

### Abstract:

U.S. consumption of high quality red, orange, or yellow bell peppers has been increasing over the past decade with this commodity's demand satisfied mainly by imports. These high quality colored peppers imported to the U.S. are grown in greenhouses, and they represent a significant share of the value of the total U.S. bell pepper domestic use. During 1993–2002, high quality colored peppers (greenhouse-grown) shipped to Miami averaged year-round wholesale fruit prices 3 times greater than colored field-grown fruits and 5 times greater than field-grown green fruits. With a small but expanding bell pepper greenhouse industry, new potential growers need estimates of costs and profitability that result from greenhouse production systems. We estimated production costs and returns to capital and management of greenhouse-grown peppers assuming the use of current technology applied in Florida. Total costs of production per m<sup>2</sup> (transaction expenses excluded) ranged from \$28.28–34.63 based on a range of possible marketable fruit yields of 7–19 kg•m<sup>-2</sup>, respectively. Currently, marketable fruit yields in Florida greenhouses range from 7–15 kg•m<sup>-2</sup> and the average historical wholesale price for transactions of colored fruits at the Miami terminal market is \$26.45/5-kg box. Estimated returns for fruit yields of 7–19 kg•m<sup>-2</sup> were \$-9.19–37.89/m<sup>2</sup>. Returns to capital and management became positive with marketable fruit yields greater than 7.7 kg•m<sup>-2</sup>. Local production of greenhouse-grown peppers could represent a viable vegetable production alternative for Florida growers.