



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

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The profitability of two different strawberry production scenarios in Kentucky was analyzed using interactive production budgets from The Ohio State University. The attached tables report potential profits for both Pick Your Own (PYO) and Wholesale/Retail production.

Producers can modify the interactive budget on-line to meet their production scenarios:

<http://aede.ag.ohio-state.edu/people/moore.301/scrops/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 (\$2200) and for fumigation (\$1700) are 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 this cost of establishment (see Table 3) to ensure strawberry profitability.

**Strawberries: Hired Harvest Labor**

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

\$/lb	Yield (Pounds)						
	5500	6000	6500	7000	8000	9000	10000
\$ 0.80	\$ (3,519)	\$ (3,172)	\$ (2,824)	\$ (2,476)	\$ (1,781)	\$ (1,085)	\$ (390)
\$ 0.90	\$ (2,969)	\$ (2,572)	\$ (2,174)	\$ (1,776)	\$ (981)	\$ (185)	\$ 610
\$ 1.00	\$ (2,419)	\$ (1,972)	\$ (1,524)	\$ (1,076)	\$ (181)	\$ 715	\$ 1,610
\$ 1.10	\$ (1,869)	\$ (1,372)	\$ (874)	\$ (376)	\$ 619	\$ 1,615	\$ 2,610
\$ 1.20	\$ (1,319)	\$ (772)	\$ (224)	<b>\$ 324</b>	\$ 1,419	\$ 2,515	\$ 3,610
\$ 1.30	\$ (769)	\$ (172)	\$ 426	\$ 1,024	\$ 2,219	\$ 3,415	\$ 4,610
\$ 1.40	\$ (219)	\$ 428	\$ 1,076	\$ 1,724	\$ 3,019	\$ 4,315	\$ 5,610
\$ 1.50	\$ 331	\$ 1,028	\$ 1,726	\$ 2,424	\$ 3,819	\$ 5,215	\$ 6,610
\$ 1.60	\$ 881	\$ 1,628	\$ 2,376	\$ 3,124	\$ 4,619	\$ 6,115	\$ 7,610

**Strawberries: Pick Your Own**

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

\$/lb	Yield (Pounds)						
	5500	6000	6500	7000	8000	9000	10000
\$ 0.50	\$ (1,715)	\$ (1,465)	\$ (1,215)	\$ (965)	\$ (465)	\$ 35	\$ 535
\$ 0.75	\$ (340)	\$ 35	\$ 410	<b>\$ 785</b>	\$ 1,535	\$ 2,285	\$ 3,035
\$ 1.00	\$ 1,035	\$ 1,535	\$ 2,035	\$ 2,535	\$ 3,535	\$ 4,535	\$ 5,535
\$ 1.25	\$ 2,410	\$ 3,035	\$ 3,660	\$ 4,285	\$ 5,535	\$ 6,585	\$ 8,035
\$ 1.50	\$ 3,785	\$ 4,535	\$ 5,285	\$ 6,035	\$ 7,535	\$ 9,035	\$ 10,535

**Strawberries: Hired Harvest Labor**

**Present Value of 4-Year Returns Above All Costs (Including Cost of Establishment)**

\$/lb	Yield (lbs)						
	5500	6000	6500	7000	8000	9000	10000
\$ 0.80	\$ (10,372)	\$ (9,566)	\$ (8,758)	\$ (7,950)	\$ (6,336)	\$ (4,720)	\$ (3,106)
\$ 0.90	\$ (9,095)	\$ (8,173)	\$ (7,249)	\$ (6,324)	\$ (4,478)	\$ (2,630)	\$ (783)
\$ 1.00	\$ (7,818)	\$ (6,780)	\$ (5,739)	\$ (4,699)	\$ (2,620)	\$ (540)	\$ 1,539
\$ 1.10	\$ (6,540)	\$ (5,386)	\$ (4,230)	\$ (3,073)	\$ (763)	\$ 1,550	\$ 3,861
\$ 1.20	\$ (5,263)	\$ (3,993)	\$ (2,720)	\$ (1,448)	\$ 1,095	\$ 3,641	\$ 6,183
\$ 1.30	\$ (3,986)	\$ (2,599)	\$ (1,211)	\$ 178	\$ 2,953	\$ 5,731	\$ 8,506
\$ 1.40	\$ (2,709)	\$ (1,206)	\$ 299	\$ 1,804	\$ 4,811	\$ 7,821	\$ 10,828
\$ 1.50	\$ (1,431)	\$ 187	\$ 1,808	\$ 3,429	\$ 6,669	\$ 9,911	\$ 13,150
\$ 1.60	\$ (154)	\$ 1,581	\$ 3,318	\$ 5,055	\$ 8,527	\$ 12,001	\$ 15,473

**Strawberries: Pick Your Own**

**Present Value of 4-Year Returns Above All Costs (Including Cost of Establishment)**

\$/lb	5500	6000	6500	7000	8000	9000	10000
\$ 0.50	(\$6,183)	(\$5,602)	(\$5,022)	(\$4,441)	(\$3,280)	(\$2,119)	(\$958)
\$ 0.75	(\$2,990)	(\$2,119)	(\$1,248)	(\$377)	\$1,365	\$3,106	\$4,848
\$ 1.00	\$204	\$1,365	\$2,526	\$3,687	\$6,009	\$8,332	\$10,654
\$ 1.25	\$3,397	\$4,848	\$6,300	\$7,751	\$10,654	\$13,092	\$16,460
\$ 1.50	\$6,590	\$8,332	\$10,073	\$11,815	\$15,298	\$18,782	\$22,265