

Grass Mix + Clover  
Perennial - Med Input

		Quantity	Unit	Price /Unit	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Total	Present Value	Annualized PV (compare to corn yearly cost)
<b>REVENUE SOURCE</b>																	
	Biomass Revenue Stream	3.5	ton	\$ 60.00	0.00	2.33	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	\$1,820	\$1,358	\$176
<b>SELECT CASH EXPENSES</b>																	
Seed	Mix	8	PLS lb	\$37.00	\$296	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$296	\$282	\$37
<b>Fertilizer<sup>1</sup></b>																	
	Nitrogen	0	lbs	\$ 0.46	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	P <sub>2</sub> O <sub>5</sub>	0	lbs	\$ 0.62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	K <sub>2</sub> O	0	lbs	\$ 0.63	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Pest Control</b>																	
	WSG spray	1	acre	\$ 13.74	\$13.74	\$13.74	\$13.74	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41	\$37	\$5
<b>Machine Costs</b>																	
	Chisel Plow	1	acre	\$ 14.17	\$14.17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14	\$13	\$2
	Soil Finish	1	acre	\$ 11.10	\$11.10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11	\$11	\$1
	Grass Seeder, broadcast	1	acre	\$ 9.00	\$9.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9	\$9	\$1
	Sprayer	1	acre	\$ 5.60	\$5.60	\$5.60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11	\$10	\$1
<b>Post-harvest</b>																	
	Mower-condition (16')	1	acre	\$ 13.50	\$0	\$9	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$117	\$87	\$11
	Raking - Hay 9ft	1	acre	\$ 6.00	\$0	\$4	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$52	\$39	\$5
	Baling - lg round	4.67	bale	\$ 8.35	\$0	\$26	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$338	\$252	\$33
	Bale-to-storage	4.67	bale	\$ 3.10	\$0	\$10	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$125	\$94	\$12
	Trucking	3.5	ton	\$ 3.00	\$0	\$7	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$91	\$68	\$9
	Marketing		ton	4%	\$0	\$5	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$64	\$48	\$6
<b>TOTAL CASH EXPENSES</b>					\$350	\$80	\$105	\$91	\$91	\$91	\$91	\$91	\$91	\$91	\$1,170	\$950	\$123
<b>REV ABOVE EXPENSES</b>					-\$350	\$60	\$105	\$119	\$119	\$119	\$119	\$119	\$119	\$119	\$650	\$409	\$53
Labor			hours/acre		0.51	3.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3			

Calculation Assumptions:

Interest Rate	5%
Years of Production	10
(1+i) <sup>n</sup> - 1	0.63
i(1+i) <sup>n</sup>	0.08



Extension Bulletin E-3084, Profitability of Converting to Biofuel Crops  
Web: <http://bioenergy.msu.edu/economics/index.shtml>