

Malting Barley Budgets, Conventional Tillage, New York, 2017

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The 2017 estimates in table 1 resulted from working with growers, and Cornell University regional agronomists and faculty. Estimates for 2017 for a reduced tillage system appear in the August 2017 issue of Ag Focus. See <nwnyteam.cce.cornell.edu> for more “economics of growing malting barley in NY”.

Table 1. Estimated Value of Production, Costs and Returns for Malting Barley by Variety by Management Intensity, Conventional Tillage, NY, 2017.

Item	Spring, Standard Management, 50 bu./acre	Spring, Intensive Management, 65 bu./acre	Winter, Standard Management, 70 bu./acre	Winter, Intensive Management, 80 bu./acre
<u>Value of Production, Revenue</u>				
		---	\$ per acre ---	
Barley at \$6.63/bu. (grain only) *Est. weighted avg. price	331.50	430.95	464.10	530.40
Total	331.50	430.95	464.10	530.40
<u>Costs of Production</u>				
<u>Variable Inputs</u>				
		---	\$ per acre --	
Fertilizer & Lime	33.95	45.86	46.23	55.57
Seeds	34.32	34.32	34.32	34.32
Sprays & Other Variable Inputs	48.08	70.39	69.47	90.22
Labor	16.67	17.18	16.67	17.19
Repairs & Maintenance				
Tractor	19.41	19.50	19.41	19.50
Equipment	4.19	4.58	4.19	4.58
Fuels & Lubricants	13.22	13.49	13.22	13.49
Interest on Operating Capital	4.25	5.13	8.48	9.79
<u>Total Variable Inputs Costs</u>				
		---	\$ per acre ---	
Total	174.09	210.45	211.99	244.66
		---	\$ per bushel ---	
Total	3.48	3.24	3.03	3.06
<u>Fixed Inputs</u>				
		---	\$ per acre --	
Tractor	40.82	41.48	40.82	41.48
Equipment	24.02	25.90	24.02	25.90
Land charge	100.00	100.00	100.00	100.00
Value of Op. & Family Mgt. *Excluded				

Table 1. Estimated Value of Production, Costs and Returns etc. ... continued

Item	Spring, Standard Management, 50 bu./acre	Spring, Intensive Management, 65 bu./acre	Winter, Standard Management, 70 bu./acre	Winter, Intensive Management, 80 bu./acre
<u>Total Fixed Input Costs</u>				
Total	164.84	---	---	---
		--- \$ per acre ---		
Total	3.30	167.38	164.84	167.38
		---	---	---
		--- \$ per bushel --		
Total	6.78	2.58	2.35	2.09
<u>Total Costs</u>				
Total	338.93	---	---	---
		--- \$ per acre ---		
Total	5.81	377.83	376.83	412.04
		---	---	---
		--- \$ per bushel ---		
Total	157.41	5.81	5.38	5.15
<u>Returns</u>				
Return above variable costs	157.41	---	---	---
		--- \$ per acre ---		
Return above variable costs	3.15	220.50	252.11	285.74
		---	---	---
		--- \$ per bushel ---		
Return to Management	-7.43	3.39	3.60	3.57
		---	---	---
		--- \$ per acre ---		
Return to Management	-0.15	53.12	87.27	118.36
		---	---	---
		--- \$ per bushel ---		
Return to Management	0.82	0.82	1.25	1.48

- Costs of production include variable and fixed costs, excluding a charge for operator management, up to the time when grain is in the bin – bin prep, hauling and drying are included, while storage and other marketing costs are excluded.
- Selected differences, spring versus winter barley, include the following: expected yields for spring varieties are typically lower than yields for winter varieties; spring barley receives a single application of fertilizers at planting, while winter varieties receive an application at planting in the fall, and a second at green-up in early spring.
- Selected differences, standard versus intensive barley, include the following: expected yields for standard management are typically lower than goals for intensively managed barley; intensively managed barley receives on average one fungicide application often in combination with an insecticide.
- Selected characteristics for the conventional tillage system include: a primary tillage pass with a combination chisel plow, disk; a secondary tillage pass with a medium, light disk; planting with a small grains drill; pre-emergence weed control; harvest with a grain combine at low speed.
- Expected weighted average price for barley estimated using price, and percentage marketed by end use data (Newbold and Thayer. 2016. *NYS Brewery Supply Chain Analysis*. Ithaca, NY: Cornell University Cooperative Extension, Harvest, NY). Expected yields per “Ten Keys to Successful Malting Barley Production in New York.” Cornell Cooperative Extension.
- The “Spray & Other Variable Inputs” cost item includes: spray materials; custom operator charges for spraying and other crop management tasks; crop professional fees for soil testing, scouting, consulting etc.; bin prep; drying; and others.
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- Questions? Comments? Contact John Hanchar, jjh6@cornell.edu, (585) 233-9249