

Midsummer Horticulture Article  
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### **Farmers Spend Big Bucks Producing Crops**

How much does it cost to grow an acre of tomatoes, squash, cucumbers, peanuts or cotton? Today's farmers know this or they wouldn't be in business for long.

There are several ways of obtaining crop budget information, but some of the most useful documents are easily found online. Agricultural economists at the land grant universities in many states have crop budgets prepared and ready for downloading, viewing and printing when needed.

When searching for most subjects online, it is important to use the right word or phrase. The magic word to include when looking for agricultural budgets is "enterprise". For example, using your favorite search engine enter "squash enterprise budget".

A quick test search using the above phrase yielded several pages of sources. The first page included sites for the itemized cost of producing squash in Florida, Kentucky, North Carolina and other places. Some even have worksheets associated with a given budget so that it can be modified for a particular situation or area.

A new farmer was recently looking for sweet corn, tomato and squash budgets. He had found one or two budgets in one state, but was looking for more. By entering the crop of interest, followed by the phrase "enterprise budget", he was able to locate plenty of prepared production budgets for these and other crops.

Learning about the cost of food production can be a real eye opener for consumers as well as farmers. Just for fun let's look at the cost of producing one acre of strawberries in North Florida. At near \$8,000 this is one of the most expensive of the field grown crops to establish. The 10,000 plants that are required per acre make up about one-third of this cost. Other expenses include fertilizer, mulch, crop protection chemicals, tractor, truck, labor, irrigation, land rent and interest.

Many of us are enjoying fresh watermelon this summer, so it is interesting to know what it costs a farmer to produce a crop. A check of budgets at Clemson, Auburn, Georgia and the University of Florida provided an average cost of production at about \$2,500 per acre, depending upon the method of growing.

Considering the average cost of growing watermelons for the wholesale market today, the farmer must produce ten tons or over 800 melons per acre just to break even. That's about eight cents per pound. If the farmer is able to sell direct and obtain a retail price, the break even point would require that fewer melons be sold before the break even point is reached and profits begin.

So, knowing the cost of each crop that a farmer produces is critically important. It is among the "big three" questions that must be answered before planting a particular crop. They are: (1) Is there market for this product? (2) How much are customers willing to pay for it? (3) How much will it cost to produce?

For more information or if you have a question, call Dan Mullins, Extension Commercial Horticulture Agent, The University of Florida/IFAS-Santa Rosa County Extension, at 850-623-3868, between the hours of 8:00 am and 4:30 pm weekdays. Hearing impaired individuals may call Santa Rosa County Emergency Management Service at 983-5373 (TDD).

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*At a production cost of \$2,500 per acre, the farmer must receive at least 8 cents per pound for these watermelons. If the market offers less, this field might not be harvested.*