

Other variable costs

- Drying:

The costs of the drying are regularly incurred by combinable crops. The average costs of drying per 1 ha can be calculated by considering the average share of drying and the costs of drying per 1 metric centner (for an average moisture of crops). In the calculation example the amount dried was assumed to be 25% of the annual yield.

Base amount:	0.70 €/dt dry crops
plus:	0.50 €/dt per 1% of moisture removal
considering 2% of moisture removal, total:	1.70 €/dt dry crops

- Crop hail insurance:

The crop hail insurance premium is usually determined in accordance with the market value of the product. For the calculation the following approximate values can be used (according to LBA Munich):

<u>Crops</u>	<u>Percentage</u>
Rye, Triticale	1.50%
Winter wheat, sugar beets, potatoes	1.88%
Winter barley, summer barley, maize	2.25%
Oats, beans	3.00%
Winter rape, dried peas	4.50%

The percentage should be multiplied by the market value of the product (without premium). In practice the insurance sum is not applied annually, but rather the sales revenue of typical kinds of crops is insured.

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- Storage, conservation, preparation:

Costs of storage, care of the stored crop or preparation of the product should be calculated per chosen unit (e.g. ha and year).

If there is a possibility to either sell a product directly after the harvest or to store it, it is reasonable to evaluate the storage as a separate farm enterprise. In this way it can be checked whether or not the margin can cover the costs of storage (loading in storage, removal from storage, in store chemical applications, cooling/ventilation, losses, cost of building, etc.) if the products are sold later.

- Marketing costs:

Marketing costs should be taken into consideration. It is often easier to subtract them directly from the market price and to calculate the marketable output according to the farm-gate price.

- Seed license charge:

In practice the payment of the seed license charge is done according to the "Cooperation agreement of agriculture and plant breeding".

The reproduction license charge differs according to the type of crop and is determined per 1 metric centner of total seeds requirements:

for grain and yellow lupin	5.10 €/dt
for potatoes	5.10 €/dt
for beans, dried peas	7.70 €/dt

According to "Cooperation agreement of agriculture and plant breeding" different percentages of the license charge are calculated on the basis of the seed area. If the area is lower than 20%, the farmer gets a discount on the license charge:

Reproduction share	Discount (-) and/or reproduction charge (+) for:	
	Grain and legumes	Potatoes

	0 to < 20%	-10%	-10%	20 to < 40%	0%	0%
40 to < 60%				35%		30%
60 to < 80%				55%		55%
80 to 100%				60%		80%

