

equipment

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Siskiyou County
1976

COST OF BALE WAGON

Cost of Bale Wagon		\$22,300.00
Life - 8 years		
Depreciation ¹		\$ 2,508.75
Interest ²		981.20
Other ³		735.90
TOTAL		\$ 4,225.85

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Cash Operating Costs

	Per hour	2-wire bales Per hour	Per bale
Labor	\$ 3.00	223	\$.01
Fuel - gas, 3 gal/hr. @ 54¢	1.62	223	.01
Repairs ⁴	2.23	223	.01
TOTAL	\$ 6.85	223	\$.03

Total Cost Per Bale at Varying Outputs

Bales	Cost per ton		
	Overhead	Cash	Total
10,000	\$.42	\$.03	\$.45
15,000	.28	.03	.31
20,000	.21	.03	.24
25,000	.17	.03	.20
*30,000	.14	.03	.17
35,000	.12	.03	.15
40,000	.11	.03	.14
45,000	.09	.03	.12
50,000	.08	.03	.11
55,000	.08	.03	.11
60,000	.07	.03	.10
65,000	.07	.03	.10

*Break Even Use = $\frac{\text{annual overhead}}{\text{custom rate} - \text{your cost per bale}}$ = BEU = $\frac{\$4,225.85}{\$.20 - \$.17}$ = 14,086 bales
*30,000 bales

1. Manufacturer's List Price (MLP) - 10% salvage ÷ 8 years.
2. MLP + 10% salvage ÷ 8%.
3. .5% insurance, 1.0% housing, 1.8% taxes = 3.3%
4. \$500/year ÷ 50,000 bales.