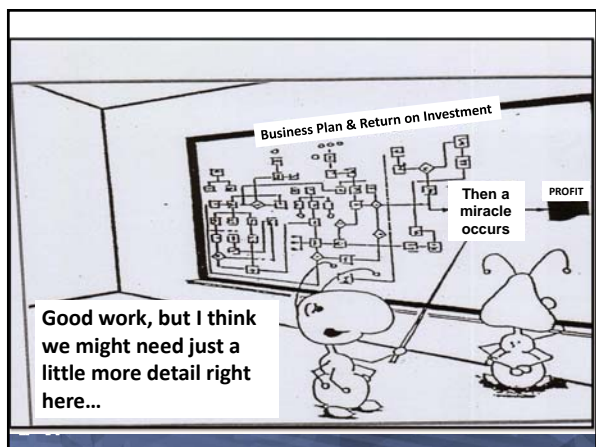
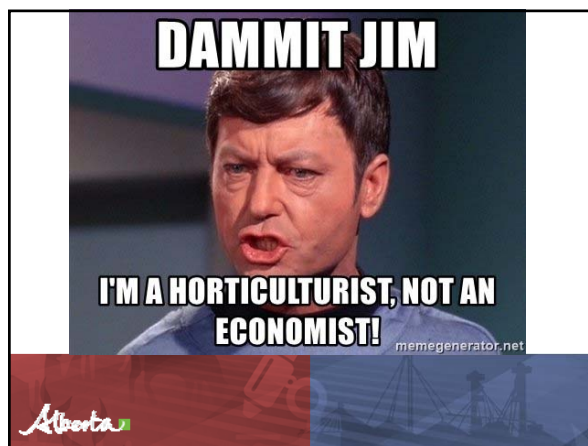


Economic Truths

Sour Cherries & Haskaps





RISKS AND REALITIES

NOTE: Guidelines only

Realities – Sour Dwarf Cherry


- Still a developing industry
- Competition to the east (and beyond)
- Where is the market?
 - Who will buy?
- Prices are still a big guess
- It takes 4-5+ years to reach decent levels of production



NOTE: Guidelines only

Realities - Haskap

- Still a developing industry
- Where is the market?
 - Who will buy?
- Prices are still a big guess
- Yields are not high (that we know of)
 - Even though they are precocious, it still takes 5+ years to reach any sort of production
 - Bird predation is a threat to yields



NOTE: Guidelines only

Financial Realities

- Long Return on Investment (ROI)
- Land costs
 - Variable

Alberta

Upfront Input Costs

- Fence / Netting
- Plant material
- Other inputs
 - Mulch?
 - Fertilizer
 - Etc.

Alberta

Upfront Input Costs

- Equipment
 - Tractor, harvester, etc.
- Post-harvest handling equipment (storage, cooling, freezer, etc.)

Alberta

Preparatory Activities

- Spending time prior to planting/establishment will save time in future labour
 - Control weeds
 - Prepare soil
 - Build fertility
- But... it means more time and \$ up front

Alberta

Equipment

- The amount of equipment required will vary
- Might rent certain pieces or purchase
 - Depends on plan
- Tractor (creeper gear), harvester (maybe), transplanter, mulch layer, sprayer, etc.

Alberta

Post-harvest

- Cooling
- Freezer
- Storage (frozen) space
- Equipment
 - Sorting / grading
 - Etc.
- Specific to Cherries = pitter

Alberta


Labour

- You
- Hired Labour




Annual Crop Production Inputs

- Fertilizer
- Pest Management
- Pruning
- Weeding / Maintenance
- Irrigation
- Etc.



Plant Material – DSC


- Planting density
 - 300 – 700 plants per acre (+/-)
- Cost per Plant
 - Variety
 - Royalties
- Labour for planting



NOTE: Guidelines only

Plant Material – Haskap

- Planting density
 - 900-1100 plants per acre (+/-)
- Cost per Plant
 - Variety
 - Royalties
- Labour for planting



NOTE: Guidelines only

Haskap cost estimates

Establishment Costs		Annual Maintenance Expenses	
Expense	Estimate (per acre)*	Expense	Estimate (per acre)*
Plants	\$4400 - \$6600	Pruning	\$1650 (tough to estimate)
Land	\$3000 (could be much higher)	Fertility	\$250+
Equipment (base equipment)	\$2200+	Weeding	\$100
Irrigation	\$1500+	Fuel	\$100
Production Inputs (Includes: fertilizer, weeding, fuel, installation costs & other inputs)	\$2200+	Total Annual Costs per Acre	\$2100
Total Cost per Acre*	\$13,300 - \$15,500+	Other costs – harvest, storage	Unknown but significant
Labour costs	Would be significant	*(Assuming 1100 plants per acre)	



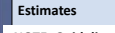
NOTE: Guidelines only

Estimated Revenue - Haskaps

Haskaps			
U-pick (n=3)			
Range (price per pound)	Average (price per pound)	Median (price per pound)	
\$3.0 - \$5.0	\$4.5	\$5.0	

Source: Alberta Direct Market Average Fruit and Vegetable Prices - 2016-2017 (

Average Estimated Yields					
Kg per bush	Kg per acre				
	700 plants	900 plants	1100 plants	1500 plants	
2.5+ (might be higher)	2100+	2700+	3300+	4500+	
Production Estimates	Year 0-2	Year 3	Year 4	Year 5	Years 6+
	0	33%	66%	90%	Full



NOTE: Guidelines only

Losses

- **Harvest Losses**
 - Harvester efficiencies vary
 - Could be 10+%
- **Birds / Other predation / Weather-related losses**
 - Could be significant
- **Spoilage**
 - 1-5+%, depending on conditions

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NOTE: Guidelines only

Estimated Revenue - DSC

Dwarf Sour Cherries


Range (price per pound)	U-pick (n=4)		Pre-Pick (n=4)		Median (price per pound)
	Average (price per pound)	Median (price per pound)	Range (price per pound)	Average (price per pound)	
\$2.0 - \$5.0	\$3.0	\$2.5	\$2.0 - \$3.5	\$2.75	\$2.75

Source: Alberta Direct Market Average Fruit and Vegetable Prices - 2016-2017

Average Estimated Yields

Kg per bush	Kg per acre				
	300 plants	500 plants	700 plants		
10-15	3000 - 4500	5000 - 7500	7000 - 10500		
Year 0-3	Year 3	Year 4	Years 5-6	Years 7-9	Years 8+
0	Handfull	0.5-1kg/bush	5+kg/bush	5-10kg	10-15kg/bush

NOTE: Guidelines only



QUESTIONS???

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Alberta Ag-Info Centre
310-FARM

