

1972

VINEYARD ESTABLISHMENT COSTS IN THE SAN JOAQUIN VALLEY

WINE VARIETIES

This cost analysis worksheet considers the highly productive varieties Carignane, Grenache, French Colombard, Rubired, and Chenin blanc, and the moderately productive varieties, such as Ruby Cabernet, Barbera, Tinta Madeira, and Royalty.

Cost Analysis Worksheet Showing Sample Costs

Prepared by Peter Christensen, Farm Advisor, Fresno County; Paul Baranek, Farm Advisor, Madera County; Fred Swanson, Farm Advisor, Fresno County; Don Luvisi, Farm Advisor, Kern County; Verner Carlson, Farm Advisor, Merced County; Fred Jensen, Extension Viticulturist, Parlier; A. N. Kasimatis, Extension Viticulturist, Davis; and Edward A. Yearly, Farm Advisor-Statewide, Parlier.

Agricultural Extension University of California



COST ANALYSIS WORKSHEET: Wine Varieties - Cost of Establishing a Vineyard, 1972

YIELD (tons/acre)	COSTS PER ACRE		
	1st Year	2nd Year	3rd Year
YIELD (tons/acre)	--	--	4
PRE-HARVEST CASH COSTS			
Pre-plant weed control materials and application	\$ 7.00	\$	\$
Land preparation - chisel, disc, float, etc.	30.00		
Rootings - 480 (+ 20, 2nd year) @ 20¢	96.00	4.00	
Trim and misc. planting labor	18.00		
Machine planting - @ 4 ¹ / ₂ ¢ (+ 1 ¹ / ₂ hours labor, 2nd year)	21.60	3.45	
Stakes (treated) - 480 7-foot @ 45¢		216.00	
End posts (treated) - 11 8-foot @ \$2.60		28.60	
Stake and set end posts - @ 8¢ and 65¢		45.55	
Wire - @ 14 ¹ / ₂ ¢ (100 pounds #12 + 175 pounds #10)		39.88	
String two wires and staple*		20.00	
Training and suckering - 38 hours labor, 2nd year; 9 hours labor, 3rd year		87.40	20.70
Twine		3.90	1.90
Prune and tie - 5 hours labor, 2nd year; 12 hours labor, 3rd year		11.50	27.60
Rabbit control	9.00	3.00	
Irrigation labor - 5 hours each year @ \$2.65	13.25	13.25	13.25
Water - power and/or district tax	9.00	10.50	12.00
Irrigation preparation and weed control - 6 hours labor + 4 tractor-hours, 1st year; then 4 hours labor + 4 tractor-hours	20.40	15.80	15.80
Fertilizer - @ 14¢ applied (25 pounds N, 2nd year; 40 pounds N, 3rd year)		3.50	5.60
Mildew control - 2 hours labor + 2 tractor-hours + material @ \$4.00			11.90
Pest management and materials			12.00
Misc. labor and materials, including 1 hour labor + 1 tractor-hour	8.00	12.00	14.00
County taxes	28.00	29.00	30.00
Repairs, except tractor	8.00	9.00	9.00
Business and office costs, operating capital, insurance, etc.	16.10	32.55	10.42
Total Pre-Harvest Cash Costs	\$ 284.35	\$ 588.88	\$ 184.17
HARVESTING COSTS			
Contract @ \$18/ton - pick and haul	\$	\$	\$ 72.00
Total Harvest Costs	\$	\$	\$ 72.00
Total Cash Costs	\$ 284.35	\$ 588.88	\$ 256.17
DEPRECIATION			
Irrigation system - \$250, 20 years	\$ 12.50	\$ 12.50	\$ 12.50
Buildings and equipment, except tractor - \$114, 12 years	9.50	9.50	9.50
Tractor - @ \$1.30/hour	10.40	7.80	10.40
Total Depreciation	\$ 32.40	\$ 29.80	\$ 32.40
INTEREST ON INVESTMENT @ 7%			
Irrigation system - 1/2 cost, \$125	\$ 8.75	\$ 8.75	\$ 8.75
Buildings and equipment, except tractor - 1/2 cost, \$57	3.99	3.99	3.99
Tractor - @ 75¢/hour	6.00	4.50	6.00
Land - @ \$900/acre	63.00	63.00	63.00
Interest on accumulated costs		27.89	78.77
Total Interest on Investment	\$ 81.74	\$ 108.13	\$ 160.51
TOTAL COST FOR THE YEAR	\$ 398.49	\$ 726.81	\$ 449.08
Credit for Fruit @ \$85/Ton	\$	\$	\$ 340.00
Net Cost for the Year	\$ 398.49	\$ 726.81	\$ 109.08
TOTAL ACCUMULATED COST	\$ 398.49	\$1,125.30	\$1,234.38

* Cost of adding more wire with 30-inch crossarms is about \$130 per acre (second year).

Based on an 80-acre unit. Labor @ \$2.30 and \$2.65 per hour total. Tractor per hour cash costs, \$1.30; depreciation, \$1.30; interest, \$.75.

ABOUT THIS SHEET

This sheet is one of a series on sample costs of establishing vineyards in the San Joaquin Valley. This series includes: Thompson Seedless for Raisins or Wine, Thompson Seedless for Table Use, Emperors, and Wine Varieties. These input and cost data are to be used only as guides in determining the costs of establishing a specific vineyard. They are not intended to represent industry averages.

LAND PREPARATION – The cost of leveling land for irrigation is included in the land value. Additional costs may include \$50 to \$75 per acre for deep ripping, and \$90 to \$175 for replant fumigation for nematode control.

ROOTINGS – Cost is based on planting rooted cuttings. When cuttings are planted directly in the vineyard, the overall cost of cuttings, planting, and replanting is sometimes less. If resistant rootstocks are used, the overall cost would probably be about \$200 more per acre.

IRRIGATION – Irrigation labor and water sample costs are based on a pumping system with pipeline. When all the water is from an irrigation district, the investment overhead costs of depreciation and interest on irrigation facilities are normally lower. Solid set sprinkler systems cost \$450 to \$550 per acre installed.

PEST AND DISEASE CONTROL – Dusting and spraying costs may vary considerably from year to year. Control measures required also vary between vineyards. The sample costs shown on this sheet are based on average conditions.

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George B. Alcorn, Director, California Agricultural Extension Service.

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