**Estimate cost & benefits of making changes to your farm**

This exercise will enable you to estimate the costs and benefits of making selected changes to your farm to improve your yields.(First make sure you have entered your farm figures in the **CAPSICUM CALCULATOR** above to work out your current yield value at 1.80/Kg)

**In this section you can set some goals for increasing your production.** The best way to do this is to identify the key areas where you think you may be losing production and estimate associated losses. Hopefully Modules 2 & 3 can assist you to confirm significant issues as you review Phuong’s knowledge, practice and comments about preparing the soil and managing a crop. If your production is higher than Phuong’s CONGRATULATIONS! Truly well done. Maybe you can still do better? The calculator will still work, except that your yields will appear as above 100%!

**In the tables following complete these STEPS:**

1. From the capsicum calculator write down your current estimated **“Farm Revenue”**
2. Think about your current practices and estimate the **% loss** that you are currently experiencing under each of the 6 management categories. Enter these in the % loss column.
3. Carefully work out what “changes” you can undertake on your farm (as Phuong did) and:
4. Estimate the % improvement that will be obtained. Enter in the % improvement column.
5. What labour hours will be involved in making these changes? Enter in the “hrs” column.
6. What cost will be involved in making these changes? Enter this in cost column.
7. The Revenue column will automatically work out the change in revenue or gross income.

**EXAMPLE OF HOW TO USE THE TABLE** (based on Phuong’s farm)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **From the CAPSICUM CALCULATOR write down your current est "**FARM REVENUE**" opposite >** | | | | | | | **$55,000** |
|  | **ACTION** | **% loss** | **% impr** | **Hrs** | | **Cost** | **Revenue** |
| **1)Climate control: foliar diseases due to high humidity, heat damage, vegetative plants (light issues e.g. excess nitrogen) cold set, fruit cracking** | | | | | | | |
| Closing and opening ends & sides to control air flow & heat& humidity | | Already standard practice | | | | | |
| Applying chalk to reduce heat burn | | 6% | 5% | 2 | | **600** |  |
| **New greenhouse fittings including:** | |  |  |  | |  |  |
|               More meshed openings to incr. air flow | | 5% | 4% | 3 | | **500** |  |
|               Electric fans to incr. air flow | |  |  |  | |  |  |
|               Inner skins to retain warmth | |  |  |  | |  |  |
|               Inner skins to shield from intense heat | |  |  |  | |  |  |
|               Condensation resistant poly spray on | |  |  |  | |  |  |
|               Condensation resistant poly sheet | |  |  |  | |  |  |
|               Climate monitoring devices | |  |  |  | |  |  |
|  | **TOTALS** | **11%** | **9%** | | **5** | **$1,100** | **$3,850** |

**Explanation of what is in the table**

* Under % loss you have estimated that “climate control” factors are causing 11% losses due to heat damage and poor ventilation.
* In reviewing possible improvements for this management area you believe that applying chalk to reduce sunburn will result in a 5% increase in yields. You have calculated that it will take 2 hours of labour and $600 of costs. Improving ventilation is estimated to bring a 4% improvement and this will take 3 hours and cost $500
* You have estimated that there will be a 9% increase in returns (on your $55,000) and it will cost you $1,100 to achieve this … plus 5 hours of labour which you can add to the costs if you wish
* The net improvement on revenue = $**3850.** So clearlythe proposed actionsare of benefit and will increase your farm returns [ labour input needs to be factored in as well]

**Note:**

If you have a problem using these tables a separate excel version is available on this link Calculating changes in farm revenue.

**Section A:**

1) Climate control; 2) Soil and Root care; 3) Irrigation and soil moisture

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**Section B:**

4) Plant nutrition; 5) Farm Hygiene and Bio-security, 6) Foliar Pest and Disease Management

