

1973

PISTACHIO NUT

Orchard Development Costs in the Southern San Joaquin Valley

Cost Analysis Worksheet Showing Sample Costs

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COST ANALYSIS WORKSHEET: Pistachio Nut Orchard Establishment Costs, 1973.

	COSTS PER ACRE					
	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Yield of in-shell, dry nuts (pounds/acre)	-	-	-	-	-	325
PRE-HARVEST CASH COSTS						
Land preparation: subsoil, contract	\$ 35.00	\$	\$	\$	\$	\$
Disc and float: 4 hours labor + 4 tractor-hours	16.20					
Trees: 120 @ \$5.00, includes budding (+2, 2nd year; 1, 3rd year)	600.00	10.00	5.00			
Survey, peg, and plant: 120 @ 35¢ (+2, 2nd year; 1, 3rd year @ \$1.00 each)	42.00	2.00	1.00			
Stakes: 120 1½ by 1½-inch by 8-foot @ 50¢	60.00					
Stake trees: 5 hours labor + 1 tractor-hour	13.25					
Train and sucker trees	11.50	11.50	23.00	23.00	23.00	11.50
Irrigation: 3 hours labor	32.20	32.20	32.20	32.20	32.20	32.20
Water: @ \$5.50/acre-foot + district tax @ \$6.00	9.60	9.60	19.75	19.75	19.75	19.75
Fertilizer: nitrogen materials + application (25 pounds N, 1st year; 35 pounds N, 2nd and 3rd years; then 55 pounds N per year)	3.50	4.95	4.95	7.85	7.85	7.85
Tillage: 1½ hours labor + 1½ tractor-hours	6.08	6.08	6.08	6.08	6.08	6.08
Misc. labor and tractor	16.00	16.00	16.00	16.00	16.00	16.00
Misc. materials	6.00	6.00	6.00	6.00	6.00	6.00
County taxes	20.00	20.00	20.00	20.00	20.00	30.00
Management contract	30.00	30.00	30.00	30.00	30.00	30.00
Repairs, except tractor	10.00	10.00	10.00	10.00	10.00	10.00
Office and business costs	54.68	9.50	10.44	10.25	10.25	10.16
Total Pre-Harvest Cash Costs	\$ 966.01	\$ 167.83	\$ 184.42	\$ 181.13	\$ 181.13	\$ 179.54
DEPRECIATION						
Irrigation system: \$252 cost, 12-year life	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00
Buildings and equipment: \$180 cost, 10-year life	18.00	18.00	18.00	18.00	18.00	18.00
Total Depreciation	\$ 39.00	\$ 39.00	\$ 39.00	\$ 39.00	\$ 39.00	\$ 39.00
Total Cash Costs	\$1,005.01	\$ 206.83	\$ 223.42	\$ 220.13	\$ 220.13	\$ 218.54
INTEREST ON INVESTMENT @ 7%						
Irrigation system: ½ cost, \$126	\$ 8.82	\$ 8.82	\$ 8.82	\$ 8.82	\$ 8.82	\$ 8.82
Buildings and equipment: ½ cost, \$90	6.30	6.30	6.30	6.30	6.30	6.30
Land: @ \$1,200/acre	84.00	84.00	84.00	84.00	84.00	84.00
Interest on accumulated costs		77.29	104.12	133.99	165.71	199.66
Total Interest on Investment	\$ 99.12	\$ 176.41	\$ 203.24	\$ 233.11	\$ 264.83	\$ 298.78
TOTAL COST FOR THE YEAR	\$1,104.13	\$ 383.24	\$ 426.66	\$ 453.24	\$ 484.96	\$ 517.32
Credit for crop, in-shell, dry nuts: @ 60¢/pound						\$ 195.00
Net Cost for the Year	\$1,104.13	\$ 383.24	\$ 426.66	\$ 453.24	\$ 484.96	\$ 322.32
ACCUMULATED NET COST	\$1,104.13	\$1,487.37	\$1,914.03	\$2,367.27	\$2,852.23	\$3,174.55

Costs are for a 26- by 14-foot planting with 120 trees per acre. Based on labor @ \$2.30 and \$2.65 per hour; medium-wheel tractor per hour cash costs @ \$1.40; depreciation @ \$1.20; and interest @ \$.70.

ABOUT THIS SHEET

This cost data sheet is designed for use as a guide in determining production costs for a specific pistachio orchard. The figures are based on good management practices and are not intended to represent industry averages. However, orchards vary in growth and development, depending on management, soil, water availability, variety, and planting distance.

Soils. Pistachios are adapted to a wide range of soil conditions. However, deep, well-drained soils are best for optimum production and quality. Some pistachio orchards are being developed on relatively shallow, unlevel, upland soils that have been ripped. Storm drainage is provided by moving shallow quantities of earth. The land, much of which has never been irrigated, is relatively free of *Verticillium* wilt fungus and root-knot nematodes.

Trees. The trees in this data sheet were field budded.

Yields. Most pistachio trees in the area are still young so reliable production histories have not yet been developed. It must be remembered that pistachio yields tend to alternate—yields may be high one year and low the next.

Irrigation and Tillage. Pistachios are drought-resistant. However, frequent irrigations during the summer months maintain optimum growth. Portable dragline sprinkler systems are commonly used, but other systems are also suitable.

Herbicides are used to control weed growth down the tree row; centers are disced or mowed.

Management. Management of all cultural operations is handled by a professional firm. This firm also arranges for materials, equipment, and labor.

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