



# Southwest British Columbia Small-Scale Farm Enterprise Budget: **Bell Pepper**



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This enterprise budget presents costs and returns for a 0.06 acre of bell peppers grown on a small-scale mixed vegetable farm in southwest British Columbia, Canada. The sample values are typical of small-scale long season crop production using low-input growing methods and selling directly to consumers through venues such as farmers' markets. These values were derived from data gathering sessions with representative farmers from the region, but do not represent any particular farm, and should be used only as a guide. The actual costs of production may vary from farm to farm depending on production method and scale, machinery use and other input costs. This budget is also available as a dynamic MS Excel spreadsheet to facilitate more detailed planning for your own operation. Please refer to the "Institute for Sustainable Food Systems Enterprise Budget User Guide for assistance in tailoring the spreadsheet to your own farm.

## Assumptions:

- 1) The bell pepper crop area is 0.06 acre, consisting of seven beds, each measuring 4' x 100' (400 square feet per bed) grown on a small-scale mixed-vegetable farm.
- 2) Bell pepper takes eight months from seed to harvestable maturity.
- 3) An annual land rent of \$400 per acre is included in overhead charges.
- 4) Physical farm labourers (regular labour) are paid \$12 per hour.
- 5) Equipment operators (operator labour) are paid \$15 per hour.
- 6) The proportion of sales of bell pepper to the total annual sales of 20 crops, grown on a 3.85-acre mixed vegetable farm, is used to allocate marketing costs to the bell pepper enterprise.
- 7) The proportion of the farm's total cultivated acreage used to grow bell peppers is used to allocate fixed costs to the bell pepper enterprise.
- 8) Fuel cost is \$1.30 per liter.
- 9) The interest rate is fixed at 5%.
- 10) The annual fixed cost is estimated using the straight-line depreciation method.
- 11) Management time is not included as a cost. The net return over total cost may be considered as the return to management time.

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<b>REVENUE</b>					
Item	Quantity per 0.06 Acre	Unit	\$ per unit	\$ per 0.06 Acre	\$ per 100' Bed
Bell Pepper	1,500.00	pounds	\$4.50	\$6,750.00	\$964.29

<b>ANNUAL VARIABLE COST</b>					
Item	Quantity per 0.06 Acre	Unit	\$ per unit	\$ per 0.06 Acre	\$ per 100' Bed
<b>Seeds and Plants</b>					
Seed	1000.00	plants	0.12	120.00	17.14
Cover crop (barley or rye)	13.00	pounds	0.60	7.80	1.11
<b>Fertility and Nutrients</b>					
Compost	3.00	yards	40.00	120.00	17.14
Lime	1.25	pounds	1.60	2.00	0.29
<b>Other Materials</b>					
Compost tea	50.00	pounds	0.05	2.50	0.36
Potting mix				18.00	2.57
Trays	10.00	trays	1.20	12.00	1.71
Mulch				6.50	0.93
<b>Land Preparation</b>					
Prepare land (clearing, digging) – operator labour	1	hours	15.00	15.00	2.14
Apply pre-plant amendments (lime, compost) – operator labour	1	hours	15.00	15.00	2.14
Prepare for planting (form beds, lay plastic, hoops, drip tape, etc) – regular labour	4	hours	12.00	48.00	6.86
<b>Planting</b>					
Transplanting ( potting up, moving, transplanting) – regular labour	25	hours	12.00	300.00	42.86
<b>Pest Management</b>					
Weeding – regular labour	4	hours	12.00	48.00	6.86
Spraying compost tea – regular labour	2	hours	12.00	24.00	3.43
<b>Other Activities</b>					
Irrigating (set up, manage drip) – regular labour	0.5	hours	12.00	6.00	0.86
<b>Post-Harvest Activities</b>					
Harvesting – regular labour	24	hours	12.00	288.00	41.14
<b>Miscellaneous Expenses</b>					
Repair and maintenance				114.74	16.39
Fuel				13.80	1.97
Interest on working capital				38.71	5.53
Marketing				593.15	84.74
<b>TOTAL LABOUR COST</b>				<b>744.00</b>	<b>106.29</b>
<b>TOTAL MATERIAL COST</b>				<b>288.80</b>	<b>41.26</b>
<b>TOTAL MISCELLANEOUS COST</b>				<b>760.40</b>	<b>108.63</b>
<b>TOTAL VARIABLE COST</b>				<b>1,793.20</b>	<b>256.17</b>

<b>ANNUAL FIXED COST</b>		
<b>Item</b>	<b>\$ per 0.06 Acre</b>	<b>\$ per 100' Bed</b>
<b>Machinery</b>		
Tractor	26.88	3.84
Rototiller	5.71	0.82
Discer	2.73	0.39
Manure spreader	7.79	1.11
Delivery van	0.00	0.00
Pick-up truck	34.29	4.90
<b>Equipment and tools</b>	15.00	2.14
<b>Irrigation</b>	299.47	42.78
<b>Building and shelter</b>	343.05	49.01
<b>Overhead charges</b>		
Land rent	25.20	3.60
Soil test	1.64	0.23
Farm liability insurance	9.82	1.40
Motor vehicle insurance	33.55	4.79
Office expenses	16.36	2.34
Electricity	11.45	1.64
Water	16.36	2.34
Telephone and internet	8.18	1.17
Bookkeeping fees	98.18	14.03
Professional fees (accountant, lawyers, etc)	11.45	1.64
<b>TOTAL ANNUAL FIXED COST</b>	<b>978.56</b>	<b>139.79</b>

<b>TOTAL COST</b>	<b>\$ per 0.06 Acre</b>	<b>\$ per 100' Bed</b>
<b>TOTAL FIXED AND VARIABLE COST</b>	<b>2,771.76</b>	<b>395.97</b>

<b>NET RETURNS</b>		
<b>Item</b>	<b>\$ per 0.06 Acre</b>	<b>\$ per 100' Bed</b>
<b>Return Over Variable Cost</b>	<b>4,956.80</b>	<b>708.11</b>
<b>Return Over Fixed Cost</b>	<b>5,771.44</b>	<b>824.49</b>
<b>Return Over Total Cost</b>	<b>3,978.24</b>	<b>568.32</b>

<b>MACHINERY INFORMATION</b>				
<b>Item</b>	<b>Type</b>	<b>Purchase Price (\$)</b>	<b>Trade-in Value (\$)</b>	<b>Useful Life (Years)</b>
Tractor	25 HP (new)	23,000.00	0.00	20
Rototiller	48" (new)	4,000.00	0.00	15
Discer	used	3,000.00	0.00	30
Manure spreader	used	4,000.00	0.00	10
Sprayer	used	5,000.00	0.00	10
Delivery van	Isuzu 2002 (used)	24,000.00	0.00	15
Pick-up truck	used	8,000.00	0.00	15

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