



## **KY Strawberry Profitability Estimated Costs and Returns**

The profitability of two different strawberry production scenarios in Kentucky was analyzed to reflect 2008 production costs. The attached tables report potential profits for both Pick Your Own (PYO) and Wholesale/Retail production.

A useful, interactive strawberry budget can also be found online from The Ohio State University Extension at: <http://aede.osu.edu/Programs/FarmManagement/Budgets/index.htm>

The returns reported here are based on years 2-4 of a four-year rotation. These are estimated returns to capital, the returns a producer would realize after accounting for all expenses of production, land, labor, and management.

Producers should remember that strawberries must be established for a year before harvest. No returns are generated in the first year. The costs of establishment (\$2900), as well as any necessary fumigation costs (up to \$2000) should be assumed to be prorated over the four-year life of the strawberry planting at an interest rate of 9%. Thus, a producer will have to be able to generate adequate returns to cover the cost of establishment.

Based on these estimates, well-managed strawberry plantings in Kentucky have the potential to return the equivalent of \$2,000-\$4,000 per year over a four-year lifetime.

**Strawberries: Hired Harvest Labor**

**Annual Return to Management (Years 2-4) at Varying Prices and Yields**

| \$/lb   | Yield (Pounds) |          |          |          |          |          |          |
|---------|----------------|----------|----------|----------|----------|----------|----------|
|         | 5500           | 6000     | 6500     | 7000     | 8000     | 8500     | 9000     |
| \$ 0.80 | \$ (1,006)     | \$ (949) | \$ (893) | \$ (836) | \$ (723) | \$ (666) | \$ (609) |
| \$ 0.90 | \$ (511)       | \$ (409) | \$ (308) | \$ (206) | \$ (3)   | \$ 99    | \$ 201   |
| \$ 1.00 | \$ (16)        | \$ 131   | \$ 277   | \$ 424   | \$ 717   | \$ 864   | \$ 1,011 |
| \$ 1.10 | \$ 479         | \$ 671   | \$ 862   | \$ 1,054 | \$ 1,437 | \$ 1,629 | \$ 1,821 |
| \$ 1.20 | \$ 974         | \$ 1,211 | \$ 1,447 | \$ 1,684 | \$ 2,157 | \$ 2,394 | \$ 2,631 |
| \$ 1.30 | \$ 1,469       | \$ 1,751 | \$ 2,032 | \$ 2,314 | \$ 2,877 | \$ 3,159 | \$ 3,441 |
| \$ 1.40 | \$ 1,964       | \$ 2,291 | \$ 2,617 | \$ 2,944 | \$ 3,597 | \$ 3,924 | \$ 4,251 |
| \$ 1.50 | \$ 2,459       | \$ 2,831 | \$ 3,202 | \$ 3,574 | \$ 4,317 | \$ 4,689 | \$ 5,061 |
| \$ 1.60 | \$ 2,954       | \$ 3,371 | \$ 3,787 | \$ 4,204 | \$ 5,037 | \$ 5,454 | \$ 5,871 |
| \$ 1.70 | \$ 3,449       | \$ 3,911 | \$ 4,372 | \$ 4,834 | \$ 5,757 | \$ 6,219 | \$ 6,681 |
| \$ 1.80 | \$ 3,944       | \$ 4,451 | \$ 4,957 | \$ 5,464 | \$ 6,477 | \$ 6,984 | \$ 7,491 |
| \$ 1.90 | \$ 4,439       | \$ 4,991 | \$ 5,542 | \$ 6,094 | \$ 7,197 | \$ 7,749 | \$ 8,301 |
| \$ 2.00 | \$ 4,934       | \$ 5,531 | \$ 6,127 | \$ 6,724 | \$ 7,917 | \$ 8,514 | \$ 9,111 |

**Strawberries: Pick Your Own**

**Annual Return to Management (Years 2-4) at Varying Prices and Yields**

| \$/lb   | Yield (Pounds) |          |          |                 |           |           |           |
|---------|----------------|----------|----------|-----------------|-----------|-----------|-----------|
|         | 5500           | 6000     | 6500     | 7000            | 8000      | 8500      | 9000      |
| \$ 0.50 | \$ (16)        | \$ 131   | \$ 277   | \$ 424          | \$ 717    | \$ 864    | \$ 1,011  |
| \$ 0.75 | \$ 1,222       | \$ 1,481 | \$ 1,740 | \$ 1,999        | \$ 2,517  | \$ 2,777  | \$ 3,036  |
| \$ 1.00 | \$ 2,459       | \$ 2,831 | \$ 3,202 | \$ 3,574        | \$ 4,317  | \$ 4,689  | \$ 5,061  |
| \$ 1.25 | \$ 3,697       | \$ 4,181 | \$ 4,665 | <b>\$ 5,149</b> | \$ 6,117  | \$ 6,602  | \$ 7,086  |
| \$ 1.50 | \$ 4,934       | \$ 5,531 | \$ 6,127 | \$ 6,724        | \$ 7,917  | \$ 8,514  | \$ 9,111  |
| \$ 1.75 | \$ 6,172       | \$ 6,881 | \$ 7,590 | \$ 8,299        | \$ 9,717  | \$ 10,428 | \$ 11,136 |
| \$ 2.00 | \$ 7,409       | \$ 8,231 | \$ 9,052 | \$ 9,874        | \$ 11,517 | \$ 12,339 | \$ 13,161 |