# Costs of Production
# Work Package 7

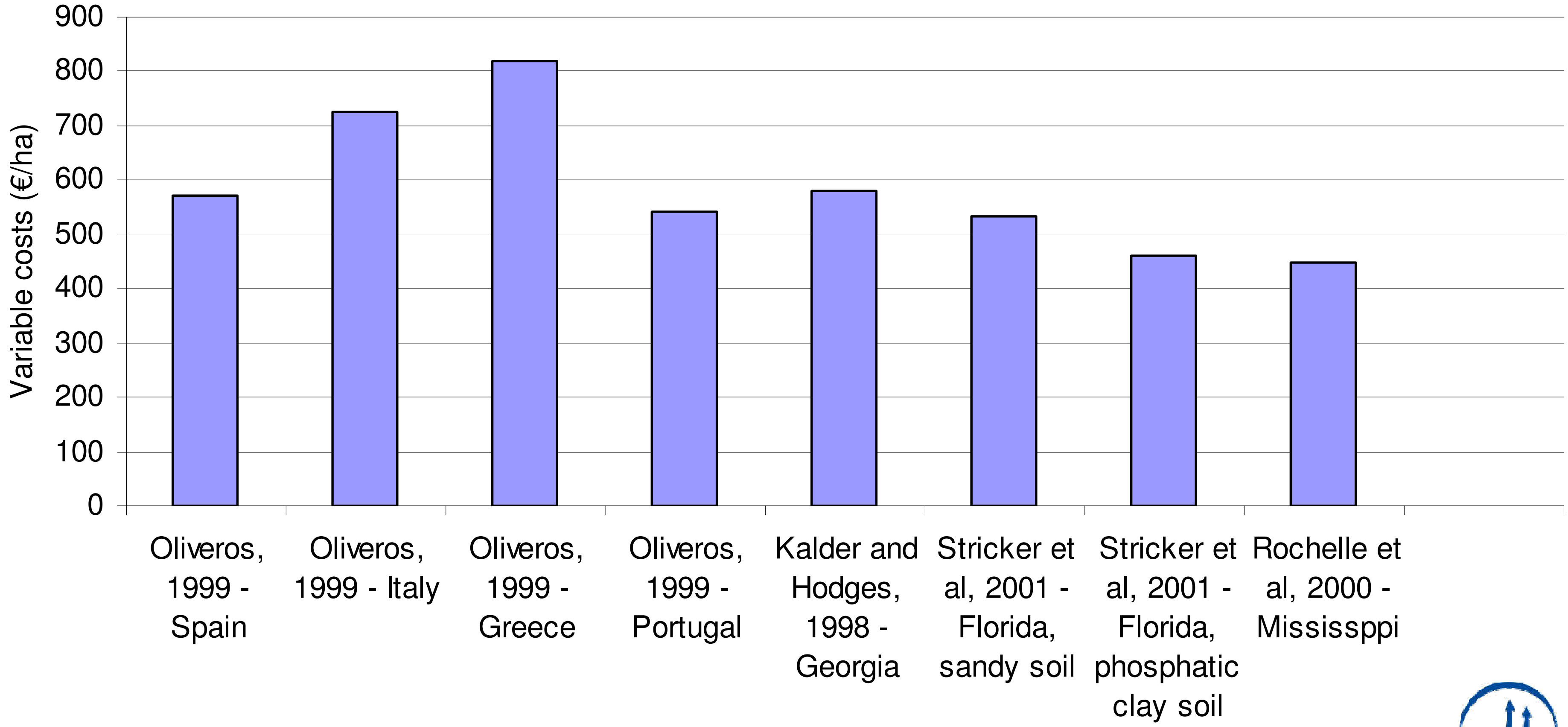
**Dr Sarah Cook**

ADAS

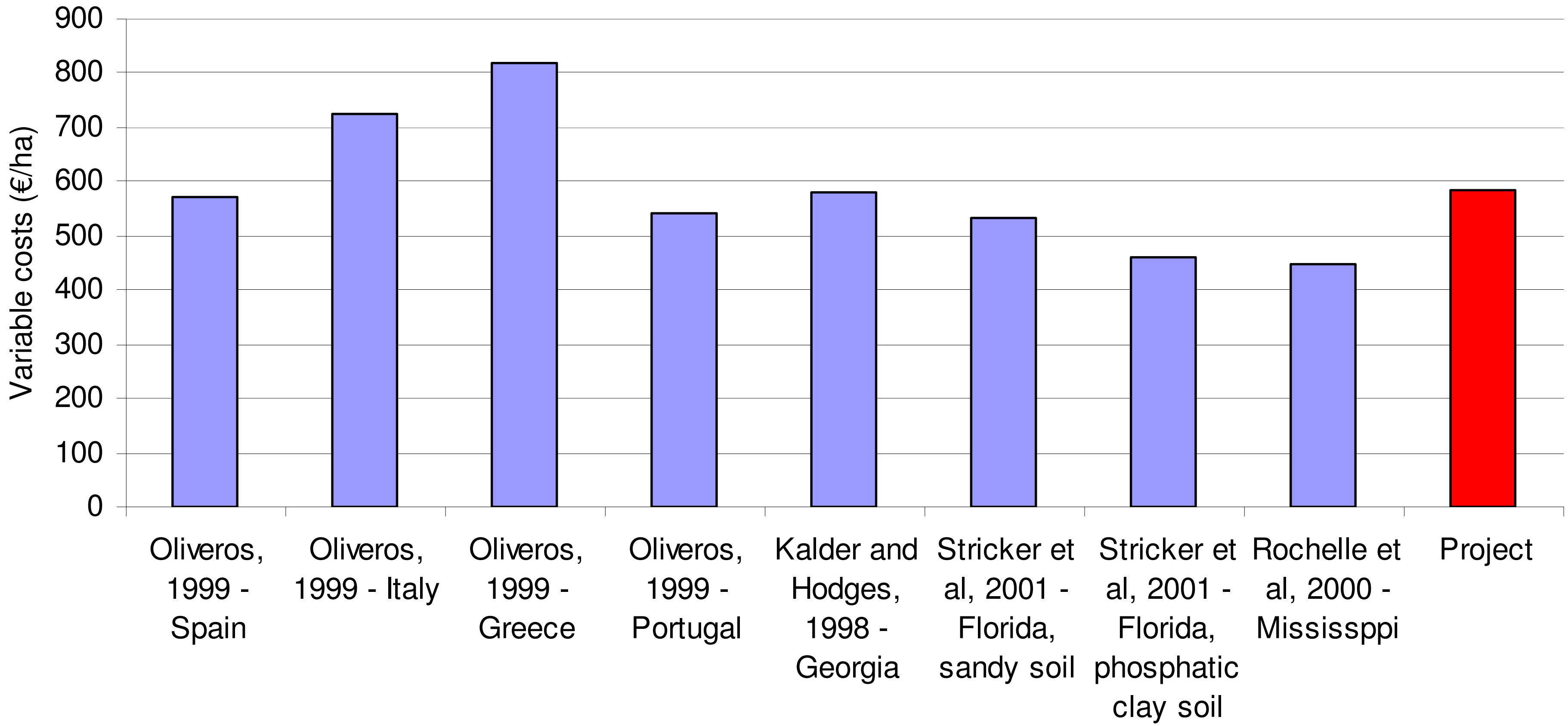
# Production costs

- What it costs to grow the crop
- Input costs and the cost of application

# Production costs – published data



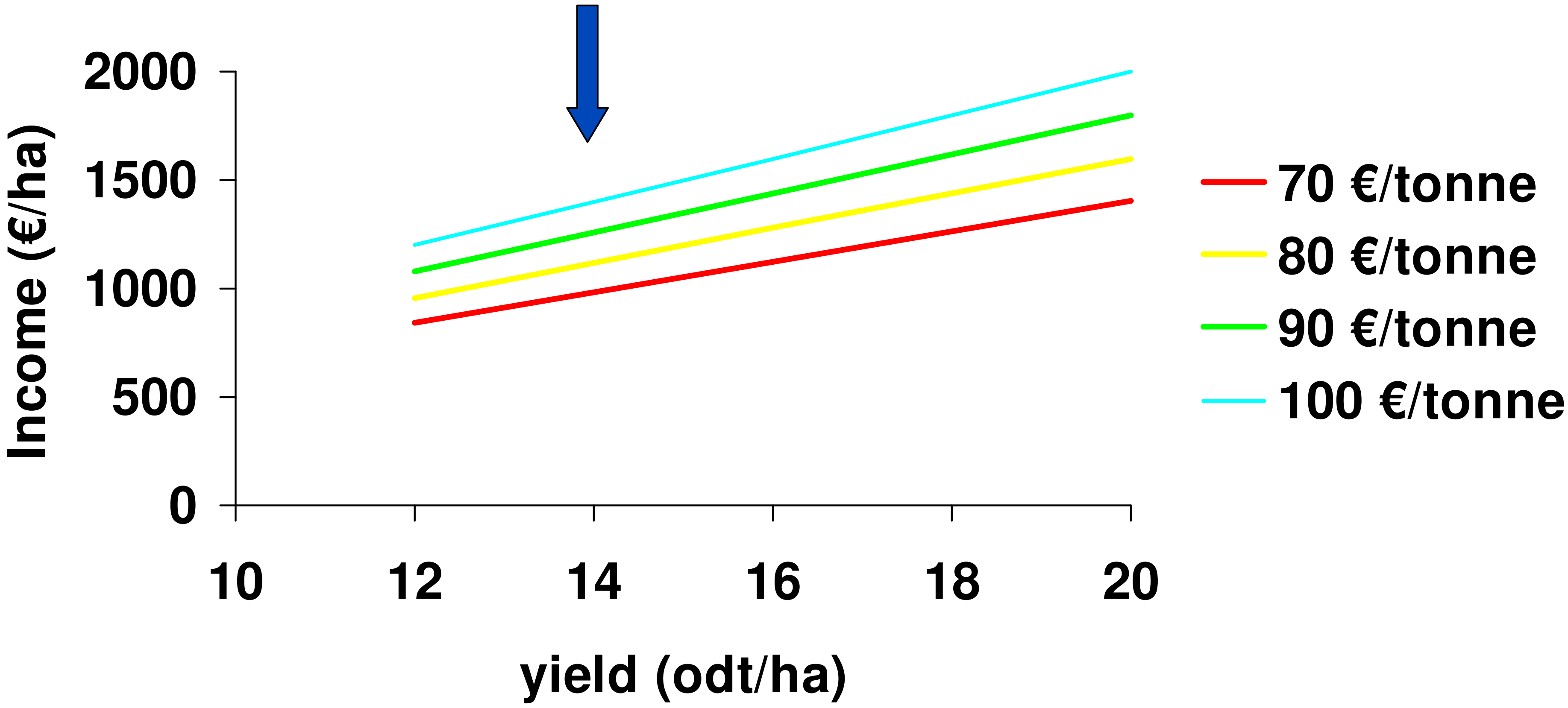
# Production costs – published data



# Expected price from Kenaf

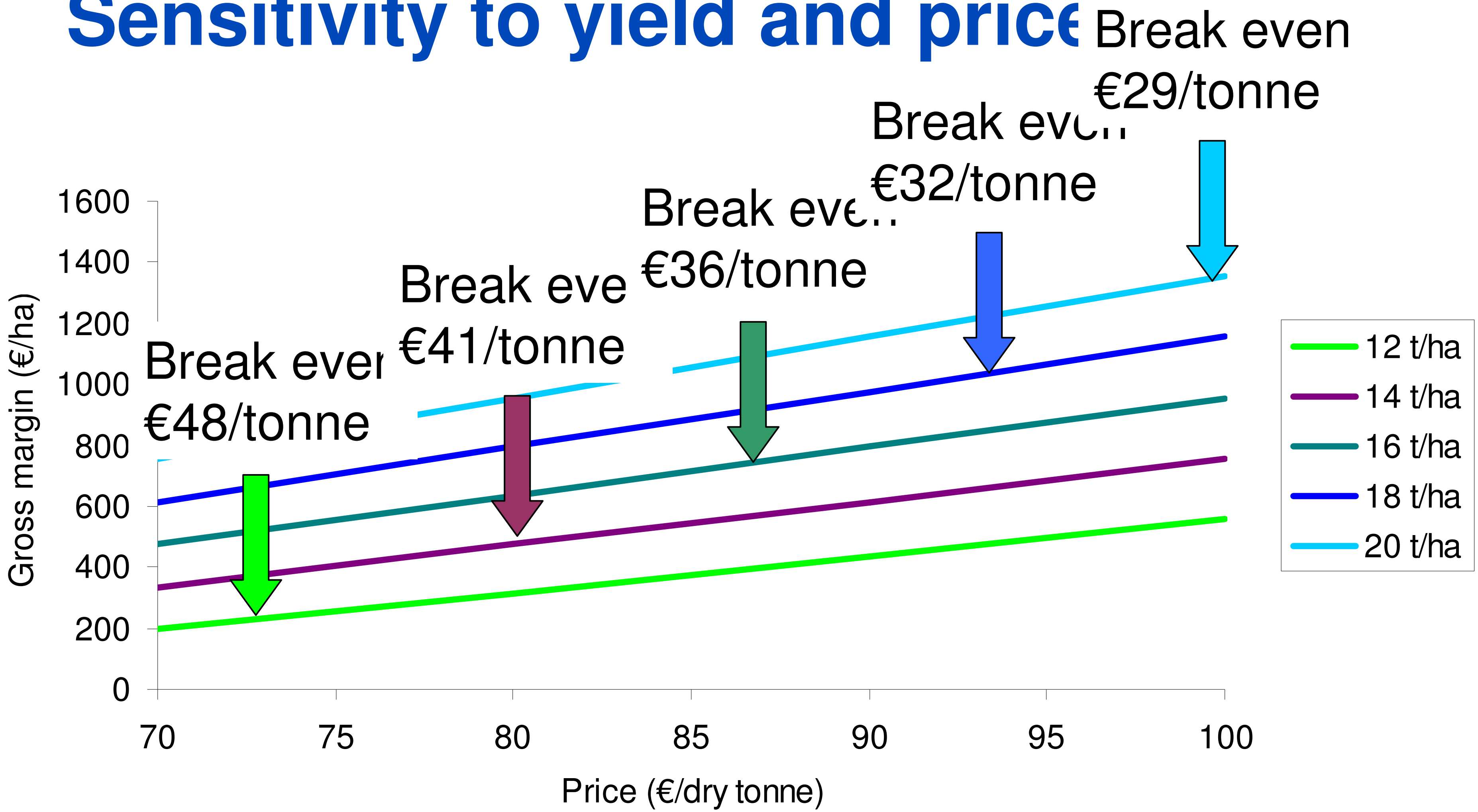
**€70-100/tonne**

# Income



2000
1500
1000
500
0
Income (€/ha)
10
12
14
16
18
20
yield (odt/ha)
70 €/tonne
80 €/tonne
90 €/tonne
100 €/tonne

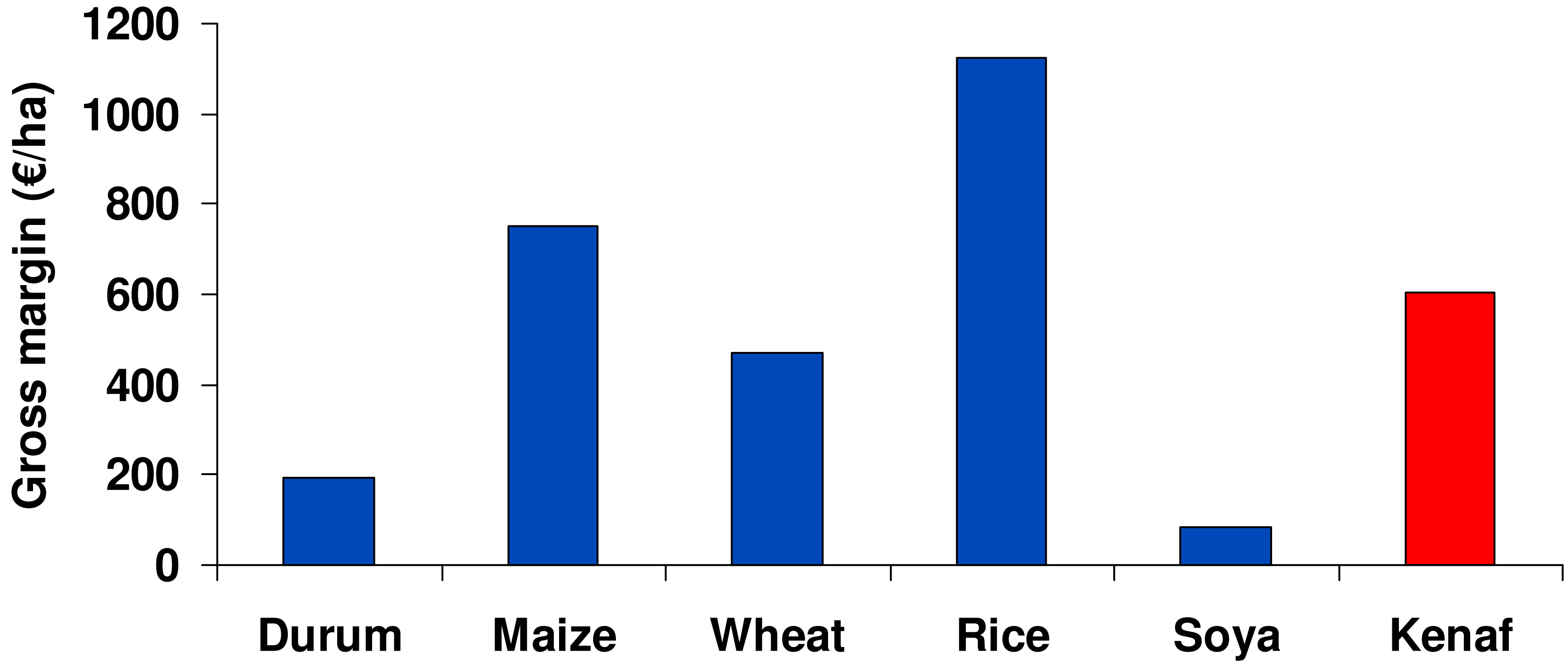
# Sensitivity to yield and price



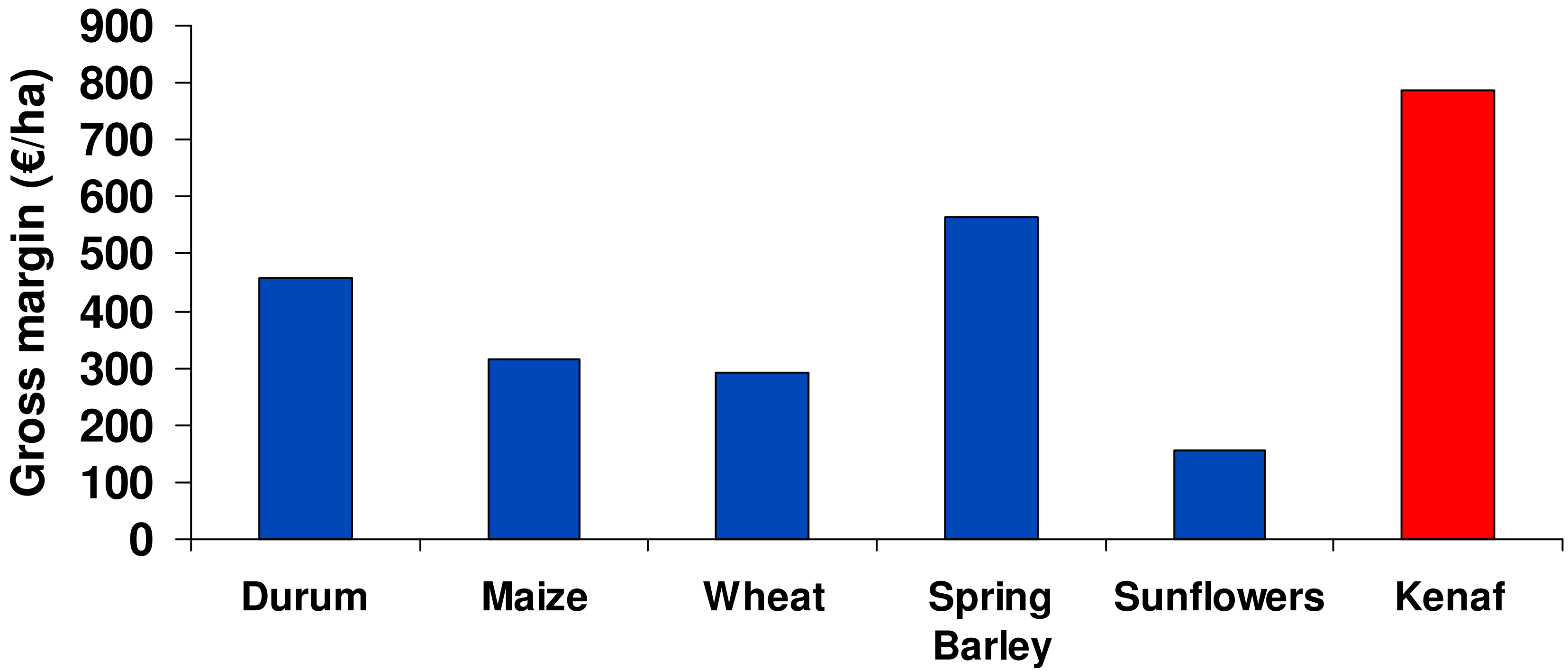
# Comparisons with other crops

- Gross margins presented without support payments
- Kenaf is gross margin for the country

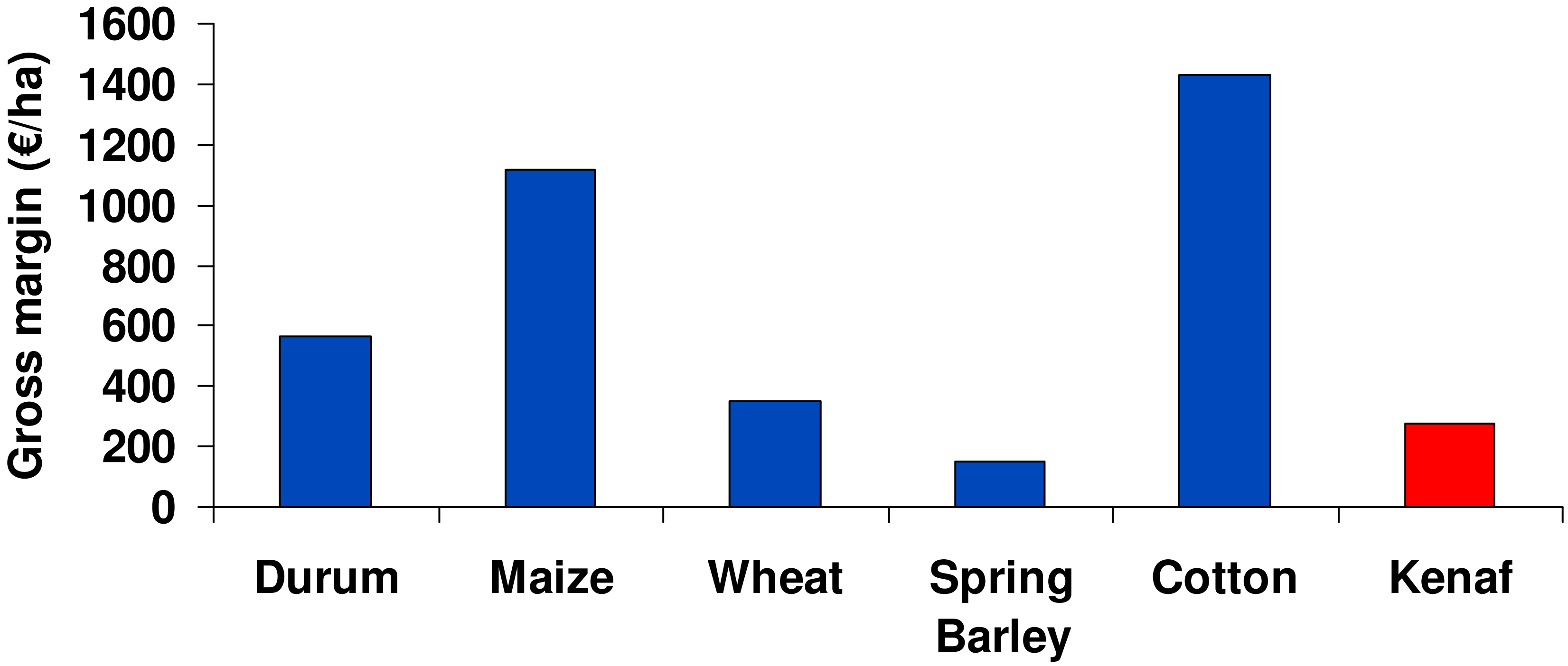
# Comparative gross margins Italy



# Comparative gross margins Spain



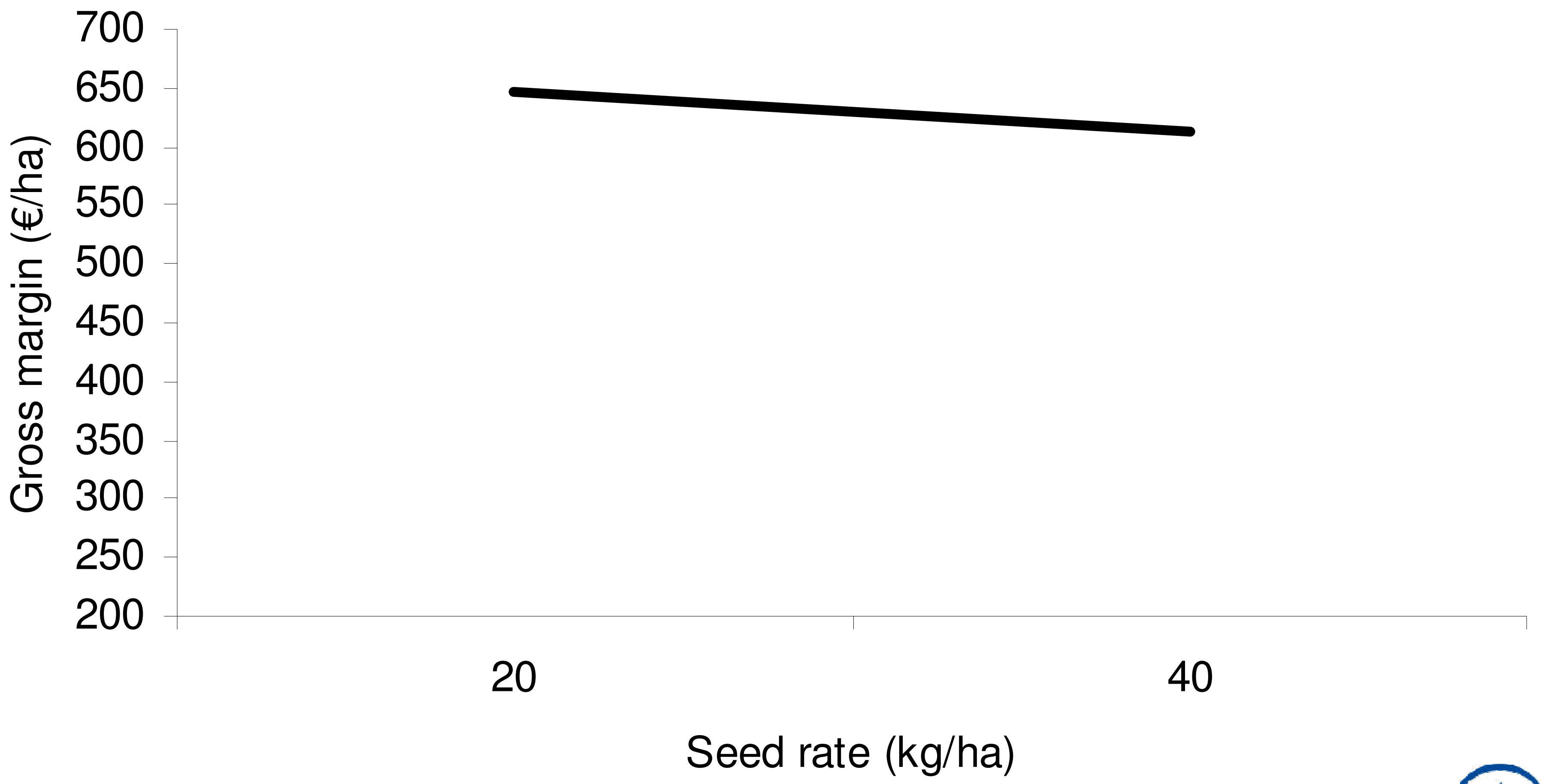
# Comparative gross margins Greece



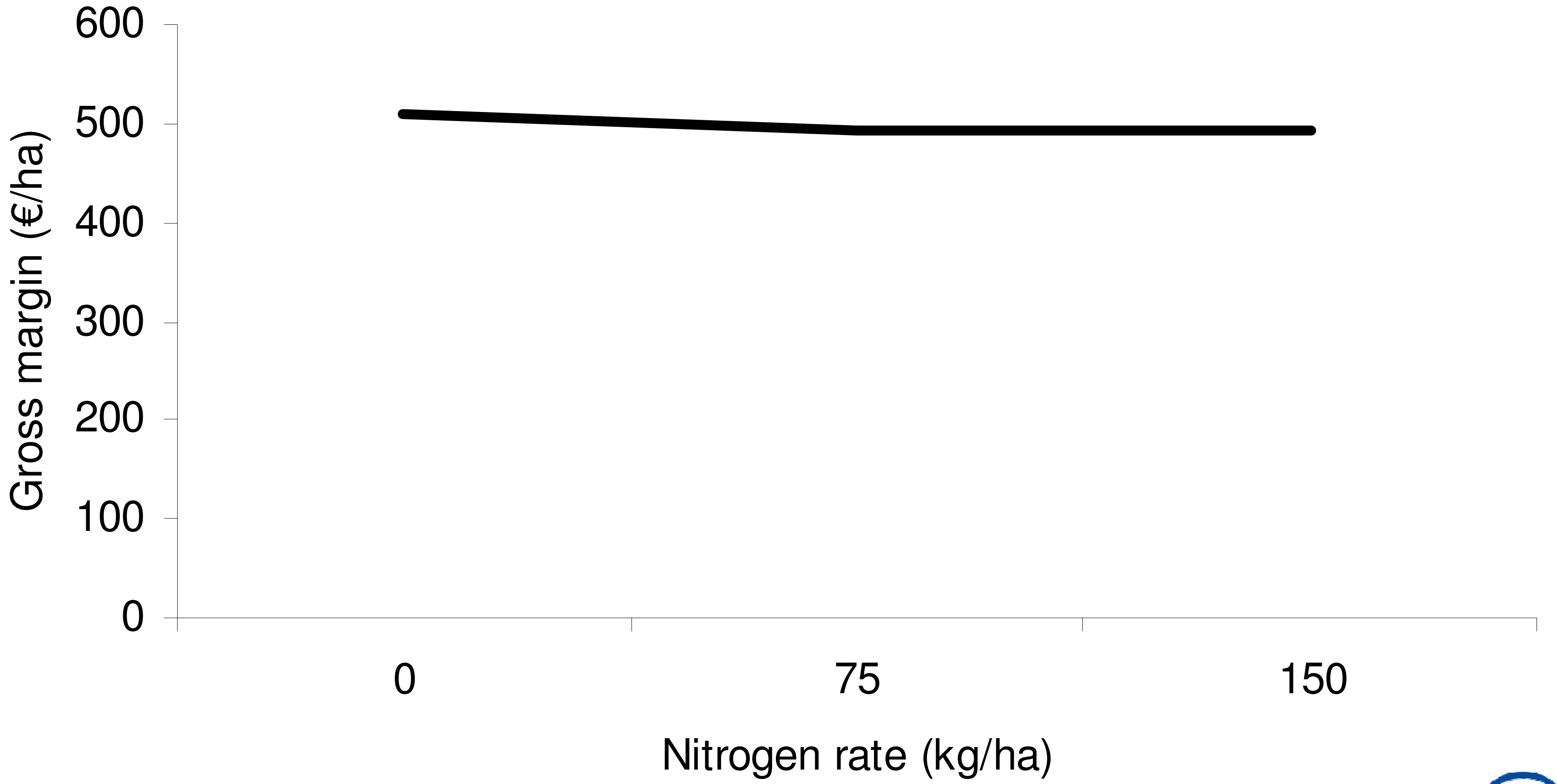
# Sensitivity to inputs

- Seed rate
- Nitrogen
- Irrigation

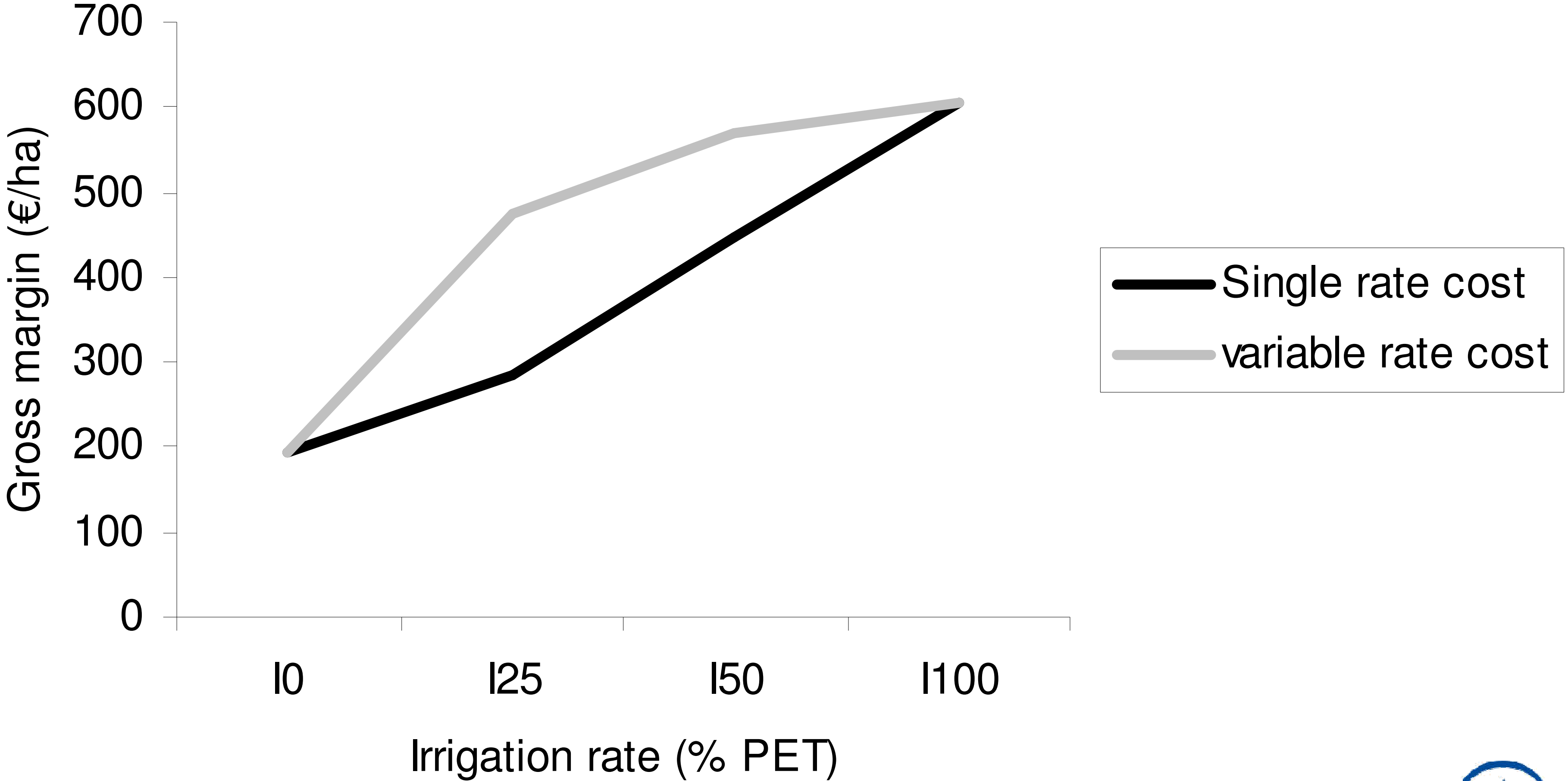
# Seed rate


700
650
600
550
500
450
400
350
300
250
200
Gross margin (€/ha)
20
40
Seed rate (kg/ha)

# Nitrogen application



# Irrigation



700
600
500
400
300
200
100
0
Gross margin (€/ha)
I0
I25
I50
I100
Irrigation rate (% PET)
Single rate cost
variable rate cost

# Conclusions

- Moderate yields of 14 t/ha will be economically viable for Kenaf if the product price is €80/odt.
- Irrigation has a high cost but a high value.