Province of British Columbia Son Ministry of Agriculture, Fisheries and Food Hon, Larry Chalmers, Minister

Sour Cherry Establishment 202 Trees/Acre Okanagan Valley Spring 1991 Agdex 213 - 810

Introduction

This budget estimates the direct income and expenses to establish one acre of sour chemies planted at a density of 202 trees/acre (approximately 12' x 18' spacing). It is intended to assist producers in evaluating the financial requirements of the establishment period.

A total farm financial analysis should be completed in order to determine the impact of a new planting on the total business. A complete set of planning forms is available from any district office of the B.C. Ministry of Agriculture, Fisheries and Food.

Price Sensitivity

The following table shows the impact on gross margin resulting from a change in projected market returns. (bold denotes target values)

\$.25	\$.27	\$.40
(\$705)	(\$690)	\$45
(310)	(260)	140
155	255	1,055
625	795	2,125
1,165	1,290	2,890
1,410	1,645	3,510
	(\$705) (310) 155 625 1,165	(\$705) (\$690) (310) (260) 155 255 625 795 1,165 1,290

Market return is the most significant variable in assessing profit in establishing and producing sour cherries. Price alters the budget's projected gross margins. It is important to obtain as much information on potential market returns when developing a budget for your own situation. Quality and variety are just some factors to consider.

Production Sensitivity

Level - The table below shows the results of a 10 and 20 percent reduction in target production levels on per acre gross margins.

Prod'n. Year	-20%	-10%	Target
3	(\$730)	(\$710)	(\$690)
4	(375)	(320)	(260)
5	25	140	255
6	410	600	795
7	825	1,055	1,290
8	1,105	1,375	1,645

Timing - Projected margins are also affected by how soon trees come into production. The table below summarizes the impacts of delaying target production by 1 and 2 years.

<u>Delay</u> Year	2 Yr.	1 Yr.	Target
3	(\$885)	(\$885)	(\$690)
4	(835)	(640)	(260)
5	(710)	(330)	255
6	(560)	25	795
7	135	905	1,290
8	875	1,260	1,645

These margins demonstrate the importance of obtaining early production on intensive plantings.

Projected yields and timing are affected by fruit quality, horticultural practices, location and weather.

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SOUR CHERRY ESTABLISHMENT BUDGET Years to Full Production - 8

41 000	\$795	\$255	(\$260)	(\$690)	(\$455)	(\$3,125)	Gross Margin
\$1,910	\$1,875	\$1,345	\$1,060	\$955	\$455	\$3,125	Total Costs
120	100	60	30	10	•	· ·	Hauling
315	265	155	80	25	•	•	Picking - mechanical
450	375	225	115	35	•		Picking - hand
185	180	170	160	150	150	75	Prining, Training
0	0	0	.0	. 0	•	150	Survey & Stake, Planting
0	0	0		Ф	0	300	Ground Preparation
120	120	120	120	120	60	30	Contract Cabour
160	160	160	160	160	3 25	44	Puet, Oil & Lube
175	145	85	â	15	2	. 0	Crop insurance
30	25	15	10	o.	0	. 0	Bin Rental
40	40	40	40	40	40	40	Irrigation Water
80	80	90	90	80	0	0	Hive Rental
150	150	150	150	125	80	75	Pest Control
30	30	30	30	15	20	10	Foliar Sprays
0	150	•	0	150	0	0	Dolomite Lime
55	55	83,	40	25	25	15	Nitrogen
	0	0	•	0	0	1,200	Irrigation System* & Installation
•	0	¢	•	0		. 10	Cover Crop
₩	*	\$	\$0	\$0	\$ 0	\$1,180	Crop Supplies & Services Finished Seedling Trees*
							Costs (\$/acre)
\$3,200	\$2,670	\$1,600	\$800	\$265	\$0	\$	Total Income
\$.27	\$.27	\$.27	\$.27	\$.27	\$.27	\$.27	Price (\$/lb.)
12,000	10,000	6,000	3,000	1,000	0	0	Yield (lb./acre)
60 .	50	36	15	c ii	0	0	Yield (lb/tree)
Year 7	Year 6	Year b	Year 4	rear 3	Tear 2	rear.r	Incamo (Slagna)

^{*}May be capital item. This information is provided as a guideline only. Projected yields indicate above average production. B.C. Ministry of Agriculture, Fisheries and Food. An individual crop plan should be developed by each producer. Planning forms may be obtained from your local office of the