

### Cherry – summary of indicators for base budget

<b>Crop</b>	<b>Cherry</b>
<b>PFR mapping type<sup>1</sup></b>	<b>Continuous</b>
<b>Location</b>	<b>Central Otago</b>
<b>Analysis type</b>	<b>Whole farm</b>
<b>Average Well Suited Yield (TCE/ha)<sup>2</sup></b>	15,000
<b>Revenue (\$/ha)</b>	\$231,000
<b>Variable expenses (\$/ha)</b>	\$137,000
<b>Fixed Expenses )\$/ha)</b>	\$34,000
<b>Operating profit (\$/ha)</b>	\$60,000
<b>Capital employed in the land use (\$/ha)</b>	\$200000 - \$500000 (top is covered orchard)
<b>On farm labour (FTE/10ha)</b>	23.8
<b>Total GDP (\$/ha)</b>	\$281,000
<b>Total Household Income (HHI)</b>	\$176,000
<b>Total employment (FTE/10ha)</b>	31.3
<b>Time to commercial yield (years)</b>	6 to 8
<b>Specific skills required</b>	Horticultural management
<b>Critical infrastructure requirements</b>	Packhouse and chiller
<b>Market (Export/Domestic)</b>	Export
<b>Volatility of returns</b>	High
<b>Marketing structures</b>	Undeveloped – individual marketers
<b>Reliability of data</b>	Low – limited data sources
<b>Entrepreneurship required</b>	Moderate – High
<b>Source</b>	Agribusiness Group

#### Notes:

- Data from Agribusiness Group Ltd, 2022<sup>3</sup>. These have not been updated for inflation.
- Production was adjusted to 15t/ha based on Tupu information<sup>4</sup>.
- Production system Upright Fruiting Offshoots.
- Total GDP, HHI and employment reported for the Otago region.
- Uncovered cherry orchard likely to have greater variability in price and yield.

<sup>1</sup> Refers to the Plant and Food estimates of suitability and yield. Fruit crops generally vary continuously from 0 – 1 suitability, while the arable crops are categorical in 4 classes.

<sup>2</sup> Export adjusted for additional revenue from domestic sales

<sup>3</sup> Agribusiness Group Ltd, 2022. Pers.com.

<sup>4</sup> Tupu NZ. [Commercial cherry growing NZ: statistics and guidance \(tupu.nz\)](https://www.tupu.nz/commercial-cherry-growing-nz-statistics-and-guidance). Accessed September 2022.

## Cherry Base Operating Budget

<u>Item</u>	<u>Per ha</u>
Yield (kg/ha)	15000
Price/kg	\$15.1
<b>Revenue</b>	
Gross orchard income	\$226,500
Other orchard income	\$4,563
<b>Gross Farm Revenue</b>	<b>\$231,063</b>
<b>Orchard Working Expenses</b>	
<b>Orchard working expenses (Labour)</b>	
Pruning	\$4,746
Thinning	\$17
Harvesting	\$53,612
Management	\$10,317
<b>Post-harvest costs</b>	
Packing	\$55,780
Packaging	\$16,760
Freight	\$10,694
<b>Operating costs</b>	
Spray and chemicals	\$2,262
Pollination	\$1,270
Fertiliser	\$3,794
Electricity	\$1,190
Sundry expenses	\$672
Vehicles	\$2,024
Repairs and maintenance	\$1,333
<b>Administration and property expenses</b>	
Communication	\$675
Rates	\$825
Accountancy, consultancy, legal	\$1,225
General insurance	\$675
Levies and compliance	\$1,960
Other	\$1,151
<b>Total Farm Operating Expenses</b>	<b>\$170,982</b>
<b>Cash Operating Surplus</b>	<b>\$60,082</b>

Source: Agribusiness Group Ltd. 2022.

## Cherry Sensitivity test of Operating Profit (\$/ha)

Operating Profit (\$/ha/year)		Production (kg/ha)				
		14,000	15,000	16,000	17,000	18,000
Price/kg	\$13.00	\$15,582	\$28,582	\$41,582	\$54,582	\$67,582
	\$14.00	\$29,582	\$43,582	\$57,582	\$71,582	\$85,582
	\$15.10	\$44,982	\$60,082	\$75,182	\$90,282	\$105,382
	\$16.00	\$57,582	\$73,582	\$89,582	\$105,582	\$121,582
	\$17.00	\$71,582	\$88,582	\$105,582	\$122,582	\$139,582