

## **Analysis of production costs and profit of melons produced in the sub-middle São Francisco river valley, Brazil**

*José Lincoln Pinheiro Araújo<sup>1</sup>; Edílson Pinheiro Araujo<sup>2</sup>*

<sup>1</sup>Embrapa Semi-Árido, C.P. 23, CEP 56300-970, Petrolina-PE, Brazil, lincoln@cpatsa.embrapa.br

<sup>2</sup>FACAPE, Brazil

In this study, the production costs and profit of melon exploitation in the Sub-middle São Francisco River Valley were analyzed. This region is the third melon grower in Brazil. However, having this crop a high production cost, it is necessary for the producers to know the real situation of the costs and the profitability of the agribusiness. The data were obtained from typical melon growers of the region and were composed by fixed and variable costs. In order to obtain the economical viability of this activity, the partial budget method, from the Agricultural Economy Institute, was utilized. The results indicated that the inputs fertilizers, seeds and pesticides were the items which most contributed to the costs of melon cultivation, being responsible for 73.40 % of the total costs, with the seeds, the more expressive, making up 29.23 % of the total costs. The analysis of economical viability showed that melon exploitation in the Sub middle São Francisco River Valley presents economically satisfactory results within several economical efficiency indices. The cost-benefit analysis was 0.42 %, the break even corresponded to the yield of 14,084 kg/ha, and the safety line registered a value of -0.29.