



PLANNING FOR PROFIT



Ministry of Agriculture,
Fisheries and Food

Raspberry Establishment Hand Harvested Okanagan Valley 1996

Agdex 237 - 810

Introduction

This budget estimates the direct income and expenses to establish one acre of raspberries planted at a density of 2,000 plants/acre and assumes experienced management and normal production constraints. 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 farm business. A complete set of planning forms are available from any BCMAFF district office.

Price Sensitivity

The following table shows the impact of changes in the market returns on the profitability of growing raspberries. (bold denotes projected values)

Price/lb	\$1.50	\$1.75	\$2.00
Year			
Land Prep	(\$1,204)	(\$1,204)	(\$1,204)
1	(1,723)	(1,723)	(1,723)
2	2,121	3,121	4,121
3	5,530	7,530	9,530
4	7,250	9,750	12,250

It is important to obtain as much information on potential market returns when developing a budget for your own situation. Quality and variety are just some factors to consider.

Production Sensitivity

Yields - The table below shows the results of a 10 and 20 percent reduction in target yields on the profitability of growing raspberries.

Prod'n. Year	-20%	-10%	Target
Land Prep	(\$1,204)	(\$1,204)	(\$1,204)
1	(1,723)	(1,723)	(1,723)
2	1,313	2,217	3,121
3	3,914	5,722	7,530
4	5,230	7,490	9,750

Timing - Profitability is also affected by how soon young plants 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
Land Prep	(\$1,204)	(\$1,204)	(\$1,204)
1	(1,723)	(1,723)	(1,723)
2	(1,646)	(1,646)	3,121
3	(2,027)	2,740	7,350
4	2,565	7,355	9,750

These margins demonstrate the importance of obtaining early production on intensive plantings.

Projected yields and timing are affected by operator's skill level, graft quality, horticultural practices, location and weather.

Contact: JOHN PRICE, P.Ag.
Vegetable & Berry Specialist
Vernon
LORNE OWEN, P.Ag.
Provincial Management Specialist
Abbotsford

Prepared by: ANDREA GUNNER, P.Ag.

RASPBERRY ESTABLISHMENT BUDGET

Years to Full Production - 4

		Price	Unit	Land Prep	Year 1	Year 2	Year 3	Year 4
Income		\$1.75	lb	0	0	\$7,000	\$14,000	\$17,500
Establishment Costs	Quantity	Price	Unit					
Plants*	2,000	\$0.35	each	0	\$700	0	0	0
Posts & Wires*				0	55	0	0	0
<u>Fertilizers & Pesticides</u>								
10 - 16 - 18		\$0.43	kg	0	56	116	116	116
Manure	20	2.00	yd	0	40	40	40	40
Roundup	2	11.20	litre	22	0	0	0	0
Goal	0.75	50.30	litre	0	38	38	38	38
Princep 9T	0.44	13.23	kg	0	6	6	6	6
Captan 75 DF (4X)	0.54	13.62	kg	0	7	29	29	29
Ridomil	2.20	76.00	litre	0	0	167	167	167
Diazinon 500 EC	0.40	13.87	litre	0	6	6	6	6
Vydate L	1.90	26.60	litre	0	0	25	25	25
Fuel Costs				98	129	74	86	86
Machinery R & M				57	117	44	58	58
Hired Labour		8.50	hour	0	0	170	340	425
Contract Labour		8.50	hour	994	510	765	765	765
Picking Labour		0.35	lb	0	0	1,400	2,800	3,500
Hive Rentals	1	45.00	hive	0	0	43	43	43
Soil Analysis	1	33.17	sample	33	0	0	0	0
Irrigation and Water		60.00	acre	0	60	60	60	60
Marketing		5%	sales	0	0	350	700	875
Carton		0.16	lb	0	0	640	1,280	1,600
Total Expenses				\$1,204	\$1,723	\$3,969	\$6,560	\$7,840
Contribution Margin				(\$1,204)	(\$1,723)	\$3,031	\$7,440	\$9,660

*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 BC Ministry of Agriculture, Fisheries and Food.