

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

**\$9,825.00**

| <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>        |                  |
| <b>Variable Cost</b>                            |                                     |                       |                |                    |                    |                  |
| <sup>1</sup> 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           |                  |
| <sup>2</sup> 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            |                  |
| <sup>3</sup> Interest                           |                                     | \$1.65                | \$1.65         | \$412.50           | \$412.50           |                  |
| Miscellaneous                                   |                                     | \$0.25                | \$0.25         | \$62.50            | \$62.50            |                  |
|                                                 |                                     |                       |                |                    |                    |                  |
| <b>Total Variable Cost</b>                      |                                     | <b>\$21.87</b>        | <b>\$23.55</b> | <b>\$6,162.50</b>  | <b>\$7,082.50</b>  |                  |
| <b>Fixed Costs</b>                              |                                     |                       |                |                    |                    |                  |
| <sup>4</sup> Equipment Expense                  |                                     | \$13.66               | \$13.66        | \$3,415.00         | \$3,415.00         |                  |
| <sup>5</sup> Operator Labor (Sugarhouse Mgt.)   | \$15.00/hr                          | \$7.20                | \$7.20         | \$1,800.00         | \$1,800.00         |                  |
| Taxes                                           |                                     |                       |                |                    |                    |                  |
| <sup>6</sup> Insurance (product liability)      |                                     | \$0.80                | \$0.80         | \$200.00           | \$200.00           |                  |
| Land or tap rental                              |                                     |                       |                |                    |                    |                  |
|                                                 |                                     |                       |                |                    |                    |                  |
| <b>Total Fixed Cost</b>                         |                                     | <b>\$21.66</b>        | <b>\$21.66</b> | <b>\$5,415.00</b>  | <b>\$5,415.00</b>  |                  |
|                                                 |                                     |                       |                |                    |                    |                  |
| <b>Total Cost</b>                               |                                     | <b>\$43.53</b>        | <b>\$45.21</b> | <b>\$11,577.50</b> | <b>\$12,497.50</b> |                  |

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

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

<sup>1</sup>Two 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.

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

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

| <b>4</b> | <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          |                  |
|          | <b>Total</b>                                     | <b>\$55,900.00</b> |                        | <b>\$3,415.00</b> |                  |

| <b>5</b> | <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          |                  |
|          | <b>Total Labor</b>                                    | <b>120 hrs</b> |  | <b>\$1,800.00</b> |                  |

\* 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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