

# Caneberry budgeting and prices

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Caneberry Agent Training, Dec 2020

# Overview

- Current status of NCSU caneberry budget
- Overview of Georgia's budget
- Discussion of discounting and present values
- National blackberry prices
- Results of NARBA price survey

## Budget status

- NCSU's Blackberry budget under development
- U Arkansas's interactive budget being updated
- U Georgia has a 2020 blackberry budget

# Georgia's 2020 Budget

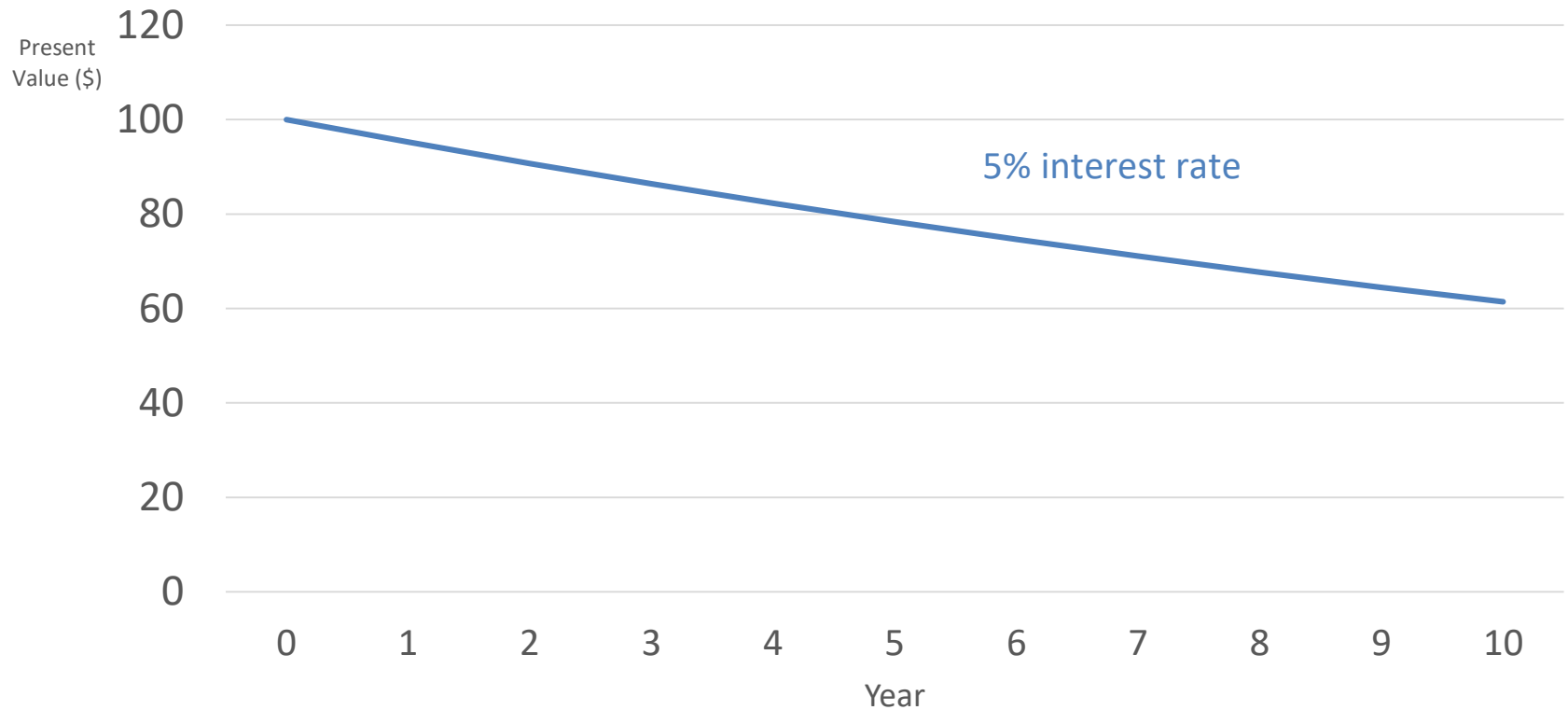
- For an established operation:
  - Variable costs: \$2 455/acre
  - Harvesting and Marketing Costs: \$15 884/ac
  - Fixed costs: \$2 746/ac
  - Total costs per acre: \$21 086/ac
- Gross Establishment costs:
  - Year 1: \$20 798
  - Year 2: \$9 757
  - Year 3: \$16 856

[Link to Budget](#)

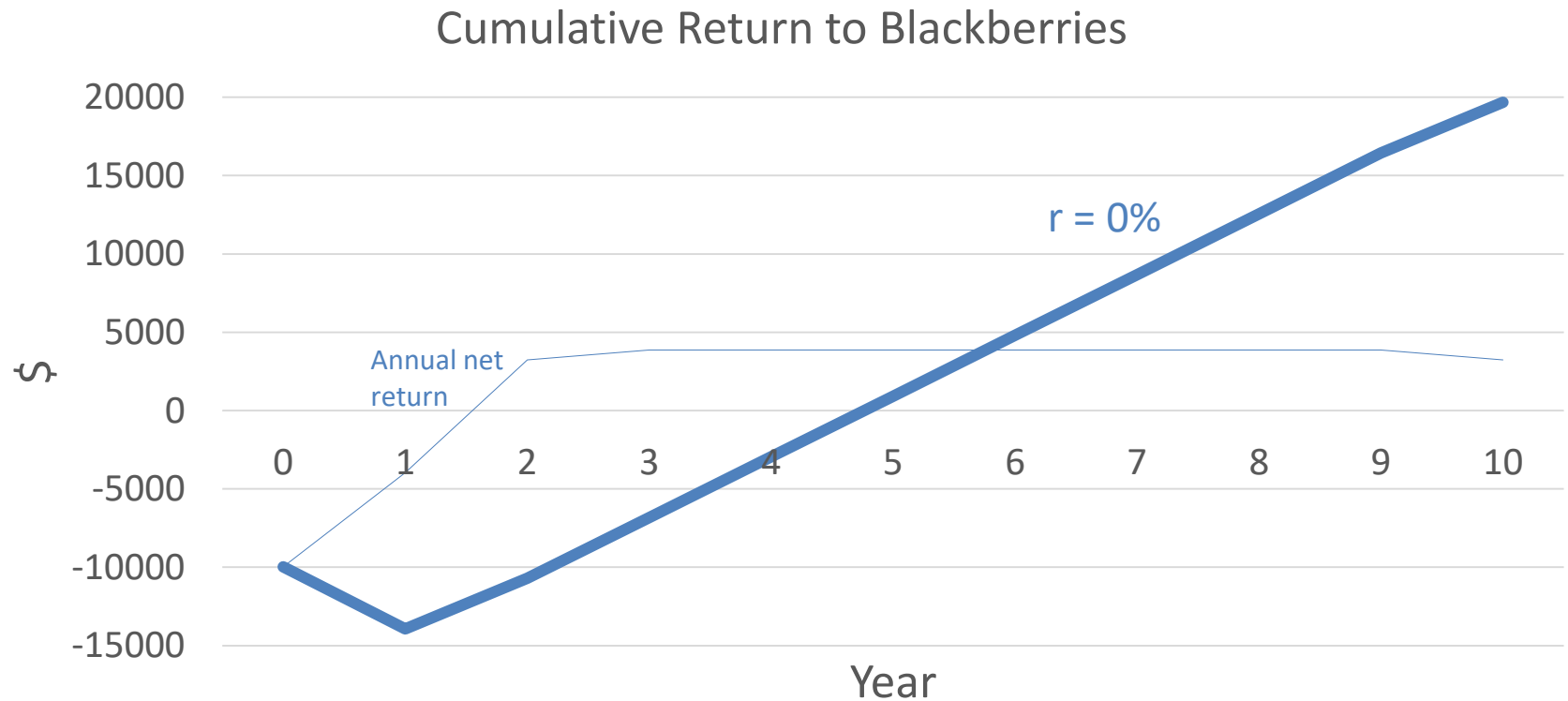
(Total Cost Budget)						
*Number of acres =						1
IRRIGATION: Enter 0 for none, 1 for drip, 2 for Solid Set						2
	BEST	OPT	MEDIAN	PESS	WORST	
*Yield (lbs)	10000	9000	8000	7000	6000	
*Price per lb.	3.50	3.25	3.00	2.75	2.50	
Item	Unit	Quant.	Price	\$Amt/ac	Your Cost	
<b>Variable Costs</b>						
<b>Fertilizers</b>						
Lime sulfur spray	Gal	3.00	30.00	90.00		
Ammonium Nitrate	Cwt	11.00	30.00	330.00		
Fert 10-10-10	Cwt	6.00	35.00	210.00		
<b>Weed Control (4' Band)</b>						
Pre-emergence	Acre	2.00	30.00	60.00		
Post-emergence	Acre	2.00	15.00	30.00		
Tractor & sprayer	Hrs	2.00	12.00	24.00		
Labor	Hrs	4.00	12.00	48.00		
<b>Insect &amp; Disease Control</b>						
Insecticides	Acre	12.00	10.00	120.00		
Fungicides	Acre	10.00	60.00	600.00		
Tractor & sprayer	Hrs	13.00	12.00	156.00		
Labor	Acre	13.00	12.00	156.00		
<b>Pruning</b>						
Pruning (manual) (3' X 12')	Plants	1210.00	0.22	266.20		
Mechanical topping	Acre	1.00	75.00	75.00		
Irrigation	Acre	1.00	140.00	140.00		
Interest on Oper. Costs	\$	2305.20	0.07	149.84		
<b>Total Variable Costs</b>				<b>2455.04</b>		
<b>Pre-Harvest Variable Costs</b>						
				<b>2455.04</b>		
<b>Harvesting &amp; Marketing Costs</b>						
Harvesting	lbs	7600.00	1.00	7600.00		
Custom Packing	lbs	7600.00	0.94	7144.00		
Cooling, Handling & Brokerage (15%)	lbs	7600.00	0.15	1140.00		
<b>Total Harvesting &amp; Marketing Costs</b>				<b>15884.00</b>		
<b>Total Harvesting and Marketing Costs</b>						
				<b>15884.00</b>		
<b>Total Variable, Harvesting &amp; Marketing Costs</b>						
				<b>18339.04</b>		
<b>FIXED COSTS</b>						
Tractor & Equipment	Acre	1.00	1521.30	1521.30		
Overhead & Management	\$	2455.04	0.15	368.26		
Irrigation	Acre	1.00	857.42	857.42		
<b>Total Fixed Costs</b>				<b>2746.97</b>		
<b>Total budgeted cost per acre</b>				<b>21086.01</b>		

# Discounting

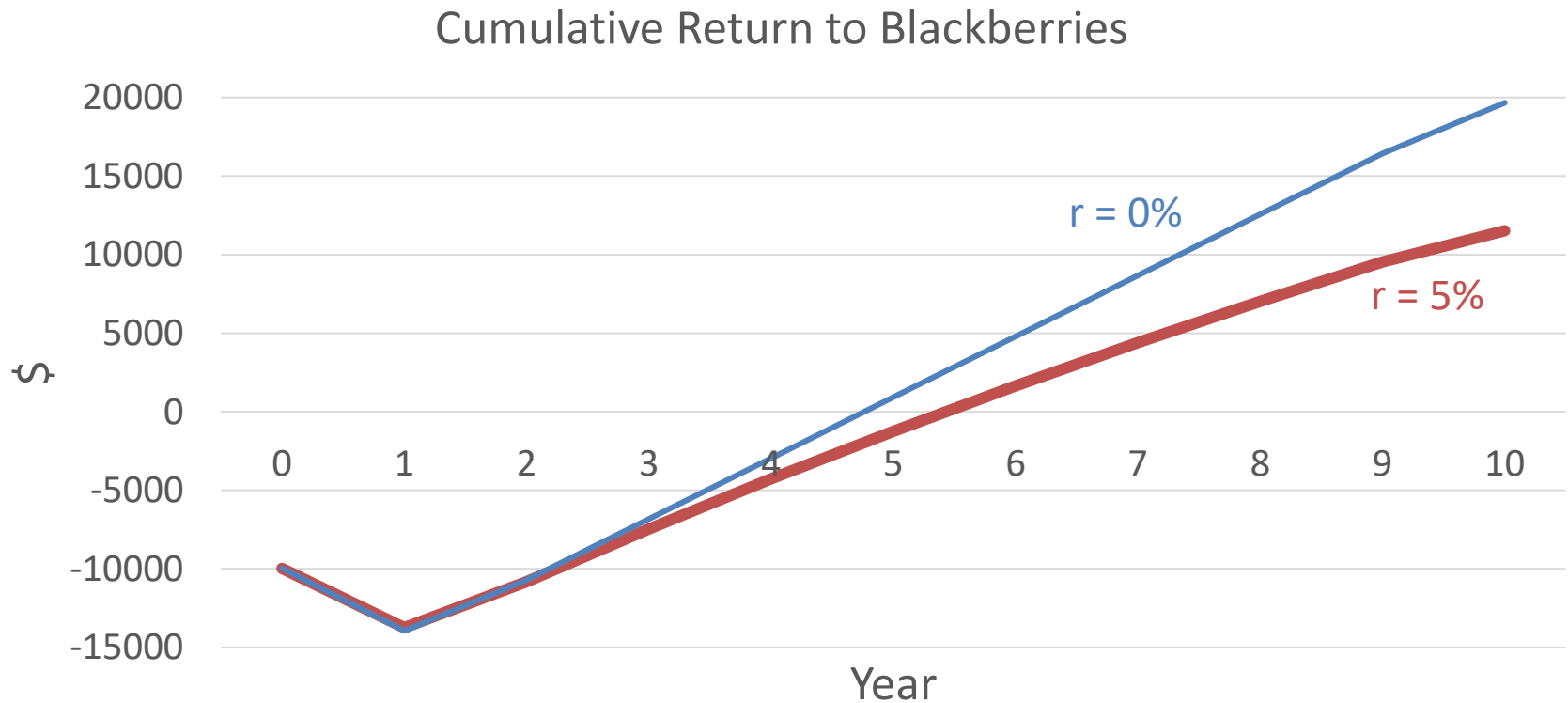
# At a 5% interest rate, \$100 ten years from now is worth \$61 today



**With no discounting, the cumulative net return is the sum of the annual net returns**

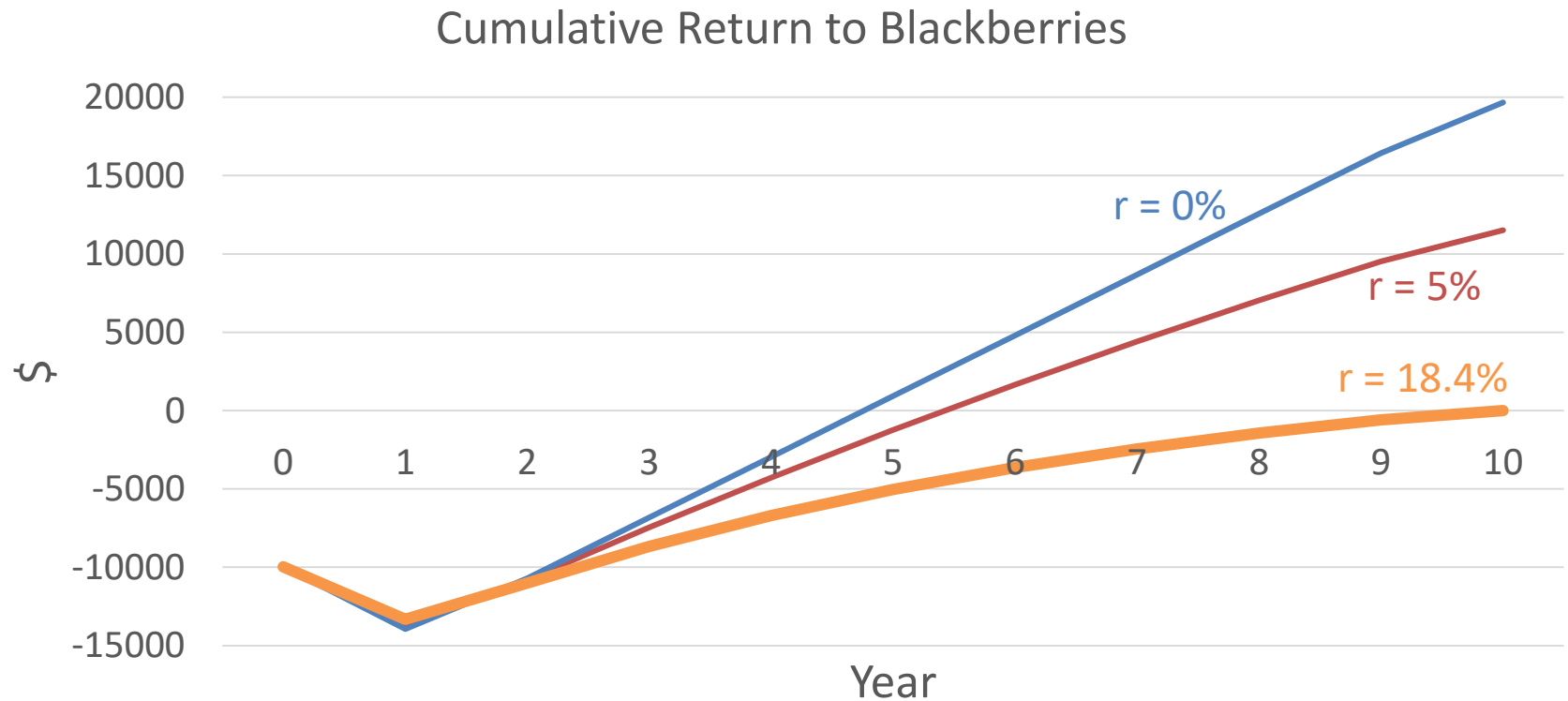


# Adding discounting reduces the value of future returns



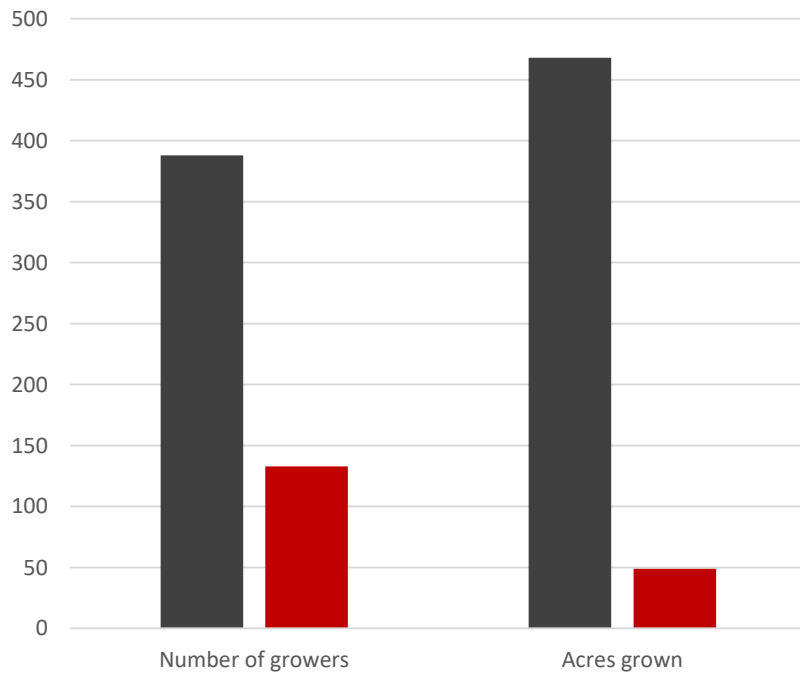


# The Internal Rate of Return (IRR) sets the NPV to zero

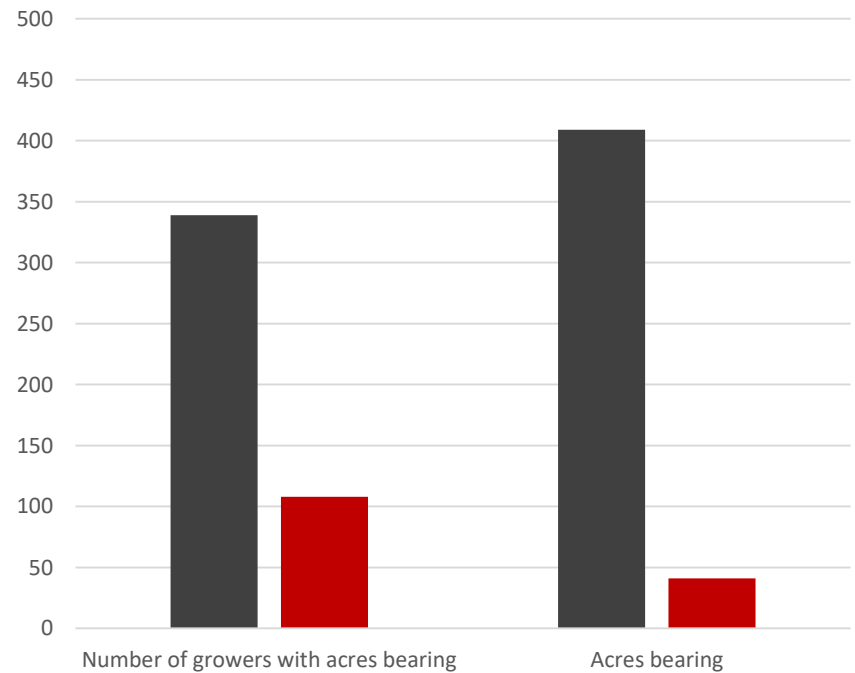


# There are many more blackberry than raspberry growers

Blackberry and Raspberry Operations in NC

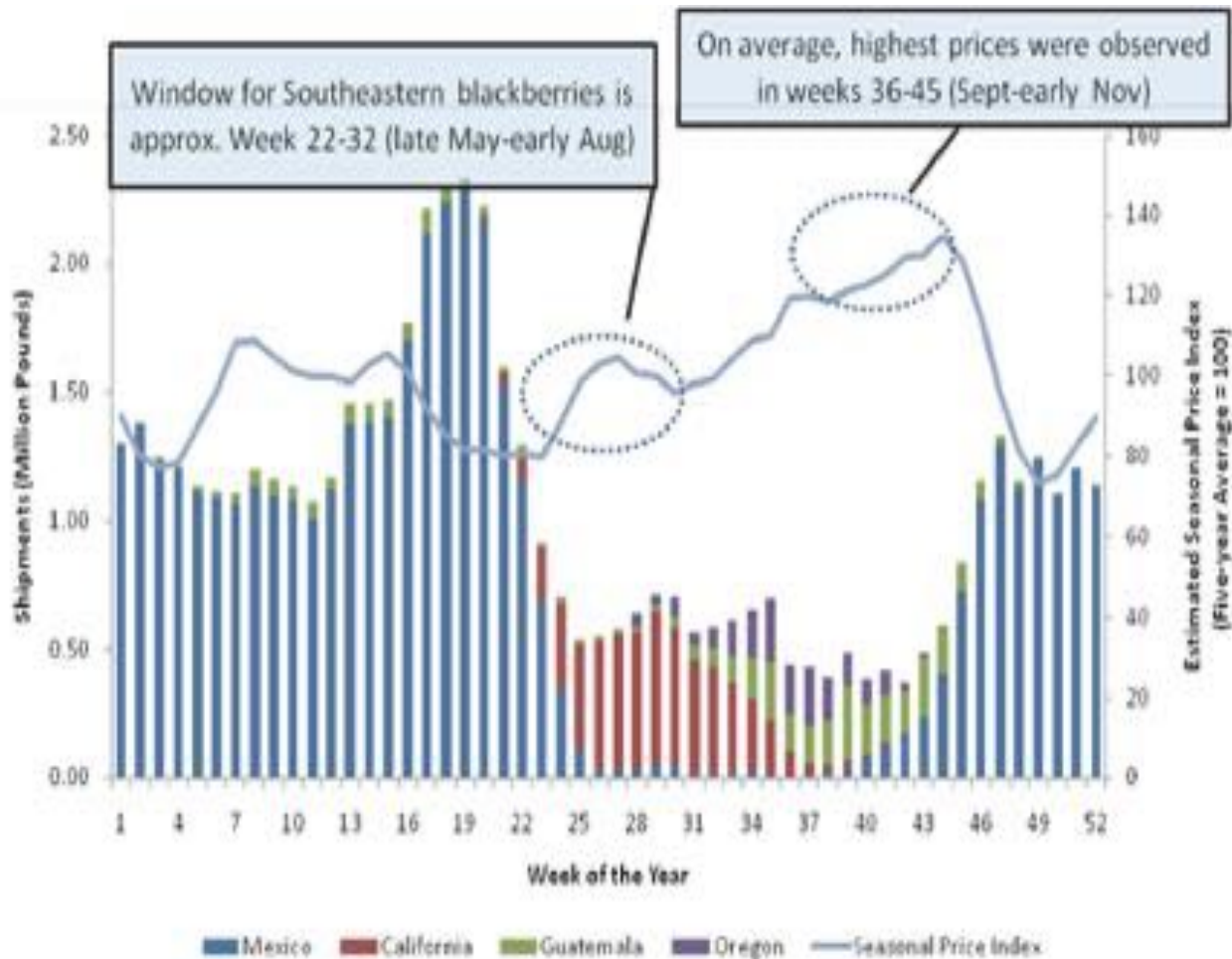


Blackberry and Raspberry Operations in NC  
(acres bearing)



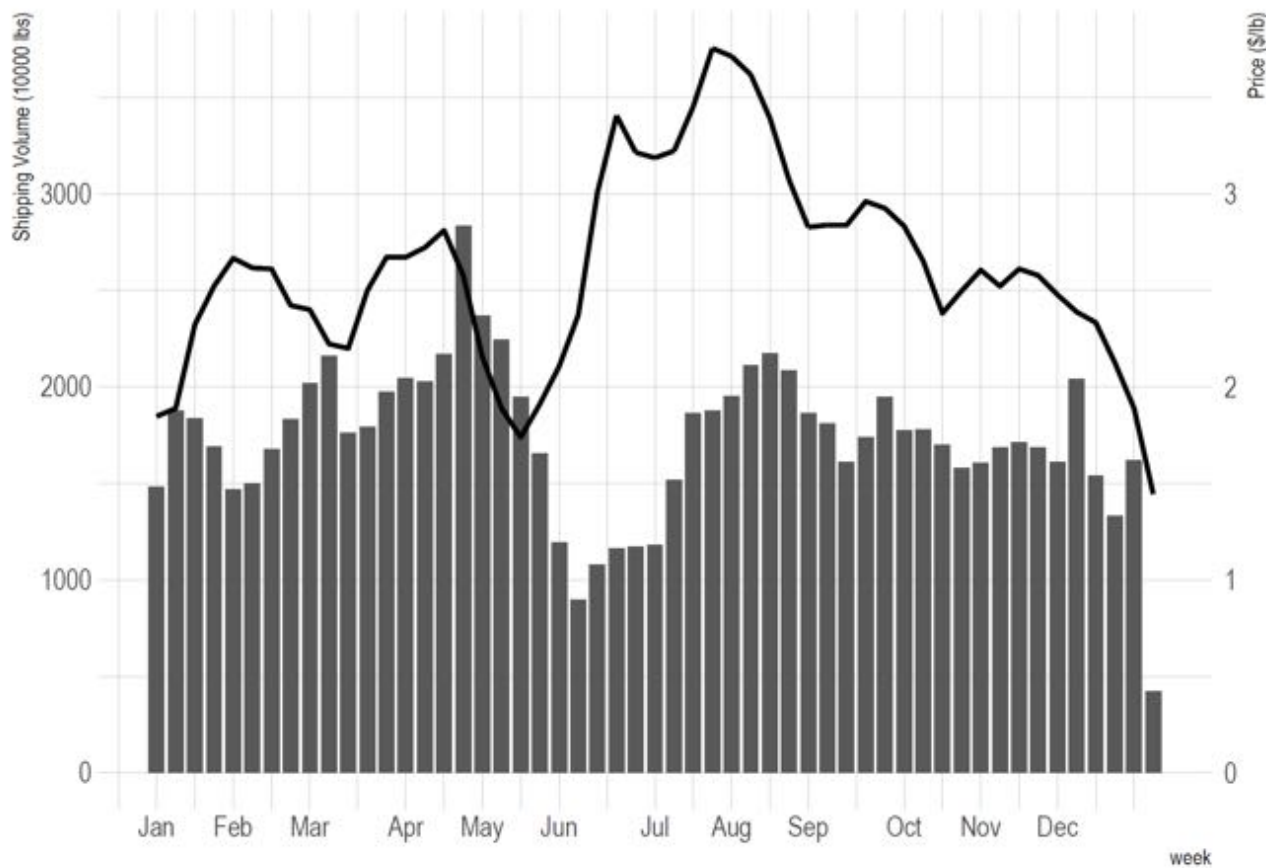
# Pricing

# Prices and volumes 10 years ago



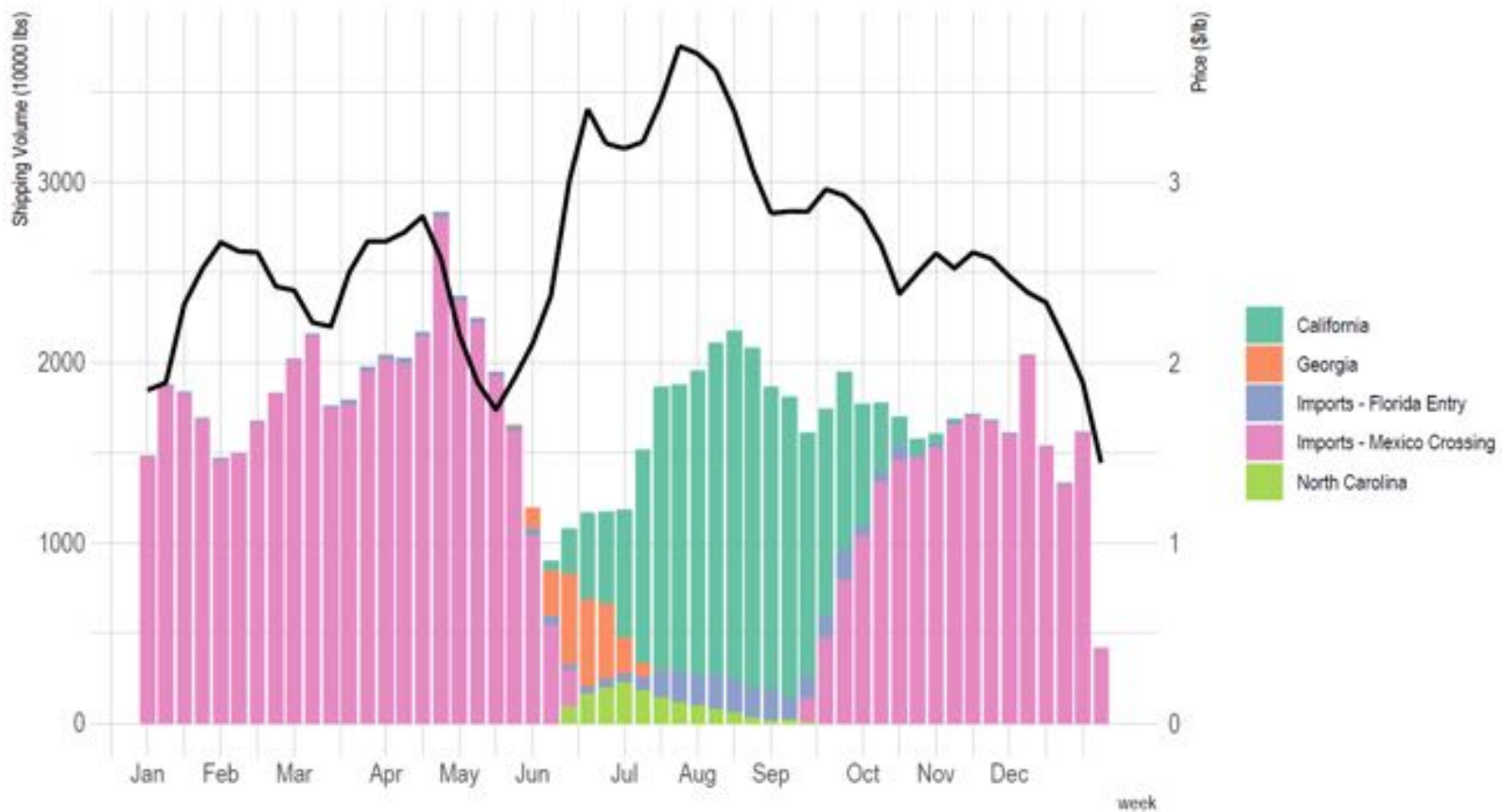
Graph from Gina Fernandez

# Blackberry shipping point prices peak in Jul-Aug



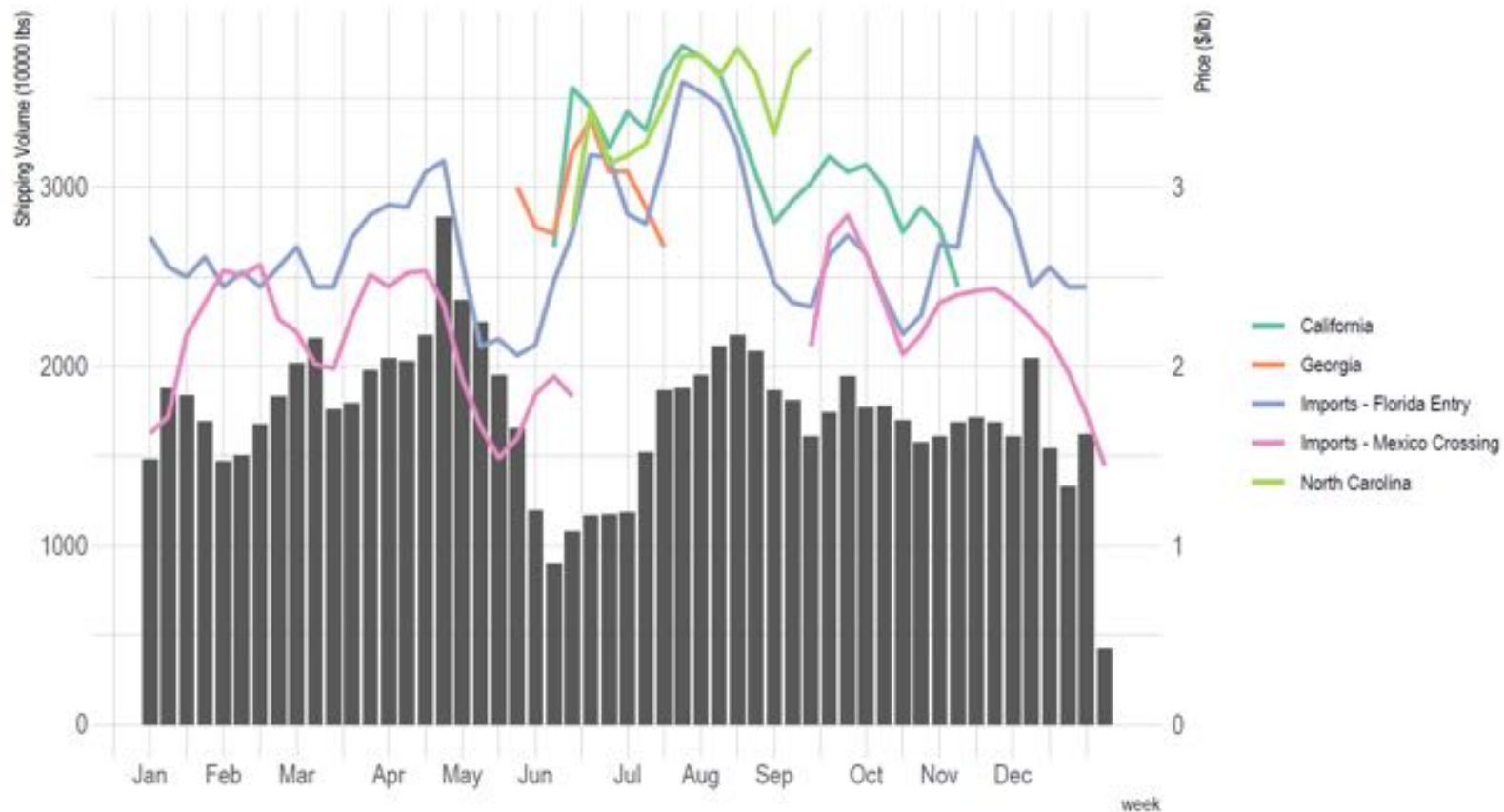
Average shipping point price and volume (2016–20). Source: USDA AMS

# Production during the period of peak prices is almost entirely domestic



Average shipping point price and volume (2016-20). Source: USDA AMS

# Domestic prices are \$1+ higher on average



Average shipping point price and volume (2016-20). Source: USDA AMS

# NARBA price survey responses were well distributed geographically

- 155 valid responses

Region	Respondents (%)
Canada	4
Mid-Atlantic	14
Midwest, East	21
Midwest, West	6
Northeast	6
Pacific Coast and West	12
Southeast	19
Southwest / South	18

Fig. 1. Regions used in this survey

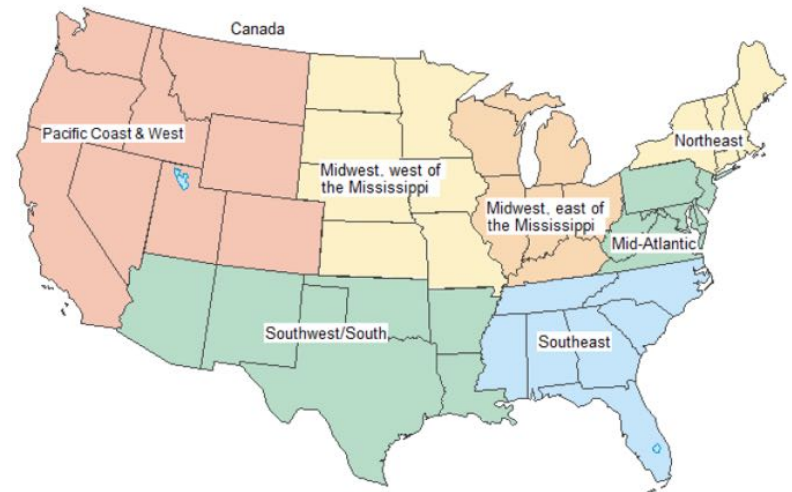
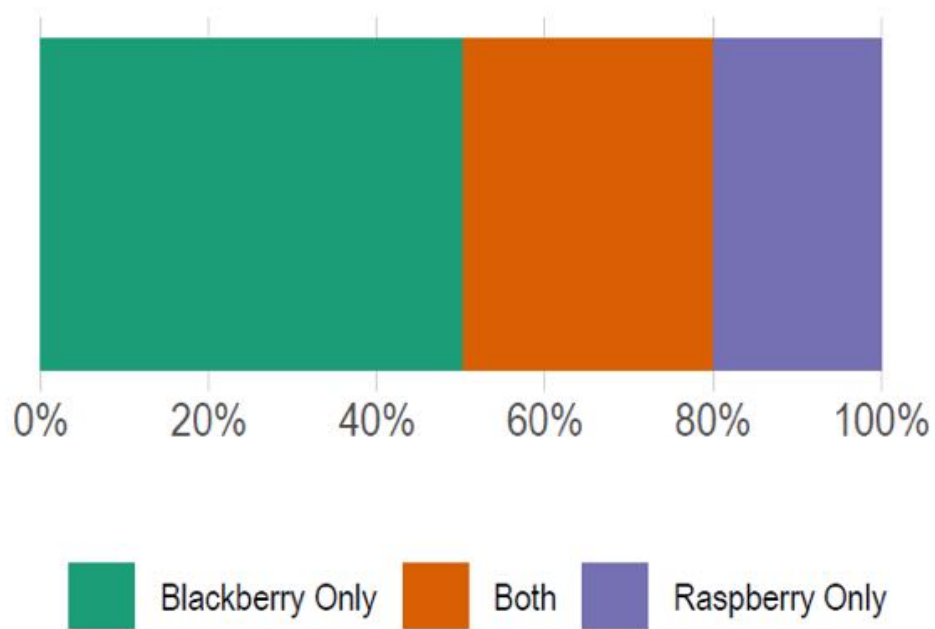


Table 1. Percentage of growers from each region



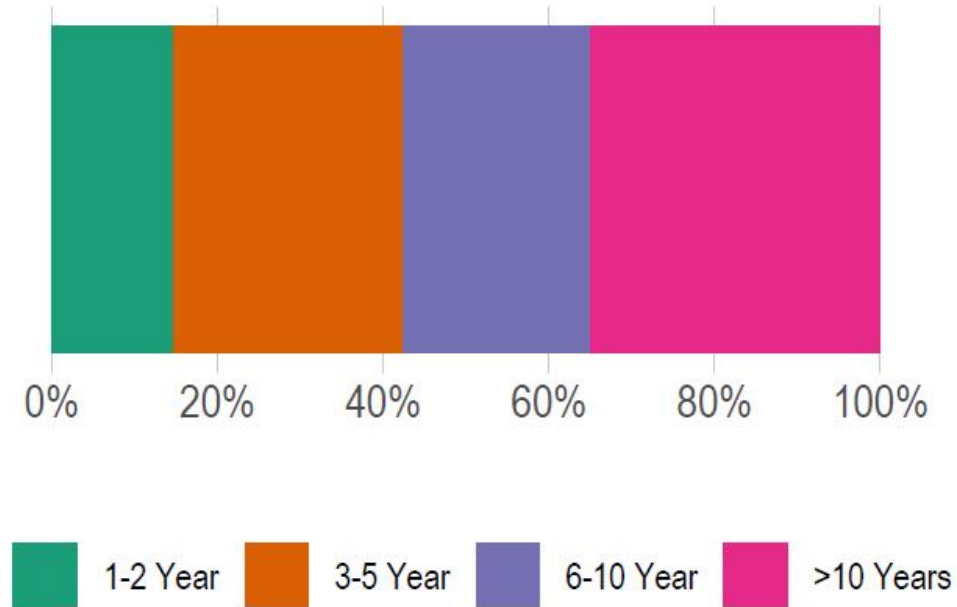
# Relatively more respondents grew blackberries

**Fig. 2.** Caneberries grown by respondents in 2020



# Respondents had a range of experience levels

Fig. 3. Years in Caneberry Production



## Respondents were generally small growers

- Average caneberry acreage: 4 acres
- Around one third had one acre or less
- Fewer than 10 percent of respondents had over ten acres

# Growers mostly sold retail berries

**Table 2.** Percentage of growers using each market type by region

Region	Marketing Type Used (%)						
	Farm Stand	U-Pick	Farmer's Market	Wholesale (small)	Wholesale (large)	Processor	Other
Canada	66.7	0.0	0.0	16.7	33.3	0.0	0.0
Mid-Atlantic	31.8	45.5	36.4	22.7	9.1	9.1	9.1
Midwest, East	66.7	63.6	36.4	15.2	3.0	12.1	0.0
Midwest, West	33.3	66.7	44.4	22.2	11.1	22.2	11.1
Northeast	44.4	55.6	22.2	22.2	0.0	11.1	0.0
Pacific Coast and West	27.8	44.4	27.8	22.2	5.6	16.7	11.1
Southeast	33.3	46.7	23.3	13.3	23.3	6.7	6.7
Southwest / South	28.6	71.4	28.6	7.1	7.1	3.6	3.6

- 58% sold only retail
- 20% sold only wholesale

## **Growers in this survey were receiving higher prices, on average, than growers in the AMS data**

- Overall average price in this survey: \$4.98/lb
- Regional variation:
  - \$3.98/lb in Pacific Coast and West
  - \$7.56/lb in Southeast
- Average NC price in AMS data: ~\$3.30/lb
- NC Wholesale price higher in survey

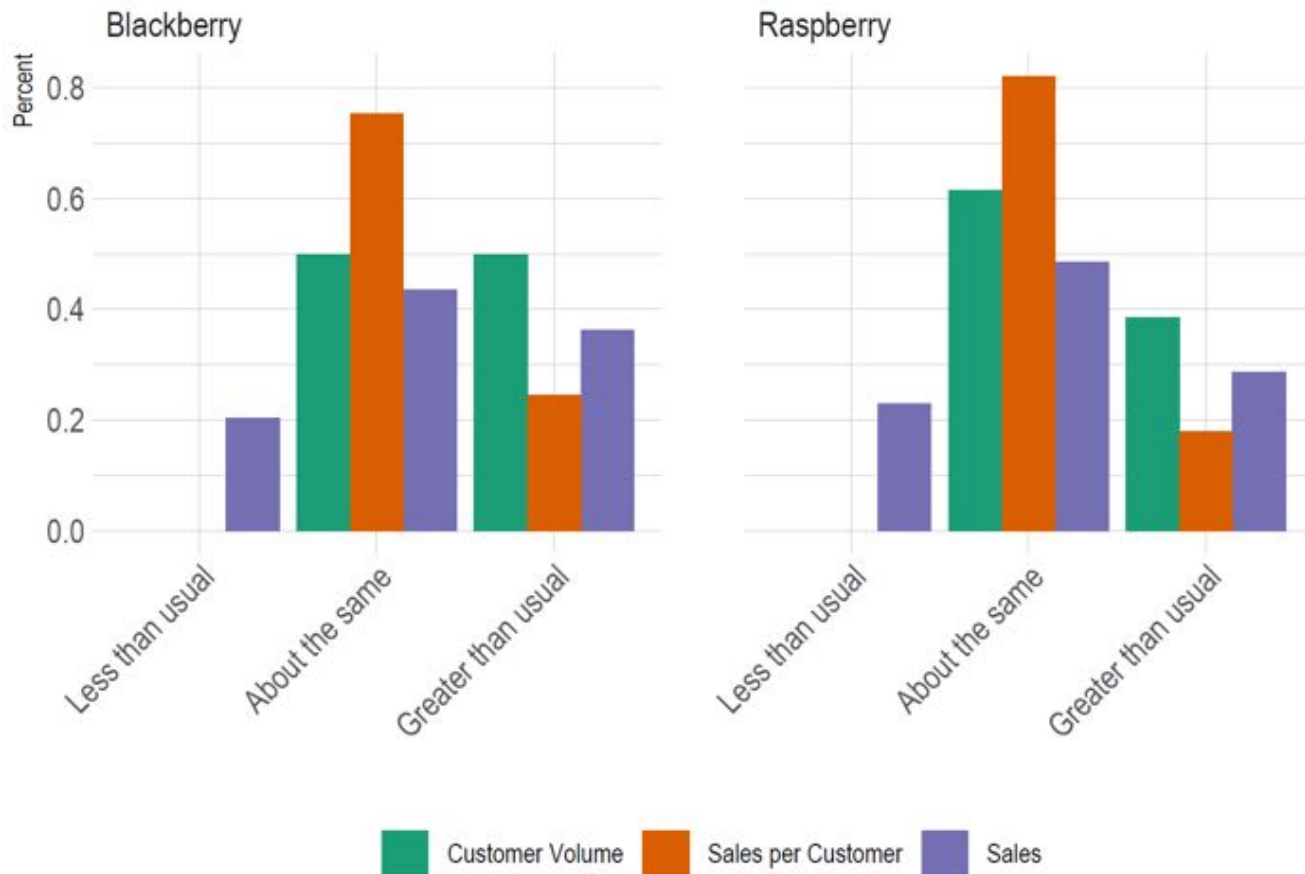
# Farm stands and farmers' markets had the highest prices

**Table 3.** Average prices per pound received by respondents by market and region

Region	Average Price Received (\$/lb)						
	Farm Stand	U-Pick	Farmer's Market	Wholesale (small)	Wholesale (large)	Processor	Other
<b>Blackberry</b>							
Canada	7.33	NA	NA	NA	3.33	NA	6.67
Mid-Atlantic	7.43	4.48	6.78	4.27	NA	2.83	NA
Midwest, East	6.51	3.77	7.00	5.33	NA	2.83	8.00
Midwest, West	5.07	3.62	5.99	4.53	4.20	2.75	3.50
Northeast	6.67	5.33	8.00	NA	NA	NA	6.67
Pacific Coast and West	10.67	3.25	6.07	7.47	NA	0.53	3.72
Southeast	6.04	4.30	7.00	3.67	5.63	1.50	9.03
Southwest / South	4.39	3.91	5.72	NA	NA	3.50	6.66

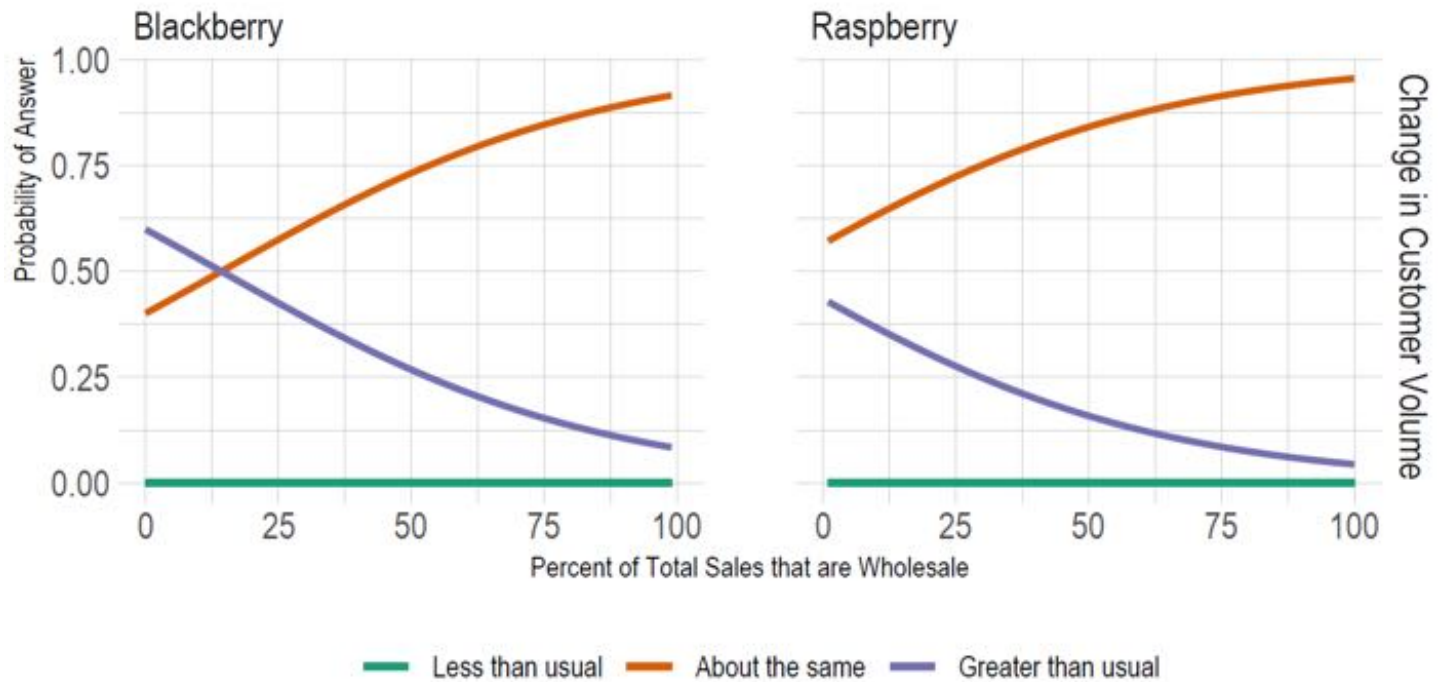
# Growers reported doing about the same or better than usual this year

Fig. 5. Responses to questions about changes in volume and sales this year



# The increase in customer volume was mostly on the retail side

Fig. 6. Probability of respondents' answer depending on their percentage of wholesale sales



There was no significant difference between retail and wholesale responses for sales per customer and total sales.