

Estimating the Value Freeze Losses to Vegetable Growers, Farm Workers, and General Public

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Immediate Questions

Media, civic leaders, government agencies, NGOs:

1. How badly are farmers hurt?
2. To what extent are farm workers affected?

Will grocery prices increase?

Summary & Conclusions

- Purpose – answer #1 and #2
- Enterprise budgets critical in allocating losses:
 - Growers
 - Farmworkers
 - John Q. Public

<http://www.fred.ifas.ufl.edu/iatpc/budgets.php>

Cost vs. Price

(for fresh produce)

- Market price *(no)*
 - What price?
 - What yield?
- In-ground Costs *(yes)*
 - Conservative, but Objective

Needed Data for Cost Approach

- 1. Enterprise budgets** – representative costs (\$/ac)
 - a. by stage of production (plant, grow, harvest, post, etc)
 - b. by financial category (variable & fixed)
 - c. expected marketable yield
- 2. “Accurate” accounting**
 - a. acreage
 - b. stage of production
- 3. “Good” eyes**
 - a. grower estimates
 - b. county extension faculty

Ex: MG Tomatoes (SWFla)

		\$/ac	\$/ac
Pre-Harvest	Materials	\$7,050	
	Labor	\$450	
	OH (fixed)	<u>\$4,350</u>	\$11,850
Harvest	Materials	\$1,125	
	Labor	\$1,890	
	Selling, OH, etc	<u>\$2,370</u>	\$5,385
Post-Harvest	Labor	<u>\$265</u>	<u>\$265</u>
Total costs	(1,500 25-lb ctns)		\$17,500

(source: VanSickle and Smith)

SWFla Lost Acreage (Jan 2010)

Ac Lost = Ac/yr * % planted * % damaged

Crop	Annual Acreage	Lost %	Acres Lost
Bell peppers	7,700	40%	3,080
Cucumbers	2,500	30%	750
Eggplant	1,200	40%	480
Squash	2,200	30%	660
Bush beans	13,000	30%	3,900
Tomatoes (MG)	22,000	30%	6,600
Sweet corn	4,000	30%	1,200
Total	52,600		16,670 ac

Crop	Total Loss (\$/ac)	Grower Loss (\$/ac)	Farm worker Loss (\$/ac)	Non-farm Loss (\$/ac)
Tomatoes (MG)	\$17,500	\$12,100	\$1,890	\$3,610
Eggplant	\$12,000	\$8,200	\$1,540	\$2,260
Bell pepper	\$18,500	\$14,100	\$2,750	\$1,650
Bush beans	\$4,300	\$2,800	\$0	\$1,500
Cucumbers	\$6,000	\$3,250	\$1,440	\$1,310
Squash	\$4,750	\$2,700	\$855	\$1,195
Sweet corn	\$5,325	\$4,500	\$283	\$622
Total Loss	\$209.0M	\$147.8M	\$23.7M	\$37.5M

Jan 2010, Southwest Florida

	2010 Jan Southwest Florida	2010 Jan Palm Beach County	2011 Dec Southwest Florida
Grower	\$147.8 M	\$50.9 M	\$158.2 M
Farm Worker	\$23.7 M	\$10.0 M	\$26.0 M
Gen Public	\$37.5 M	\$9.7 M	\$39.4 M
Total Value	\$209.0 M	\$70.6 M	\$223.6 M
Acres lost	16,670 ac	7,500 ac	20,000 ac

Caveat

- net grower outcome uncertain, market prices may increase
- loss to farm workers and regional economy is certain

Thank you

questions?

