

COST ANALYSIS WORK SHEETSAMPLE COSTS PER ACRE TO ESTABLISH A WALNUT ORCHARD IN TULARE COUNTY - 1970

Costs are based on 35' x 35' planting 35 trees per acre. Man labor at \$2.00 per hour total and equipment operator \$2.20 (includes compensation insurance and Social Security). Medium wheel tractor per hour cash costs \$1.40, depreciation \$1.10 and interest 50¢.

	<u>1st</u> <u>Year</u>	<u>2nd</u> <u>Year</u>	<u>3rd</u> <u>Year</u>	<u>4th</u> <u>Year</u>	<u>5th</u> <u>Year</u>	<u>6th</u> <u>Year</u>
Yield: Lbs. Per Acre					500	1,000
<u>PRE-HARVEST CASH COSTS:</u>						
Land preparation: subsoil, contract	\$ 25.00	\$	\$	\$	\$	\$
Disc & float: 4 hrs. man & tractor	14.40					
Trees: 35 at \$4.50	157.50	4.50	2.25			
Survey, peg, dig holes, plant & prune trees: 35 at 35¢	12.25					
Stakes: 37 at 45¢ (10' stakes)	16.65					
Plant & prune replants		3.20	1.60			
Stake trees: 5 man hrs. 1 tr. hr.	11.60					
Training, tying, pruning	15.00	10.00	12.00	15.00	20.00	20.00
Whitewash trees 1st 3 yrs.	7.00	7.00	7.00			
Tillage & Irrigation prep. 6 hrs. man & tractor	21.60	21.60	21.60	21.60	21.60	21.60
Irrigation labor at \$2.00 hr.	8.00	8.00	12.00	12.00	12.00	12.00
Water: @ \$5.50 A ft.; Dist. tax \$6.00	11.50	11.50	14.25	17.00	22.50	22.50
Fert.: 11¢ lb. N applied	1.32	2.64	2.64	2.64	2.64	2.64
Spray materials	---	---	----	4.00	6.00	12.00
Spray applic.: contract	---	----	----	5.00	7.50	10.00
Misc. labor: 4 man hrs. 1 tr. hr.	9.60	9.60	9.60	9.60	9.60	9.60
Misc. materials	6.00	6.00	6.00	6.00	6.00	6.00
County taxes:	25.00	25.00	25.00	25.00	25.00	35.00
Repairs to equip. except tr.	7.00	7.00	7.00	7.00	7.00	7.00
Office, car, oper. capital, etc.	24.50	8.00	8.50	8.75	11.50	14.50
TOTAL PRE-HARVEST CASH COSTS	\$373.92	\$123.44	\$129.44	\$133.59	\$151.34	\$172.94
<u>HARVESTING COSTS:</u>						
Shake, pick, hull, & dry & haul: contract \$100/ton					\$ 25.00	\$ 50.00
TOTAL CASH COSTS	\$373.92	\$123.44	\$129.44	\$133.59	\$176.34	\$222.94
<u>DEPRECIATION:</u>						
Irrigation system: \$200 cost	\$ 12.00	\$12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
Bldgs., other equip.: \$100 cost	7.50	7.50	7.50	7.50	7.50	7.50
Tractor: \$1.10 per hour	13.20	7.70	7.70	7.70	7.70	7.70
TOTAL DEPRECIATION	\$ 32.70	\$27.20	\$ 27.20	\$ 27.20	\$ 27.20	\$ 27.20
<u>INTEREST ON INVESTMENT AT 7%:</u>						
Irrigation system: ½ cost \$100	\$ 7.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
Bldgs., other equip.: ½ cost \$50	3.50	3.00	3.00	3.00	3.00	3.00
Tractor: 50¢ per hour	6.00	3.50	3.50	3.50	3.50	3.50
Land: \$1,000	70.00	70.00	70.00	70.00	70.00	70.00
Interest on accumulated costs		34.52	53.25	73.72	95.91	114.60
TOTAL INTEREST ON INVESTMENT	86.50	117.02	135.75	156.22	178.41	197.10
TOTAL COST FOR THE YEAR	\$493.12	\$267.66	\$292.39	\$317.01	\$381.95	\$447.24

(over)

	<u>1st</u> <u>Year</u>	<u>2nd</u> <u>Year</u>	<u>3rd</u> <u>Year</u>	<u>4th</u> <u>Year</u>	<u>5th</u> <u>Year</u>	<u>6th</u> <u>Year</u>
Credit for production: 23¢ lb. \$	\$	\$	\$	\$	\$ 115.00	\$ 230.00
Net cost for the year	493.12	267.66	292.39	317.01	266.95	217.24
Accumulated net cost	493.12	760.78	1053.17	1370.18	1637.13	1854.37

G. Steven Sibbett
Farm Advisor
ec

Burt B. Burlingame
Extension Economist
400 c. - 5/19/70