



26/06/09

Information Sheet – Papaya farming as a business

If you grow papaya and sell those papaya for cash than you are running a business. In any business it is important to know how much money you are spending and how much you can expect to earn.

It is also very important to know how much labour it takes to run your papaya business and what is the return to this labour. A farmer might find that he can make more money with another crop or working at a job with a daily rate.

The more GOOD business information a farmer has, the better decisions he can make.



Model 1 :Farmer planting 1 acre per year for 1st 3 years utilizing Hired Labour

1 Year	1	2	3	4	5	Total
REVENUE						
2 Total number of trees	480	960	1,440	960	480	5,280
3 Total marketable production @1.5 kg/tree/month	2,160	21,600	38,880	21,600	2,160	108,000
4 2/3 for export	1,439	14,386	25,894	14,386	1,439	71,928
5 1/3 for local market	719	7,193	12,947	7,193	719	35,964
6 Revenue from exports (@90c/kg)	1,295	12,947	23,305	12,947	1,295	64,735
7 Revenue from local sales (@70c/kg)	503	5,035	9,063	5,035	503	25,175
Total Revenue	1,798	17,982	32,368	17,982	1,798	89,910
COSTS						
Non Labour Cash Expenses						
8 Land rental@ \$1068(spread over 1year)	600	600	600	600	600	3,600
9 Seedlings@ \$.50/ x 480 plants	240	240	240			720
10 <u>Land Preparation</u>						
Ploughing x 2 @\$90.00/acre	180	180	180			540
Harrowing x 2 @ \$60.00/acre	120	120	120			360
Ridging x 1 @ \$50.00/acre	50	50	50			150
Subtotal	1,190	1,190	1,190	600	600	5,370
11 <u>Fertilizer & Other Agri-Chemicals</u>						
NPK 16:16:16 - 80grams/bearing tree/month	384	768	1,152	768	384	4,096
Urea(kg) 10grams/seedling hole/0.10cents	48	48	48			144
Poultry manure@\$3.00/bag@120bags/acre	360	360	360			1,080
Weedicides Glyphosate - 20ltr @ \$280/yr	90	160	280	160	90	780
Irrigation+labor	500	500	500	500	500	2,500
Knapsack @ \$435 /20lt	435	435	435	435	435	2,175
Subtotal	1,817	2,271	2,775	1,863	1,409	10,775
12 <u>Materials & Equipment</u>						-
Harvesting stick@ \$3.50 each		7	7	7	7	35
Ladder @ \$400 each		400				400
Fieldbins @ \$35 each/15kg/crate	175	175	175	175		700
Other materials(gloves+raincoat+boots etc)@\$200/yr	200	200	200	200	200	1,200
Subtotal	375	782	382	382	7	2,135
13 Total Non Labour Cash Expenditure	3,382	4,243	4,347	2,845	2,016	16,833
Labour inputs (Person days)						
Land clearing	6	6	6			18
Lining and digging holes	2	2	2			6
Planting (5persons for 2 days)	10	10	10			30
Fertilizer application- once/month x 2 persons	12	24	36	24	12	132
Hoeing / Ring weeding x 5 persons	20	30	40			90
Pest control and sanitation x 2 persons	24	24	24	24	24	144
Harvesting and packing in field baskets x 3 persons	18	185	332	185	18	923
Grading and packing for sale x 3 persons	9	94	169	94	9	470
Total Labor input	102	375	619	327	64	1813
14 Imputed cost of labor @ \$15.00/day	\$ 1,527.79	\$ 5,617.93	\$ 9,290.27	\$ 4,897.93	\$ 957.79	\$ 22,291.71
Average labor/annum	55					
Total Costs (non labour costs + labour costs)	\$ 3,382	\$ 4,243	\$ 4,347	\$ 2,845	\$ 2,016	\$ 39,125
Gross Margin (Total Revenue - Total Cash Expenditure)	\$ (1,584)	\$ 13,739	\$ 28,021	\$ 15,137	\$ (218)	\$ 50,785
Average gross margin over 5 years	\$ 10,157					
Average gross margin/acre	\$ 3,386					