56	0.61	0.66	0.73 ³	0.80	0.90	1.03	1.20	1.43
PERCENT	YIELD	UNIT	-----dollars-----										
50	425.00	lb	-170 ¹ -399 ²	-155 -385	-139 -368	-120 -349	-97 -326	-70 -299	-37 -266	4 -224	58 -171	129 -99	229 0
60	510.00	lb	-130 -359	-113 -342	-93 -322	-70 -299	-43 -272	-10 -239	29 -199	79 -149	143 -85	229 0	349 119
70	595.00	lb	-90 -319	-70 -299	-47 -276	-20 -249	11 -217	49 -179	96 -133	154 -74	229 0	329 99	468 239
80	680.00	lb	-50 -279	-27 -256	-1 -230	29 -199	65 -163	109 -119	162 -66	229 0	314 85	428 199	588 359
90	765.00	lb	-10 -239	15 -213	44 -184	79 -149	120 -108	169 -59	229 0	304 74	400 171	528 299	708 479
100	850.00	lb	29 -199	58 -171	90 -138	129 -99	174 -54	229 0	295 66	378 149	485 256	628 399	828 599
110	935.00	lb	69 -159	100 -128	137 -92	179 -49	229 0	289 59	362 133	453 224	571 342	728 499	948 718
120	1020.00	lb	109 -119	143 -85	183 -46	229 0	283 54	349 119	428 199	528 299	657 427	828 599	1067 838
130	1105.00	lb	149 -79	186 -42	229 0	279 49	338 108	408 179	495 266	603 374	742 513	928 698	1187 958
140	1190.00	lb	189 -39	229 0	275 46	329 99	392 163	468 239	562 332	678 449	828 599	1028 798	1307 1078
150	1275.00	lb	229 0	272 42	321 92	378 149	447 217	528 299	628 399	753 524	913 684	1127 898	1427 1198

¹The top number in each cell is Returns Above Direct Expenses.

²The bottom number in each cell is Returns Above Total Specified Expenses.

³This is the breakeven price at the assumed (100%) budget yield. Prices to the left and right are for higher and lower yield levels.

Only the product listed has been varied to calculate net returns.

Table 4.A Tractors/Harvesters: estimated purchase price, annual use, useful life, fuel use, and direct and fixed cost per hour, 2010

Item Name	Size	Purchase Price	Annual Use	Useful Life	Fuel Use	Labor	Fuel	R&M	Total Direct	Fixed	Total Cost
		dollars	hours	years	gal/hr	-----\$/hour-----					
Tractor 130	130	95,700	400	20	6.57	16.00	19.73	11.96	47.69	27.26	74.96
Tractor 140	140	121,000	500	20	6.50	16.00	19.50	12.10	47.60	27.58	75.18
Tractor 160	160	113,000	470	20	11.00	16.00	33.00	9.61	58.61	27.40	86.01
Tractor 180 Oper.	180	143,000	500	20	9.10	16.00	27.32	11.44	54.76	32.59	87.35
Tractor 200	200	154,000	550	20	10.12	16.00	30.36	11.20	57.56	31.91	89.47
Tractor 215	215	165,000	250	20	11.00	16.00	33.00	26.40	75.40	75.21	150.61
Tractor 250	250	220,000	250	20	11.00	16.00	33.00	35.20	84.20	100.29	184.49
Tractor 310	310	231,000	500	20	15.68	16.00	47.05	18.48	81.53	52.65	134.19

Notes:

Labor: Includes allocated labor from power unit.

Total Direct: Does not include interest on operating capital.

Table 4.B Self-propelled machines: estimated purchase price, annual use, useful life, fuel use, performance rate, and direct and fixed cost per acre, 2010

Item Name	Size	Purchase Price	Annual Use	Useful Life	Fuel Use	Perf Rate	Labor	Fuel	R&M	Total Direct	Fixed	Total Cost
		dollars	hours	years	gal/hr	hr/ac	-----\$/acre-----					
ATV	20 hp	5,600	200	10	1.38	0.050	0.92	0.20	0.14	1.26	0.21	1.47
Combine 300	300 hp	300,000	200	10	8.00	0.168	1.67	4.04	15.15	20.86	37.93	58.80
Combine 300 slow	300 hp	300,000	200	10	8.00	0.210	1.82	5.05	18.94	25.81	47.41	73.22
Fertilizer Buggy	20	35,000	200	20	5.52	0.070	1.29	1.16	0.61	3.08	1.40	4.48
Fertilizer Buggy	30	44,000	200	20	6.50	0.047	0.86	0.91	0.51	2.29	1.17	3.47
Fertilizer Buggy OB	80	35,000	200	20	5.52	0.056	1.03	0.92	0.49	2.44	1.11	3.56
Spray Bug100 7mph	100'	190,000	300	20	8.00	0.014	0.14	0.35	0.32	0.82	1.06	1.88
Spray Bug40 4mph	40'	60,000	250	20	7.00	0.079	1.45	1.66	0.66	3.79	2.16	5.96
Spray Bug60 10mph	60'	140,000	250	20	7.00	0.021	0.38	0.44	0.41	1.24	1.34	2.59
Spray Bug60 7 mph	60'	140,000	250	20	7.00	0.030	0.55	0.63	0.59	1.78	1.92	3.71
Spray Bug80 7 mph	80'	163,000	300	20	5.52	0.021	0.38	0.34	0.40	1.13	1.30	2.43
Swather	15'	62,000	200	10	8.00	0.174	3.21	4.19	2.16	9.56	8.12	17.69

Notes:

Labor: includes allocated labor plus any additional labor from self-propelled machine.

Direct: Does not include interest on operating capital.

Table 4.C Implements: estimated purchase price, annual use, useful life, performance rate, and direct and fixed cost per acre, 2010

Item Name	Size	Power Unit	Purchase Price	Annual Use	Useful Life	Perf Rate	Labor	Fuel	---R&M----		Total Direct	--Fixed---		Total Cost
									Imp.	P.U.		Imp.	P.U.	
-----\$/acre-----														
3-Point Blade	10 ft	140	3,500	100	20	0.050	0.80	0.97	0.00	0.60	2.38	0.19	1.37	3.96
Chisel Plow	21 ft	310	20,000	100	20	0.143	2.28	6.73	1.07	2.64	12.73	3.26	7.53	23.53
Cultimulcher	12 ft	140	7,000	150	10	0.140	2.24	2.73	0.13	1.69	6.79	0.98	3.86	11.63
Cultipacker	20 ft.	180	10,000	200	10	0.097	1.55	2.65	0.38	1.11	5.70	0.72	3.16	9.59
Disk	20	215	28,000	200	10	0.097	1.55	3.20	0.81	2.56	8.13	2.04	7.30	17.47
Disk	27	310	35,000	200	10	0.071	1.15	3.38	0.75	1.32	6.61	1.88	3.78	12.29
Ditcher		140	2,000	100	20	0.050	0.80	0.97	0.02	0.60	2.40	0.11	1.37	3.89
Dixon Harrow MF	16 ft	180	3,000	350	10	0.350	5.60	9.45	0.18	3.53	18.76	0.45	10.06	29.27
Drill	13 ft	140	11,000	120	10	0.139	2.23	2.71	0.95	1.68	7.59	1.92	3.84	13.36
Field Cultivator	45 ft	130	27,000	120	20	0.066	1.07	1.32	0.52	0.80	3.72	1.71	1.82	7.26
Flail	14 ft	140	14,500	180	20	0.157	2.51	3.06	0.94	1.90	8.42	1.44	4.33	14.20
Flail J Knife	15 ft	180	13,500	180	12	0.132	2.12	3.63	1.24	1.52	8.52	1.37	4.33	14.23
Harrow	20 ft	180	15,000	350	10	0.138	2.21	3.74	0.35	1.39	7.71	0.89	3.98	12.59
Harrow/Cultipacker	16ft	160	15,000	200	10	0.125	2.00	4.12	0.56	1.20	7.88	1.40	3.42	12.72
Land Leveler	24 ft	140	12,000	35	25	0.114	1.83	2.23	0.78	1.38	6.23	4.24	3.16	13.64
Land Leveler MF	16 ft	140	8,000	35	10	0.040	0.64	0.78	0.18	0.48	2.08	1.37	1.10	4.56
Moldboard Plow	6 bottom	215	18,000	200	10	0.196	3.14	6.48	1.76	5.18	16.57	2.65	14.77	34.00
No-Till Drill	15 ft	160	37,000	80	15	0.100	1.60	3.30	2.31	0.96	8.17	5.78	2.74	16.70
Ripper	12 ft	180	12,000	200	10	0.207	3.32	5.68	0.93	2.37	12.32	1.87	6.77	20.97
Rol-Har/Dix/Rol	21 ft	200	43,000	200	10	0.076	1.23	2.33	0.99	0.86	5.42	2.48	2.45	10.36
Roller	20 ft	180	10,000	200	10	0.114	1.83	3.09	0.22	1.15	6.31	0.86	3.29	10.46
Roller MF	18 ft	180	8,500	200	10	0.200	3.20	5.40	0.34	2.01	10.95	1.27	5.75	17.98
Roller-Harrow	21 ft	200	21,000	200	10	0.076	1.23	2.33	0.48	0.86	4.91	1.21	2.45	8.58

Notes:

Labor: Includes labor from Power unit plus additional labor from the implement.

Total Direct: Does not include interest on operating capital.

Table 4.D Single durable inputs: estimated purchase price, annual use, useful life, fuel consumption rate, labor, fuel, R&M, total direct, fixed and total cost per year, , 2010

Item Name	Unit of Measure	Purchase Price	Annual Use	Useful Life	Fuel Use	Operation Time	Labor	Fuel	R&M	Total Direct	Fixed	Total Cost
ATV	mi	4,500	2000	10	1.00	0.0333	663.10	189.98	225.00	1078.08	675.88	1753.96
Harvest Truck	mile	30,000	1000	10	3.50	0.0285	525.68	299.98	1500.00	2325.67	4505.88	6831.56
Pickup	mile	33,000	10000	6	5.00	0.0200	3680.00	3000.00	1650.00	8330.00	6721.63	15051.63
Truck w/ Tank	mile	36,000	1500	10	3.50	0.0285	788.53	449.97	1800.00	3038.50	5407.06	8445.57

Notes:

Labor: Includes allocated labor from the durable input.

Total Direct: Does not include interest on operating capital.

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