



# Overview of the 2021 NC Blackberry Budget... and how to use it

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# Overview

- Why use enterprise budgets?
- Overview of NCSU's **DRAFT** blackberry budget
- Wholesale pricing
- Investment analysis

## Why use an enterprise budget?

- Estimate your costs and returns
- Compare alternative activities
- Building block for other budgets:
  - Whole-farm budget
  - Partial budget
  - Cash-flow budget

# Cover Page

## Major Caveat:

- It is only a guide
- It does not represent what does or will happen on *your* farm

**Cost of Producing, Harvesting and Marketing Blackberries  
in the Southeastern United States  
Estimated Costs for a Ten Acre Commercial Operation  
Jan-22**

## DRAFT

This draft has been made available for participants of the 2022 Southeastern Regional Fruit and Vegetable Conference. It is subject to change before its official release. The final copy will be available at:  
<https://cals.ncsu.edu/are-extension/business-planning-and-operations/enterprise-budgets/>  
If you have questions, comments, corrections, or concerns about this draft, please contact Daniel Tregeagle.

Budgeting Program Updated and Revised By:

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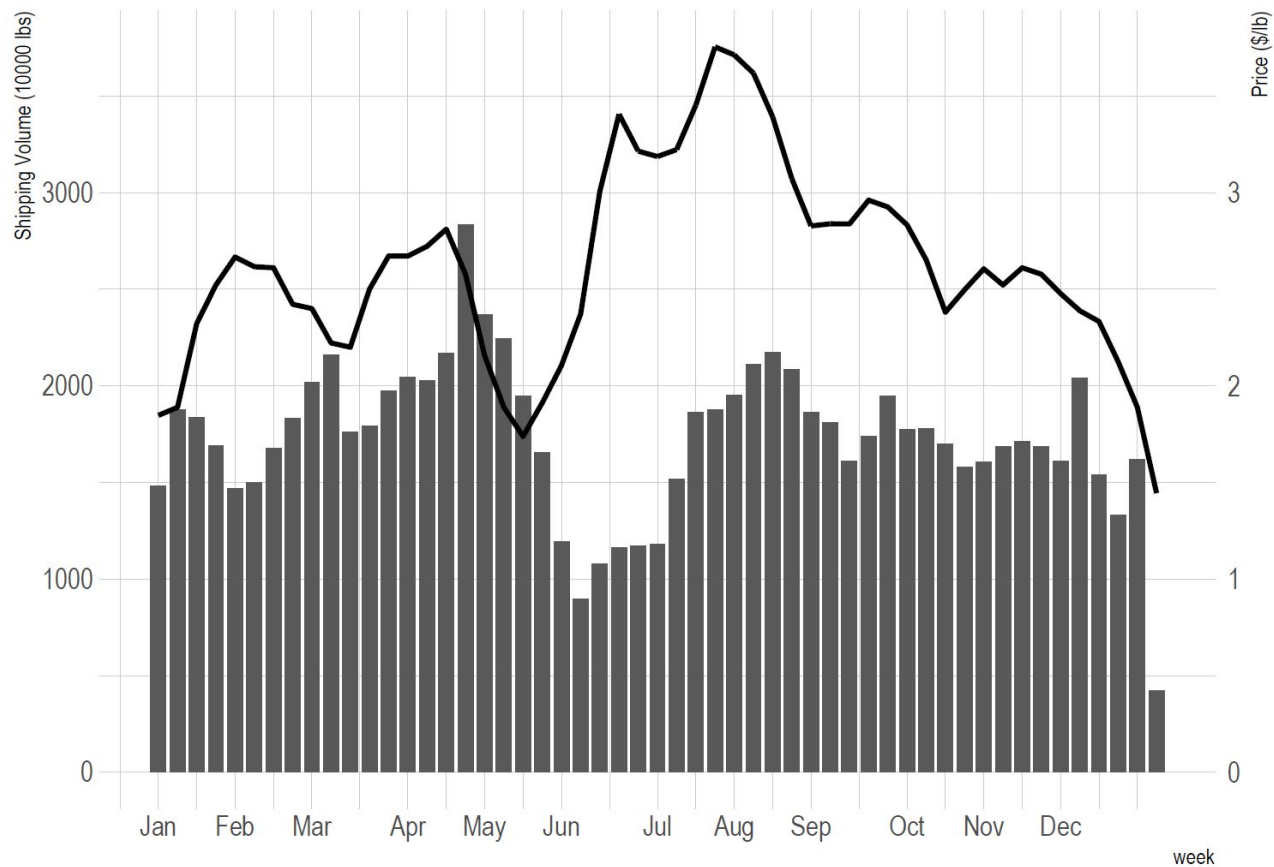
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# **Review the budget**

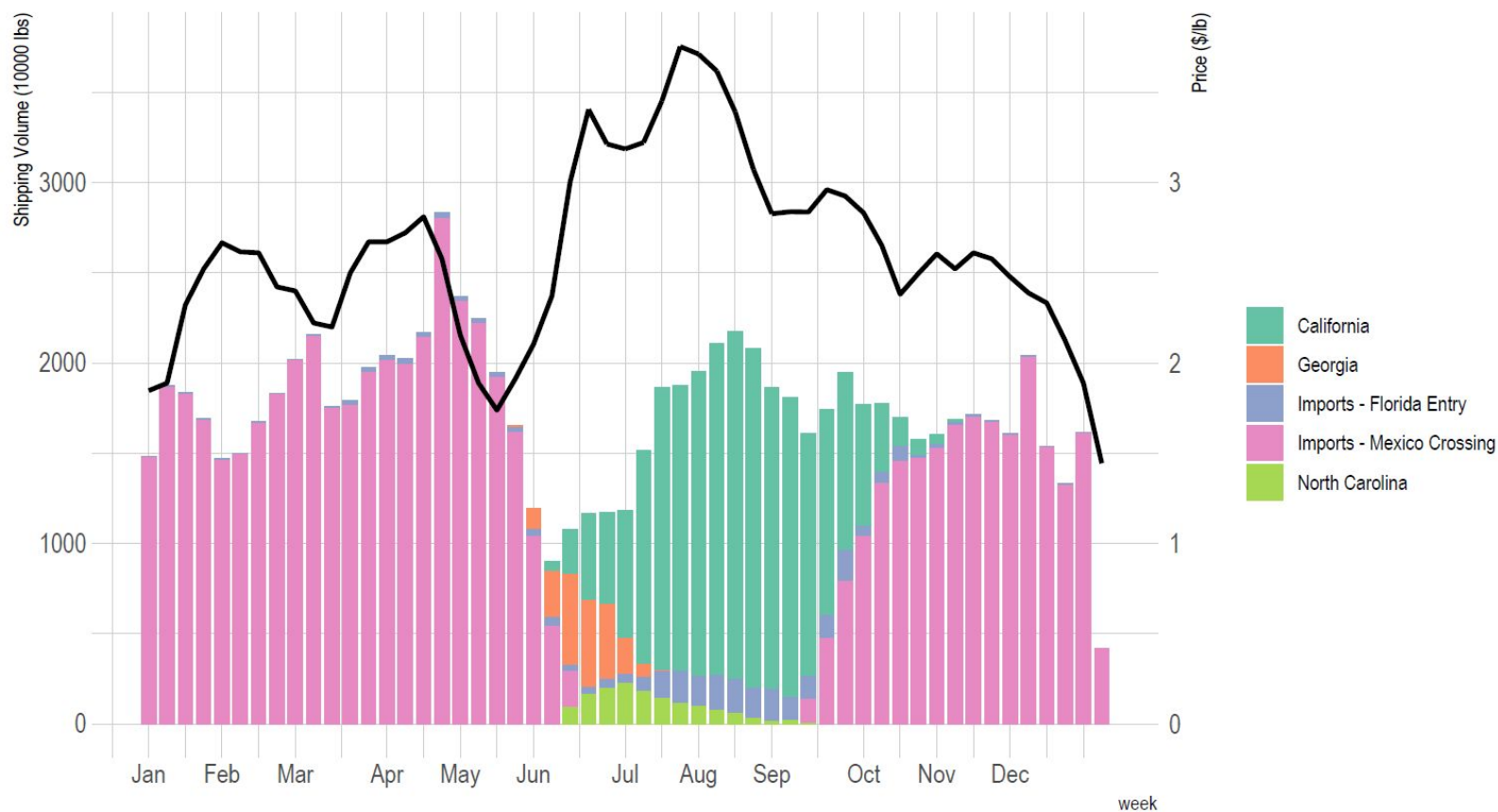
- In excel

## Blackberry shipping point prices peak in Jul-Aug



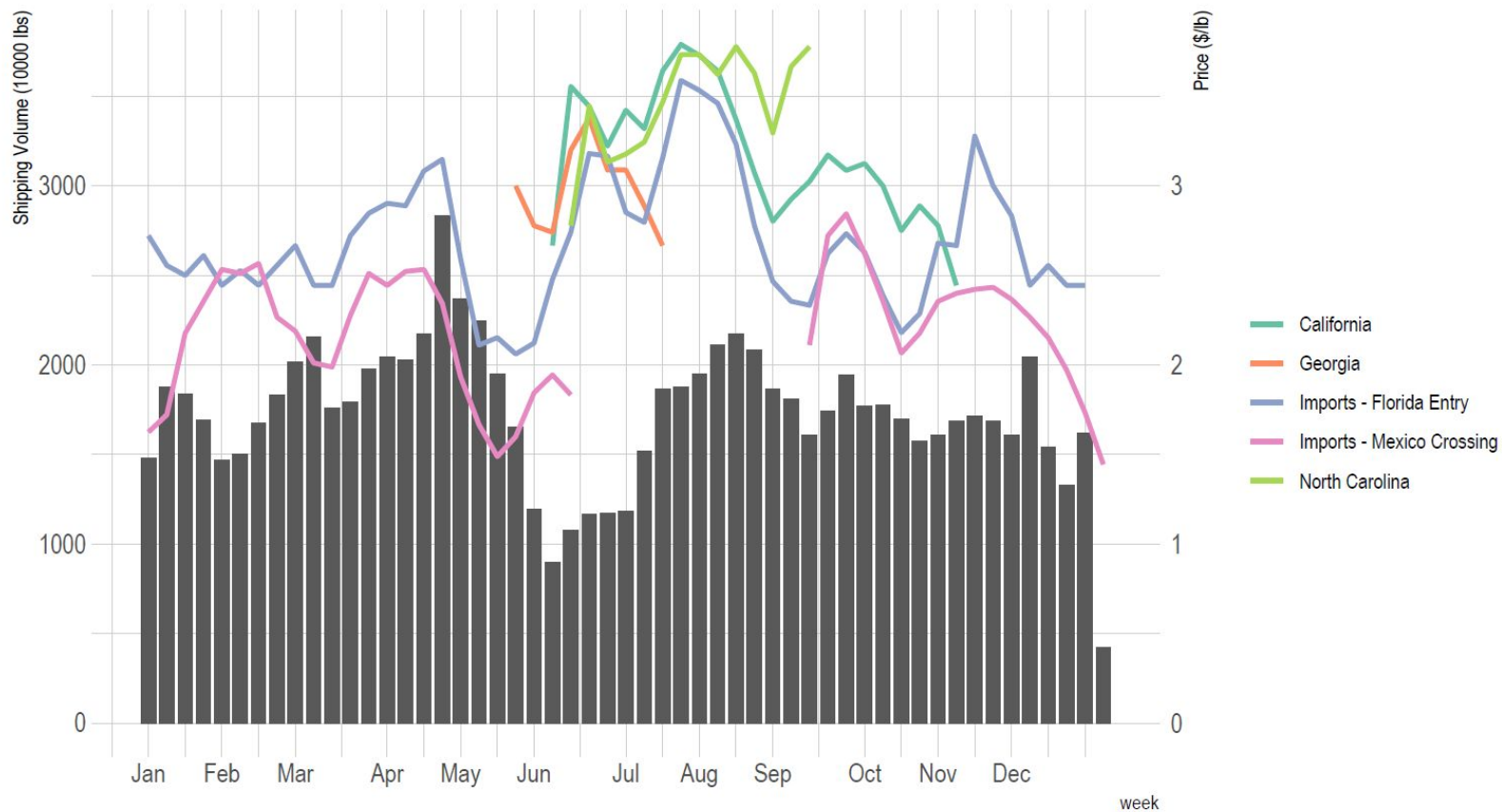
Average shipping point price and volume (2016–20). Source: USDA AMS

# Production during the period of peak prices is almost entirely domestic



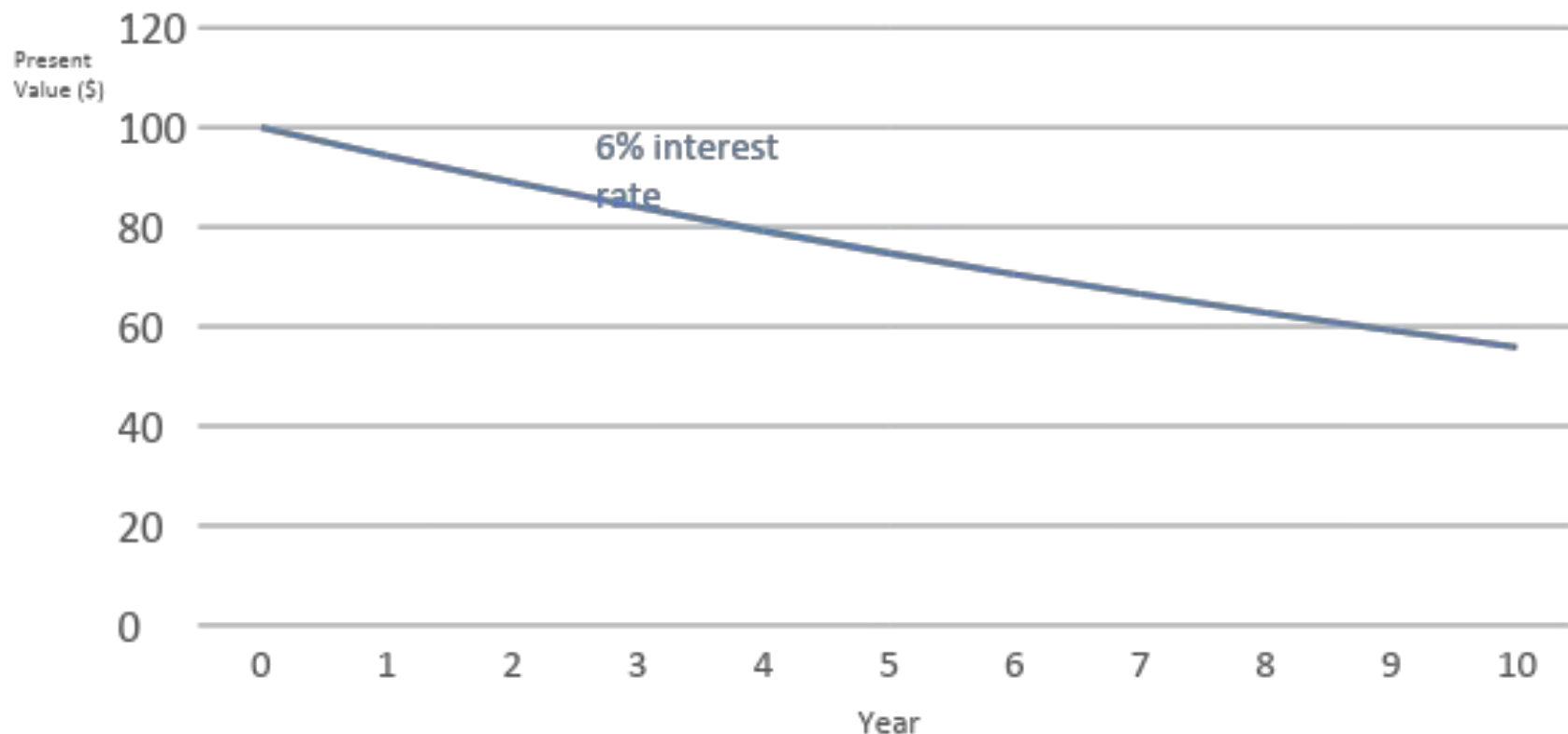
Average shipping point price and volume (2016–20). Source: USDA AMS

# Domestic prices are \$1+ higher on average

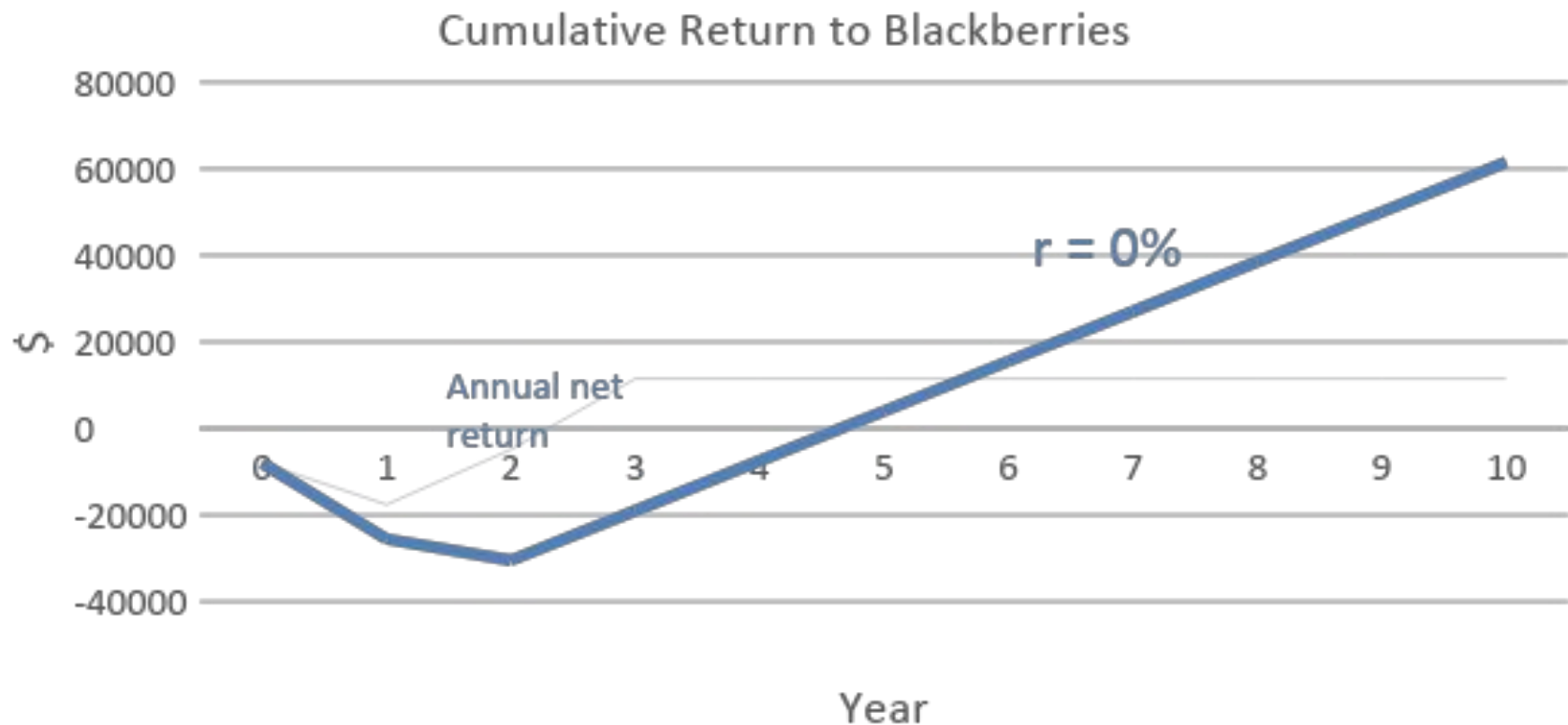


Average shipping point price and volume (2016--20). Source: USDA AMS

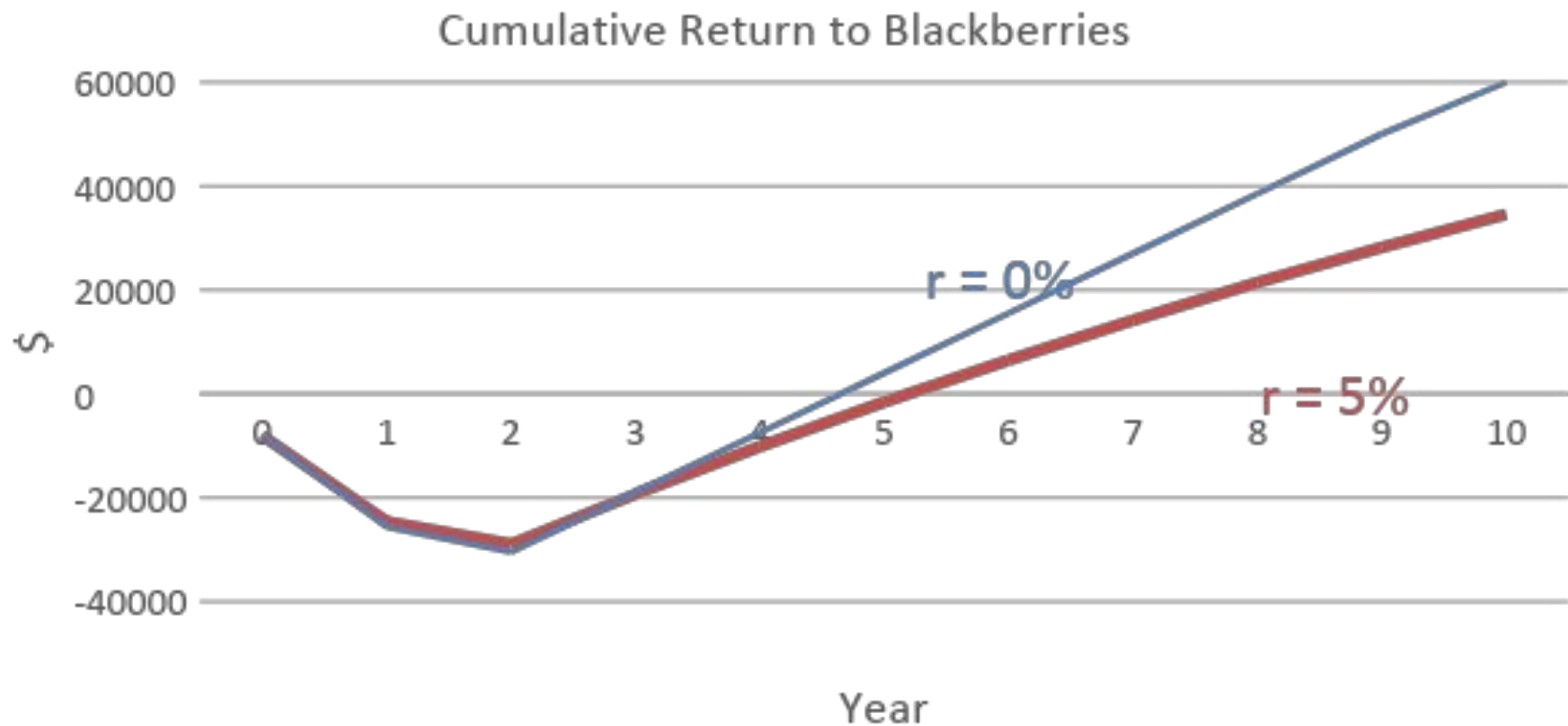
**At a 6% interest rate, \$100 ten years from now is worth \$56 today**



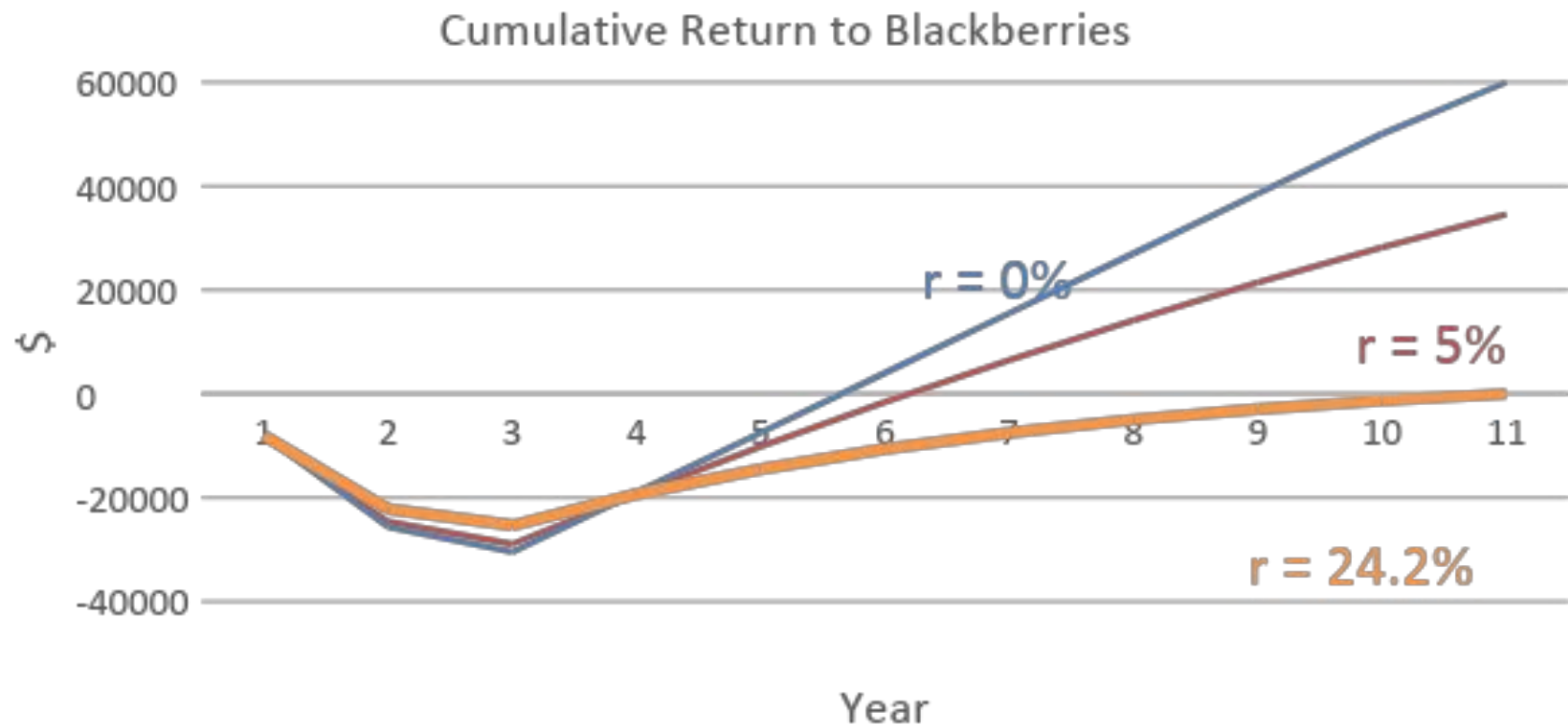
**With no discounting, the cumulative net return is the sum of the annual net returns**



## Adding discounting reduces the value of future returns



# The Internal Rate of Return (IRR) sets the NPV to zero



## Use and verify your budget

- When planning your season, use a budget
  - Adapt a prepared budget
  - Develop your own
- Verify your budget
  - Talk to other growers and/or extension agents

## Feedback?

- Email me: [tregeagle@ncsu.edu](mailto:tregeagle@ncsu.edu)
- Call me: 919 515 6091

## **Growers in the NARBA 2020 survey were receiving higher prices, on average, than growers in the AMS data**

- Overall average price in this survey: \$4.98/lb
- Regional variation:
  - \$3.98/lb in Pacific Coast and West
  - \$7.56/lb in Southeast
- Average NC price in AMS data: ~\$3.30/lb
- NC Wholesale price higher in survey

# Farm stands and farmers' markets had the highest prices

**Table 3.** Average prices per pound received by respondents by market and region

Region	Average Price Received (\$/lb)						
	Farm Stand	U-Pick	Farmer's Market	Wholesale (small)	Wholesale (large)	Processor	Other
<b>Blackberry</b>							
Canada	7.33	NA	NA	NA	3.33	NA	6.67
Mid-Atlantic	7.43	4.48	6.78	4.27	NA	2.83	NA
Midwest, East	6.51	3.77	7.00	5.33	NA	2.83	8.00
Midwest, West	5.07	3.62	5.99	4.53	4.20	2.75	3.50
Northeast	6.67	5.33	8.00	NA	NA	NA	6.67
Pacific Coast and West	10.67	3.25	6.07	7.47	NA	0.53	3.72
Southeast	6.04	4.30	7.00	3.67	5.63	1.50	9.03
Southwest / South	4.39	3.91	5.72	NA	NA	3.50	6.66