

MEDS - 44
Rev August 1973

MARINE ECONOMICS DATA - 42-FOOT CHESAPEAKE BAY OYSTER AND CLAM VESSEL^{a/}

Description \$24,000 market value, 42 feet by 14 feet, wood hull, 10-ton capacity, 450 cubic inch V8 gasoline engine, C.B. radio, hydraulic double rigged patent tongs, and 36 by 2 foot clam elevator with hydraulic lift.

<u>Fishery</u>	<u>Effort (days)</u>	<u>Price per bu. (\$)</u>	<u>Production^{b/}</u>		
			<u>Low (bu)</u>	<u>Medium (bu)</u>	<u>High (bu)</u>
Chesapeake oyster..	157	3.50	4,830	6,900	8,970
Softshell clam.....	85	6.00	1,067	2,135	3,202
<u>(1) Gross returns.....</u>			\$23,307	\$36,960	\$50,607

Variable costs^{c/}

			<u>Season total with:</u>		
	<u>Oyster</u>	<u>Clam</u>	<u>Low production</u>	<u>Medium production</u>	<u>High production</u>
Vessel repairs.....	\$ 552	\$ 320	\$ 872	\$ 872	\$ 872
Gear repairs.....	--	--	2,552	2,687	2,821
Engine repairs.....	1,638	882	2,531	2,531	2,531
Fuel.....	1,035	1,516	2,551	2,551	2,551
Galley.....	345	277	622	622	622
Transportation.....	1,932	1,025	2,957	2,957	2,957
Crewshare <u>d/</u>	--	--	7,371	11,294	15,215
<u>(2) Total variable costs.....</u>			\$19,456	\$23,514	\$27,569

Fixed costs^{e/}

Depreciation.....	\$ 2,400	\$ 2,400	\$ 2,400
Moorage.....	280	280	280
Accounting.....	120	120	120
Miscellaneous.....	260	260	260
<u>(3) Total fixed costs.....</u>			
	\$ 3,060	\$ 3,060	\$ 3,060

Opportunity costs^{f/}

	<u>Low production</u>	<u>Medium production</u>	<u>High production</u>
(4) Operator's labor (\$1.25 per bushel).....	\$7,371	\$11,294	\$15,215
(5) Operator's management (10% of boatshare).	1,276	2,249	3,222
(6) Total investment (\$24,000 @ 8%).....	1,920	1,920	1,920

Summary

Return to labor, management, and investment (1 less 2 and 3).....	\$ 791	\$10,386	\$19,978
Return to labor and management (1 less 2, 3, and 6).....	-1,129	8,466	18,058
Return to investment (1 less 2, 3, 4, and 5).....	-7,856	-3,157	1,541

^{a/} Original data developed by selected Chesapeake Bay watermen, May 1972, in cooperation with the University of Rhode Island and Oregon State University. Costs, landings, and prices have been adjusted to reflect changes since the original data were developed, and is representative of above-average operators for this area.

^{b/} Low and high are 30 percent below and above medium for oysters, and 50 percent below and above medium for clams.

^{c/} Costs that vary with fishing effort. May include unpaid crew, operator, and family labor. Some costs, such as gear repair and crewshare, also vary with production.

^{d/} \$1.25 per bushel landed.

^{e/} Costs that do not vary with fishing effort.

^{f/} Opportunity cost of labor is the estimated value of this operator's time, or what could have been earned working for someone else. Opportunity cost of management is the estimated value of this operator's management (decision-making and risk), or what could have been earned managing another similar business. Opportunity cost of investment is the estimated fair return to total investment in the business, regardless of the actual amount of debt.