Examining the Costs of Producing Processing Snap Beans and Green Peas in New York State

Shuay-Tsyr Ho, Graduate Research Assistant
Charles H. Dyson School of Applied Economics and Management

Bradley Rickard (contact author), Assistant Professor
Charles H. Dyson School of Applied Economics and Management
Tel: +1.607.255.7417
E-mail: b.rickard@cornell.edu

Julie Kikkert, Senior Extension Associate
Cornell Cooperative Extension Regional Vegetable Program

Kathryn Klotzbach, Program Assistant
Cornell Cooperative Extension Regional Vegetable Program

Stephen Reiners, Associate Professor
Department of Horticulture

Marc Smith, Extension Associate
Charles H. Dyson School of Applied Economics and Management and
Assistant Director, New York State Agricultural Experimental Station

Abstract: It has been a long time since we have seen a cost of production study for horticultural crops, notably processing vegetable crops, in New York State; however, research in this arena is completed in many other states and continues to offer useful information to industry stakeholders. This type of information is especially important in the processing vegetable sector in New York State as it has seen substantial acreage decreases in recent years. Here we develop a survey to collect data from processing vegetable growers in New York State and use it to calculate costs and net returns of producing snap beans and green peas. Our results indicate that the average cost of producing snap beans in New York State is $568 per acre and is $563 per acre for green peas; the actual producer costs drop to $402 and $361 for beans and peas if the processor pays for expenses related to seeds, pesticides, and harvesting. Lastly, we discuss some other issues—consumer demand, farm policy, and processing capacity—that may be negatively impacting markets for processing beans and peas in New York State, and suggest that further attention needs to be given to these issues to fully understand the future of the processing vegetable sector in New York State.

The full bulletin is available on the Charles H. Dyson School of Applied Economics and Management website at http://dyson.cornell.edu/outreach/extensionpdf/2011/Cornell-Dyson-eb1110.pdf or by contacting the authors.