

Art Reed

PH-SV-60-2



SUGGESTED COSTS
IN
RAISING PEACHES
IN
BUTTE COUNTY

Prepared by: Philip S. Parsons, Extension Economist, University of California.
Davis and Art Retan, Farm Advisor, Butte County

University of California
Farm and Home Advisors' Office
Post Office Building, Oroville

(296)
March 1960
200 c

INTRODUCTION

Many people coming into any agricultural business are unacquainted with the true facts of the costs of production for the particular commodity that they are planning on raising. Many commercial growers, in fact, are not fully aware of just what their costs of production are. They are quite informed on what their bills come to and what they may pay in the way of income tax but they may not know what their exact costs for any given operation or group of operations may be.

Farm Advisors are constantly being besieged by people who are interested in buying land or in buying orchards in any given area. These folks, many times, wish to know what the cost of production on a given commodity is and for this reason, we have prepared the following cost study and will attempt to present figures to potential growers on what the production costs for peaches are in Butte County.

With ever rising labor figures and increasing land values the enclosed figures in this study will become inaccurate in a short period of time. For this reason growers and potential growers must compare present costs to those shown in this study, to obtain final accurate figures.

I would like to make it very clear that the costs shown in this study are not average costs. They are the average figures of studies made with better than average peach growers. They are based on the very best peach growing land that has been leveled and prepared for the planting of peaches. Costs are based on a 90 tree per acre planting and on sixty acres of total producing land, with approximately 40 acres in bearing peaches and 20 acres of non-bearing.

Acknowledgment

We wish to thank the growers for their cooperation in making the figures available for the preparation of this cost study.

Equipment Required For A 60-acre Peach Orchard

<u>ITEM</u>	<u>ORIGINAL COST</u>
<u>BUILDINGS:</u>	
1 labor and storage building	\$ 10,000
1 foreman's home & office	10,000
1 tracklayer tractor, 30 h.p. (D)	8,000
1 wheel tractor, 30 h.p. (G)	3,500
1 speed sprayer, 500 gal.	5,000
1 disk, 10'6"	1,300
1 cultipacker	400
1 ridger	800
1 check breaker	200
1 brush chopper	1,000
1 duster	1,500
1 fertilizer spreader	500
1 spring tooth harrow	350
1 truck, 1½ tons	2,000
1 pickup truck, 3/4 tons	2,500
1 watertank, 600 gallons	150
2 pallet wagons	1,000
1 land plane (½ ownership)	1,200
1 forklift and used wheel tractor	2,000
Ladders 40 @ \$11	440
Shop equipment	2,000
Miscellaneous equipment	3,000
props	2,000
	TOTAL \$ 58,840
<u>IRRIGATION</u>	
Domestic water pump and for grazing	1,000
Well and pump 30 h.p.	5,000
Pipe 1500 ft. and risers	4,500
	TOTAL \$ 10,500

THE FOLLOWING CHART WILL GIVE YOU AN IDEA OF INCOME PER ACRE

PRICE PER TON IN \$

Tons Per Acre Yield	\$30	\$40	\$50	\$60	\$70	\$80
4	-626	-586	-527	-507	-441	-427
6	-593	-534	-474	-414	-334	-294
8	-561	-480	-400	-320	-240	-160
10	-559	-429	-329	-229	-129	- 29
12	-495	-376	-256	-136	- 16	+ 104
14	-463	-322	-182	- 42	+98	+264
16	-429	-269	-109	+51	+211	+451
18	-397	-218	- 38	+142	+322	+502
20	-364	-164	+ 36	+236	+436	+636
22	-332	-111	+ 109	+329	+ 549	+769
24	-299	- 57	+ 183	+423	+ 663	+ 903
26	-266	- 5	+ 255	+ 515	+ 775	+1035
28	-219	+48	+ 328	+609	+ 889	+1169

In order to obtain proper figures for costs of production of peaches, look at tons per acre column and run down column to your tonnage, then cross over to income per ton, and this will show potential income or outgo at this particular set of figures. All figures are based on the enclosed cost study.