

1973

A STONE FRUIT ORCHARD

Establishment
Orchard ~~Production~~ Costs
in the
Southern San Joaquin Valley

Cost Analysis Worksheet Showing Sample Costs

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SAMPLE COSTS TO ESTABLISH A STONE FRUIT ORCHARD
IN THE SOUTHERN SAN JOAQUIN VALLEY - 1973

Costs are based on a planting of 108 trees per acre of a non-patented variety. Labor costs \$2.70 per hour total and equipment operator \$2.95. Medium wheel tractor per hour cash costs \$1.80, depreciation \$2.00 and interest \$1.00. Wages for labor include Social Security, Workman's Compensation and insurance.

Prepared by Edward A. Yeary, Farm Advisor-Statewide

	COSTS PER ACRE			
	1st Year	2nd Year	3rd Year	4th Year
Yield:				
Pre-Harvest Cash Costs:				
Chisel: contract \$50 per acre	\$ 50.00			
*Fumigate: \$100 per acre applied	----			
Disc: 1 hr. labor and tractor	4.75			
Trees: 108 at \$1.10	118.80			
Mark, stake, dig holes, plant, prune: 50¢ per tree	54.00			
Re-plant 2nd year: 2 trees at \$2.50		\$ 5.00		
Prune and train: starting 2nd year		14.60	\$ 30.00	\$ 58.00
Brush shredding: contract			8.00	8.00
Furrow out 3 times each year	3.56	3.56	7.12	7.12
Fertilize: labor and materials; spreader 4th year	8.10	12.45	13.35	17.40
Irrigate: water at \$8.00 ac. ft.	22.80	26.80	40.20	53.60
Spray: labor and materials	4.46	24.64	36.96	49.28
Thin: 30¢ tree, 3rd year; 70¢, 4th year			32.40	75.60
Disc: 3 times	14.25	14.25	19.00	19.00
Weed control	5.40	5.40	5.40	5.40
Taxes	20.00	20.00	20.00	20.00
Misc. labor, materials, field power	8.00	8.00	8.00	10.00
Repairs to equipment except tractor	8.00	8.00	8.00	10.00
Office, insurance, business costs	19.33	8.56	13.71	20.00
TOTAL PRE-HARVEST CASH COSTS	\$341.45	\$151.26	\$ 242.14	\$ 353.40
Harvesting Costs:				
Pick and roadside		Harvest costs and value of fruit must		
Haul		be figured by crop and variety		
Misc. labor and tractor work				
TOTAL HARVESTING COSTS				
TOTAL CASH COSTS				
Depreciation:				
Irrigation system and well \$300, 20 yrs.	\$15.00	\$ 15.00	\$ 15.00	\$ 15.00
Bldgs. and equipment except tractor \$120, 12 yrs.	10.00	10.00	10.00	10.00
Tractor: \$2.00 per hour	12.00	10.00	11.75	11.75
TOTAL DEPRECIATION	\$ 37.00	\$ 35.00	\$ 36.75	\$ 36.75
Interest on Investment at 8%:				
Irrigation system: ½ cost \$150	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
Bldgs. and equip. except tractor: ½ cost \$60	4.80	4.80	4.80	4.80
Tractor \$1.00 per hour	6.00	5.00	5.75	5.75
Land \$1200	96.00	96.00	96.00	96.00
Interest on accumulated costs	0.00	39.78	67.29	104.47
TOTAL INTEREST ON INVESTMENT	\$118.80	\$157.58	\$ 185.84	\$ 223.02
TOTAL COST FOR THE YEAR	\$497.25	\$343.84	\$ 464.73	\$ 613.17
CREDIT FOR FRUIT	----	----	----	----
NET COST FOR THE YEAR	\$497.25	\$343.84	\$ 464.73	\$ 613.17
TOTAL ACCUMULATED COST	\$497.25	\$841.09	\$1305.82	\$1918.99

*Fumigation may not be needed due to the use of nematode resistant rootstocks.

ABOUT THIS SHEET

This work sheet was developed to show sample costs for establishing a stone fruit orchard under southern San Joaquin Valley conditions. These costs will be useful as a guide when a specific orchard planting is under consideration. When using this work sheet, it is important to consider the following:

1. The sample costs were based upon a 20' x 20' tree spacing giving 108 trees per acre. This is common for peaches, nectarines and plums, but not for apricots.
2. Patented varieties will have royalty fees not included in this sheet.
3. Tree loss was calculated at two per acre the first year. Under adverse soil, water or disease conditions, this loss could be much greater.
4. Fumigation costs are not included in accumulated costs, but are itemized because many replant situations require fumigation.
5. Harvest costs and crop income will apply to some varieties before the fourth year. In these cases, the projected harvest costs, yield and crop income can be entered in the spaces provided.
6. The present cost of a new irrigation system is used. Under some replant situations, the old system is adequate and its value should be used. Similar considerations may apply to buildings, equipment, etc.

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