

1973

**EARLY  
MATURING NECTARINES**

Orchard Production Costs  
in the  
Southern San Joaquin Valley

**Cost Analysis Worksheet  
Showing Sample Costs**

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EARLY MATURING NECTARINES  
COST ANALYSIS WORK SHEET - 1973

Sample costs to produce early season nectarines in the southern San Joaquin Valley for fresh shipment. Costs are for a mature orchard containing 108 trees per planted acre, producing 800 lugs of fruit, with approximately 30% discarded as culls. Man labor \$2.70 per hour total and equipment operator \$2.95. Wages include Social Security, Workman's Compensation and insurance. Medium wheel tractor per hour cash costs \$1.80, depreciation \$2.00 and interest \$1.00.

Prepared by Edward A. Yearly, Farm Advisor-Statewide

|  | SAMPLE COSTS     |               | MY COSTS |         |
|--|------------------|---------------|----------|---------|
|  | Per Acre         | Per Lug       | Per Acre | Per Lug |
| <u>Pre-Harvest Cash Costs:</u>   |                  |               |          |         |
| Pruning: 108 trees at \$1.50   | \$ 162.00        |               |          |         |
| Brush shredding: contract \$6.50 per acre                                | 6.50             |               |          |         |
| 3 man hrs. raking brush  | 8.10             |               |          |         |
| Fertilize: 100 lbs. N at 15¢   | 15.00            |               |          |         |
| ½ hr. man & tractor  | 2.38             |               |          |         |
| Spray 5 times: materials   | 69.50            |               |          |         |
| application: 2¢/gallon - 1700 gallons                                    | 34.00            |               |          |         |
| Furrow 3 times: 1½ hrs. man & tractor                                    | 7.13             |               |          |         |
| Irrigate 7 times: labor 8 hrs.   | 21.60            |               |          |         |
| 3½ ft. water: power + tax, \$8/ac. ft.                                   | 28.00            |               |          |         |
| Disc 5 times: 7½ hrs. man & tractor                                      | 35.63            |               |          |         |
| Thin: 108 trees at \$2.50  | 270.00           |               |          |         |
| Tie: labor 5 hrs.  | 13.50            |               |          |         |
| materials  | 10.00            |               |          |         |
| Taxes  | 32.00            |               |          |         |
| Misc. labor, materials, field power: includes 4 man hrs. & 1 tractor hr. | 15.85            |               |          |         |
| Repairs to equipment except tractor                                      | 12.00            |               |          |         |
| Office, car, operating capital, insurance, etc.                          | 75.28            |               |          |         |
| <b>TOTAL PRE-HARVEST CASH COSTS</b>                                      | <b>\$ 818.47</b> | <b>\$1.02</b> |          |         |
| <u>Harvesting Costs:</u>   |                  |               |          |         |
| Pick: 800 lugs (22 lbs.) at 55¢  | \$ 440.00        |               |          |         |
| Haul: 800 lugs (22 lbs.) at 8¢   | 64.00            |               |          |         |
| Misc. 4 man hrs. & 1 tractor hr.   | 7.45             |               |          |         |
| <b>TOTAL HARVESTING COSTS</b>  | <b>\$ 511.45</b> | <b>\$ .64</b> |          |         |
| <b>TOTAL CASH COSTS</b>  | <b>\$1329.92</b> | <b>\$1.66</b> |          |         |
| <u>Depreciation:</u>   |                  |               |          |         |
| Irrigation system & well: \$300, 20 yr. life                             | \$ 15.00         |               |          |         |
| Bldgs. & equip. except tractor: \$120, 12 yr. life                       | 10.00            |               |          |         |
| Tractor: 10½ hrs. at \$2.00  | 21.00            |               |          |         |
| Trees: cost \$1918, 20 yr. life  | 95.90            |               |          |         |
| <b>TOTAL DEPRECIATION</b>  | <b>\$ 141.90</b> | <b>\$ .18</b> |          |         |
| <u>Interest on Investment at 8%:</u>                                     |                  |               |          |         |
| Irrigation system & well: ½ cost \$150                                   | \$ 12.00         |               |          |         |
| Bldgs. & equip. except tractor: ½ cost \$60                              | 4.80             |               |          |         |
| Tractor: 10½ hrs. at \$1.00  | 10.50            |               |          |         |
| Trees: ½ cost \$959  | 76.72            |               |          |         |
| Land: \$1200   | 96.00            |               |          |         |
| <b>TOTAL INTEREST ON INVESTMENT</b>                                      | <b>\$ 200.02</b> | <b>\$ .25</b> |          |         |
| <b>TOTAL COST OF PRODUCTION</b>  | <b>\$1671.84</b> | <b>\$2.09</b> |          |         |

SAMPLE COSTS AT VARYING YIELDS

| Yield: Tons per acre            | Average  |          |          | Exceptional |          |
|---------------------------------|----------|----------|----------|-------------|----------|
|                                 | 10       | 12       | 14       | 16          | 18       |
| Total Cost of Production/Ton    | \$156.85 | \$137.43 | \$123.51 | \$113.07    | \$104.96 |
| Cash Costs Only: per 22 lb. lug | 1.93     | 1.71     | 1.56     | 1.44        | 1.35     |
| Total Cost per 22 lb. lug       | 2.47     | 2.16     | 1.94     | 1.78        | 1.65     |
| Packed lugs per acre            | 636      | 764      | 891      | 1018        | 1145     |

## 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 22 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.

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