

ENGLISH WALNUT ORCHARD ESTABLISHMENT COSTS

Cost Analysis Work Sheet

Northern San Joaquin Valley - 1983

Costs are for an orchard planted 28' x 28' with 55 trees per acre. Labor costs to the grower are \$6.50 per hour for equipment operator and \$5.75 per hour for field labor. 80 hp wheel tractor per hour cash costs \$12.80, depreciation \$3.25 and interest \$2.28, cultural practices include tillage of the orchard floor in two directions

	Costs Per Acre					
	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
YIELD: lbs. per acre in-shell					500	1000
<b>PRE-HARVEST COSTS:</b>						
Land preparation:						
Sub-soil - contract	\$ 160.					
Disc and float: 4 hrs. labor and tractor	77.					
Trees: 55 at \$9	495.					
2, 2nd year, 1 3rd year		\$ 18.	\$ 9.			
Survey and plant: 55 @ \$1.	55.					
2nd & 3rd yrs, \$3/tree		6.	3.			
Prune, train & stake	50.	23.	35.	\$ 45.	\$ 55.	\$ 70.
Stakes: 58 @ \$1.25	72.	5.				
Brush disposal				16.	19.	22.
Tillage & irrigation prep.:						
3 3/4 hrs. labor & tractor	72.	72.	72.	72.	72.	72.
Irrigation labor: 4 hrs.						
1st 2 yrs., 6 hrs. starting						
3rd yr.	23.	23.	35.	35.	35.	35.
Water: \$5 ac. ft.	8.	10.	20.	20.	20.	20.
Fertilizer: nitrogen 33¢/lb.	5.	5.	8.	16.	33.	66.
application 1/2 hr. labor						
tractor	10.	10.	10.	10.	10.	10.
Spray materials			15.	15.	30.	87.
Spray application			14.	14.	14.	42.
Misc. labor and power:						
6 hrs. labor, 3 hrs. tractor	75.	75.	75.	75.	75.	75.
Misc. materials	20.	20.	20.	20.	20.	20.
Supervision	35.	35.	35.	35.	35.	35.
County taxes	50.	50.	50.	50.	50.	110.
Repairs, except tractor	20.	20.	20.	20.	20.	20.
Intermediate loan interest	67.	20.	23.	24.	27.	38.
Office and business costs	78.	18.	27.	28.	31.	43.
<b>TOTAL PRE-HARVEST COSTS</b>	<b>\$1372.</b>	<b>\$ 410.</b>	<b>\$ 471.</b>	<b>\$ 495.</b>	<b>\$ 546.</b>	<b>\$ 765.</b>
<b>HARVEST COSTS:</b>						
Harvest preparation: 1 1/2 hrs. labor and tractor					\$ 29.	\$ 29.
Shake, pick, haul: \$110/acre					110.	110.
Hull and dry: \$85/ton					21.	42.
<b>TOTAL HARVEST COSTS</b>					<b>\$ 160.</b>	<b>\$ 181.</b>
<b>TOTAL CASH COSTS</b>	<b>\$1372.</b>	<b>\$ 410.</b>	<b>\$ 471.</b>	<b>\$ 495.</b>	<b>\$ 706.</b>	<b>\$ 946.</b>
<b>DEPRECIATION:</b>						
Irrig. system, \$280, 20 yrs.	\$ 14.	\$ 14.	\$ 14.	\$ 14.	\$ 14.	\$ 14.
Bldg. & equip., \$1800	180.	180.	180.	180.	180.	180.
Tractor: \$3.25/hr.	45.	32.	32.	32.	32.	32.
<b>TOTAL DEPRECIATION</b>	<b>\$ 239.</b>	<b>\$ 226.</b>	<b>\$ 226.</b>	<b>\$ 226.</b>	<b>\$ 226.</b>	<b>\$ 226.</b>

## English Walnut Establishment Costs

Page 2

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
<b>INTEREST ON INVESTMENT @ 11%:</b>						
Irrig. system, ½ cost \$140	\$ 15.	\$ 15.	\$ 15.	\$ 15.	\$ 15.	\$ 15.
Bldgs. & equip., ½ cost \$900	99.	99.	99.	99.	99.	99.
Tractor \$2.28 per hour	32.	23.	23.	23.	23.	23.
Land \$5000	550.	550.	550.	550.	550.	550.
Interest on accumulated costs		254.	427.	626.	850.	1089.
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$ 696.</b>	<b>\$ 941.</b>	<b>\$1114.</b>	<b>\$1313.</b>	<b>\$1537.</b>	<b>\$1776.</b>
<b>TOTAL COST FOR THE YEAR</b>	<b>\$2307.</b>	<b>\$1577.</b>	<b>\$1114.</b>	<b>\$2034.</b>	<b>\$2469.</b>	<b>\$2948.</b>
<b>CREDIT FOR PRODUCTION</b>						
60¢/lb. in-shell					\$ 300.	\$ 600.
<b>NET COST FOR THE YEAR</b>	<b>\$2307.</b>	<b>\$1577.</b>	<b>\$1811.</b>	<b>\$2034.</b>	<b>\$2169.</b>	<b>\$2348.</b>
<b>ACCUMULATED NET COST</b>	<b>\$2307.</b>	<b>\$3884.</b>	<b>\$5695.</b>	<b>\$7729.</b>	<b>\$9898.</b>	<b>\$12246.</b>

Prepared by:

Lonnie Hendricks, Farm Advisor, Merced County

Kathleen Kelley, Farm Advisor, Stanislaus County

Wallace Schreader, Farm Advisor, San Joaquin County

Edward Yeary, Area Farm Management Specialist, Parlier

ENGLISH WALNUT PRODUCTION COSTS  
 Cost Analysis Work Sheet  
Orchard Floor Cultivated  
 Northern San Joaquin Valley - 1983

Costs are for a mature orchard with 55 trees per acre, yielding 3500 lbs. of dry nuts per acre. Labor costs per hour to the grower are \$6.50 for equipment operator and \$5.75 for field labor. 80 h.p. wheel tractor per hour cash costs \$12.80, depreciation \$3.25, and interest \$2.28. The orchard floor is cultivated in two directions.

	<u>Sample Costs</u>		<u>My Costs</u>	
	Per Acre	Per Cwt.	Per Acre	Per Cwt.
<b>PRE-HARVEST CASH COSTS:</b>				
Pruning: 4 hrs. per acre labor & machine	\$ 100.			
Brush disposal: 3½ hrs. labor, ½ hr. tractor	27.			
Fertilizer: 200 lbs. N at 33¢	66.			
Application: custom	10.			
Spray: materials	121.			
Application: 4x, 1600 gal. at 4¢	64.			
Tillage and irrigation: preparation 3 ¾ hrs. labor and tractor	72.			
Irrigate 7x: labor 6 hrs.	35.			
Water: 4 ac. ft. at \$5	20.			
Misc. labor and field power: 6 hrs. labor, 3 hrs. tractor	75.			
Misc. materials	22.			
Supervision	35.			
County taxes	110.			
Repair, except tractor	20.			
Operating loan at 12.5%	67.			
Office and business costs	68.			
<b>TOTAL PRE-HARVEST CASH COSTS</b>	<b>\$ 912.</b>	<b>\$26.06</b>		
<b>HARVEST COSTS:</b>				
Harvest preparation: 1½ hrs. labor & tractor	\$ 29.			
Shake, pick, haul: \$110 per acre, one stake harvest	110.			
Hull and dry: \$85 per ton	149.			
<b>TOTAL HARVEST COSTS</b>	<b>\$ 288.</b>	<b>\$ 8.23</b>		
<b>TOTAL CASH COSTS</b>	<b>\$1,200.</b>	<b>\$34.29</b>		
<b>DEPRECIATION:</b>				
Irrigation system, \$280, 20 yrs.	\$ 14.			
Buildings and equipment, \$1800, 10 yrs.	180.			
Tractor: 8 ¾ hrs. at \$3.25	28.			
Trees: \$12,246 cost, 40 yrs.	306.			
<b>TOTAL DEPRECIATION</b>	<b>\$ 528.</b>	<b>\$15.08</b>		
<b>INTEREST ON INVESTMENT AT 11%:</b>				
Irrigation system: ½ cost \$140	\$ 15.			
Buildings and equipment: ½ cost \$900	99.			
Tractor: 8 ¾ hrs. at \$2.28	20.			
Trees: ½ cost \$6,123	673.			
Land: \$5,000	550.			
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$1,357.</b>	<b>\$38.77</b>		
<b>TOTAL COST OF PRODUCTION</b>	<b>\$3,085.</b>	<b>\$88.14</b>		





