

**VINEYARD ESTABLISHMENT COSTS
IN THE SAN JOAQUIN VALLEY**

**THOMPSON SEEDLESS
FOR RAISINS OR WINE**

1966

Cost Analysis Worksheet
Showing Sample Costs

COST ANALYSIS WORKSHEET

	COST PER ACRE			
	1st Year	2d Year	3d Year	4th Year
Yield – tons (fresh)			5.0	8.0
PREHARVEST CASH & LABOR COST				
Land prep. – chisel, disc twice, float, etc. (contract)	\$ 20.00	\$	\$	\$
Survey & mark – 5 M-hr	7.50			
Planting, including trimming – @ 3.5¢	14.46	1.20		
Rootings – 413 (+10 2d yr) @ 7.5¢	30.98	.75		
Set & distribute stakes & end posts – @ 5¢ & 27¢		23.62		
Stakes (treated) – 413, 6 ft @ 27¢		111.51		
End posts (treated) – 11 @ \$1.25		13.75		
String one wire & staple*		4.00		
Wire – 100 lb No. 12 @ \$8.85*		8.85		
Training & suckering (M-hr 2d yr, 20; 3d, 5)		30.00	7.50	
Twine		2.00	1.00	
Prune & tie (M-hr 2d yr, 2.5; 3d, 10; 4th, 20)		3.75	15.00	30.00
Rabbit control	7.50	2.50		
Irrigation labor – 8M-hr 1st 2 yrs; 5 hr 3d, 4th yr	12.00	12.00	7.50	7.50
Water – 2½ to 3½ ac-ft, power &/or irrig. dist. tax	9.00	10.50	12.00	12.00
Tillage, irrig. prep. & hoe – 6 M-hr + 3 TR-hr 1st yr and then 4 M-hr + 3 TR-hr	13.35	10.35	10.35	10.35
Fertilizer application (contract)		1.00	1.00	1.00
Fertilizer – 25 lb N 2d yr + 40 lb N 3d & 4th yr @ 11¢		2.75	4.40	4.40
Pest & disease control – 1 M-hr + 1 TR-hr + contract spray			8.00	8.00
Pest & disease control material			8.00	9.00
Misc. labor & material including ½ TR-hr	5.00	10.00	12.00	15.00
County taxes	14.40	14.40	16.60	19.10
Office, car, interest on operating capital, etc. (5% cash & labor cost)	7.03	13.47	8.12	10.34
Repairs, except tractor	6.50	6.50	6.50	6.50
Total Preharvest Cash & Labor Cost	\$147.72	\$282.90	\$117.97	\$133.19
HARVESTING COST				
Pick & haul (winery basis) – @ \$10.50/ton			52.50	84.00
Total Cash & Labor Cost	\$147.72	\$282.90	\$170.47	\$217.19
DEPRECIATION COST				
Irrigation facilities – \$220 cost	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00
Buildings & equipment, except tractor – \$100 cost	7.50	7.50	7.50	7.50
Tractor @ 70¢/hr 1st & 2d yr, 3.5; 3d & 4th, 4.5	2.45	2.45	3.15	3.15
Total Depreciation Cost	\$ 20.95	\$ 20.95	\$ 21.65	\$ 21.65
Total Cash & Depreciation Cost	\$168.67	\$303.85	\$192.12	\$238.84
INTEREST ON INVESTMENT @ 6%				
Irrigation facilities – on ½ cost (\$110)	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60
Buildings & equipment, except tractor – on ½ cost (\$50)	3.00	3.00	3.00	3.00
Tractor @ 27¢/hr 1st & 2d yr, 3.5; 3d & 4th, 4.5	.95	.95	1.22	1.22
Land without improvements @ \$900	54.00	54.00	54.00	54.00
Interest on accumulated cost		13.99	36.94	44.07
Total Interest on Investment	\$ 64.55	\$ 78.54	\$101.76	\$108.89
TOTAL COST FOR YEAR	\$233.22	\$382.39	\$293.88	\$347.73
CREDIT FOR FRUIT @ \$35 per ton			\$175.00	\$280.00
NET COST FOR YEAR	\$233.22	\$382.39	\$118.88	\$ 67.73
TOTAL ACCUMULATED COST	\$233.22	\$615.61	\$734.49	\$802.22

Based on man labor @ \$1.50 and \$1.70 per hour (includes Workmen's Compensation, Social Security, and other benefits); medium wheel tractor per hour cash cost \$1.25; depreciation 70 cents; interest 27 cents.

*Cost for adding one more wire with 24-inch crossarm would approximate \$80 (3d year).

ABOUT THIS SHEET

This sheet is one of a series on sample costs of establishing vineyards in the San Joaquin Valley. They include: Thompson Seedless for Raisins or Wine, Thompson Seedless for Table Use, Emperors, and Standard 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 was included in the land value. Subsoiling, fumigation, or releveling costs would be additional.

ROOTINGS – Cost is based on planting rooted cuttings. When cuttings are planted directly in the vineyard, the overall cost of rootings, planting, and replanting is sometimes less. If resistant rootstocks are used, the overall cost would probably be \$100 to \$150 more per acre.

IRRIGATION – Irrigation labor and water sample costs are based on a pumping system with pipeline. Labor cost per acre is affected by the number of irrigations, quantity applied, and size of head. Large heads of water may lower the labor costs. When all the water is from an irrigation district, the investment overhead costs of depreciation and interest on irrigation facilities are normally lower.

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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Table 3

VINEYARD ESTABLISHMENT COSTS PER ACRE AT END OF THREE YEARS

EXCLUDING HARVESTING AND CROP CREDIT - 1966

	<u>COSTS EXCEPT INTEREST</u>	<u>INTEREST</u>	<u>TOTAL</u>
THOMPSON SEEDLESS - RAISINS OR WINE	\$612	\$245	\$857
THOMPSON SEEDLESS - TABLE (FRESH)	802	251	1,053
EMPERORS	842	253	1,095
TOKAYS	607	297	904
WINE VARIETIES:			
SAN JOAQUIN VALLEY (STANDARD)	612	245	857
SAN JOAQUIN COUNTY (STANDARD)	680	313	993
NORTH COAST: NON-IRRIG. - HEAD PRUNED	688	277	965
NORTH COAST: IRRIG. - CANE PRUNED - PREMIUM	810	302	1,112

Table 4

COST PER ACRE OF ESTABLISHING VINEYARDS - 1966

	<u>NUMBER OF YEARS</u>	<u>COST UP TO HARVEST LAST YEAR</u>	<u>NET COST</u>
THOMPSON SEEDLESS - RAISINS OR WINE	4	\$ 998	\$ 802
THOMPSON SEEDLESS - TABLE (FRESH)	4	1,382	1,136
EMPERORS	4	1,345	1,132
TOKAYS	7	1,616	1,259
WINE VARIETIES:			
SAN JOAQUIN VALLEY (STANDARD)	3	857	742
SAN JOAQUIN COUNTY (STANDARD)	4	1,139	885
NORTH COAST: NON-IRRIG. - HEAD PRUNED	3	965	832
NORTH COAST: IRRIG. - CANE PRUNED - PREMIUM	3	1,113	859

Table 5

VINEYARD INVESTMENT COSTS - 1966

Original Investment Cost Per Acre

	<u>LAND</u>	<u>IRRIG. FACIL.</u>	<u>BLDGS. & EQT.</u>	<u>NET COST VINES</u>	<u>TOTAL</u>	<u>TOTAL FOR 80 ACRES</u>
T.S. - RAISINS OR WINE	\$ 900	\$220	\$170	\$ 802	\$2,092	\$167,360
T.S. - TABLE	900	250	170	1,136	2,456	196,480
EMPERORS	900	250	170	1,132	2,452	196,160
TOKAYS	1,200	100	190	1,259	2,749	219,920
WINE VARIETIES:						
SAN JOAQUIN VALLEY	900	220	170	742	2,032	162,560
SAN JOAQUIN COUNTY	1,200	100	190	885	2,375	190,000
NORTH COAST <u>1/</u>	1,000	-	285	832	2,117	169,360
NORTH COAST <u>2/</u>	1,000	240	285	859	2,384	190,720

1/ Non-irrigated - head pruned.

2/ Irrigated - cane pruned.