



PLANNING FOR PROFIT



Province of British Columbia
Ministry of Agriculture, Fisheries and Food

Blueberry Establishment Budget Vancouver Island Summer 1995

Agdex 235.0 - 810

Introduction

This budget estimates the direct income and expenses to establish one acre of blueberries planted at a density of 1,614 plants/acre (approximately 3' by 9' spacing). It is intended to assist producers in evaluating the financial requirements of the establishment period.

A total farm financial analysis should be completed in order to determine the impact of a new planting on the total business. A complete set of planning forms are available from any BCMAFF district office.

Price Sensitivity

The following table shows the impact on contribution margin resulting from a change in projected market returns. (bold denotes target values)

Price/lb	\$2.00	\$2.25	\$2.50
Year			
2	(\$7,655)	(\$7,655)	(\$7,655)
4	1,699	2,074	2,449
6	7,091	8,341	9,591
8	10,197	11,947	13,697
10	13,377	15,627	17,877
12	14,956	17,456	19,956

Market return is the most significant variable in assessing profit in establishing and producing blueberries. Price alters the budget's projected contribution margins. It is important to obtain as much information on potential market returns when developing a budget for your own situation. Quality, strain, and variety are just some factors to consider.

Production Sensitivity

Level - The table below shows the results of a 10 and 20 percent reduction in target production levels on per acre contribution margins.

Prod'n. Year	-20%	-10%	Target
2	(\$7,655)	(\$7,655)	(\$7,655)
4	1,511	1,793	2,074
6	6,452	7,397	8,341
8	9,299	10,623	11,947
10	12,222	13,925	15,627
12	13,672	15,564	17,456

Timing - Projected margins are also affected by how soon young bushes come into production. The table below summarizes the impacts of delaying target production by 1 and 2 years.

Delay Year	2 Yr.	1 Yr.	Target
2	(\$7,655)	(\$7,655)	(\$7,655)
4	(588)	748	2,074
6	1,708	4,551	8,341
8	8,177	10,052	11,947
10	11,837	13,732	15,627
12	15,561	17,456	17,456

These margins demonstrate the importance of obtaining timely production on blueberry plantings. Projected yields and timing are affected by bush quality, horticultural practices, location, and weather.

Contact: BRENT WARNER, P.Ag.
District Horticulturalist
Sidney
LORNE OWEN, P.Ag.
Farm Management Specialist
Abbotsford

BLUEBERRY ESTABLISHMENT BUDGET

Years to Full Production - 12

	Price	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Yield (lbs./acre)		0	0	800 lb	1,500 lb	3,000 lb	5000 lb	6,000 lb	7,000 lb	8,000 lb	9,000 lb	10,000 lb	10,000 lb
Total Income	\$2.25/lb.	\$0	\$0	\$1,800	\$3,375	\$6,750	\$11,250	\$13,500	\$15,750	\$18,000	\$20,250	\$22,500	\$22,500
Establishment Costs													
Plants*	3.00/plant	\$0	\$4,842	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trickle Irrigation*		0	1,400	0	0	0	0	0	0	0	0	0	0
Nets*		0	0	2,500	0	0	0	0	0	0	0	0	0
Fertilizers & Chemicals													
4 - 18 - 25	.40/kg	26	0	26	48	60	76	98	128	162	192	208	226
Sulphur	.77/kg	0	770	0	0	0	0	0	0	0	0	0	0
Princep 9T	13.39/kg	0	0	13	0	0	0	0	0	0	0	0	0
Gramoxone	20.95/litre	0	23	23	23	46	46	46	46	46	46	46	46
Casoron 4G	5.92/kg	0	0	133	133	0	133	0	133	0	133	0	133
Funginex	41.03/litre	0	0	45	90	90	135	135	135	135	135	135	135
Malathion 500	9.29/litre	0	0	0	8	11	11	11	11	11	11	11	11
Fixed Copper	5.57/kg	0	17	17	17	17	17	17	17	17	17	17	17
Captan	9.67/kg	0	0	14	14	14	14	14	14	14	14	14	14
Fuel Costs		20	68	52	63	90	124	141	158	160	161	163	163
Machinery R & M		27	100	74	92	134	186	212	238	241	243	245	245
Picking Labour	.50/lb.	0	0	200	375	750	1,250	1,500	1,750	2,000	2,250	2,500	2,500
Hired Labour		0	210	0	0	64	112	133	158	175	196	224	224
Contract & Custom Work		1,000	125	0	0	0	0	0	0	0	0	0	0
Rentals (Outhouses & Hives)		0	0	150	150	150	150	150	150	150	150	150	150
Irrigation & Water		0	100	100	100	100	100	100	100	100	100	100	100
Marketing	3% of sales	0	0	84	131	233	367	435	503	570	637	705	705
Cartons	.75/10 lbs.	0	0	30	57	112	188	225	262	300	338	375	375
Total Costs		\$1,073	\$7,655	\$3,461	\$1,301	\$1,871	\$2,909	\$3,217	\$3,803	\$4,081	\$4,623	\$4,893	\$5,044
Contribution Margin		(\$1,073)	(\$7,655)	(\$1,661)	\$2,074	\$4,879	\$8,341	\$10,283	\$11,947	\$13,919	\$15,627	\$17,607	\$17,456

* May be a capital item. This information is provided as a guideline only. Target yield indicates above average production. An individual crop plan should be developed by each producer. Planning forms may be obtained from your local office of the B. C. Ministry of Agriculture, Fisheries and Food.