

Southern Region Small Fruit Consortium 2003 Progress Report

Project title: Estimated Costs and Returns of Producing, Harvesting and Marketing Blackberries in the Southeastern United States

Principal Investigators:

1. Charles Safley, Professor and Extension Economist
Box 8109, 4328 Nelson Hall
Departments of Agricultural and Resource Economics
North Carolina State University
Raleigh NC 27965-8109
Charles_safley@ncsu.edu
2. Gina Fernandez, Associate Professor and Extension Specialist
Box 7609, 170 Kilgore Hall
Department of Horticultural Science
North Carolina State University
Raleigh NC 27965-7609
Gina_fernandez@ncsu.edu

Objectives:

1. Estimate the typical costs and returns associated with growing, harvesting, and marketing blackberries in the southeastern United States.
2. Provide farmers who are either considering entering the blackberry industry or who are currently growing strawberries with an estimate of the input cost requirements.
3. Estimate the amount and distribution of the labor required to produce, harvest and market blackberries.
4. Evaluate the effect of varying price and productivity (yield).

Justification: Like all business managers blackberry producers' main objective should be to make a profit in order for their farms to be financially successful. Ideally, growers would keep detailed records that would serve as a reference when estimating their production, harvest, and marketing costs, but this typically does not happen. Therefore, the purpose of this study is to provide information about the costs and returns of growing, harvesting, and marketing blackberries. The data will serve as a guide to assist individuals who are considering entering the blackberry industry and those who are currently growing blackberries make more informed business management decisions.

Methodology: A complete cost model for a blackberry production system was developed a one-acre planting. Production practices were based on above average management procedures recommended by extension specialists with

input from current blackberry growers. The monthly production sequence; a detailed summary of the equipment, material and labor input requirements needed to complete each operation; and the estimated costs per acre were developed. The estimated hours of labor required for each of the operations involving machinery and equipment were increased by a factor of 1.2 to account for the time needed for setup, adjustment and to move the equipment to the strawberry field. Labor rates represent “true” costs of labor, not just the base wage rate, and include workers’ compensation, unemployment, FICA taxes and other overhead expenses as well as the base wage rate. The machinery and equipment reflects machinery components that can be used for other farming enterprises in addition to growing blackberries on a typical diversified farm. Therefore the hours of annual use and the resulting costs per hour reflect the equipment costs for a total farm business and not just for blackberry production. Input prices were obtained from local dealers who regularly supply North Carolina strawberry growers.

Results: The latest draft of the blackberry budget has been reviewed by growers for completeness and accuracy. The recommended changes are currently being incorporated into the final version of the budget. The final draft will be completed in January 2004.

Conclusions: To be published - subject to approval of the final draft of the budget.

Impact: The Principal Investigators have been invited to present the results of this study at the annual meeting of the North American Bramble Growers Association in Tampa, FL on February 21, 2004. The detailed input coefficients and monthly cost estimates and will allow individual growers to estimate their actual inputs and costs. Consequently current and potential blackberry growers in the southeastern United States can use this financial information to make informed decisions about entering, leaving, or expanding existing operations.

Citations: None at this time.