

Enterprise  
Unit

ha

**CAPSICUM**  
Furrow Irrigation

**2001**
**GROSS MARGIN BUDGET:**
**1 ha**

 Standard  
Budget

 Your  
Budget

**INCOME:**

3000 half cartons/ha @ \$7.00 /carton

\$21,000.00

**A. Total Income/ha**
**\$21,000.00**
**VARIABLE COSTS:**
**Transplants**

25000 /ha

\$0.04 /plant

\$1,000.00

**Tractor costs**
**Small equipment including labour, fuel, oil, etc**

2 Cultivate	2.5 hr/ha	\$24.50 /hr	\$122.50
1 Lister	2.0 hr/ha	\$24.50 /hr	\$49.00
1 Drill Fertiliser	2.0 hr/ha	\$24.50 /hr	\$49.00
1 Bedform	2.0 hr/ha	\$24.50 /hr	\$49.00
1 Sidedressing	2.0 hr/ha	\$24.50 /hr	\$49.00
1 Incorporate herbicide	2.0 hr/ha	\$24.50 /hr	\$49.00
1 Transplanting	7.0 hr/ha	\$24.50 /hr	\$171.50
10 Boomspray	0.5 hr/ha	\$24.50 /hr	\$122.50

**Irrigation**

Water 8 ML/ha \$17.36 /ML \$138.88

**Fertiliser**

Starter Fertiliser	500 kg/ha	\$0.45 /kg	\$225.00
Urea	500 kg/ha	\$0.38 /kg	\$187.50
Micro nutrients	1.5 kg/ha	\$1.20 /kg	\$1.80

**Pest control**

2 Fungicide	2.0 kg/ha	\$8.30 /kg	\$33.20
2 Fungicide	3.2 L/ha	\$22.15 /L	\$141.76
2 Fungicide	2.5 kg/ha	\$7.45 /kg	\$37.25
3 Insecticide	0.4 L/ha	\$34.00 /L	\$40.80
3 Insecticide	2.0 L/ha	\$14.45 /L	\$86.70
1 Insecticide	0.8 L/ha	\$8.75 /L	\$7.00
2 Insecticide	1.8 L/ha	\$9.75 /L	\$35.10

**Weed control**

1 Pre-emergent (50% area)	4.5 kg/ha	\$34.92 /L	\$78.57
2 Post emergent	0.5 L/ha	\$63.70 /L	\$31.85
Chipping	40.0 hr/ha	\$14.50 /hr	\$580.00

**Casual Labour**

3 Transplanting 7 hr/ha \$14.50 /hr \$304.50

**Harvesting (5 passes needed)**

Harvesting tractor	3 hr/ha	\$24.50 /hr	\$367.50
5 Casual labours	3 hr/ha	\$14.50 /hr	\$1,087.50
Bin Pick up	3 hr/ha	\$24.50 /hr	\$367.50
14 Bin Hire (14 days)	50 bins/ha	\$0.16 /bin-day	\$112.00

**Handling**

Wash, grade & pack	3000 cartons/ha	\$1.20 /carton	\$3,600.00
Cartons	3000 cartons/ha	\$1.50 /carton	\$4,500.00
Cooling	3000 cartons/ha	\$0.05 /carton	\$150.00

**Freight**

Markets 3000 cartons/ha \$0.60 /carton \$1,800.00

**Levy**

0.50% \$105.00

**Agents commission**

12.00% \$2,520.00

**B. Total Variable Costs**
**\$18,200.91**

Break-even price	\$6.07 /carton
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**Gross Margin per ha (A-B)**
**\$2,799.09**

Break-even yield	2,600 cartons/ha
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**Gross Margin per ML**
**\$349.89**
**PRODUCT TRADE NAMES**

The product trade names in this publication are omitted on the understanding that no preference between equivalent products is intended and that the inclusion of a product does not imply endorsement by NSW Agriculture over any other equivalent product from another manufacturer.

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**CAPSICUM**  
 Furrow Irrigation

**2001**
**SENSITIVITY ANALYSIS**
**TABLE 1- Effect of Yield and Price on Gross Margin /ha**

YIELD (carton)	DELIVERED PRICE (\$/carton)					
	5.00	6.00	7.00	8.00	9.00	10.00
2000	-\$3,476	-\$1,726	\$24	\$1,774	\$3,524	\$5,274
2500	-\$2,963	-\$776	\$1,412	\$3,599	\$5,787	\$7,974
<b>3000</b>	-\$2,451	\$174	<b>\$2,799</b>	\$5,424	\$8,049	\$10,674
3500	-\$1,938	\$1,124	\$4,187	\$7,249	\$10,312	\$13,374
4000	-\$1,426	\$2,074	\$5,574	\$9,074	\$12,574	\$16,074

**TABLE 2- Effect of Yield and Price on Gross Margin /ML**

YIELD (carton)	DELIVERED PRICE (\$/carton)					
	5.00	6.00	7.00	8.00	9.00	10.00
2000	-\$434	-\$216	\$3	\$222	\$441	\$659
2500	-\$370	-\$97	\$176	\$450	\$723	\$997
<b>3000</b>	-\$306	\$22	<b>\$350</b>	\$678	\$1,006	\$1,334
3500	-\$242	\$141	\$523	\$906	\$1,289	\$1,672
4000	-\$178	\$259	\$697	\$1,134	\$1,572	\$2,009

The weighted average price shown in bold is based on the Flemington Market prices over a recent 12 month period.

**NOTES:**

<b>Area</b>	- Sydney Basin is the main area, with some production around Mudgee, MIA and Sunraysia.
<b>Production</b>	- Plant populations range from 25 000 to 30 000 plants per hectare. Two or three rows are usually sown on beds with an in-row spacing of 400mm. The bell-shaped capsicum is the most widely grown. The green fruit is commonly marketed. By delaying harvest the fruit changes to a red colour. Green capsicums are lower priced than red capsicum in the market. All varieties require warm to hot growing conditions for growth and fruit set. Capsicums are grown in much the same way as tomatoes or egg plants.
<b>Pests</b>	- Heliothis is the main insect pest with bacterial fruit rots the most common disease.
<b>Harvesting</b>	- Fruit is ready for harvest 14 to 15 weeks after transplanting.
<b>Yields</b>	- Average yields of 3000 cartons per hectare can be expected with furrow irrigation. Higher yields are achieved using more intensive management options (ie:- plastic mulch and drip irrigation).
<b>Packaging</b>	- Capsicums are usually marketed in 8kg cartons.
<b>Economic note</b>	- <b>This budget is ONLY A GUIDE</b> and should be altered for movements in crop and input prices, changes in seasonal conditions and the farm characteristics. - This budget does not include overhead costs or GST.