



Cover price of \$39.95 (call it \$40) for *Holistic Orchard* provides the basis for this pie chart. Thus forty "dollar units" have been assigned by category to fill in the circle, based on contract and sales reports.

The discount offered booksellers ranges from 40% (with right of return) to 55% (purchase of a hundred books or more.) Amazon comes in at 53% so as not to trigger the deep discount clause and thus reduce author royalty. Author purchases are set at 50% (purchases of ten books or more).

Books ship out for free at the lower end of the discount range. Amazon essentially gets free shipping as a result of volume purchase (freight delivery by the pallet, if that's even charged). The author pays a residential/ rural shipping rate of approximately \$2 per book for his wholesale purchases.

Author royalty rate on *Holistic Orchard* ranges from \$1.40 with the deep discount to \$3.20. Bar graph assumes an average royalty of \$3 per copy (7.5% of cover price) based on current use of deep discount.

Printing costs estimated at \$8 per book (20% of cover price, given use of color) but could be less, since 4500 copies or so are printed at a time. Distribution costs estimated at \$2 per book. These "fixed costs" are covered by a dedicated portion of the publisher's share, mostly. Sellers purchasing books with right of return help pay for warehousing (distribution) costs by means of that additional 10% going to publisher. Conversely, Amazon edges into the red section of the pie by \$3.20 thereby cutting into publisher's earnings. The retail margin to other sellers (including author) averages 45%. These shifting parameters are impossible to capture fully in a chart presentation.

Competitive Assessment: Take away a third of the entire pie from the retail margin section to account for the "standard sales discount" of 25 to 35% offered by both Amazon and publisher. There's no way authors can compete with that if selling books direct to offset low royalty rates.