

# Middle Georgia Peach Budget

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**Table 1: Middle Georgia Peach Budget Assuming Full Production in the Fourth Year, 2008.**

	Best	Optimistic	Median	Pessimistic	Worst	Your Y/P
Yield (lbs)	24000	17000	<b>13000</b>	9000	4000	
Price per lb.	0.63	0.53	<b>0.43</b>	0.33	0.23	
Item	Application	Unit	Quantity	Price	\$Amt/A	Your Cost
<b>Variable Costs</b>						
<b>Fertilizers</b>						
Nitrogen (N) + Potash	2/yr	Acre	2.00	24.00	48.00	
Application	2/yr	Acre	2.00	2.50	5.00	
<b>Pruning</b>						
Dormant pruning	1/yr	Trees	120.00	1.50	180.00	
Summer pruning	1/yr	Trees	120.00	0.25	30.00	
Thinning	1/yr	Trees	120.00	2.00	240.00	
Orchard removal and maintenance	1/yr	Acre	1.00	50.00	50.00	
<b>Weed Control</b>						
Mowing	7/yr	Acre	7.00	7.50	52.50	
Pre-emergence	2/yr	Acre	2.00	19.00	38.00	
Post-emergence	1/yr	Acre	1.00	5.00	5.00	
Application	3/yr	Acre	3.00	4.80	14.40	
<b>Insect and Disease Control</b>						
Material and labor	Season	Acre	1.00	295.00	295.00	
Irrigation - Drip System		Acre	1.00	35.00	35.00	
Interest on Operating Costs		\$	992.90	0.07	69.50	
<b>Total Operating Costs</b>					<b>1062.40</b>	

<b>Harvesting &amp; Marketing Costs</b>						
Harvesting		lb	13000.00	0.030	390.00	
Custom packing		lb	10400.00	0.085	884.00	
Brokerage		Acre	10400.00	0.03	312.00	
Packing operating costs		lb	10400.00	0.02	208.00	
<b>Total Harvesting and Marketing Costs</b>					<b>1794.00</b>	
<b>Total Variable Costs</b>					<b>2856.40</b>	
<b>Fixed Costs</b>						
Packing equipment cost		lb	10400.00	0.015	156.00	
Overhead and management		\$	1062.40	0.150	159.36	
Irrigation - Drip System		Acre	1.00	93.90	93.90	
Land leasing		\$	1.00	100.00	100.00	
Recaptured costs (\$)		Acre	1.00	437.09	437.09	
<b>Total Fixed Costs (\$)</b>					<b>946.35</b>	
<b>Total Budgeted Cost Per Acre (\$)</b>					<b>3,802.75</b>	

**Table 2: First Year Estimated Establishment and Maintenance Cost Per Acre of Producing Peaches in Middle Georgia, 2008.**

Items	Application	Unit	Quantity	Price	Amount	Your Cost
<b>Land preparation</b>						
Subsoiling		Acre	2	15	30.00	
Lime (Dolomite)		Ton	1.50	28.00	42.00	
DAP		Acre	100.00	0.17	17.00	
Preplant harrowing		Acre	2.00	12.00	24.00	
Orchard layoff		Acre	2.00	3.00	6.00	
Pre-plant fumigation		Acre	1.00	180.00	180.00	
Trees		Acre	120.00	3.00	360.00	
Tree preparation		Acre	1.00	14.40	14.40	
Planting (18' x20')		Acre	1.00	10.00	10.00	
Post-plant harrowing		Acre	2.00	12.00	24.00	
Post-plant fertilizer (19-19-19)		lbs	90.00	0.18	16.20	
Nitrogen	2/yr	lbs	120.00	0.22	26.40	
Fertilizer application		Acre	3.00	4.80	14.40	
<b>Weed Control</b>						
Mowing	5/yr	Acre	5.00	7.50	37.50	
Pre-emergence	2/yr	Acre	2.00	7.00	14.00	
Post-emergence	1/yr	Acre	1.00	5.00	5.00	
Application	3/yr	Acre	3.00	4.00	12.00	
Interest on operating costs		\$	832.90	0.07	58.30	
<b>Total Operating Costs</b>					<b>891.20</b>	
<b>Fixed Costs</b>						
Overhead and management		\$	891.20	0.15	133.68	
Land leasing		Acre	1.00	100.00	100.00	
<b>Total Fixed Costs</b>					<b>233.68</b>	
<b>Total Establishment Costs</b>					<b>1124.88</b>	

**Table 3: Second Year Estimated Establishment and Maintenance Cost Per Acre of Producing Peaches in Middle Georgia, 2008.**

Items	Application	Unit	Quantity	Price	Amount	Your Cost
<b>Fertilizers</b>						
Spring fertilizer (19-19-19)	1/yr	Trees	120.00	0.18	21.60	
Nitrogen (N)	1/yr	Trees	120.00	0.22	26.40	
Application	2/yr	Application	2.00	4.80	9.60	
<b>Pruning</b>						
Dormant pruning	1/yr	Trees	120.00	0.50	60.00	
Fruit and sprout removal	1/yr	Acre	120.00	0.10	12.00	
Tree replacement	1/yr	Trees	6.00	3.00	18.00	
Replant	1/yr	Trees	6.00	2.50	15.00	
<b>Weed Control</b>						
Mowing	5/yr	Acre	5.00	7.50	37.50	
Pre-emergence	2/yr	Acre	2.00	7.00	14.00	
Post-emergence	1/yr	Acre	1.00	5.00	5.00	
Application	3/yr	Acre	3.00	4.80	14.40	
<b>Insect and Disease Control</b>						
Trunk spray, material and labor	1/yr	Acre	1.00	10.00	10.00	
Interest on operating costs		\$	243.50	0.07	17.05	
<b>Total Operating Costs</b>					<b>260.55</b>	
<b>Fixed Costs</b>						
Overhead and management		\$	260.55	0.15	39.08	
Land leasing		\$	1.00	100.00	100.00	
<b>Total Fixed Costs</b>					<b>139.08</b>	
<b>Total Establishment Costs</b>					<b>399.63</b>	

**Table 4: Third Year Estimated Management Cost Per Acre of Producing Peaches in Middle Georgia, 2008.**

Items	Application	Unit	Quantity	Price	Amount	Your Cost
<b>Fertilizers</b>						
Nitrogen (N) + Potash	2/yr	Acre	2.00	24.00	48.00	
Application	2/yr	Acre	2.00	2.50	5.00	
<b>Pruning</b>						
Dormant pruning	1/yr	Trees	120.00	0.75	90.00	
Summer pruning	1/yr	Trees	120.00	0.30	36.00	
Thinning	1/yr	Trees	120.00	0.75	90.00	
<b>Weed Control</b>						
Mower	7/yr	Acre	7.00	7.50	52.50	
Pre-emergence	2/yr	Acre	2.00	19.00	38.00	
Post-emergence	1/yr	Acre	1.00	5.00	5.00	
Application	3/yr	Hrs	3.00	4.80	14.40	
<b>Insect and Disease Control</b>						
Machinery, material and labor	Season	Acre	1.00	262.00	262.00	
Irrigation		Acre	1.00	30.00	30.00	
Interest on operation costs		\$	670.90	0.07	46.96	
<b>Total Operating Costs</b>					<b>717.86</b>	
<b>Harvesting &amp; Marketing Costs</b>						
Harvesting/bushel		lbs	2400.00	0.03	72.00	
Custom packing (Fludioxinil/wax/cooling)		lbs	1920.00	0.09	172.80	
Brokerage		lbs	1920.00	0.032	61.44	
Packing operation costs		lbs	1920.00	0.02	38.40	
<b>Total Harvesting and Marketing Costs</b>					<b>344.64</b>	
<b>Total Variable Cost</b>					<b>1062.50</b>	
<b>Fixed Costs</b>						
Packing equipment		lbs	1920.00	0.02	28.80	
Overhead and management		\$	717.86	0.15	107.68	
Drip irrigation		Acre	1.00	1000.00	1000.00	
Land leasing		\$	1.00	100.00	100.00	
<b>Total Fixed Costs</b>		\$	1.00	1236.48	<b>1236.48</b>	
<b>Total Gross Establishment Costs</b>		\$	1.00	2298.98	<b>2298.98</b>	
Returns from receipt		\$	1920	0.43	825.60	
<b>Total Establishment Costs</b>					<b>1473.38</b>	

**Table 5: Compounded and Recaptured Establishment Cost of Growing Peaches in Middle Georgia, 2008.**

	Compounded Rate	Estimated Costs	Total*
<b>3 Years to Production</b>	1.23	1473.38	1812.26
<b>2 Years to Production</b>	1.14	399.63	455.57
<b>1 Year to Production</b>	1.07	1124.88	1203.62
<b>Compounded Establishment Cost</b>			<b>3471.44</b>
<b>RECAPTURED ESTABLISHMENT COST</b>			
Years	12		
Interest rate	0.07		
<b>Annual Cost</b>			<b>437.09</b>

\*Totals may not add up due to rounding error.

**Table 6: Profit and Loss Statement for Middle Georgia Peach Production Before Debt Service, 2008.**

Sales (\$)	5,590.00
Less: Variable Costs (\$)	2,877.20
Gross Profit (\$)	2,712.80
Less: Fixed (Overhead) Costs (\$)	946.35
<b>Net Operating Profit (Loss) (\$)</b>	<b>1,766.45</b>
<b>Profitability Indicators</b>	
Gross Profit Margin (%)	65.12
Net Operating Profit Margin (%)	31.60

**Table 7: Break-Even Analysis for Middle Georgia Peach Production, 2008.**

Break-Even Yield Per Acre (lbs)	8844
Break-Even Pre-harvest Operating Cost Per lb (\$)	0.08
Break-Even Harvest & Marketing Cost Per lb (\$)	0.14
Break-Even Variable Costs Per lb (\$)	0.22
Break-Even Fixed Costs Per lb (\$)	0.07
Break-Even Costs Per lb (\$)	0.29

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