

**BARTLETT PEAR PRODUCTION COSTS  
FOR MENDOCINO COUNTY**

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Bartlett pears are the leading fruit crops in Mendocino County, having brought into the county over one and one quarter million dollars in 1957. These sample pear production cost sheets are provided for comparison with a grower's own cost of operation, and for those who may be new to pear raising in Mendocino County.

Production costs were developed with the assistance of Mendocino County pear growers who responded to questionnaires, personal interviews, and meetings.

In order to put down figures it is necessary to make a number of assumptions to use as a basis on which to work. The two sample cost sheets presented here represent twenty-acre pear orchards, yielding fifteen tons per acre in Ukiah Valley and Potter Valley.

A fairly detailed discussion of some of the more important variables is given so that with a few simple changes, you may make some of them better fit your situation. If you are the curious type, just sit down with a pencil and try varying the different figures up and down to see what effect they might have on the total cost of production ... you'll have all kinds of fun. There is a wealth of information contained in the cost sheets but as always with figures and math, it takes some effort on your part to get the most out of it.

YIELD - We have assumed a yield of fifteen tons per acre. There is no other one factor which affects the cost per ton as greatly as the number of tons per acre. This is fairly obvious since most of the costs involved in farming an acre of pears are independent of the number of tons of fruit hanging on the trees. The only major costs brought on by more fruit are those of picking and hauling. We might add a little to the cost of pruning and spraying because the trees would probably be larger than those producing less.

By making a few adjustments in the production costs given on these sheets, we find that with varying yields of ten, fifteen and twenty tons, we have a cost of production per ton of \$59.00, \$49.00 and \$41.00 respectively.

PRICE PER TON - The price per ton in Mendocino County for the last ten years for cannery pears (prorate) was as follows, according to the Agricultural Commissioner's figures:

1957 - \$70.00	1952 - \$50.00 to 55.00
1956 - 85.00	1951 - 100.00 to 105.00
1955 - 80.00	1950 - 85.00 to 90.00
1954 - 80.00	1949 - 30.00 to 35.00
1953 - 77.50 to 82.50	1948 - 130.00 to 132.50

Except for the boom and bust in 1948 and 1949, prices have held fairly steady during this period. In normal years better than one-third of Mendocino County's fruit is shipped to the fresh market and usually brings a higher price than that indicated above for straight cannery delivery.

TOTAL ACREAGE - In these studies we assumed a twenty-acre pear orchard. Here, again, if you had less acreage your equipment cost per acre would be greater, and if you had more acreage your per acre cost would be less. This is primarily due to the fact that much of the equipment can be used to service more than twenty acres with no additional cost in depreciation or interest on investment on that equipment. If you use your equipment on something else as well as pears, you should charge some of it off to that use. The same costs in the Ukiah sheet, when adjusted to a forty-acre orchard, result in a drop of \$50.00 per acre. Maybe you could use a few more acres.

FROST PROTECTION - The Potter Valley sheet reflects the additional cost of frost protection in the form of orchard heaters. It amounts to about \$1.70 per ton.

COUNTY TAXES - Taxes vary according to the assessed valuation of the land and trees, and the specific tax rate, according to the location of the orchard and the number of districts it lies within. The area of highest taxes lies near Ukiah, where they will run around \$25.00 per acre (#1 bottom). Potter Valley has a generally lower rate and comparable land and trees run around \$17.00 per acre. Hopland is just above Potter Valley, having a higher valuation on land and trees than Potter and a lower tax rate than Ukiah.

NET RETURN TO GROWER -

Management income - The difference in the cost of production per acre and the gross return per acre

- PLUS -

Interest on investment - is figured at 5% of the total investment in land, trees and equipment, and would be considered as income by a grower out of debt

- PLUS -

Owner or operator's labor - A working operator should include as income that portion of the labor costs which he himself performed.

As an example:

<u>Management income</u>	- Price per ton	\$75.00
	Yield per acre	15 tons
	Gross income per acre	\$1125.00
	Production cost per acre	745.00
	Management income per acre	380.00
<u>Interest on investment at 5%</u>		113.75
<u>Operator's labor, 40 hours @ \$1.50</u>		60.00
NET RETURN PER ACRE		\$553.75