

Santa Cruz County Farm Bureau Ask Laura Column January 2016 (printed February 2016)
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Q: Do you have any new cost studies for Central Coast crops that are now available?

A: Right now we are working on – and will very soon complete – two new cost and return studies for organically grown spinach and conventionally grown lettuce. The studies, which have been many months in the making, are a collaboration of UC Cooperative Extension farm advisors, UC Davis researchers and specialists, and local growers and industry. When completed, the studies will be available to view or download from our office’s website, <http://cesantacruz.ucanr.edu>, and through the Department of Agricultural and Resource Economics at UC Davis, <http://coststudies.ucdavis.edu>.

The studies are an in-depth evaluation of the estimated growing and harvest costs for each crop. New for these two studies: the organic spinach study focuses on high density planting for the salad market and includes costs for machine harvesting; the conventional lettuce study focuses on romaine hearts and includes costs for automated thinning of the crop. Also included are estimated costs for food safety and regulatory (air and water quality) programs for each crop.

The studies each contain a narrative that describes how the costs were calculated and a series of tables that include costs per acre for land preparation, fertilization and pest management practices, material inputs, labor, business overhead and investments, along with harvest practices and costs. The studies also have what we call a “ranging analysis”, which shows potential net returns per acre for a variety of different yield and price combinations.

If you are not currently producing one of the crops, the studies can help you decide if they might be a good “fit” for your farming operation. If the crops are part of your current farm plan, they can help you project cash flow, manage finances, and determine when or if production loans may be necessary for your operation. The ranging analysis can also help you understand the potential profitability of each crop.

At our UC Cooperative Extension offices in Watsonville (for Santa Cruz County) and Salinas (for Monterey County) we work on a number of different studies that estimate growing and harvest costs, along with potential net returns, for area farmers and industry. The most recent studies for vegetables, berries, and other crops – in our area and for other areas in the state – are updated periodically, and can always be accessed via the above websites. If you have any other questions, would like more information, or would like a print copy of the studies when they are completed, please let me know!