

Hazelnut Cost of Production

2nd Annual Ontario Hazelnut Conference

March 23, 2011

Simcoe Research Station

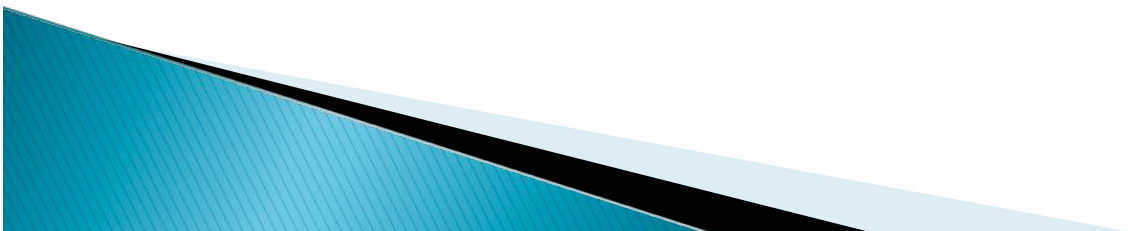
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Basic Approach

- ▶ Limited local Data, general data from Oregon and current producers,
- ▶ 4 hectares, (10 acres)
- ▶ 670 trees per hectare, \$14 per tree
- ▶ Intercropping between trees
- ▶ \$2200 revenue per hectare other revenue.



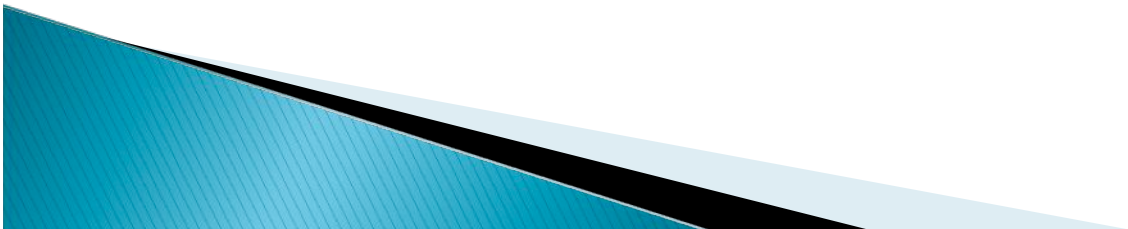
A sample of current intercropping

courtesy of Todd Leuty, OMAFRA



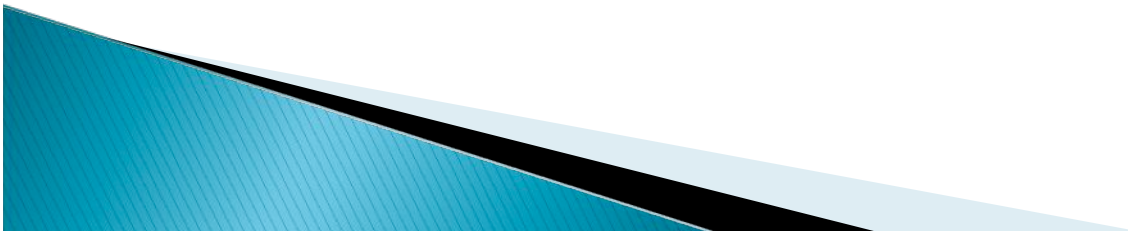
Other Basis for analysis

- ▶ Harvesting contracted out
- ▶ Harvest commencing year 4, \$2.53 per kg shelled
- ▶ Full production year 11, Oregon
- ▶ Year 4 - 192 kg per hectare
- ▶ Year 11 – 2973 kg per hectare
- ▶ \$3200 operating cost per Ha, (1250-2500)
- ▶ Contract out or sell nuts in shell



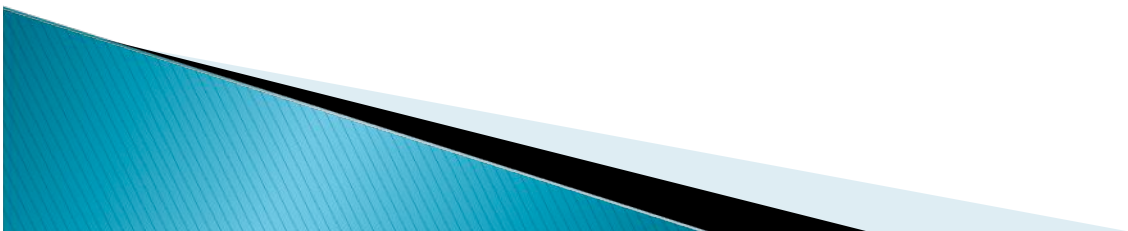
Other Findings

- ▶ Finances go Break Even Year 7
- ▶ Various financing scenarios so flexible to calculate, 50/50 debt to equity
- ▶ Year 4 start harvesting
- ▶ Lose intercropping after year 5



Conclusions

- ▶ NPV (\$479)
- ▶ Is it a go?
- ▶ Individual call
- ▶ Hand out of preliminary Cost of Production
- ▶ Any Questions



Resources

- ▶ [Cost of Production-draft-mar21-2011.doc](#)
- ▶ [cop.xls](#)

