# Guidelines For Estimating
# Strawberry U-Pick
## Production Costs

**Date: March, 2003**

The projected strawberry production costs in this publication have been prepared to assist you in developing your own production costs.

The capital and cash input costs associated with growing strawberries in Manitoba are substantial. Detailed planning is necessary when budgeting for capital expenditures and also for the annual operating costs. The importance of good financial planning is evident by noting the capital required for 10 acres of strawberries may be in the vicinity of $124,000. Cash costs of establishing the crop run about $15,000 in the two years prior to picking with an additional $21,000 in the first year of of production before income begins to flow.

The budget should be used as a guide only as each situation may have higher or lower costs than those listed. Costs and yields on each farm differ due to soil type, climatic conditions and agronomic practices. Therefore, producers are encouraged to substitute their own figures in the attached budget to develop their own cost of production for strawberry production.

**Disclaimer**: This budget is only a guide and is not intended as an in depth study of the cost of production of the Manitoba Strawberry U-Pick industry. Interpretation and utilization of this information is the responsibility of the user. If you require assistance with developing your individual budget, please contact your local MAF Farm Management Specialist or Regional Crop Specialist.

Commercial strawberry production in Manitoba has been an important part of diversification in the province. Currently there are approximately 60 growers of strawberries in the province; these farms vary in size from 3 acres to 20 acres. The majority of the strawberry farms are on a U-Pick basis; but custom picking of the crop has increased over the past few years.

Strawberries are an intensely managed crop that require precise timing. Yield and quality achieved during the short 3-4 week picking season hinge on timely management practices of the previous year, as well as care and maintenance before picking. Growers entering the industry need these basic requirements: (1) suitable land with adequate drainage and shelterbelts, (2) access to an adequate quantity and quality of water for irrigation, (3) financial resources that permit a significant level of investment on infrastructure and input costs, (4) the ability to apply intensive management skills to the crop in a precisely timed manner, (5) the ability to determine market potential, and (5) the willingness to accept risk.

It is advised that new growers should proceed on a small but graduated scale. A complete assessment of the customer base and marketing opportunities needs to be completed prior to planting the first crop of strawberries.

## Strawberry U-Pick - Cost of Production Summary March, 2003

| A. Operating Costs | Establishment[1] Cost $/acre | Picking Cost /acre | Annual Cost/lb | Your Cost |
|---|---|---|---|---|
| 1.01 Seed & Plants | $815.00 | $824.75 | $0.2561 | |
| 1.02 Fertilizer | $65.40 | $56.80 | $0.0176 | |
| 1.03 Herbicides | $31.00 | $20.00 | $0.0062 | |
| 1.04 Insecticides | $0.00 | $36.00 | $0.0112 | |
| 1.05 Fungicides | $0.00 | $45.00 | $0.0140 | |
| 1.06 Field Fuel Costs | $28.85 | $17.66 | $0.0055 | |
| 1.07 Irrigation Costs | $60.00 | $240.00 | $0.0745 | |
| 1.08 Custom Costs | $0.00 | $80.00 | $0.0248 | |
| 1.09 Repair & Maintenance | $186.72 | $373.44 | $0.1160 | |
| 1.10 Miscellaneous | $190.00 | $320.00 | $0.0994 | |
| 1.11 Land Taxes | $20.00 | $10.00 | $0.0031 | |
| Subtotal Operating | $1,396.97 | $2,023.65 | $0.6300 | |
| 1.12 Interest on Operating | $41.91 | $60.71 | $0.0189 | |
| **Total Operating Costs** | **$1,438.88** | **$2,084.36** | **$0.6489** | |
| **B. Fixed Costs** | | | | |
| **2. Depreciation** | | | | |
| 2.01 Machinery | $1,124.64 | $562.32 | $0.1746 | |
| 2.02 Storage | $585.00 | $292.50 | $0.0908 | |
| **3. Investment** | | | | |
| 3.01 Land | $120.00 | $60.00 | $0.0186 | |
| 3.02 Machinery | $274.91 | $137.46 | $0.0427 | |
| 3.03 Storage | $200.20 | $100.10 | $0.0311 | |
| **Total Fixed Costs** | **$2,304.75** | **$1,152.38** | **$0.3578** | |
| **C. Labour** | **$380.10** | **$606.93** | **$0.1885** | |
| **Total Cost of Production** | **$4,123.73** | **$3,843.67** | **$1.1952** | |

**1. The cost of establishing the crop of $4,123.73 per acre, includes the pre plant and planting years, was spread over 5 years at $824.75 per year.**

**Disclaimer:** This budget is only a guide and is not intended as an in depth study of the cost of production of the Manitoba Strawberry U-Pick industry.

## Strawberry U-Pick Assumptions

| | |
|---|---|
| Number of acres in production | **10** |
| Additional land (acres)for parking etc. | **1** |
| Market Value ($/acre) | **$1,500** |
| Land Taxes ($/acre) | **$10.00** |
| Fuel Price (Diesel $/litre) | **$0.52** |
| Interest on Operating | **6.0%** |
| Interest on Investment | **4.0%** |

**Crop Rotation and Yields**

| | Year | lbs/acre |
|---|---|---|
| Pre Plant | 1 | **0** |
| Planting Year | 2 | **0** |
| 1st Picking | 3 | **6600** |
| 2nd Picking | 4 | **5500** |
| 3rd Picking | 5 | **4000** |
| | **Total Yield (lbs/acre)** | **16,100** |
| | **Average Yield (lbs/acre)** | **3,220** |

| **Capital Costs** | | Market Value | Allocated % Strawberry | Allocated $ Strawberry |
|---|---|---|---|---|
| **Land Value** | | | | |
| Land Cost | | **$16,500** | **100%** | **$16,500** |
| **Machinery Costs** | | | | |
| Tractor | **30 hp** | **$30,000** | **100%** | **$30,000** |
| Tractor | **100 hp** | **$45,000** | **33%** | **$14,850** |
| Planter | **5 ft** | **$2,000** | **100%** | **$2,000** |
| Plow | **5 ft** | **$100** | **100%** | **$100** |
| Sprayer | **25 ft** | **$8,000** | **100%** | **$8,000** |
| Rotovator | **5 ft** | **$2,200** | **90%** | **$1,980** |
| Cultivator | **18 ft** | **$500** | **90%** | **$450** |
| Straw spreader | **5 ft** | **$14,000** | **25%** | **$3,500** |
| Mower | **5 ft** | **$2,000** | **75%** | **$1,500** |
| Seeder Discer | **15 ft** | **$100** | **100%** | **$100** |
| Total | | **$103,900** | | **$62,480** |
| **Other Costs** | | | | |
| Storage Shed | | **$15,000** | **90%** | **$13,500** |
| Cooler | | **$2,000** | **100%** | **$2,000** |
| Booth | | **$1,500** | **100%** | **$1,500** |
| Miscellaneous | | **$10,000** | **35%** | **$3,500** |
| Irrigation Equipment | | **$25,000** | **100%** | **$25,000** |
| Total | | **$53,500** | | **$45,500** |
| **Total Investment** | | **$173,900** | | **$124,480** |

| | | | |
|---|---|---|---|
| **Average Investment per acre** | **Machinery** | **$6,248** | **$/acre** |
| | **Other** | **$4,550** | **$/acre** |
| | **Total** | **$12,448** | **$/acre** |

# Establishment Year Costs

## Seed and Plant Costs

| | | |
|---|---|---|
| Pre Plant Crop | **Sorghum** | |
| Seeding Rate Bushels per acre | **1.5** | bu/ac |
| Seed Cost $ per bushel | **$10.00** | $/bu |
| Strawberry Plants | | |
| Seeding rate plants/acre | **8,000** | plants/ac |
| Seed Cost / 1000 plants | **$100.00** | $/1000 plants |

## Fertilizer

| | Nitrogen | Phosphate | Potash | Sulfur | Zinc |
|---|---|---|---|---|---|
| **Cost $/lb** | **$0.27** | **$0.28** | **$0.14** | **$0.23** | **$1.50** |
| **lbs/acre** | | | | | |
| Pre plant | **0** | **0** | **0** | **0** | **0** |
| Planting | **70** | **100** | **30** | **15** | **6** |

Applicator rental **$1.00** $/acre

## Herbicides

| | Broadleaf | Wildoats | Other |
|---|---|---|---|
| | ----------$/acre---------- | | |
| Pre Plant | **$0.00** | **$10.00** | **$1.00** |
| Planting | **$20.00** | **$0.00** | **$0.00** |

## Insecticides

| | Insect 1 | Insect 2 | Insect 3 |
|---|---|---|---|
| | ----------$/acre---------- | | |
| Pre Plant | **$0.00** | **$0.00** | **$0.00** |
| Planting | **$0.00** | **$0.00** | **$0.00** |

## Fungicides

| | Spray 1 | Spray 2 | Spray 3 |
|---|---|---|---|
| | ----------$/acre---------- | | |
| Pre Plant | **$0.00** | **$0.00** | **$0.00** |
| Planting | **$0.00** | **$0.00** | **$0.00** |

**Field Operations: Pre Plant**

| Operation | Times Over | Width Feet | Speed MPH | Tractor HP |
|---|---|---|---|---|
| Cultivate | 1 | 18 | 5 | 100 |
| Seed | 1 | 15 | 6 | 100 |
| Plow down | 1 | 5 | 5 | 100 |
| Cultivate | 1 | 18 | 5 | 100 |
| Fertilizer | 1 | 40 | 7 | 100 |

**Field Operations: Planting**

| Operation | Times Over | Width Feet | Speed MPH | Tractor HP |
|---|---|---|---|---|
| Planting | 1 | 5 | 1 | 30 |
| Cultivate | 3 | 5 | 5 | 30 |
| Spray | 1 | 25 | 4 | 30 |
| Straw Spreading | 1 | 5 | 2 | 100 |

| Irrigation Fuel Costs | Pre Plant | Plant |
|---|---|---|
| Inches applied | 0 | 3 |
| Hours per acre for 1" of water | 4 | 4.0 |
| Hourly pumping costs | $5.00 | $5.00 |

**Custom & Rental Operations**

| | |
|---|---|
| Custom 1 | $0.00 |
| Custom 2 | $0.00 |

**Repairs & Maintenance**

| | |
|---|---|
| % rate of investment | 1.5% |

**Miscellaneous**

| | | |
|---|---|---|
| **Pre Plant** | $200.00 | |
| **Plant** | $500.00 | |
| **Straw Costs** | 10 | bales/acre |
| | $12.00 | $/bale |

**Labour**

| | | Hours/acre |
|---|---|---|
| Labour Rate per hour | $7.00 | |
| Weed Control | | 30.0 |
| De-blossom | | 8.0 |
| Irrigation | | 6.0 |
| Straw Spreading | | 5.0 |
| Field Operations | | 4.3 |
| Total Labour Hours | | 53.3 hrs |

# Strawberry U-Pick Cost of Production Worksheet
## Establish - Pre Plant & Planting Year Details

| | | | | Your Cost |
|---|---|---|---|---|
| **1.01 Seed & Plants** | | | | |
| Cover Crop | | 1.5 | seeding rate (bu/acre) | |
| Sorghum | x | $10.00 | seed cost ($/bu) | |
| | = | $15.00 | $/acre | |
| Plants | | 8,000 | plants/acre | |
| | x | $100.00 | $/ 1,000 plants | |
| | ÷ | 1,000 | 1,000 plants | |
| | = | $800.00 | $ /acre | |
| **Total Cost** | | **$815.00** | **$ /acre** | |
| **1.02 Fertilizer** | | | | |
| **Nitrogen** | | | | |
| Pre Plant | | 0 | lbs/acre seeding | |
| Plant | + | 70 | lbs/acre seeding | |
| | x | $0.270 | cost/lb | |
| | = | $18.90 | $ /acre | |
| **$P_2O_5$** | | | | |
| Pre Plant | | 0 | lbs/acre seeding | |
| Plant | | 100 | lbs/acre seeding | |
| | x | $0.280 | cost/lb | |
| | = | $28.00 | $ /acre | |
| **$K_2O$** | | | | |
| Pre Plant | | 0 | lbs/acre seeding | |
| Plant | | 30 | lbs/acre seeding | |
| | x | $0.135 | cost/lb | |
| | = | $4.05 | $ /acre | |
| **Sulfur** | | | | |
| Pre Plant | | 0 | lbs/acre seeding | |
| Plant | | 15 | | |
| | x | $0.230 | cost/lb seeding | |
| | = | $3.45 | $ /acre | |
| **Zinc** | | | | |
| Pre Plant | | 0 | lbs/acre seeding | |
| Plant | | 6 | | |
| | x | $1.500 | cost/lb seeding | |
| | = | $9.00 | $ /acre | |
| **Applicator rental** | | | | |
| Pre Plant | = | $1.00 | $/acre | |

| | | | | Your Cost |
|---|---|---|---|---|
| Plant | = | $1.00 | $/acre | |
| Total | = | $2.00 | $/acre | |
| **Total** | **=** | **$65.40** | **$/acre** | |

**1.03 Herbicides**

| | | | | |
|---|---|---|---|---|
| Pre Plant | | $0.00 | broadleaf control (establish) | |
| | + | $10.00 | wildoats (establish) | |
| | + | $1.00 | other | |
| | = | $11.00 | $ /acre | |
| Planting | | | | |
| | | $20.00 | broadleaf control | |
| | + | $0.00 | wildoats | |
| | + | $0.00 | other | |
| | = | $20.00 | $ /acre | |
| Total | **=** | **$31.00** | **$ /acre** | |

**1.04 Insecticides**

| | | | | |
|---|---|---|---|---|
| Pre Plant | | $0.00 | insect 1 | |
| | + | $0.00 | insect 2 | |
| | + | $0.00 | insect 3 | |
| | **=** | **$0.00** | $ /acre | |
| Planting | | $0.00 | insect 1 | |
| | + | $0.00 | insect 2 | |
| | + | $0.00 | insect 3 | |
| | **=** | **$0.00** | $ /acre | |
| Total | **=** | **$0.00** | $ /acre | |

**1.05 Fungicides**

| | | | | |
|---|---|---|---|---|
| Pre Plant | | $0.00 | spray 1 | |
| | + | $0.00 | spray 2 | |
| | + | $0.00 | spray 3 | |
| | **=** | $0.00 | $/acre | |

| | | | | Your Cost |
|---|---|---|---|---|
| Planting | | $0.00 | spray 1 | |
| | + | $0.00 | spray 2 | |
| | + | $0.00 | spray 3 | |
| | = | $0.00 | $/acre | |
| **Total** | **=** | **$0.00** | **$/acre** | |

**1.06 Field Fuel Costs**

**Field Operations**

**Pre Plant**

| **Operation** | **Times Over** | **Width feet** | **Speed mph** | **Fuel $/ac.** | |
|---|---|---|---|---|---|
| Cultivate | 1 | 18 | 5 | $1.37 | |
| Seed | 1 | 15 | 6 | $1.37 | |
| Plow down | 1 | 5 | 5 | $4.91 | |
| Cultivate | 1 | 18 | 5 | $1.37 | |
| Fertilizer | 1 | 40 | 7 | $0.44 | |
| **Total** | | | | **$9.45** | |

**Field Operations**

**Planting**

| **Operation** | **Times Over** | **Width feet** | **Speed mph** | **Fuel $/ac.** | |
|---|---|---|---|---|---|
| Planting | 1 | 5 | 1 | $5.85 | |
| Cultivate | 3 | 5 | 5 | $3.51 | |
| Spray | 1 | 25 | 4 | $0.29 | |
| Straw Spreading | 1 | 5 | 2 | $9.75 | |
| **Total** | | | | **$19.40** | |

Total Field Operation Fuel Costs **$28.85**

**1.07 Irrigation Fuel Costs**

| | | | | |
|---|---|---|---|---|
| Pre Plant | | 0 | inches of water applied | |
| | x | 4 | hours/acre for 1" of water | |
| | x | $5.00 | rate/hour | |
| | = | $0.00 | $/acre | |

| | | | | Your Cost |
|---|---|---|---|---|
| Plant | | 3 | inches of water applied | |
| | x | 4 | hours/acre for 1" of water | |
| | x | $5.00 | rate/hour | |
| | = | $60.00 | $/acre | |
| Total | = | **$60.00** | **$/acre** | |

**1.08 Custom Costs**

| | | | | |
|---|---|---|---|---|
| Pre Plant | | $0.00 | total cost | |
| Plant | | $0.00 | total cost | |
| | ÷ | 10 | acres | |
| | **=** | **$0.00** | **$/acre** | |

**1.09 Repairs and Maintanence**

| | | | | |
|---|---|---|---|---|
| | | 1.5% | percentage rate | |
| | x | $12,448 | investment/acre | |
| | | **$186.72** | **$ /acre** | |

**1.10 Miscellaneous**

| | | | | |
|---|---|---|---|---|
| | | $200.00 | pre plant $/acre | |
| | + | $500.00 | plant $/acre | |
| | ÷ | 10 | acres | |
| | **=** | **$70.00** | **$/acre** | |
| Straw Costs | | 10 | bales/acre | |
| | x | $12.00 | $/bale | |
| | **=** | **$120.00** | **$/acre** | |

**1.11 Land Taxes**

| | | | | |
|---|---|---|---|---|
| | | $10.00 | pre plant $/acre | |
| | + | $10.00 | plant $/acre | |
| | **=** | **$20.00** | **$ /acre** | |

**1.12 Interest on Operating**

| | | | | |
|---|---|---|---|---|
| | | $1,396.97 | subtotal operating | |
| | ÷ | 2 | average | |
| | x | 6.0% | interest rate | |
| | **=** | **$41.91** | **$ /acre** | |

| | | | | Your Cost |
|---|---|---|---|---|
| **2. Depreciation** | **Original Value - Salvage Value / Useful Life** | | | |
| **2.01 Machinery** | | | | |
| | | $6,248.00 | cost/acre | |
| | - | $624.80 | salvage value | |
| | x | 2 | years | |
| | ÷ | 10 | useful life | |
| | **=** | **$1,124.64** | **$ /acre** | |
| **2.02 Other Equipment** | | | | |
| | | $4,550.00 | cost/acre | |
| | - | $455.00 | salvage value | |
| | x | 2 | years | |
| | ÷ | 14 | useful life | |
| | **=** | **$585.00** | **$ /acre** | |
| **3. Investment** | **Original Value + Salvage Value / 2 x Investment Rate** | | | |
| **3.01 Land** | | | | |
| | | $1,500.00 | cost/acre | |
| | x | 2 | years | |
| | x | 4.0% | % investment rate | |
| | = | **$120.00** | **$ /acre** | |
| **3.02 Machinery** | | | | |
| | | $6,248.00 | cost/acre | |
| | + | $624.80 | salvage value | |
| | ÷ | 2 | average | |
| | x | 2 | years | |
| | x | 4.0% | % investment rate | |
| | **=** | **$274.91** | **$ /acre** | |

| | | | | Your Cost |
|---|---|---|---|---|
| **3.03 Other Equipment** | | | | |
| | | $4,550.00 | cost/acre | |
| | + | $455.00 | salvage value | |
| | ÷ | 2 | average | |
| | x | 2 | years | |
| | x | 4.0% | % investment rate | |
| | **=** | **$200.20** | **$ /acre** | |
| **Labour** | | | | |
| | | 30.0 | hrs/ac weed control | |
| | + | 8.0 | hrs/ac de-blossom | |
| | + | 6.0 | hrs/ac straw spreading | |
| | + | 6.0 | hrs/ac irrigation | |
| | + | 4.3 | hrs/ac field operations | |
| | x | $7.00 | $/hour | |
| | **=** | **$380.10** | **$ /acre** | |

# Picking Year Costs

## A. Operating Costs

### 1.01 Seed and Plants

### 1.02 Fertilizer

| | Cost $/lb | lbs/acre |
|---|---|---|
| Nitrogen | $0.27 | 150 |
| Phosphate | $0.28 | 20 |
| Potash | $0.14 | 30 |
| Sulfur | $0.23 | 5 |
| Zinc | $1.50 | 3 |

Applicator rental $1.00 per acre

### 1.03 Herbicides

| | |
|---|---|
| Broadleaf | $20.00 |
| Wild Oats | $0.00 |

### 1.04 Insecticides

| | |
|---|---|
| Tarnish Plant | $24.00 |
| Mites | $12.00 |
| Insect 3 | $0.00 |

### 1.05 Fungicide

| | |
|---|---|
| Spray 1 | $20.00 |
| Spray 2 | $25.00 |
| Spray 3 | $0.00 |

### 1.06 Fuel Costs

Estimated fuel cost per acre of picking year $0.00

| Field Operations | Times Over | Width Feet | Speed MPH | Tractor HP |
|---|---|---|---|---|
| Straw removal | 1 | 5 | 5 | 30 |
| Spray | 5 | 25 | 4 | 30 |
| Mowing | 1 | 5 | 5 | 30 |
| Rototilling | 2 | 5 | 3 | 30 |
| Fertilizer | 2 | 40 | 7 | 30 |
| Straw Spreading | 1 | 5 | 2 | 100 |

**1.07 Irrigation Fuel Costs**

| | |
|---|---|
| Inches applied | **12** |
| Hours per acre for 1' of water | **4** |
| Hourly pumping costs | **$5.00** |

**1.08 Custom & Rental Operations**

| | |
|---|---|
| Annual Cost | **$800.00** |
| Washrooms | **$0.00** |

**1.07 Repairs & Maintenance**

| | |
|---|---|
| % rate of investment | **3.0%** |

**1.09 Miscellaneous**

| | |
|---|---|
| Advertising | **$2,000.00** |
| Pales/Baskets | **$0.00** |
| Utilities | **$0.00** |
| **Straw Costs** | |
| Bales per acre | **10** |
| $ per Bale | **$12.00** |

**Labour Costs ($/acre)**

| | |
|---|---|
| Rate per hour | **$7.00** |

| | **Hours/acre** |
|---|---|
| Weed control | **30.0** |
| De-blooming | **0.0** |
| Straw spreading | **5.0** |
| Irrigation | **6.0** |
| Field operations | **3.7** |
| U-pick operations | **42.0** |
| Total hours/acre | **86.7** |

# Strawberry U-Pick Cost of Production Worksheet
# Picking Years - Details

## A. Operating Costs

### 1.01 Seed and Planting Costs

| | | | | Your Cost |
|---|---|---|---|---|
| | | $4,123.73 | pre plant & planting | |
| | ÷ | 5 | years in crop | |
| | = | **$824.75** | **$/acre** | |

### 1.02 Fertilizer

| | | | | Your Cost |
|---|---|---|---|---|
| **Nitrogen** | | 150 | lbs/acre cropping | |
| | x | $0.270 | cost/lb cropping | |
| | = | $40.50 | $ /acre | |
| **$P_2O_5$** | | 20 | lbs/acre cropping | |
| | x | $0.280 | cost/lb cropping | |
| | = | $5.60 | $ /acre | |
| **$K_2O$** | + | 30 | lbs/acre cropping | |
| | x | $0.135 | cost/lb cropping | |
| | = | $4.05 | $ /acre | |
| **Sulfur** | | 5 | lbs/acre cropping | |
| | x | $0.230 | cost/lb cropping | |
| | = | $1.15 | $ /acre | |
| **Zinc** | | 3 | lbs/acre cropping | |
| | x | $1.500 | cost/lb cropping | |
| | = | $4.50 | $ /acre | |
| Applicator rental | = | $1.00 | $ /acre | |
| **Annual Cost** | = | **$56.80** | **$ /acre** | |

### 1.03 Herbicides

| | | | | Your Cost |
|---|---|---|---|---|
| | | $20.00 | $ /acre broadleaf | |
| | + | $0.00 | $ /acre wild oats | |
| | = | **$20.00** | **$ /acre** | |

| | | | | Your Cost |
|---|---|---|---|---|
| **1.04 Insecticides** | | | | |
| | | $24.00 | $ /acre Tarnish Plant Bug | |
| | + | $12.00 | $ /acre Mites | |
| | = | **$36.00** | **$ /acre** | |
| **1.05 Fungicide** | | | | |
| | | $20.00 | $ /acre | |
| | + | $25.00 | $ /acre | |
| | = | **$45.00** | **$ /acre** | |

**1.06 Field Fuel Costs**

| Operation | Times Over | Width feet | Speed mph | Fuel $/ac. | |
|---|---|---|---|---|---|
| Straw removal | 1 | 5 | 5 | $1.17 | |
| Spray | 5 | 25 | 4 | $1.46 | |
| Mowing | 1 | 5 | 5 | $1.17 | |
| Rototilling | 2 | 5 | 3 | $3.90 | |
| Fertilizer | 2 | 40 | 7 | $0.21 | |
| Straw Spreading | 1 | 5 | 2 | $9.75 | |
| | | | | **$17.66** | |

| | | | | |
|---|---|---|---|---|
| **1.07 Irrigation Costs** | | | | |
| | | 12 | inches of water applied | |
| | x | 4 | hours/acre for 1" of water | |
| | x | $5.00 | rate/hour | |
| | = | **$240.00** | **$/acre** | |
| **1.08 Custom Operations** | | | | |
| | | $800.00 | **$ /acre** | |
| | ÷ | 10 | acres | |
| | = | **$80.00** | **$/acre** | |
| **1.09 Repair & Maintenance** | | | | |
| | | 3.0% | percentage rate | |
| | x | $12,448 | investment/acre | |
| | = | **$373.44** | **$ /acre** | |

| | | | | Your Cost |
|---|---|---|---|---|
| **1.10 Miscellaneous** | | | | |
| | | $2,000.00 | $ /acre | |
| | ÷ | 10 | acres | |
| | **=** | **$200.00** | **$/acre** | |
| Straw Costs | | 10 | bales/acre | |
| | x | $12.00 | $/bale | |
| | **=** | **$120.00** | **$/acre** | |
| **1.11 Land Taxes** | | | | |
| | = | **$10.00** | **$ /acre** | |
| **1.12 Interest on Operating** | | | | |
| | | $2,023.65 | subtotal operating | |
| | ÷ | 2 | average | |
| | x | 6.0% | interest rate | |
| | **=** | **$60.71** | **$ /acre** | |

Your Cost

## B. Fixed Costs

**2. Depreciation** $\frac{\text{Original Value - Salvage Value}}{\text{Useful Life}}$

### 2.01 Machinery

| | | | |
|---|---|---|---|
| | $6,248.00 | cost/acre | |
| - | $624.80 | salvage value | |
| ÷ | 10 | useful life | |
| **=** | **$562.32** | **$ /acre** | |

### 2.02 Other Equipment

| | | | |
|---|---|---|---|
| | $4,550.00 | cost/acre | |
| - | $455.00 | salvage value | |
| ÷ | 14 | useful life | |
| **=** | **$292.50** | **$ /acre** | |

**3. Investment** $\frac{\text{Original Value + Salvage Value}}{2}$ **x Investment Rate**

### 3.01 Land

| | | | |
|---|---|---|---|
| | $1,500.00 | cost/acre | |
| x | 4.0% | % investment rate | |
| = | **$60.00** | **$ /acre** | |

### 3.02 Machinery

| | | | |
|---|---|---|---|
| | $6,248.00 | cost/acre | |
| + | $624.80 | salvage value | |
| ÷ | 2 | average | |
| x | 4.0% | % investment rate | |
| **=** | **$137.46** | **$ /acre** | |

### 3.03 Other Equipment

| | | | |
|---|---|---|---|
| | $4,550.00 | cost/acre | |
| + | $455.00 | salvage value | |
| ÷ | 2 | average | |
| x | 4.0% | % investment rate | |
| **=** | **$100.10** | **$ /acre** | |

| | | | | Your Cost |
|---|---|---|---|---|
| **C. Labour** | | | | |
| | | 30.0 | hrs/ac weed control | |
| | + | 0.0 | hrs/ac de-blossoming | |
| | + | 5.0 | hrs/ac straw spreading | |
| | + | 6.0 | hrs/ac irrigation | |
| | + | 3.7 | hrs/ac field operations | |
| | + | 42.0 | hrs/ac u-pick operations | |
| | x | $7.00 | $/hour | |
| | **=** | **$606.93** | **$ /acre** | |

For more information contact your local Manitoba Agriculture and Food office.

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We greatfully acknowledge the assistance of the following people in assembling this informatio
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