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# **SAMPLE COSTS OF ESTABLISHING A VINEYARD OF STANDARD HEAD PRUNED WINE VARIETIES IN THE NORTH COAST COUNTIES 1960**

It takes about four years, and a considerable investment, to bring a vineyard into commercial bearing. This sheet was prepared as a guide to help you estimate your cost of developing a wine grape vineyard. Ascertaining the yields, prices, and costs that apply to your vineyard will enable you to calculate a more valid schedule of costs.

*Prepared by Farm Advisors James V. Lider, Napa County; Robert L. Sisson, Sonoma County; Bruce E. Beardon, Mendocino County; and Extension Specialists A. N. Kasimatis, Viticulture; and Arthur Shultis, Farm Management.*

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*W. Reed***SAMPLE COSTS OF DEVELOPING A WINE GRAPE VINEYARD, 1960**

North Coast Counties – Standard Head-pruned Varieties

Planted 8 feet by 12 feet – 413 vines per acre

	COSTS PER ACRE			
	1st year	2d year	3d year	4th year
Yield, tons per acre			1.5	4.0
Land preparation, assuming level land	\$ 10.00			
Laying out and pegging vine locations	8.00			
Digging holes, power digger	10.00			
Rootstocks, certified virus disease free @ 25 cents	103.25			
Stakes – 2x2 split redwood, treated 6 ft. @ 24 cents	99.12			
Planting vines and setting stakes, 413	25.00			
Watering by tank, week before budding	12.50			
Budding, covering, including rubber ties	40.00			
Bud wood, inspected – free of virus disease	5.00			
Cutting rubbers, placing collars, covering		\$ 31.00		
Pruning, tying, training and brush chopping		8.00	\$ 8.00	\$ 24.00
Sulfuring – including sulfur		3.00	3.00	4.60
Spraying once for mites, including material		4.00	6.00	10.00
Cultivation	6.00	10.00	10.00	10.00
Miscellaneous, suckering, retying, rebudding, etc.	5.00	10.00	20.00	12.00
<b>Total planting and cultural labor and materials</b>	<b>\$ 323.87</b>	<b>\$ 66.00</b>	<b>\$ 47.00</b>	<b>\$ 60.60</b>
Harvesting, picking 30 cents and 20 cents, incl. superv. and haul			27.15	55.20
<b>Total labor, field power, and materials</b>	<b>\$ 323.87</b>	<b>\$ 66.00</b>	<b>\$ 74.15</b>	<b>\$ 115.80</b>
General and office expense; car, etc. 5%	\$ 16.19	\$ 3.30	\$ 3.71	\$ 5.79
County taxes on land, equipment and vines	7.00	9.00	11.00	12.00
Repairs, small equipment, supplies	1.50	1.00	2.00	2.50
Insurance, compensation and other	1.00	.50	.75	1.20
<b>Total cash overhead costs</b>	<b>\$ 25.69</b>	<b>\$ 13.80</b>	<b>\$ 17.46</b>	<b>\$ 21.49</b>
<b>Total cash costs</b>	<b>\$ 349.56</b>	<b>\$ 79.80</b>	<b>\$ 91.61</b>	<b>\$ 137.29</b>
Depreciation on equipment needed	\$ 7.00	\$ 7.00	\$ 13.00	\$ 15.00
<b>Subtotal cash and depreciation costs</b>	<b>\$ 356.56</b>	<b>\$ 86.80</b>	<b>\$ 104.61</b>	<b>\$ 152.29</b>
Less income from crop at \$60 per ton			90.00	240.00
<b>Net cash and depreciation costs – profit 4th year</b>	<b>\$ 356.56</b>	<b>\$ 86.80</b>	<b>\$ 14.61</b>	<b>\$ 87.71 P</b>
Interest on investment all at 6%: Net total cost vines		25.17	35.67	42.64
Equipment	3.00	3.00	6.00	6.75
Land, \$1,000 av. acre	60.00	60.00	60.00	60.00
<b>Net total cost of development each year</b>	<b>\$ 419.56</b>	<b>\$ 174.97</b>	<b>\$ 116.28</b>	<b>\$ 21.68</b>
Accumulative net cash and depreciation cost	356.56	443.36	457.97	
Accumulative net total cost of vines	419.56	594.53	710.81	732.49

The above costs, in addition to the prices shown, include man labor @ \$1.25 to \$1.50 an hour, tractor work at a cash cost of \$1.00 an hour. In the 4th year, a used truck is added and figured at \$2.00 an hour for cash costs. Overhead costs are based on a farm unit of 40 acres. They could be less on a larger farm where equipment serves more acres.

Without interest on investment, the net cash and depreciation cost of developing the vines is about \$460 at the end of the 3d year. Interest on investment is a proper part of total cost of production. The inclusion of interest on investment during the development period resulted in a total cost of \$732 an acre by the end of the 4th year.

# ABOUT THIS SHEET

Inputs and costs shown on this sheet were arrived at by observing and questioning growers in Napa, Sonoma, and Mendocino counties. The figures are not represented as an average but are typical of good commercial vineyard practice. They apply to standard head-pruned varieties. Premium varieties with lower yields, or those trained on trellises, will have different costs.

## LAND PREPARATION

Costs shown are based on cleared and reasonably level valley land. Costs for clearing, leveling, etc. would be extra.

## ROOTSTOCKS

Only rootings certified free of virus disease by the California Department of Agriculture should be planted. Buds used should be visually inspected and free from disease.

## TRAINING

The head system, ordinarily used for most varieties, is assumed to be used. Cordon training may be advantageous in some cases. Get UC leaflet III, *Spacing and Training Grapevines*.

## YIELDS

Yields will vary with varieties, soils, and locations. We used 4 tons per acre in the fourth year. It would probably be 5 tons in the fifth year and thereafter.

## PRICE

To get the net cost of the vines, a price of \$60 per ton was used to illustrate the deduction of income from partial bearing. This is not a price prediction. Revise with a more appropriate price for the variety and year.

## OPERATIONS AND COSTS

These are in line with those presented in more detail for a mature vineyard in our companion sheet, *Sample Inputs and Costs of Producing Wine Grapes in the North Coast Counties*. Overhead costs for equipment are based on a 40-acre farm unit. They could be higher per acre with a smaller unit, or lower with a larger acreage.