Abstract

Analysis of Gross Margins in Queensland Tomatoes [†]

Alisher Ergashev

Queensland Department of Agriculture and Fisheries, Brisbane 4000, Australia;
Alisher.Ergashev@daf.qld.gov.au

[†] Presented at the Third International Tropical Agriculture Conference (TROPAG 2019), Brisbane, Australia, 11–13 November 2019.

Published: 16 January 2020

Abstract: Tomato is an important vegetable crop that contributes significantly to income security and healthy diets of people worldwide. Queensland produces the majority of tomatoes for fresh consumption accounting for 40 per cent of national supply in Australia. The purpose of this study is to provide an analytical summary of the Queensland tomato supply chain, by focusing on margins along the supply chain. For that, a representative tomato gross margin model in Southern Queensland was used to analyse the estimated income, grouped variable costs and the gross margin for four tomato varieties: gourmet, round, grape, and cherry. The mean yields of the sampled varieties varied considerably, depending on climatic conditions, pests and diseases, the season and whether tomatoes are grown on the ground or trellises. Driven by high revenues and relatively low freight costs, grape tomatoes have the highest gross margin (\$73 thousand per hectare) as well as the highest market price at \$4.64 per kilo compared to other varieties. The cost of growing the crop up to harvest can exceed \$10,000 per hectare with high labour requirement for harvesting and packing. While costs for machinery, fertiliser, herbicide, weed control, insecticide, and fungicide largely remain constant across four tomato varieties, it is planting and irrigation that makes a difference. With average value of \$9303 per hectare, planting costs range from \$5134 for round tomatoes to \$12,241 for cherry tomatoes. The results of this gross margin analysis can be helpful to explore profitability at the farm level, allowing regional and international comparisons.

Keywords: tomatoes; gross margins; Queensland

Funding: This research received no external funding.

Acknowledgments: The author wishes to acknowledge the assistance and valued insights of the colleagues from Queensland Department of Agriculture and Fisheries. In particular, the study into tomato supply chain in Queensland was initiated and then revised by Dr George Antony, Director of Industry Analysis.

Conflicts of Interest: The author declares no conflict of interest.

© 2020 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).