

# Cost of Establishing Walnuts

Western Merced County

spring 1962

SAMPLE COSTS TO ESTABLISH A/WALNUT ORCHARD IN WESTERN MERCED COUNTY - 1961

Man labor based on \$1.25 and \$1.40 per hour. Medium wheel tractor per hour cash cost \$1.00, depreciation \$.41, interest \$.19. Planted 30' x 30' = 48 trees acre.

E. A. Yeary--Farm Advisor

C. Verner Carlson--Farm Advisor

Lonnie C. Hendrecks Jr.--Farm Advisor

<u>Cash and Labor Costs per Acre</u>	<u>1st Yr</u>	<u>2nd Yr</u>	<u>3rd Yr</u>	<u>4th Yr</u>	<u>5th Yr</u>	<u>6th Yr</u>
Land Preparation:Subsoil-Contract	\$10.00					
(Disc + Float 4 man & 4 tractor hrs.	9.60					
Survey and peg	5.00					
Dig holes for trees 2 man and 2 tractor hours	4.50					
Plant and Prune 8 man and 2 tractor hours	12.50	1.25	1.25			
Trees: 48 @ \$2.65 for 6'-8'	127.20(2%)	2.54(1%)	1.27			
Stakes: 48 @ \$.25	12.00					
4 man and 1 tractor hours to stake	6.00					
Training, tying, pruning, pruning	35.00	7.50	5.00	6.25	7.59	10.00
Tillage and irrig. preparation 6 man + 6 tractor hours	14.40	14.40	14.40	14.40	14.40	14.40
Irrigation Labor: @ \$1.25/hour	5.00	5.00	7.50	7.50	7.50	7.50
Irrigation water @ \$2.00/acre ft + CCID tax \$2.15 per A	6.15	8.15	10.15	10.15	10.15	10.15
<del>Fertilizer @ 13 1/2 /lb-N=applied</del>	<del>2.93</del>	<del>5.85</del>	<del>8.77</del>	<del>11.70</del>	<del>11.70</del>	<del>11.70</del>
Spray application - contract	2.50	2.50	2.50	5.00	7.50	10.00
Spray material	2.00	2.00	2.00	4.00	6.00	12.00
Misc. labor: 4 man and 1 tractor hrs.	6.00	6.00	6.00	6.00	6.00	6.00
Misc. Material	5.00	5.00	5.00	5.00	5.00	5.00
County taxes @ \$5.30/\$100.00	7.95	7.95	7.95	7.95	12.19	12.19
Office, car, int. on operating capital, 5% Cash Cost Etc.	16.83	3.72	3.87	4.15	4.15	5.20
Repairs except tractor	5.00	5.00	5.00	5.00	5.00	5.00
<b>TOTAL CASH COST</b>	<b>\$ 295.56</b>	<b>\$76.86</b>	<b>\$80.66</b>	<b>\$87.10</b>	<b>\$97.59</b>	<b>\$109.14</b>
<b>Depreciation Costs</b>						
Irrigation System: \$100 per acre 25 years life	4.00	4.00	4.00	4.00	4.00	4.00
Buildings and Equipment.Except Tractor \$90.00 cost - 15 year life	6.00	6.00	6.00	6.00	6.00	6.00
Tractor - @ \$.41 per hour	6.56	2.87	2.87	2.87	2.87	2.87
<b>Total Depreciation Costs</b>	<b>16.56</b>	<b>12.87</b>	<b>12.87</b>	<b>12.87</b>	<b>12.87</b>	<b>12.87</b>
<b>Total Cash and Depreciation Costs</b>	<b>312.12</b>	<b>89.73</b>	<b>93.53</b>	<b>99.97</b>	<b>110.46</b>	<b>122.01</b>
<b>Interest on Investment @ 6%</b>						
Irrigation System - on 1/2 cost	3.00	3.00	3.00	3.00	3.00	3.00
Buildings and Equipment Except Tractor - 1/2 cost	2.70	2.70	2.70	2.70	2.70	2.70
Tractor @ \$.19 per hour	3.04	1.33	1.33	1.33	1.33	1.33
Land @ \$1000.00	60.00	60.00	60.00	60.00	60.00	60.00
<b>Total Yearly Interest on Investment</b>	<b>68.74</b>	<b>67.03</b>	<b>67.03</b>	<b>67.03</b>	<b>67.03</b>	<b>67.03</b>
<b>Accumulated Interest on Investment @ 6%</b>		<b>\$22.85</b>	<b>33.63</b>	<b>45.28</b>	<b>58.02</b>	<b>72.05</b>
<b>Total Yearly Cost</b>	<b>380.86</b>	<b>179.61</b>	<b>194.19</b>	<b>212.28</b>	<b>235.51</b>	<b>261.19</b>
<b>Total Accumulated Cost per Acre</b>	<b>380.86</b>	<b>560.47</b>	<b>754.66</b>	<b>966.94</b>	<b>1202.45</b>	<b>1463.64</b>

This cost study is designed to give prospective walnut growers an idea of the costs involved in establishing a walnut orchard in Western Merced County. Costs may vary widely. These costs we feel are typical although they may not be average.

Depending on variety, some return on the investment may be realized in as few as five years or as many as seven to ten years. Six years non-bearing was chosen as an average, even though some nuts may be harvested the fifth and sixth seasons on early bearing varieties.

As with all tree fruits and nuts, the choice of location is vital. The land cost of \$1000 per acre assumes that the grower will be planting on alkali: - free, deep, well-drained, loams or clay loams. In Western Merced County the bulk of the commercial walnut orchards are planted on Sorrento or Mocho Series soil of the loam, sandy loam, silty loam, or clay loam types.

C. Verner Carlson, Farm Advisor

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