

PRODUCTION OF MID-SEASON NECTARINES  
Cost Analysis Worksheet, 1976

Sample costs to produce mid-season nectarines in the southern San Joaquin Valley for fresh shipment. Costs are for a mature orchard containing 108 trees per planted acre, producing 900 packed lugs of fruit, with approximately 20% discarded as culls. Labor costs at \$3.30 per hour and equipment operator at \$4.00 per hour. Wages include Social Security, Workmen's Compensation and insurance. Medium wheel tractor per hour cash costs at \$2.60; depreciation at \$1.65; and interest at \$ .82.

	Sample Costs		My Costs	
	Per Acre	Per Lug	Per Acre	Per Lug
<b>Pre-Harvest Cash Costs:</b>				
Pruning: 108 trees at \$1.40/tree	\$ 151.20			
Brush shredding: contract @ \$6.50/acre;	6.50			
raking brush, 3 hrs. labor	9.90			
Fertilize: 125 lbs. N at \$ .30/lb.	37.50			
1/2 hr. labor + 1/2 hr. tractor	3.30			
Spray: 5 times + materials	131.00			
application: 1500 gal. @ 2 1/2¢/gal.	37.50			
Furrow: 3 times, 1 1/2 hrs. labor + 1 1/2 hrs. tractor	9.90			
Irrigate: 7 times, 8 hrs. labor	26.40			
3 1/2 ac. ft. water: power + tax @ \$10/ac. ft.	35.00			
Disc: 3 times, 4 1/2 hrs. labor + 4 1/2 hrs. tractor	29.70			
Weed control	15.34			
Thin: 108 trees @ \$2.70/tree	291.60			
Prop & tie: 9 hrs. labor, 2 hrs. tractor, materials	71.20			
Taxes	60.00			
Misc. labor, materials, field power: includes				
4 hrs. labor + 1 hr. tractor	20.00			
Repairs to equipment, except tractor	17.00			
Office, car, operating capital, insurance, etc.	87.87			
<b>TOTAL PRE-HARVEST CASH COSTS</b>	<b>\$1040.91</b>	<b>\$1.16</b>		
<b>Harvest Costs:</b>				
Pick: 900 lugs (22 lbs.) at 45¢	\$ 405.00			
Haul: 900 lugs (22 lbs.) at 10¢	90.00			
Misc.: 4 hrs. labor, 1 tractor hr.	16.50			
<b>TOTAL HARVEST COSTS</b>	<b>\$ 511.50</b>	<b>\$ .57</b>		
<b>TOTAL CASH COSTS</b>	<b>\$1552.41</b>	<b>\$1.73</b>		
<b>Depreciation:</b>				
Irrigation system & well: \$300, 20 yr. life	\$ 15.00			
Bldgs. & equip., except tractor: \$120, 12 yr. life	10.00			
Tractor: 10 1/2 hrs. at \$1.65	17.33			
Trees: cost \$2926, 20 yr. life	146.30			
<b>TOTAL DEPRECIATION</b>	<b>\$ 188.63</b>	<b>\$ .20</b>		
<b>Interest on Investment @ 8%:</b>				
Irrigation system & well: 1/2 cost, \$150	\$ 12.00			
Bldgs. & equip., except tractor: 1/2 cost, \$60	4.80			
Tractor: 10 1/2 hrs. @ \$ .82/hr.	8.61			
Trees: 1/2 cost, \$1463	117.04			
Land: @ \$1700/acre	136.00			
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$ 278.45</b>	<b>\$ .31</b>		
<b>TOTAL COST OF PRODUCTION</b>	<b>\$2019.49</b>	<b>\$2.24</b>		

SAMPLE COSTS AT VARYING YIELDS

Yield:	8	10	12	14	16	18
Tons per acre						
Total cost of production per ton	\$230.57	\$192.43	\$167.05	\$148.89	\$135.29	\$124.69
Cash costs only:						
per 22 lb. lug	2.37	2.00	1.76	1.59	1.46	1.36
Total costs per 22 lb. lug	3.17	2.65	2.29	2.05	1.86	1.71
Packed lugs per acre	582	727	873	1018	1164	1309
UC Cooperative Extension						

## ABOUT THIS SHEET

This work sheet was developed to show sample costs for a good yielding, mature orchard under southern San Joaquin Valley conditions. Specific years, areas and orchards may have different costs because of the following considerations:

1. Seasonal variations influence fruit set and quality. Consequently, differences in thinning, pest control and cullage will occur.
2. No account is made for partial or complete crop loss.
3. Interest and depreciation costs are based on present costs of establishing an orchard. Present bearing orchards were probably established at lower costs. Variety patent fees are not included in the development costs.
4. Costs per 2-layer lug are based on an average net weight of 22 lbs. Net weights vary depending on fruit size and maturity.
5. No allowance is made for cost of management, packing costs or commission charges.
6. Water costs vary in the southern San Joaquin Valley and an average cost is used in this study.
7. Packing and selling charges are not included in production costs. These costs do not vary with production levels. They must, however, be deducted from gross sale prices as are production costs to determine net returns. Packing charges in 1975 were approximately \$1.65 per lug. Sales charges vary from 10-15% of gross sale prices. Other charges such as precooling, hydrocooling and marketing order fees must also be considered.

### Prepared by:

Lyndon C. Brown, Farm Advisor, Kings County.  
Marvin H. Gerdts, Extension Pomologist, Parlier.  
Kenneth W. Hench, Farm Advisor, Kern County.  
Lynn A. Horel, Staff Research Associate, Davis.  
James H. LaRue, Farm Advisor, Tulare County.  
George M. Leavitt, Farm Advisor, Madera County.  
Gary L. Obenauf, Farm Advisor, Fresno County.  
Edward A. Yeary, Farm Advisor-Statewide, Parlier.