

SAMPLE COSTS TO PRODUCE AND DEVELOP PEARS  
IN SANTA CLARA COUNTY - 1967

Sample Costs to Produce Pears

Production data: 80 acre orchard with a yield of 16 tons per acre, trees 20' x 20'  
108 trees per acre. Labor: \$1.65 per hour for unskilled and \$2.00 per hour for skilled.

Operation	Hours Per Acre	Cash and Labor Cost per Acre			Total
		Labor	Fuel and Repairs	Materials Kind and Quantity Cost	
<u>Cultural costs</u>					
Prune @ \$1.25/tree		\$135.00			\$135.00
Brush Disposal	3.0	5.50	2.70		8.20
Cultivation (6x)	3.0	6.00	6.75		12.75
Spray Pathogens (4x)	2.0	4.00	7.00		
Insects (5x)	2.5	5.00	8.75	\$ 85.00	109.75
Fertilize	.3	.60	.30	150# @.12 18.00	18.90
Ridge (4x)	.8	1.60	1.00		2.60
Irrigate (4x)	4.0	6.60	2.00		8.60
Power and tax				24 inches 32.00	32.00
Blight cutting	20.0	33.00			33.00
Miscellaneous	5.0	8.20	4.00	4.00	16.20
<b>TOTAL CULTURAL COSTS</b>	<b>40.6</b>	<b>205.50</b>	<b>32.50</b>	<b>139.00</b>	<b>377.00</b>
<u>Harvest costs</u>					
Picking 16 tons @ 15.		240.00			240.00
Hauling	5.0	10.00	6.00		16.00
Supervision	10.0	20.00			20.00
<b>TOTAL HARVEST COSTS</b>	<b>15.0</b>	<b>270.00</b>	<b>6.00</b>		<b>276.00</b>
<u>Cash Overhead</u>					
Misc., office, etc.				32.50	32.50
Taxes				100.00	100.00
<b>TOTAL CASH OVERHEAD</b>				<b>132.50</b>	<b>132.50</b>
<b>TOTAL CASH COST</b>		<b>475.50</b>	<b>38.50</b>	<b>271.50</b>	<b>785.50</b>
Management 5% of 16 tons @ 90.00 per ton					72.00
<u>Annual Cost</u>					
<u>Investment</u>	<u>Per Acre</u>	<u>Depreciation</u>	<u>Interest</u>		
Land	\$3,000		\$180.00		
Trees	3,000	\$100.00	90.00		
Irrigation system	200	10.00	6.00		
Buildings	50	2.00	1.50		
Equipment	500	50.00	15.00		
<b>Total Investment</b>	<b>6,750</b>	<b>162,00</b>	<b>292.50</b>		<b>454.50</b>
<b>TOTAL COST PER ACRE</b>					<b>1312.00</b>
Cost per ton @ 16 ton yield					82.00

The Sample costs in this study are based on a typical set of conditions and include the operations that a good farmer would perform to reach the yield that is indicated. This study is not the average cost of production of a crop and will vary from one year to another, depending on the weather conditions, prices (both paid out and received) and the methods used in performing certain operations.

For the individual grower, some of the operations and materials listed in this study may not be necessary. For others, however, additional operations may have to be performed.

BASIS OF COST CALCULATIONS

Labor

Labor is broken down into two categories:

1) Skilled labor which includes tractor drivers, truck drivers, and crew supervisors.

2) Unskilled labor which includes pruners, irrigators, harvesters and other labor that do not operate equipment or perform other specialized tasks.

Included in the labor costs of \$1.65 for the unskilled and \$2.00 for the skilled laborer are social security, compensation insurance, housing and utilities which are paid by the grower.

Management

Management costs are calculated at 5% of the assumed gross income.

Cash Overhead

Cash overhead is calculated as 5% of the total cultural and harvest cost and includes incidentals, such as running parts or parts and fuel for operation of a pickup truck, that were not covered in other places in the study.

Interest on land and trees

The 6% interest charge on land and trees is based on the assumption that the growers investment could reasonably be expected to provide a 6% return if this money were invested in bank loans or similar enterprises.

EQUIPMENT INVESTMENT

ITEM	COST
Pickup	\$ 2,600
Truck	4,000
Tractor TD 40	11,700
Tractor WD 30	5,000
Sprayer - 500 gal.	5,500
Disk 10'	1,500
Ridger	600
Fertilizer Spreader 8'	300
Ladders, buckets, etc.	5,000
Trailer	1,400
Sled	300
Miscellaneous	2,100
<b>Total Investment</b>	<b>\$40,000.00</b>
Per Acre on <u>80</u> acres	<u>500.00</u>
Depreciation per acre	<u>62.50</u>
Interest per acre	<u>15.00</u>

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