# Feasibility of Green Boiled Peanuts in Georgia

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# Specialized Grading, Cooking and Packaging Process


Harvest and special grading →

Retort cook, Package in microwavable retail designed pouches →

Deliver to large retailers.

Publix & Kroger

# Capital Cost

| | Cooking | Grading | Total Process |
|---|---|---|---|
| Equipment | $219,950 | $159,750 | $379,700 |
| Working Capital | $119,641 | $0 | $119,391 |
| Total | $339,591 | $159,750 | $499,341 |

# Fixed Cost
# for 500,000 and 1 million units

| | Cooking | Grading | Total |
|---|---|---|---|
| Taxes & Insurance | $1,110 | $799 | $1,899 |
| Depreciation Equipment | $31,421 | $22,821 | $54,242 |
| Interest Equipment | $8,798 | $6,390 | $15,188 |
| Total | $40,219 | $29,211 | $69,430 |

# Fixed Cost Per Unit

| | Cooking .5 Mil | Cooking 1 Mil | Grading .5 Mil | Grading 1 Mil |
|---|---|---|---|---|
| Taxes & Insurance | $.002 | $.001 | $.002 | $.001 |
| Depreciation Equipment | $.063 | $.031 | $.046 | $.023 |
| Interest Equipment | $.018 | $.009 | $.013 | $.006 |
| Total | $.083 | $.041 | $.060 | $.030 |

# Labor Cost

| | Cooking | Grading |
|---|---|---|
| Total Labor | $35,714 | $98,170 |
| Per Unit Labor .5 Mil | $.12 | $.196 |
| Per Unit Labor 1 Mil | $.06 | $.098 |

# Variable Cost

| | Cooking .5 Mil | Cooking 1 Mil | Grading .5 Mil | Grading 1 Mil |
|---|---|---|---|---|
| Variable Cost | $140,903 | $239,843 | $5,000 | $10,000 |
| Per Unit Cost | $.282 | $.24 | $.01 | $.01 |

# Income

- Estimated sales price per unit $1.15

- 1,000,000 units * $1.15 = $1,150,000
- 500,000 units * $1.15 = $575,000

# Projected Net Revenue / Loss 500,000 units

| | Cooking 500,000 | Grading 500,000 | Total Process |
|---|---|---|---|
| Income | | | $575,000 |
| Peanut Cost | | | $46,949 |
| Labor | $59,790 | $98,170 | $157,960 |
| Variable | $140,903 | $5,000 | $145,903 |
| Fixed Cost | $40,219 | $29,211 | $69,431 |
| Total Cost | $240,912 | $132,381 | $420,243 |
| Total Cost +1% | | | $424,455 |
| Returns | | | $150,555 |

# Projected Net Revenue / Loss per unit

| | Cooking 500,000 | Grading 500,000 | Total Process |
|---|---|---|---|
| Income | | | $1.15 |
| Peanut Cost | | | $.09 |
| Labor | $.12 | $.196 | $.316 |
| Variable | $.282 | $.01 | $.292 |
| Fixed Cost | $.083 | $.06 | $.143 |
| Total Cost | $.485 | $.266 | $.841 |
| Total Cost +1% | $.490 | $.268 | $.849 |
| Returns | | | $.301 |

# Projected Net Revenue / Loss 1,000,000 units

| | Cooking<br>1 mil | Grading<br>1 mill | Total<br>Process |
|---|---|---|---|
| Income | | | $1,150,000 |
| Peanut Cost | | | $93,898 |
| Labor | $59,790 | $98,170 | $157,960 |
| Variable | $239,843 | $10,000 | $249,843 |
| Fixed Cost | $40,219 | $29,211 | $69,431 |
| Total Cost | $240,912 | $132,381 | $571,132 |
| Total Cost +1% | | | $576,843 |
| Returns | | | $573,157 |

# Projected Net Revenue / Loss per unit

| | Cooking<br>1 mil | Grading<br>1 mil | Total<br>Process |
|---|---|---|---|
| Income | | | $1.15 |
| Peanut Cost | | | $.09 |
| Labor | $060 | $.098 | $.158 |
| Variable | $.24 | $.01 | $.25 |
| Fixed Cost | $.041 | $.03 | $.071 |
| Total Cost | $.341 | $.138 | $.569 |
| Total Cost +1% | $.344 | $.139 | $.575 |
| Returns | | | $.575 |

# Impact Analysis 500,000 units

| | Direct | Indirect | Total |
|---|---|---|---|
| Output | $575,000 | $551,298 | $1,126,299 |
| Employment | 27 | 5 | 32 |
| Tax Revenue (state) | N/A | N/A | $39,359 |

# Impact Analysis 1 mil. units

| | Direct | Indirect | Total |
|---|---|---|---|
| Output | $1,150,000 | $754,652 | $1,904,652 |
| Employment | 27 | 7 | 34 |
| Tax Revenue (state) | N/A | N/A | $55,409 |

# Conclusion

- Both production efforts are profitable.
- Claxton is a good choice due to the proximity to the raw peanuts.
- Cooking and packaging in the area will reduce transportation cost.