



Kentucky Strawberry Profitability Estimated Costs and Returns

The profitability of two different strawberry production scenarios in Kentucky was analyzed to reflect 2014 production costs. The attached tables report potential profits for both Pick Your Own (PYO) and Wholesale/Retail production.

A useful strawberry budget template may be found in the Penn State University Ag Alternatives Series at <http://extension.psu.edu/business/ag-alternatives/horticulture/fruits/strawberry-production>

Another helpful budget template may be accessed from Iowa State University at <http://extension.agron.iastate.edu/sustag/enterprisebudgets/fruitsberries.html>

The returns reported here are based on years 2-4 of a four-year rotation. These are estimated returns to capital, or 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 (approximately \$3500 per acre) are assumed to be prorated over the four-year life of the strawberry planting at an interest rate of 7%. 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 \$3,000-\$5,000 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
\$ 1.25	\$ 105	\$ 314	\$ 523	\$ 733	\$ 1,151	\$ 1,360	\$ 1,569
\$ 1.40	\$ 848	\$ 1,124	\$ 1,401	\$ 1,678	\$ 2,231	\$ 2,508	\$ 2,784
\$ 1.50	\$ 1,343	\$ 1,664	\$ 1,986	\$ 2,308	\$ 2,951	\$ 3,273	\$ 3,594
\$ 1.60	\$ 1,838	\$ 2,204	\$ 2,571	\$ 2,938	\$ 3,671	\$ 4,038	\$ 4,404
\$ 1.75	\$ 2,580	\$ 3,014	\$ 3,448	\$ 3,883	\$ 4,751	\$ 5,185	\$ 5,619
\$ 1.90	\$ 3,323	\$ 3,824	\$ 4,326	\$ 4,828	\$ 5,831	\$ 6,333	\$ 6,834
\$ 2.00	\$ 3,818	\$ 4,364	\$ 4,911	\$ 5,458	\$ 6,551	\$ 7,098	\$ 7,644
\$ 2.10	\$ 4,313	\$ 4,904	\$ 5,496	\$ 6,088	\$ 7,271	\$ 7,863	\$ 8,454
\$ 2.25	\$ 5,055	\$ 5,714	\$ 6,374	\$ 7,033	\$ 8,351	\$ 9,010	\$ 9,669
\$ 2.40	\$ 5,798	\$ 6,524	\$ 7,251	\$ 7,978	\$ 9,431	\$ 10,158	\$ 10,884
\$ 2.50	\$ 6,293	\$ 7,064	\$ 7,836	\$ 8,608	\$ 10,151	\$ 10,923	\$ 11,694
\$ 2.75	\$ 7,530	\$ 8,414	\$ 9,298	\$ 10,183	\$ 11,951	\$ 12,835	\$ 13,719
\$ 3.00	\$ 8,999	\$ 9,764	\$ 10,761	\$ 11,758	\$ 13,751	\$ 14,748	\$ 15,744

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
\$ 1.00	\$ 852	\$ 1,110	\$ 1,369	\$ 1,628	\$ 2,145	\$ 2,404	\$ 2,662
\$ 1.25	\$ 1,952	\$ 2,310	\$ 2,669	\$ 3,028	\$ 3,745	\$ 4,104	\$ 4,462
\$ 1.50	\$ 3,052	\$ 3,510	\$ 3,969	\$ 4,428	\$ 5,345	\$ 5,804	\$ 6,262
\$ 1.75	\$ 4,152	\$ 4,710	\$ 5,269	\$ 5,828	\$ 6,945	\$ 7,504	\$ 8,062
\$ 2.00	\$ 5,252	\$ 5,910	\$ 6,569	\$ 7,228	\$ 8,545	\$ 9,204	\$ 9,862
\$ 2.25	\$ 6,352	\$ 7,110	\$ 7,869	\$ 8,628	\$ 10,145	\$ 10,904	\$ 11,662
\$ 2.50	\$ 7,452	\$ 8,310	\$ 9,169	\$ 10,028	\$ 11,745	\$ 12,604	\$ 13,462