

## Dehuller Worksheet

By Brian Baker

*Step 1:* What are your estimated farm-gate prices for hulled and dehulled grains?

- a. Price for dehulled grain: \_\_\_\_\_ ¢/lb
- b. Price for hulled grain: \_\_\_\_\_ ¢/lb
- c. Test weight of the dehulled grain: \_\_\_\_\_ lb / bu
- d. Test weight of the hulled grain: \_\_\_\_\_ lb / bu (wheat has a standard of 60 lb / bu).
- e. How many pounds of hulled grains do you have to process: \_\_\_\_\_ lb.
- f. Total value added by dehulling  $(b \times d - a \times c) \times e \times (c / d) = \$$  \_\_\_\_\_

If f is less than zero, stop. It currently does not pay to dehull spelt under current market conditions. If f is positive, then proceed to step 2.

*Step 2:* What is the cost of using a toll-processor to dehull the grains?

- g. Transportation costs: \$ \_\_\_\_\_ / bu
- h. Toll for processing hulled grain: \$ \_\_\_\_\_ /bu
- i. Cost per pound of dehulled grain:  $(f + g) \div d = \$$  \_\_\_\_\_

If the transportation and processor toll is greater than the difference between the hulled and dehulled price, it does not pay to have the crop dehulled by a toll processor.

*Step 3:* Can you afford to invest in a dehuller that can meet your capacity?

- j. Amount available to invest (discount interest payments for loaned capital): \$ \_\_\_\_\_
- k. Dehuller purchase price: \$ \_\_\_\_\_
- l. Dehuller installation costs: \$ \_\_\_\_\_
- m.  $j - (k + l) = \$$  \_\_\_\_\_

If n is a negative number, then stop. You can't afford it. If n is a positive number or zero, proceed.

*Step 4:* What are the variable costs of the dehuller before depreciation, interest and taxes?

- n. Labor cost per hour: \$ \_\_\_\_\_
- o. Energy cost per hour: \$ \_\_\_\_\_ (calculate from kilowatts to run motor times electric rate per kWh)
- p. Hours of operation per year: \_\_\_\_\_ hrs
- q. Annual operating and maintenance cost: \$ \_\_\_\_\_
- r. Total annual variable costs:  $(n + o) \times p + q = \$$  \_\_\_\_\_
- s. Variable cost per pound:  $r \div d = \$$  \_\_\_\_\_
- t. Return on investment per pound:  $e - t = \$$  \_\_\_\_\_

If t is greater than zero, then there is a positive return before interest, depreciation and taxes.