UNIVERSITY OF VERMONT EXTENSION

CULTIVATING HEALTHY COMMUNITIES

Farm Management Team Q & A's

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(B) Author's Note: These fact sheets are a result of questions posed to me and answered in a national publication over the years.

High-tunnel facility—Cost worthy?

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Our family produces small fruit and some vegetables using plasticulture in fields. Most of the produce is sold through our farm market between June and October. We are thinking about buying a high-tunnel (unheated plastic greenhouse), to try extending our market season on both ends. How quickly, do you think, a high-tunnel facility might be able to pay for itself?

Dr. Vern Grubinger from UVM Extension states: "The Payback should be 1-2 years, depending on the crop, market price and growing skill of the producer. Tomatoes are the most common and most widely profitable crop in high tunnels, due to their use of the volume of the tunnel space, the good demand for them and the ability to get high prices for the high quality fruit." Dr. Grubinger went on to say: "The cost may be in the $3000 range to build and equip a 14' X 96' building with another $1,000 or more to operate the building. Thus, with roughly 1,500 or more lbs. of tomatoes in the building, it would pay for itself in 1—2 years depending on the price." That was back in 2006 but now we know that the price is going to be much higher.

The above scenario assumes that you are not growing the crop now and you're building from scratch. According to the question it appears that you are currently growing a crop. Thus, you need to look at the net gain from extending the season. For instance, just how many lbs. of product and at what price are you getting in the field? If your production, in the field, for tomatoes is in the 1,000 lb. range but without the premium for early/late tomatoes then actual return on the investment may be in the 4-5 year range.

The best way to determine the net income on this is to look at a Partial Budget.

On the Left side are:	On the Right side are:
Positive aspects of the project	Negative aspects of the project
The added returns (above the present scenario) (more lbs + premium)	The reduced returns (above the present scenario-probably none)
The reduced costs (above the present scenario) (probably none)	The added costs (above the present scenario) (fans, depreciation, interest, etc.)
=Additional income	=Reduced income

Additional income-Reduced income = Net gain (loss)

The net returns and thus the payback will depend largely on the product and the price you can obtain for the product.