

Abstract

Analysis of Gross Margins in Queensland Tomatoes

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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 \$9,303 per hectare, planting costs range from \$5,134 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

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