Silvopasture Money Matters

Gregory Frey
Extension Specialist
Virginia State University
Silvopasture Professional Development Training
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Outline

• Introduction
• Investment costs
• Management costs
• Return on investment
• Other considerations
Introduction

• Is silvopasture unusual? Yes
• Is silvopasture a potentially profitable enterprise? Yes
• Is silvopasture economically beneficial for every producer? No
• Does silvopasture have higher returns than
  – Forestry? Maybe
  – Pasture?
Investment costs

- Monocrop/Pasture
- Plantation Forest
- Naturally-Regenerated Forest
- Silvopasture
Investment costs

Considerations
• Starting condition
• Opportunity costs
• Water
• Stumps

Alternative stump removal?
Management costs

• Pruning
• Thinning
• Watering
• Moving livestock
Return on investment

• Timber rotation
  – How will trees be re-established?

• Shade

• Wood quality
Interviewed Farms

Legend
Interviewed Farms
Scale
- Large
- Medium
- Small

This map is designed to give a general idea of relative locations. Not all locations were measured precisely.
## Average inputs / outputs

<table>
<thead>
<tr>
<th>Farm Scale</th>
<th>System</th>
<th>Mean System Area (ha)</th>
<th>Mean Discounted Labor (person-days/ ha)</th>
<th>Mean Discounted Capital (pesos/ ha)</th>
<th>Mean Field Crops (pesos/ ha)</th>
<th>Mean Timber Revenue (pesos/ ha)</th>
<th>Mean Beef Revenue (pesos/ ha)</th>
<th>Equivalent Milk Revenue (pesos/ ha)</th>
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<tbody>
<tr>
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<td>5.8</td>
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</table>
Average pure technical efficiency

- Silvopasture: 50%
- Cattle-raising: 20%
- Forestry: 40%
Other economic considerations

- Economies/diseconomies of scale
- Risk mitigation
- Cost and internal value time
- Constraints on producer