

Annual Costs Specialty Peppers (One Acre)

Robin G. Brumfield, Ph.D.

ITEM	UNIT	PRICE	QUANTITY	PER ACRE (1 acre farm)	PER ACRE (10 acre farm)	PER ACRE (50 acre farm)	My farm
SALES	25 Lb. Carton	\$10.00	1300	\$ 13,000	\$ 13,000	\$ 13,000	
VARIABLE COSTS							
Item	Unit	Price	Quantity	Total cost	Total cost	Total cost	Total cost
<u>Materials</u>							
Plastic Mulch	8800ft	\$ 380.00	1	\$ 380.00	\$ 380.00	\$ 380.00	
Drip Irrigation line	8800ft	\$ 160.00	1	\$ 160.00	\$ 160.00	\$ 160.00	
Adapters	each	\$ 0.50	24	\$ 12.00	\$ 12.00	\$ 12.00	
Blue Stripe, Submain	100ft	\$ 20.00	1	\$ 20.00	\$ 20.00	\$ 20.00	
Layflat mainline (3 yr)	300ft	\$ 50.00	1	\$ 50.00	\$ 50.00	\$ 50.00	
Valve (3 yr)	each	\$ 5.00	1	\$ 5.00	\$ 5.00	\$ 5.00	
Filter (3yr)	each	\$ 40.00	1	\$ 40.00	\$ 40.00	\$ 40.00	
Pressure regulator (3yr)	each	\$ 7.00	1	\$ 7.00	\$ 7.00	\$ 7.00	
Misc. PVC fittings	each	\$ 10.00	1	\$ 10.00	\$ 10.00	\$ 10.00	
Subtotal				\$ 684.00	\$ 684.00	\$ 684.00	
<u>Fertilizers</u>							
Pre Plant Fertilizer	600 pounds	\$ 600.00	1	\$ 600.00	\$ 600.00	\$ 600.00	
Side Dress Fertilizer	250 pounds	\$ 106.00	1	\$ 106.00	\$ 106.00	\$ 106.00	
Subtotal				\$ 706.00	\$ 706.00	\$ 706.00	
<u>Pesticides</u>							
Herbicide	each	\$ 12.00	1	\$ 12.00	\$ 12.00	\$ 12.00	
Insecticide	each	\$ 5.60	3	\$ 16.80	\$ 16.80	\$ 16.80	
Fungicide	each	\$ 10.00	2	\$ 20.00	\$ 20.00	\$ 20.00	
Insecticide #2	each	\$ 42.00	1	\$ 42.00	\$ 42.00	\$ 42.00	
Subtotal				\$ 90.80	\$ 90.80	\$ 90.80	
<u>Plants</u>							
Seedlings	plants	\$ 0.06	10700	\$ 642.00	\$ 642.00	\$ 642.00	
Seed	each	\$ 100.00	1	\$ 100.00	\$ 100.00	\$ 100.00	
Subtotal				\$ 742.00	\$ 742.00	\$ 742.00	
<u>Field Work</u>							
Plow	acer	\$ 19.00	1	\$ 19.00	\$ 19.00	\$ 19.00	
Disc	acer	\$ 14.50	2	\$ 29.00	\$ 29.00	\$ 29.00	
Fertilize	acer	\$ 10.20	1	\$ 10.20	\$ 10.20	\$ 10.20	
Rototill	acer	\$ 20.00	1	\$ 20.00	\$ 20.00	\$ 20.00	
Bed	acer	\$ 25.00	2	\$ 50.00	\$ 50.00	\$ 50.00	
Lay plastic	acer	\$ 30.00	1	\$ 30.00	\$ 30.00	\$ 30.00	
Spray	acer	\$ 11.20	6	\$ 67.20	\$ 67.20	\$ 67.20	
Mow	acer	\$ 22.40	1	\$ 22.40	\$ 22.40	\$ 22.40	
Subtotal				\$ 247.80	\$ 247.80	\$ 247.80	
<u>Miscellaneous</u>							
Electric pump cost	hour	\$ 0.50	20	\$ 10.00	\$ 10.00	\$ 10.00	
Plastic disposal	each	\$ 20.00	1	\$ 20.00	\$ 20.00	\$ 20.00	
Subtotal				\$ 30.00	\$ 30.00	\$ 30.00	
<u>Labor</u>							
Trim bed ends	hours	\$ 12.50	7	\$ 118.13	\$ 118.13	\$ 118.13	
Weed	hours	\$ 12.50	20	\$ 337.50	\$ 337.50	\$ 337.50	
Lift plastic	hours	\$ 12.50	20	\$ 337.50	\$ 337.50	\$ 337.50	
Irrigate	hours	\$ 15.00	10	\$ 202.50	\$ 202.50	\$ 202.50	
Plant seedlings	hours	\$ 12.50	20	\$ 337.50	\$ 337.50	\$ 337.50	
Subtotal				\$ 1,333.13	\$ 1,333.13	\$ 1,333.13	
Total Variable Cost				\$ 3,833.73	\$ 3,833.73	\$ 3,833.73	

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ITEM	UNIT	PRICE	QUANTITY	PER ACRE (1 acre farm)	PER ACRE (10 acre farm)	PER ACRE (50 acre farm)	My farm
FIXED							
Depreciation	acre			\$ 2,926.90	\$ 292.69	\$ 58.54	
Interest	acre			\$ 965.00	\$ 96.50	\$ 19.30	
Repairs	acre			\$ 579.00	\$ 57.90	\$ 11.58	
Taxes	acre			\$ 626.00	\$ 62.60	\$ 12.52	
Insurance	acre			\$ 841.00	\$ 84.10	\$ 16.82	
Oil and Gasoline	acre			\$ 100.00	\$ 10.00	\$ 2.00	
Land Charge	acre			\$ 300.00	\$ 30.00	\$ 6.00	
Dues and Subscription	acre			\$ 400.00	\$ 40.00	\$ 8.00	
TOTAL FIXED COSTS				\$ 6,737.90	\$ 673.79	\$ 134.76	
TOTAL FIXED AND VARIABLE COSTS				\$10,571.63	\$ 4,507.52	\$ 3,968.48	
MANAGEMENT FEES			2.70%	\$ 351.00	\$ 351.00	\$ 351.00	
TOTAL COSTS				\$10,922.63	\$ 4,858.52	\$ 4,319.48	
NET RETURNS				\$ 2,077.37	\$ 8,141.48	\$ 8,680.52	

Initial Investment Costs Specialty Peppers (One Acre)
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ITEM	PRICE	Useful Life	Depr.	Depr.	Depr.	Depr.
				Per Acre 10-acre farm	Per Acre 50-acre farm	Per Acre My farm
Initial Investment						
Tractor 40-75 hp	\$27,000	20	\$1,350	\$135	\$27	
Vegetable transplanter	\$2,300	7	\$329	\$33	\$7	
Plastic mulch layer	\$2,900	4	\$725	\$73	\$15	
Boom sprayer	\$1,900	10	\$190	\$19	\$4	
Well	\$3,500	15	\$233	\$23	\$5	
Misc.	<u>\$1,000</u>	10	<u>\$100</u>	<u>\$10</u>	<u>\$2</u>	
	\$38,600		\$2,927	\$293	\$59	

Specialty Pepper Budget – Assumptions

- Receipts and costs are for one acre of production.
- The quantity (1300 25-pound cartons/acre) is from Penn State budgets.
- Price (\$13/25 pound box) is based on Penn State budgets.
- Variable costs used are based on NJ prices.
- Management labor is calculated as 2.7% of total sales.

- Equipment listed can be used for up to 10 acres of pepper production.
- Well is assumed to last roughly 15 years.
- Interest rate was 5% and assumes that over the life of the equipment, half will be owned, and half borrowed.
- Labor wage rate is \$12.50 per hour plus 35% for benefits or \$16.875/hr.
- Annual repairs are 1.5% of the initial investment.
- Land rent is based on a price of \$6000 using 5% interest to yield a rent of \$300/acre.
- Depreciation was based on straight-line useful life with no salvage value rather than accelerated depreciation allowed by IRS.

For information on crop budgets please contact the author, Dr. Robin Brumfield directly via email: brumfiel@NJAES.rutgers.edu or cell: 610-349-7760.