

Breakeven analysis of different horticultural enterpriss budgets

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The profitability of citrus and kivi production was studied in Tonekabon region in 1995. The main objectives of this study were to: determine breakeven point for a single horticultural enterprise(citrus and kivi production), determine breakeven points between activities and estimation on the elasticity of breakeven points between activities. Two parameters of output price and yield were estimated by using advanced breakeven analysis equations on data collected from Agricultural Management Office in region.

Results indicated:

1. Net benefit from kivi production in sixth year could cover variable and fixed costs before fructification, while net benefit from citrus production covered 14.6% total costs before fructification.
2. *Earned income from citruts production in fifth year could be equal to production costs, when citrus price increases at least 0.3 percent.*
3. Breakeven elasticity for citrus price comparing to kivi price in sixth year showed that, when kivi price increases 1%, in order to maintain relative profitability, the citrus price should increase 12%.
4. Breakeven elasticity for kivi price comparing to citrus price in sixth year showed that, in order to maintain relative profitability , when citrus price raises 1% , Kivi price should increase 0.8% .