

Evaluating Costs and Returns of Central Coast Raspberries



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Santa Cruz County

Annual Raspberry Meeting - January 11, 2013

New Raspberry Study Available Online

http://cesantacruz.ucanr.edu/files/156880.pdf - Windows Internet Explorer

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2012

**SAMPLE COSTS TO PRODUCE
FRESH MARKET RASPBERRIES**

Primocane Bearing



Central Coast Region
Santa Cruz, Monterey and San Benito Counties

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Focus on: Central Coast

***Fresh Market Raspberries
Primocane Bearing***

***Establishment & Production Cycle
2 Full Years***



Why / How Study Performed

- **Number of cost & return study requests**
- **Constructed by building on previous 2005 raspberry study and working with Central Coast growers to determine most up-to-date practices and estimate associated costs and potential returns. Budget Planner software program used to generate analysis.**
- **Most detailed, comprehensive raspberry study to date, completed November 2012.**

Thank You

- **Central Coast Growers**
- **Supply & Service Companies**
- **Rich De Moura and Karen Klonsky**
Department of Ag & Resource Economics
UC Davis

 **Cooperative, Collaborative Effort** 

Central Coast Raspberry Study Selected Calculation Assumptions

- **30 acre operation – 15 acres in raspberries**
- **Land rent – \$2,300/acre/year**
- **Water – \$270/acre foot**
- **Labor – machine \$19.10/hour (incl 34% overhead)**
- **Labor – general \$12.06/hour (incl 34% overhead)**
- **Piece rate at harvest**
- ***Trellis & tunnels - \$2,586/acre & \$10,800/acre***
- ***Food safety & regulatory programs - \$25/acre & \$50/acre***

Calculation Assumptions: Yield & Price

| Per Acre Tables | Yield (trays/ac) | Price (\$/tray) |
|------------------------|-------------------------|------------------------|
| Establishment | Na | Na |
| Production Year 1 | 4,500 | \$15 |
| Production Year 2 | 5,000 | \$15 |

Study Yield Range: 3,000 to 6,500 trays/ac

Study Price Range: \$10 to \$20/tray

Establishment & Production Cycle

| Calendar Year 1 (Partial) August – December | Calendar Year 2 (Full) January – December | Calendar Year 3 (Partial) January - July |
|---|---|--|
| <p style="text-align: center;">▼</p> <p style="text-align: center;">Establishment</p> | <p style="text-align: center;">▼</p> <p style="text-align: center;">Production Year 1</p> | <p style="text-align: center;">▼</p> <p style="text-align: center;">Production Year 2</p> |
| <p style="text-align: center;">▼</p> <ul style="list-style-type: none"> Land preparation Fumigation Fertilization Plant Raspberries Sprinkler Irrigation | <p style="text-align: center;">▼</p> <ul style="list-style-type: none"> Install Trellis & Tunnels Install Drip / Irrigation Fertilization Pollination Pest Management Harvest 1 Cover Crop | <p style="text-align: center;">▼</p> <ul style="list-style-type: none"> Prune Cover Crop Pest Management Fertilization Irrigation Tunnels (M & R) Pollination Harvest 2 Postharvest |

Cultural Practice Details

Fertilization

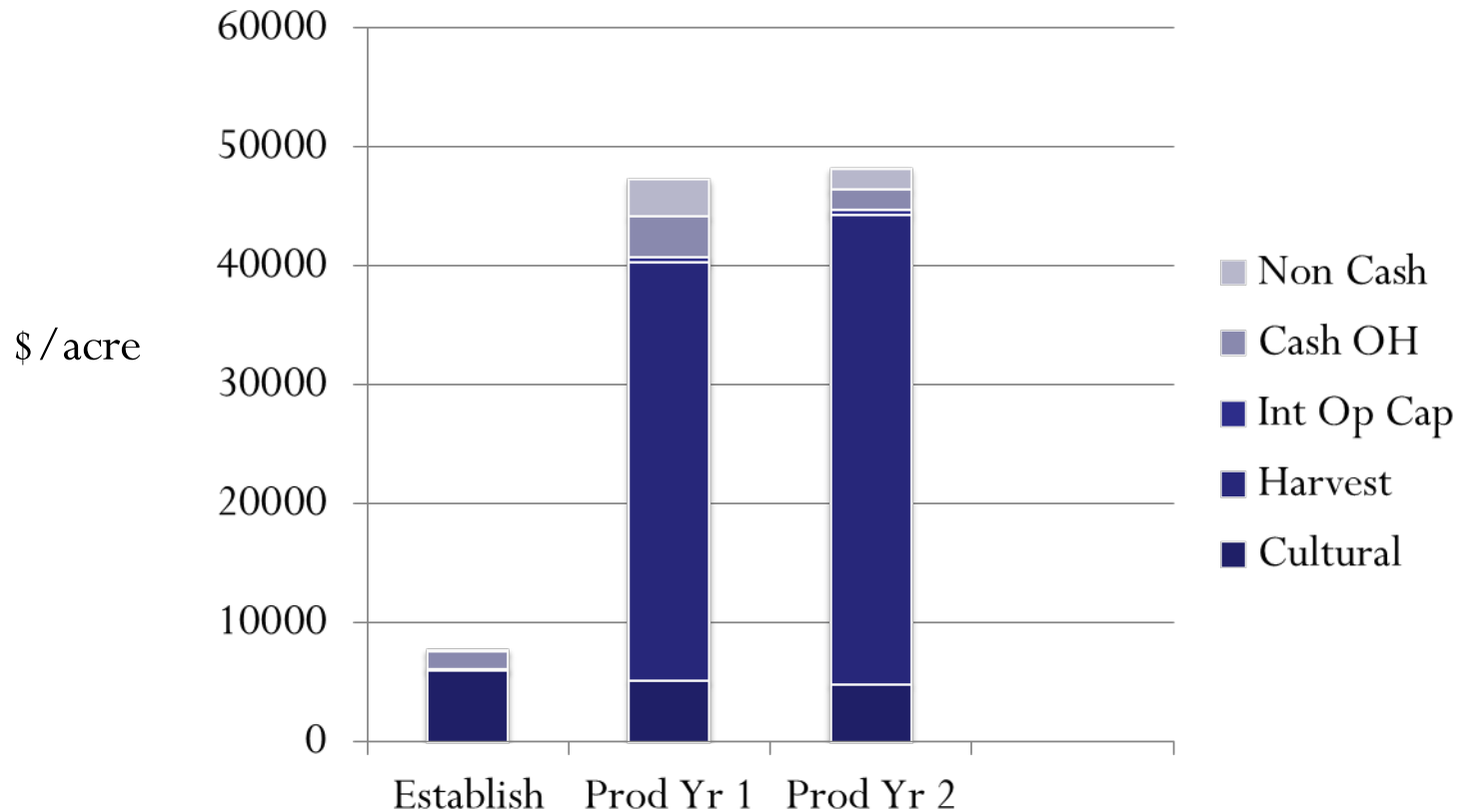
- **Compost**
- **Cover crop**
- **Fertilizer blends**

Pest Management

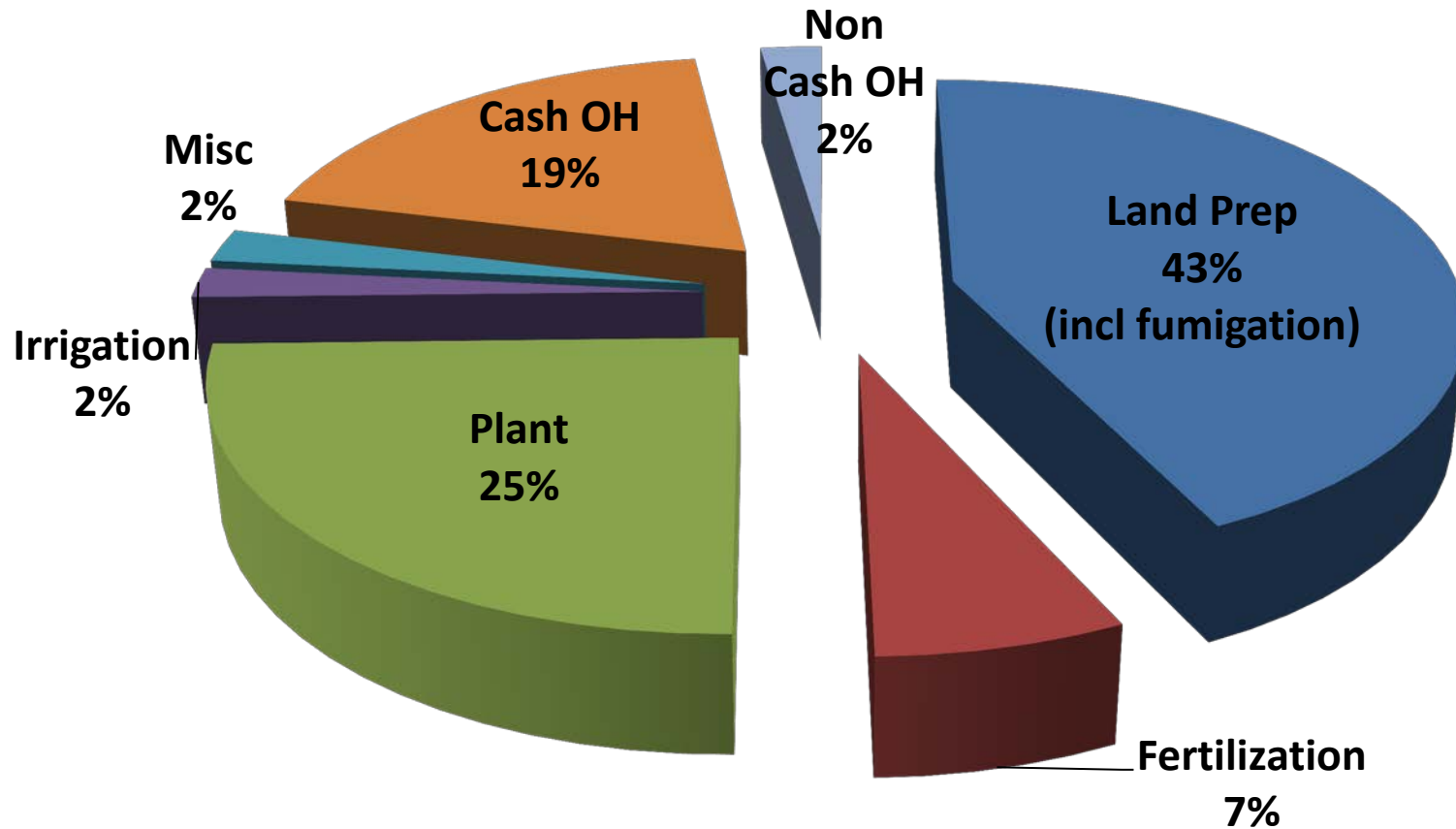
- **Fumigation**
- **Hand weeding**
- **Herbicide**
- **Insecticide**
- **Fungicide**
- **PCA**

Specific materials & choices determined by soil & tissue analyses; pest control advisers and other informational inputs.

Total Costs Snapshot

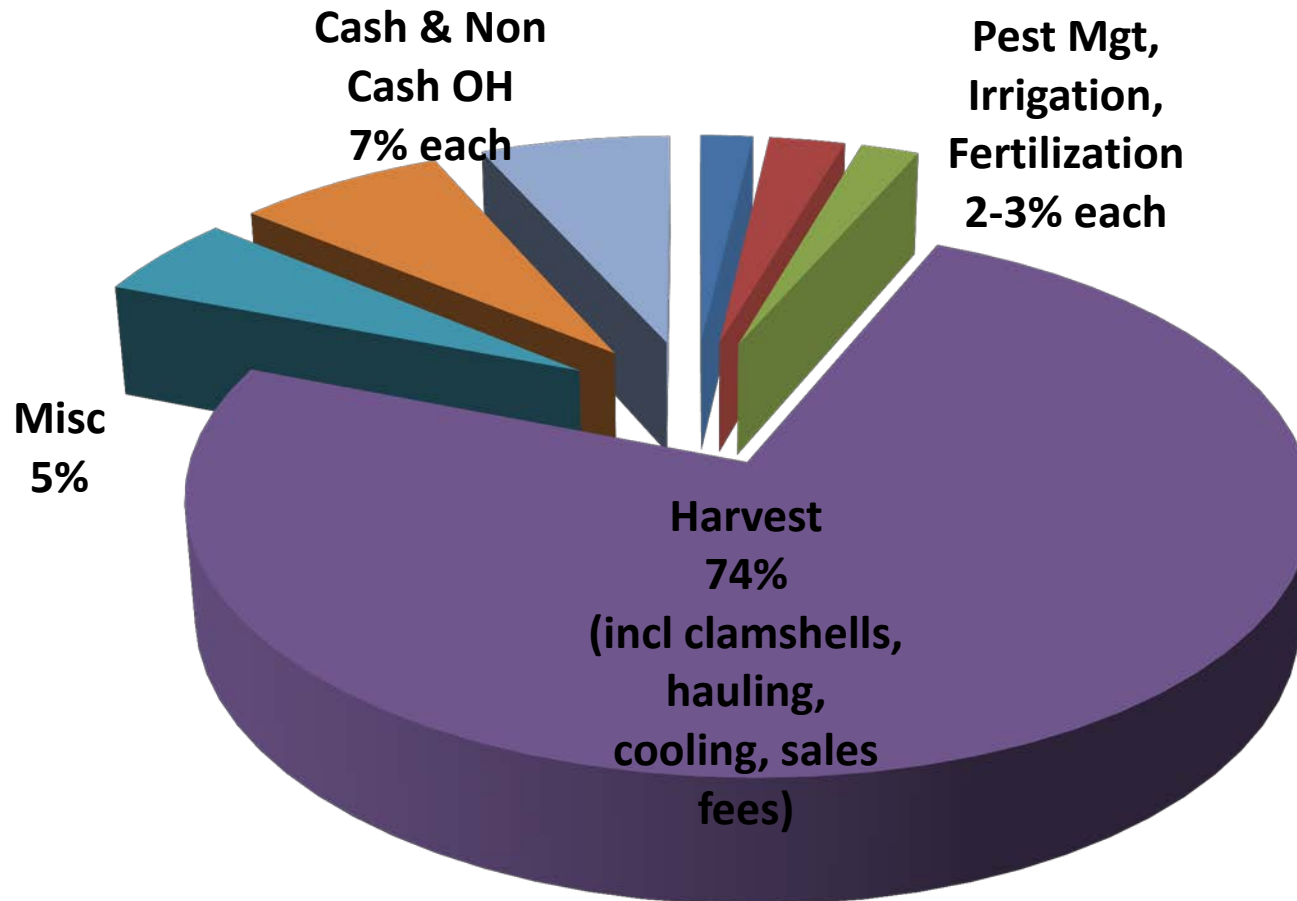


Total Raspberry Establishment Costs = \$7,759 (\$/acre)



Misc includes ATV & pickup truck use, interest on operating capital

Total Raspberry Costs Production Year 1 = \$47,296 (\$/acre)



Misc includes ATV & pickup truck use, labor for installation of trellis & tunnels, interest on operating capital

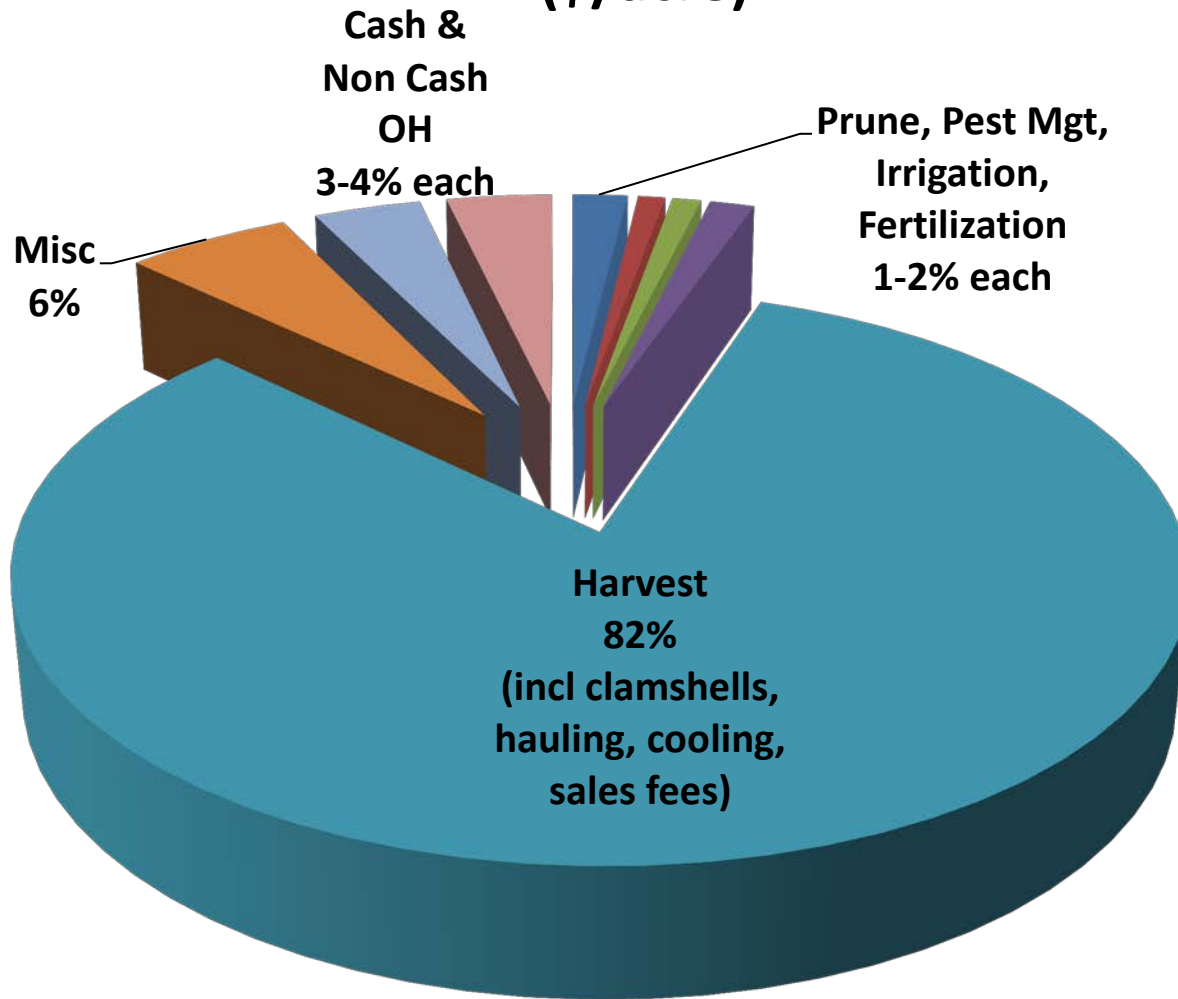
*Net Returns Above Total Costs**

Production Year 1

| | | <i>Yield/acre</i> | |
|----------------|--------------------|--------------------|--------------------|
| <i>Price</i> | 3,000 trays | 4,500 trays | 6,000 trays |
| <i>\$/tray</i> | | | |
| \$10 | - \$5,718 | -\$2,296 | 1,126 |
| \$12 | \$282 | \$6,704 | \$13,126 |
| \$15 | \$9,282 | \$20,204 | \$31,126 |

** Study has ranging analysis with more detail*

Total Raspberry Costs Production Year 2 = \$48,210 (\$/acre)



Misc includes ATV & pickup truck use, labor for maintenance of trellis & tunnels, interest on operating capital

*Net Returns Above Total Costs**

Production Year 2

| | | <i>Yield/acre</i> | |
|--------------------------|--------------------|--------------------|--------------------|
| <i>Price \$/tray</i> | <i>3,500 trays</i> | <i>5,000 trays</i> | <i>6,500 trays</i> |
| <i>\$10</i> | <i>- \$3,083</i> | <i>\$1,790</i> | <i>\$6,663</i> |
| <i>\$12</i> | <i>\$3,917</i> | <i>\$11,790</i> | <i>\$19,663</i> |
| <i>\$15</i> | <i>\$14,417</i> | <i>\$26,790</i> | <i>\$39,163</i> |

** Study has ranging analysis with more detail*

Raspberry Study Notes

- **High cost and value crop**
- **Intense production and management**
- **Substantial evolution of raspberry industry over time with new practices / techniques**
- **Potential for both financial loss at low(er) yields and prices and gain at high(er) yields and prices**

Questions? Comments??

***Raspberry & other studies
available at:***

<http://cesantacruz.ucdavis.edu>

<http://coststudies.ucdavis.edu>



■ **University of California** Agriculture and Natural Resources