

as Reed

FREESTONE PEACH
MANAGEMENT STUDY
SOLANO COUNTY

FIRST ANNUAL REPORT

CROP YEAR

1950

STUDY CONDUCTED BY
AGRICULTURAL EXTENSION SERVICE
UNIVERSITY OF CALIFORNIA
In Cooperation With
SOLANO COUNTY PEACH GROWERS

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EXPLANATION & DISCUSSION OF THE TABLE

The table which follows gives a summary of the four freestone peach records provided by cooperating growers in 1950. Records are arranged in the table from left to right in order of decreasing management income per acre. The extreme right column shows weighted averages of the four records. Costs, returns and earnings per ton, as well as labor and material costs per acre, are shown on the first page of the table. Overhead costs, investment, income and earnings per acre are presented on the second page. Drying costs per fresh ton appear at the bottom of the second page.

The 1950 crop year was relatively profitable for those in the study. Record No. 4 with a yield of about 10-1/2 tons per acre showed a management income of about \$358 per acre as compared to \$135 per acre for No. 2, which had a yield of about 6-1/4 tons. Income above total costs of production averaged a little over \$200 per acre for the four orchards. This was due mainly to the favorable prices which were received this year for both canning and drying fruit. Returns shown for fruit which was dried reflect a net income from the dried fruit after drying costs have been deducted. Final net returns for dried fruit were estimated for growers belonging to the California Prune & Apricot Growers Association. On the average, approximately three-fourths of the production of those in the study was sold for canning and about one-fourth dried. Average return for all fruit in the study was a little over \$57 per ton, which was close to \$24 per ton more than total costs of production.

Labor costs, as shown in the table, include hired labor, value of the operator's labor, as well as tractor and truck work. Total labor costs on the average accounted for 63% of the total cost of production. Depreciation on trees was figured the

same for all orchards at \$20 per acre. This was based upon a cost of bringing trees up to bearing age of \$400 per acre and a productive life thereafter of 20 years.

Average investment figures used in computing interest on investment cost are based upon one-half of the original cost of all items except land. Land values used are conservative estimates of normal agricultural values; thus, the investment figures shown in the table are not intended to represent the amount of capital required to enter the peach growing business in Solano County at the present time. Depreciation and interest on investment in tractors and trucks are not listed, since these overhead costs are included in the hourly rate charged for the use of this equipment under "Labor Costs."

Total drying costs ranged from about \$12 per fresh ton for No. 5 to over \$23 for No. 3. The latter had much higher than average costs for washing and storing trays. Total costs for the four records averaged close to \$16.50 per ton, which was about \$1.30 per fresh ton lower than the average for the nine records in a special study conducted for the 1949 crop year.

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Costs, Returns and Earnings of Solano County Freestone Peach
Records for the 1950 Crop Year

Orchard number	4	5	3	2	Average all
Varieties*	E	E	E, L, & M.	E, L, & M.	
Average age of trees	22	10	17	14	16
Yield, tons per acre	10.56	8.32	9.58	6.23	8.50
Per cent sold for canning	78.9	65.0	81.8	53.3	72.8
Per cent dried	21.1	33.1	18.2	46.7	27.1
Av. price per ton cannery fruit	\$64.18	64.61	56.71	65.00	60.60
Av. net returns per fresh ton, fruit dried	54.12	50.40	41.13	50.64	48.40
Av. returns per ton all fruit	62.05	60.15	53.87	58.30	57.31
Costs per Fresh Ton:					
Thinning	\$2.76	2.84	5.00	1.27	3.38
Propping	.78	-	1.12	2.71	1.39
Other pre-harvest labor	3.70	8.82	5.35	6.87	5.55
Picking	7.74	6.22	10.06	8.23	8.82
Hauling	1.15	2.56	1.40	2.91	1.80
Total labor cost	16.13	20.44	22.93	21.99	20.94
Total material	\$2.05	2.89	1.69	1.93	1.91
Cash overhead	2.85	2.73	2.48	2.70	2.64
Depreciation	4.13	5.13	3.98	5.88	4.57
Interest	2.99	4.21	2.60	4.01	3.15
Total all costs	28.15	35.40	33.68	36.51	33.21
Management income per fresh ton	33.90	24.75	20.19	21.79	24.10
Labor Costs per Acre:					
Pruning	\$21.22	22.92	28.35	16.17	22.36
Brush disposal	2.78	5.46	.94	.57	1.42
Fertilizer and cover crop	1.46	2.27	-	1.14	.81
Spraying	4.02	9.78	2.25	2.87	3.25
Cultivation & irrigation prep.	7.14	12.15	4.65	12.88	8.48
Irrigating	2.48	11.27	6.91	7.52	6.54
Thinning	29.16	23.67	47.85	7.93	28.73
Prop. and brace	8.20	-	10.72	16.87	11.80
Miscellaneous	-	9.52	8.17	1.60	4.37
Total pre-harvest labor	76.46	97.04	109.84	67.55	87.76
Picking	81.69	51.82	96.33	51.24	74.96
Hauling	12.17	21.30	13.46	18.10	15.32
Total labor cost per acre	170.32	170.16	219.63	136.89	178.04
Material Costs per Acre:					
Irrigation power	\$7.48	8.48	3.05	5.30	5.01
Fertilizer & cover crop seed	6.93	6.74	9.06	3.90	6.68
Spray material	7.21	8.83	4.05	2.83	4.50
Total material cost per acre	21.62	24.05	16.16	12.03	16.19

*E= Elberta; L= Lovell; M= Muirs

Costs, Returns and Earnings of Selano County Freestone Peach
Records for the 1950 Crop Year (Continued)

Orchard number	4	5	3	2	Average all
<u>Cash Overhead Costs per Acre:</u>					
General expense	\$9.60	9.71	11.79	7.45	9.71
County taxes	8.45	10.07	7.58	7.62	7.91
Repairs, except tractors & trucks	8.81	-	.31	-	1.79
Insurance	3.18	2.96	4.10	1.75	3.03
Total cash overhead per acre	30.04	22.74	23.78	16.82	22.44
<u>Depreciation Costs per Acre:</u>					
Trees	\$20.00	20.00	20.00	20.00	20.00
Buildings	2.17	2.90	4.70	1.34	2.92
Irrigation facilities	15.51	6.86	3.07	2.35	5.40
Tillage equipment	.84	.97	.49	.46	.57
Spraying equipment	1.98	2.85	1.26	.59	1.25
Props and bracing	1.00	-	2.35	1.67	1.82
Harvesting equipment	.84	.89	1.29	3.38	1.92
Drying equipment (standby)	.76	7.19	3.48	6.45	4.23
Miscellaneous equipment	.51	1.07	1.47	.37	.87
Total depreciation per acre	43.61	42.73	38.11	36.61	38.89
<u>Average Investment per Acre:</u>					
Trees	\$200.00	200.00	200.00	200.00	200.00
Buildings	16.53	28.97	26.47	10.66	19.12
Irrigation facilities	77.07	70.78	27.57	25.74	38.84
Tillage equipment	6.98	6.50	2.45	3.12	3.78
Spraying equipment	9.91	21.39	6.28	4.41	7.19
Props and bracing	5.00	-	5.88	12.50	8.20
Harvesting equipment	5.01	6.64	2.94	11.25	6.50
Drying equipment (standby)	6.44	63.78	22.50	29.05	24.19
Miscellaneous equipment	3.81	2.69	3.66	1.84	2.99
Land	300.00	300.00	200.00	200.00	224.82
Total except tractors & trucks	630.75	700.75	497.75	498.57	535.15
Interest on Investment per Acre at 5%	\$31.54	35.03	24.89	24.93	26.76
Total all costs per acre	297.13	294.71	322.57	227.28	282.32
Total income per acre	655.05	500.73	515.92	362.91	487.17
Management income per acre	357.92	206.02	193.35	135.63	204.85
<u>Drying Costs per Fresh Ton:</u>					
Total fresh tons dried	23.81	9.10	39.15	58.10	130.16
Drying ratio - to 1	6.23	5.71	6.18	6.16	6.15
Cutting	5.00	6.00	6.43	4.90	5.45
Other dry yard labor	6.27	2.87	12.60	4.76	7.27
Sulfur & other material	.43	.39	.35	.22	.31
Other cash costs	.84	.67	1.40	.72	.94
Depreciation on equipment	1.37	1.40	1.99	2.22	1.94
Interest on investment	.58	.62	.64	.50	.57
Total cost per Fresh Ton dried	14.49	11.95	23.41	13.32	16.48