

AV-CC-75

SAMPLE COSTS TO ESTABLISH AN AVOCADO GROVE IN  
SAN LUIS OBISPO COUNTY - 1975

by

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YIELD: POUNDS PER ACRE	COSTS PER ACRE			
	1st Year	2nd Year	3rd Year	4th Year
	0	0	1240	2480
<b>PRE-HARVEST CASH COSTS</b>				
Land clearing, brush and tree removal: range \$30 to \$500	\$ 250.00	\$	\$	\$
Trees: 125 @ \$5	625.00			
Layout, plant, irrigate trees @ \$1/tree	125.00			
Replant second year		24.00		
Irrigation Labor (drip system)	24.00	29.50	29.50	29.50
Water: \$40/ac ft.	6.50	20.00	33.00	40.00
Weed control by chemicals with hand labor supplement	80.00	50.00	50.00	40.00
Fertilizer (injected in water)	5.00	14.00	28.00	40.00
Pest control materials 7 application including rodent control & nutrient spray	10.00	10.00	10.00	16.00
Pruning and suckering	10.00	10.00	10.00	20.00
Frost Protection: wind machine	125.00	125.00	125.00	125.00
Taxes (estimate)	27.00	27.00	27.00	94.00
Repairs, except tractor	32.00	34.00	36.00	40.00
Misc. Labor and materials	20.00	20.00	30.00	30.00
Office, business expenses 6% management	83.60	25.05	26.90	36.35
	54.00	54.00	54.00	54.00
<b>Total Pre-Harvest Costs</b>	<b>\$1,477.10</b>	<b>\$ 442.55</b>	<b>\$ 459.40</b>	<b>\$ 564.85</b>
<b>HARVESTING COST:</b>				
Pick: \$1.00 per 40 lb. field box	\$	\$	\$ 12.50	\$ 62.00
Haul: 25¢ field box			3.13	15.50
<b>Total Harvesting Costs</b>			<b>\$ 15.63</b>	<b>\$ 77.50</b>
<b>Total Cash Costs</b>	<b>\$1,477.10</b>	<b>\$ 442.55</b>	<b>\$ 475.03</b>	<b>\$ 642.35</b>
<b>DEPRECIATION</b>				
Pump, panel, well \$220-10 yrs.	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Irrigation system: drip system \$360-10 yrs.	36.00	36.00	36.00	36.00
Wind machine: \$1,000-15 yrs	66.67	66.67	66.67	66.67
Heaters: other equip. \$200-10 yrs.	20.00	20.00	20.00	20.00
Tractors	12.72	9.90	9.90	12.72
<b>Total Depreciation</b>	<b>\$ 157.39</b>	<b>\$ 154.57</b>	<b>\$ 154.57</b>	<b>\$ 157.39</b>
<b>INTEREST ON INVESTMENT @ 8%</b>				
Pump, panel, well: 1/2 cost \$110	\$ 8.80	\$ 8.80	\$ 8.80	\$ 8.80
Irrigation system: 1/2 cost \$180	14.40	14.40	14.40	14.40
Wind machine: 1/2 cost \$500	40.00	40.00	40.00	40.00
Heaters, other equip: 1/2 cost \$100	8.00	8.00	8.00	8.00
Tractors	6.36	4.95	4.95	6.36
Land: \$2200	176.00	176.00	176.00	176.00
Interest on accumulated costs		151.04	231.07	310.09
<b>Total Interest on Investment</b>	<b>\$ 253.56</b>	<b>\$ 403.19</b>	<b>\$ 483.22</b>	<b>\$ 563.65</b>
<b>Total Cost for the Year</b>	<b>\$1,888.05</b>	<b>\$1,000.31</b>	<b>\$1,112.82</b>	<b>\$1,363.39</b>
Credit for fruit 25¢/lb			\$ 125.00	\$ 620.00
<b>NET COST FOR THE YEAR (gain)</b>	<b>\$1,888.05</b>	<b>\$1,000.31</b>	<b>\$ 987.82</b>	<b>\$ 743.39</b>
<b>ACCUMULATED NET COST</b>	<b>\$1,888.05</b>	<b>\$2,888.36</b>	<b>\$3,876.18</b>	<b>\$4,619.57</b>

All labor \$3.60 per hr. cost to grower. Tractor