

P.J.R. - Calculation of sale price for
 6×10^6 lbs (300 tons) in 2×10^6 (100 tons)

Base 6,000,000 lbs

\$ US

Grant

- | | |
|---------------------------------|-----|
| ① 50% on 100,000 | .83 |
| ② Depreciation on 100,000 (50%) | .33 |
| ③ Op cost | .75 |

Total Grant cost 1.91

Kappers

- | | |
|---------------------------|-------------|
| ① Freight | 2.60 |
| ② Return on 350,000 | 2.92 |
| ③ Depreciation on 350,000 | 1.17 |
| ④ Op cost | .75 |
| | <hr/> 12.44 |

Total cost & profit 14.35

Net saving $25.33 - 14.35 = 10.98$

Grant share 5.49

Grant profit & saving $5.49 + 0.83 = 6.32$ (\$379,200)

Sale price $5.49 + 1.91 = 7.40$ \$ US.
 (\$449,000)

For 6×10^6 lbs Kappers profit & saving
 is $5.49 + 2.92 = 8.41$ \$ (\$504,600)

For 2×10^6 K P & S =
 $0.80 + 7.88 = 8.68$ \$ (\$173,600)

Note: for the larger volume ^{either} both operating
 costs may come down giving even better
 selling price.