

**Enterprise Cost Analysis for Rabbiteye Blueberries,
Southern Highbush Blueberries in Soil and
Southern Highbush Blueberries in High-Density Pine-bark Beds**

Esendugue Greg Fonsah
Asst. Professor & Ext. Economist
Department of Ag & Applied Economics
University of Georgia
P.O. Box 1209 – RDC
Tifton, Georgia 31793
gfonsh@uga.edu

Objectives

The overall objective of this study is to summarize the resources and estimate the costs associated with producing blueberries in the southeastern U.S. region. The specific objectives were: (1) to develop a new southern highbush blueberries in soil budget; (2) to develop an updated rabbiteye budget; and; (3) to develop a new southern highbush blueberries in high-density pine-bark bed budget.

Justification

Due to the high demand from farmers, county agents and some financial institutions, insurance companies etc., there is a strong demand for these budgets. Unfortunately, the existing Blueberry Enterprise Cost Analysis was published in 1995, almost a decade ago, and covers only rabbiteye blueberries. There have been significant changes in terms of input prices, agricultural practices and production technologies since then.

Methodologies

Total costs of cultivating either rabbiteye blueberries, southern highbush blueberry in soil and southern highbush blueberries high density pine-bark in beds include fixed costs (machinery, irrigation, recaptured establishment costs, land, overhead and management) and variable costs (i.e. pre-harvest, harvesting and marketing costs) respectively. To satisfy this need, several blueberry orchards will be visited to study blueberry operations and collect the necessary primary data for generating or updating the budget. Various blueberry specialists, Extension Agricultural Economists, Horticulturists, Biological and Ag-Engineers, and County Agents and farmers will be visited to gather agronomic, irrigation and equipment data required to develop and/or update the almost a decade-old publication. Furthermore, vendors of agricultural inputs (fertilizers, chemicals and equipment) will be contacted to obtain latest prices needed to generate variable and fixed costs of rabbiteye blueberry, southern high bush blueberry in soil and southern highbush high density in pine-bark beds production systems concomitantly. The data collected, both primary and secondary will be utilized to update the rabbiteye blueberry budget (objective 1 above), generate a new southern highbush blueberry in soil budget and

southern highbush blueberry high density pine-bark beds budget respectively (objective 2 and 3).

Results of objective 1: New Southern Highbush Blueberry in Soil in Georgia Budget

The first year establishment and maintenance cost of growing southern highbush blueberry in soil in Georgia utilizing high organic matter (>3%) spodic-type or allied sand soil series was estimated at \$ 9,582.68 per acre. The second year establishment and maintenance cost of growing, harvesting and marketing was \$3,689.12 per acre less return from receipts of \$2,375 equal \$1,314.12 per acre. The third year establishment and maintenance costs were \$7,065.34 per acre. The total returns for the same year was \$9,500 per acre. Subtracting the cost of \$7,065.34 from \$9,500 gives a net return of \$2,434.66 per acre. The fourth year cost, which was considered to the first year of actual full production costs were estimated at \$13,543.57 per acre. The compounded and recaptured establishment annual cost was \$2,175.52 per acre. The risk rated expected returns over total costs 66% of the time was \$5,456 per acre. The chances of making profit were 92% and the base budgeted net revenue was \$6,456 per acre. Total budgeted cost per pound was \$3.39. The estimated annual total fixed machinery cost per acre was \$287.55. Total annual cost of solid set irrigation was \$657.81 per acre.

Results of objectives 2 & 3:

The Rabbiteye budget (Objective 2) is still in progress. I have not started the new Southern Highbush blueberries in High-Density Pine bark bed budget (objective 3).

Conclusions

The first objective of this study shows that the risk rated expected returns for Southern Highbush Blueberries over total costs 66% of the time was \$5,456 per acre and the chances of making profit were 92% while the base budgeted net revenue was \$6,456 per acre. Objectives 2 and 3 will be provide solutions for the Rabbiteye and Southern Highbush in High-Density pine bark bed blueberries production budgets concomitantly.

Impact Statement

The newly developed budgets would definitely serve as a practical guide to Southeastern regions such as South Carolina, Tennessee and other neighboring states involved in blueberries production that do not have budgets yet. They would also facilitate the initial development of neighboring states blueberries budgets and serve as guidelines to farmers, county agents, insurance companies, USDA and financial institutions of those states without blueberries budgets respectively. They would further be used for comparison purposes by Southeastern blueberry growers to contrast their costs with production costs in Michigan and other states.

Citation(s) for any publications arising from this project: None yet but will be available after submission to appropriate journals.

