

PRODUCTION OF LATE SEASON NECTARINES

Cost Analysis Worksheet, 1976

Sample costs to produce late season nectarines in the southern San Joaquin Valley for fresh shipment. Costs are for a mature orchard containing 108 trees per planted acre, producing 1300 packed lugs of fruit, with approximately 15% discarded as culls. Labor costs at \$3.00 per hour and equipment operator at \$4.00 per hour. Wages include Social Security, Workmen's Compensation and insurance. Medium wheel tractor per hour cash costs at \$2.60; depreciation at \$1.65; and interest at \$.82.

	Sample Costs		My Costs	
	Per Acre	Per Lug	Per Acre	Per Lug
Pre-Harvest Cash Costs:				
Pruning: 108 trees @ \$1.25/tree	\$ 135.00			
Brush shredding: contract @ \$6.50/acre	6.50			
raking brush, 3 hrs. labor	9.90			
Fertilize: 150 lbs. N @ \$.30/lb.	45.00			
1/2 hr. labor + 1/2 hr. tractor	3.30			
Spray: 5 times + materials	135.20			
application: 1700 gal. @ 2 1/2¢/gal.	42.50			
Furrow: 3 times, 1 1/2 hrs. labor + 1 1/2 hrs. tractor	9.90			
Irrigate: 8 times, 9 hrs. labor	29.70			
4 ac. ft. water: power + tax @ \$10/ac. ft.	40.00			
Disc: 3 times, 4 1/2 hrs. labor + 4 1/2 hrs. tractor	29.70			
Weed control	15.34			
Thin: 108 trees @ \$1.00/tree	108.00			
Prop and tie: 9 hrs. labor, 2 tractor hrs., and materials	71.20			
Taxes	60.00			
Misc. labor, materials, field power: includes 4 hrs. labor + 1 hr. tractor	20.00			
Repairs to equipment, except tractor	17.00			
Office, car, operating capital, insurance, etc.	82.78			
TOTAL PRE-HARVEST CASH COSTS	\$ 861.02	\$.66		
Harvest Costs:				
Pick: 1300 lugs (23 lbs.) at 35¢	\$ 455.00			
Haul: 1300 lugs (23 lbs.) at 10¢	130.00			
Misc.: 4 hrs. labor, 1 hr. tractor	16.50			
TOTAL HARVEST COSTS	\$ 601.50	\$.46		
TOTAL CASH COSTS	\$1462.52	\$1.12		
Depreciation:				
Irrigation system & well: \$300, 20 yr. life	\$ 15.00			
Bldgs. & equip., except tractor: \$120, 12 yr. life	10.00			
Tractor: 9 1/2 hrs. at \$1.65	15.68			
Trees: \$2926, 20 yr. life	146.30			
TOTAL DEPRECIATION	\$ 186.98	\$.14		
Interest on Investment @ 8%:				
Irrigation system & well: 1/2 cost, \$150	\$ 12.00			
Bldgs. & equip., except tractor: 1/2 cost, \$60	4.80			
Tractor: 9 1/2 hrs. @ \$.82/hr.	7.79			
Trees: 1/2 cost, \$1463	117.04			
Land: @ \$1700/acre	136.00			
TOTAL INTEREST ON INVESTMENT	\$ 277.63	\$.22		
TOTAL COST OF PRODUCTION	\$1927.13	\$1.48		

SAMPLE COSTS AT VARYING YIELDS

Yield: Tons per acre	14	16	18	20	22
Total cost of production per ton	\$129.02	\$117.05	\$107.72	\$100.28	\$94.19
Cash costs only: per 23 lb. lug	1.30	1.19	1.11	1.04	.99
Total cost per 23 lb. lug	1.75	1.58	1.46	1.36	1.27
Packed lugs per acre	1035	1183	1330	1478	1626

ABOUT THIS SHEET

This work sheet was developed to show sample costs for a good yielding, mature orchard under southern San Joaquin Valley conditions. Specific years, areas and orchards may have different costs because of the following considerations:

1. Seasonal variations influence fruit set and quality. Consequently, differences in thinning, pest control and cullage will occur.
2. No account is made for partial or complete crop loss.
3. Interest and depreciation costs are based on present costs of establishing an orchard. Present bearing orchards were probably established at lower costs. Variety patent fees are not included in the development costs.
4. Costs per 2-layer lug are based on an average net weight of 23 lbs. Net weights vary depending on fruit size and maturity.
5. No allowance is made for cost of management, packing costs or commission charges.
6. Water costs vary in the southern San Joaquin Valley and an average cost is used in this study.
7. Packing and selling charges are not included in production costs. These costs do not vary with production levels. They must, however, be deducted from gross sale prices as are production costs to determine net returns. Packing charges in 1975 were approximately \$1.65 per lug. Sales charges vary from 10-15% of gross sale prices. Other charges such as precooling, hydrocooling and marketing order fees must also be considered.

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