

OHIO STATE UNIVERSITY EXTENSION

2017 Maple Syrup Business Planning Guide Bucket System



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250 gallons syrup @ .25 gals per tap yield (1000 taps bucket system)

Receipts @ ½ \$50.00 retail ½ \$28.60 (2.60/lb bulk)

\$9,825.00

\$6,230 retail \$3,575 bulk

<u>Expense</u>	<u>Cost/Unit</u>	<u>Per Gal./Syrup</u>		<u>Per/Season</u>		<u>Your Cost</u>
		<u>oil</u>	<u>wood</u>	<u>oil</u>	<u>wood</u>	
Variable Cost						
¹ Evaporator Fuel; Wood	\$2.00/gal fuel oil \$200/cord wood	\$7.82	\$9.50	\$2,880.00	\$3,800.00	
Fuel (diesel/gasoline)	\$2.00	\$1.00	\$1.00	\$250.00	\$250.00	
Utilities		\$0.50	\$0.50	\$125.00	\$125.00	
² Canning Supplies		\$4.00	\$4.00	\$770.00	\$770.00	
Repairs		\$1.00	\$1.00	\$250.00	\$250.00	
Labor (120 hrs. tapping, gathering and cleanup)	\$11.00/hr	\$5.28	\$5.28	\$1,320.00	\$1,320.00	
Marketing		\$0.37	\$0.37	\$92.50	\$92.50	
³ Interest		\$1.65	\$1.65	\$412.50	\$412.50	
Miscellaneous		\$0.25	\$0.25	\$62.50	\$62.50	
Total Variable Cost		\$21.87	\$23.55	\$6,162.50	\$7,082.50	
Fixed Costs						
⁴ Equipment Expense		\$13.66	\$13.66	\$3,415.00	\$3,415.00	
⁵ Operator Labor (Sugarhouse Mgt.)	\$15.00/hr	\$7.20	\$7.20	\$1,800.00	\$1,800.00	
Taxes						
⁶ Insurance (product liability)		\$0.80	\$0.80	\$200.00	\$200.00	
Land or tap rental						
Total Fixed Cost		\$21.66	\$21.66	\$5,415.00	\$5,415.00	
Total Cost		\$43.53	\$45.21	\$11,577.50	\$12,497.50	

				<u>oil</u>	<u>wood</u>	<u>Your Cost</u>
7	Return above Total Cost			-\$1,752.50	-\$2,672.50	
8	Return above Variable Costs			\$3,662.50	\$2,742.50	
9	Return to Labor & Management			\$47.50	-\$872.50	

*Neil K. Huyler; cost of Maple Sap Production for various size operations, USDA Res. Pap. NE-712

¹Two Fuel sources: Wood, 1 cord, will process approx. 21 Gallons of Syrup. The cost to produce 1 gallon of syrup with wood is \$9.50 per gallon when a full cord of wood sells for \$200.00 per cord (Ohio cord selling in Fall 2016)

Fuel Oil costing \$2.00 in a 3x10 Evap. Rated at 100 GPH (2% sap) will burn 9gal. Oil/hr. (draw off =2.32gph syrup)
The cost to produce 1 gallon of syrup is \$13.66 per gallon = \$7.82/gal.

²Canning Supplies: 50% of the crop canned in gallon containers.
Using approx. current case lot prices for plastic containers.

³\$0.15/# based on Cornell University Maple Enterprise Business Summary

4	<u>Equipment</u>	<u>Total Cost</u>	<u>Life Expectancy</u>	<u>Seasonal</u>	<u>Your Cost</u>
	Used Buckets (Bucket lid and tap) \$9.00 tap	\$9,000.00	10 yrs	\$900.00	
	Gathering tank and trailer	\$3,000.00	20 yrs	\$250.00	
	Storage Tanks	\$4,000.00	20 yrs	\$200.00	
	Evaporator 3X10 oil fired	\$20,000.00	20 yrs	\$1,000.00	
	Evaporator 3X10 wood fired with forced air draft				
	Building (20 yr.)	\$15,000.00	20 yrs	\$750.00	
	Filter Press plus Canning Tank	\$3,500.00	20 yrs	\$175.00	
	Miscellaneous	\$1,400.00	10 yrs	\$140.00	
	Total	\$55,900.00		\$3,415.00	

5	<u>Operator Labor (Sugarhouse Mgt. \$15.00/hour)*</u>				<u>Your Cost</u>
	Processing	80 hrs*		\$1,200.00	
	Setup & Cleanup	20 hrs**		\$300.00	
	Canning	20 hrs**		\$300.00	
	Total Labor	120 hrs		\$1,800.00	

* Based on production from a 3x10 Evaporator @ 100 gallons per hour

** Based on the results of an independent poll of local maple producers.

6Product liability insurance, on maple products sold, is a separate policy from the standard farm-owners policy. If the maple operation is run as a separate business (LLC, Corp, Partnership) a separate policy on the maple enterprise (including product liability) is recommended along with the standard farm-owners policy.

7Receipts minus Total Cost

8Receipts minus Variable Cost

9Return 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.

Resources:

The Ohio State University Department of Agricultural, Environmental, and Development Economics

<http://aede.osu.edu/Programs/FarmManagement/Budgets/maple/index.htm>

Available in Excel Spreadsheet Format

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North American Maple Syrup 2nd edition OSU Extension/NAMSC Chapter 11 Economics of Maple Syrup

Production, Mr. Dave Chapeskie Ontario Ministry of Agriculture & Dr. Melvin R. Koelling Prof. Emert. Michigan State University

Maple Syrup Costs, What Does it Really Cost to Produce That gallon of Maple Syrup, Glenn Rogers Regional Farm Business Management Specialist, University of Vermont



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