

Southern farmers realize profits from highbush blueberries

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A newly released southern highbush cultivar called Biloxi ripens earlier than most other blueberries and is adapted to the Gulf Coast. Credit: Photo by Peggy Greb

Southern highbush blueberries are emerging as an important fruit crop in Georgia, but experienced farmers say the fruit can be a challenge to grow. To determine if the blueberry shows true promise as a profitable crop, researchers at the University of Georgia recently studied the economics of these tiny berries.

Esendugue Greg Fonsah, Assistant Professor in the Department of Agricultural and Applied Economics at the University of Georgia, undertook a research project designed to determine the profitability of the blueberry industry in Georgia by estimating total costs of cultivating southern highbush blueberries. He explained that, although there are several methods of profit determination, the "risk-rated" method was adopted for his study.

According to Fonsah, "Southern highbush blueberries are a rapidly emerging crop with a bright future in Georgia. These berries ripen during a lucrative market window in April and May, but blueberries, like other fruit crops, are subject to price and yield fluctuation. These volatilities depend on several factors, including the cultivar produced and product sold (i.e., fresh or frozen), locality, aggregate productivity, targeted market, and timing. As a result, profit margin is very difficult to determine."

Fonsah and his team studied the costs of growing the highbush blueberries over a four-year period. The first year of the study, establishment and maintenance cost of growing the crop in Georgia was approximately \$9585.55 per acre. After the fourth year, which was considered to be the first year of actual full production, the cost was estimated at \$13,547.35 per acre.

The compounded and recaptured establishment annual costs were \$2176.43 per acre, and the risk-rated expected returns over total costs 66% of the time were \$5452.65 per acre. Fonsah remarked, "In conclusion, our research showed that the chance that farmers will show a profit from the highbush blueberry crop is 92%."

Dr. Fonsah commented that "the results of our study show that the blueberry industry is viable and worth farmers' investment. From our research results, we can inform growers that their return on investment

will be positive. Also, our study explained agricultural practices necessary to grow good-quality blueberries.

The impact is already visible as growers are expanding their acreage. This increase in acreage plus experience will boost production and value. The viability of the blueberry industry will have a spill-over effect to the agricultural economy, in that growers will need to buy more materials and machines. This will translate into the creation of jobs in our area."

Source: American Society for Horticultural Science

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