Jalapeño PEPPERS: FRESH MARKET, TRICKLE IRRIGATED

Kentucky Estimated Costs and Returns for 2017

Trickle-irrigated, Hand-harvested, 100-foot row

NOT TO BE CONSIDERED CROPPING RECOMMENDATIONS OR PROFITABILITY PROJECTIONS. FOR COMPARISON AND PLANNING PURPOSES ONLY.

CENTER FOR CROP DIVERSIFICATION

	Quantity	Unit	$/Unit	Total		Your Numbers
GROSS RETURNS						
Jalapeño Peppers (1/2-bu. Box)	45	boxes	$12.00	$ 540.00	a,b	
				$ -		
Total Returns				**$ 540.00**		
VARIABLE COSTS						
Production						
Plants	200	plants	$ 0.30	$ 60.00		
Transplant Labor	1	hours	$ 12.50	$ 12.50		
N Fertilizer: Preplant Urea	2	lbs	$ 0.40	$ 0.80		
Starter Liquid Fertilizer	0.13	lbs	$ 3.00	$ 0.38		
N Fertilizer: Calcium Nitrate fertigation	8	lbs	$ 0.45	$ 3.60	h	
Black Plastic/Drip Lines	100	feet	$ 0.08	$ 8.00	d	
Weed Control	1	row	$ 30.65	$ 30.65	e	
Insect Control	1	row	$ 9.10	$ 9.10	e	
Disease Control	1	row	$ 17.40	$ 17.40	e	
Irrigation	2	hrs.	$ 0.40	$ 0.80	c	
Machinery Variable Costs	1	row	$ 4.62	$ 4.62	f	
Total Preharvest Variable Costs				**$ 147.85**		
HARVESTING AND MARKETING						
Boxes	45	boxes	$ 1.15	$ 51.75		
Harvest Lugs/Buckets	3	each	$ 20.00	$ 60.00		
Plastic Disposal Labor	0.5	hours	$ 12.50	$ 6.25		
Harvest and Postharvest Hired Labor						
Harvest & Pack	$ 2.85	box		$ 128.25	g	
Marketing Costs (10% of Gross)	10.0%	gross		$ 54.00		
Other transportation/marketing costs	1	row	$ -	$ -	f	
Total Harvesting and Marketing Cost				**$ 300.25**		
Interest on Variable Costs				$ 8.94		
TOTAL VARIABLE COST				**$ 457.03**		
RETURN ABOVE VARIABLE COSTS				**$ 82.97**		
FIXED COSTS						
Machinery and Equipment				$ 7.56	f	
Harvest Crate Replacement				$ 20.00		
Depreciation on Irrigation System				$ 6.57		
Taxes on Land				$ 1.00		
Insurance				$ 2.70		
TOTAL FIXED COSTS				**$ 37.83**		
TOTAL EXPENSES				**$ 494.86**		
RETURN TO OPERATOR LABOR, LAND, CAPITAL, & MGT.				$ 45.14		
Operator and Unpaid Family Labor	2	hrs.	$ 15.00	$ 30.00		
RETURN TO LAND, CAPITAL, AND MANAGEMENT				**$ 15.14**		

a Reflects average to above-average yields for plasticulture.

b Price based on Kentucky farmers market and auction prices, 2016.

c Assumes charge for power/fuel for irrigation. Municipal water will add much higher cost.

d Based on 2017 UK estimate for trickle irrigation.

e Pesticide costs based on recommended applications of various products using 2017 product costs.

f Machinery costs based on typical operations and 2017 machinery costs, according to machinery cost generator.

g Based on past Kentucky budgets with increases for wage rates.

h Fertilizer assumption: 4 pounds calcium nitrate per week per 1000 plants.