

**1964**

# **Sample Production Costs**

## **WALNUTS**

### **in Glenn County**

This cost study is based upon information gathered from several Glenn County operations. The data should be used only as a guide for planning or evaluating your own operation.

All labor is shown as hired at either \$1.75 skilled or \$1.50 common per hour (including Social Security, Workmens Compensation Insurance, and other minor costs). Operators performing their own labor may wish to reduce the labor costs shown by an appropriate amount. It should be remembered that all contract labor in a cost study represents actual costs plus a profit to the contractor.

The equipment investment is based upon new cost. It should be realized that many operators own and maintain equipment which has been partially or

**SAMPLE COSTS TO PRODUCE WALNUTS IN GLENN COUNTY**

(On 80 acres)

40 h.p. C. Tractor - \$1.40/hour  
 30 h.p. W. tractor - .95/hour

Labor: 1.50/hr. Common  
 1.75/hr. Tractor

Yield: 2000 lb.

Operation	Hours Per Acre	Cash and Labor Costs per acre			Total Cost Per A.	My Cost
		Labor	Fuel & Repairs	Materials		
<b>Cultural</b>						
Prune	9.0	\$13.52	\$	\$	\$13.52	
Brush removal	2.0	3.00	2.40		5.40	
Spray 2x, 2 men	1.2	2.10	4.86	26.00	32.96	
Fertilize	.4	.60	.42	150# nitrogen @12¢ 18.00	19.02	
Disc 4x	2.0	3.50	3.60		7.10	
Furrow	.5	.88	.63		1.51	
Irrigate 3x	5.0	7.50		3.8 ac. ft. @\$2.50 9.50	17.00	
Landplane 4x	1.0	1.75	1.90		3.65	
Cover crop	.2	.35	.20	Seed 2.25	2.80	
Springtooth	.1	.18	.15		.33	
<b>TOTAL CULTURAL</b>	<b>21.4</b>	<b>\$33.38</b>	<b>\$14.16</b>	<b>\$55.75</b>	<b>\$103.29</b>	
<b>Harvest</b>						
Shake	1.5	3.00	2.25		5.25	
Rake	.5	.87	.38		1.26	
Pick up	1.25	2.50	2.50		5.00	
Haul to shed	1.25	2.19	1.50		3.69	
Hull & dry		25.00	15.63		40.63	
Haul to market	1.0	1.75	2.00		3.75	
<b>TOTAL HARVEST</b>	<b>5.50</b>	<b>\$35.31</b>	<b>\$24.26</b>		<b>\$59.58</b>	
<b>TOTAL CULT. &amp; HARVEST</b>	<b>26.90</b>	<b>\$68.69</b>	<b>\$38.42</b>	<b>\$55.75</b>	<b>\$162.87</b>	
<b>MANAGEMENT (5%) 2000 lbs. x 22</b>					<b>\$ 22.00</b>	
<b>MISCELLANEOUS</b>					<b>8.14</b>	
<b>TOTAL MANAGEMENT AND MISCELLANEOUS</b>					<b>\$ 30.14</b>	
<b>TOTAL CASH AND LABOR COST</b>					<b>\$193.01</b>	

**ANNUAL COSTS**

Investment	Per Acre	Depreciation	Int. @ 6%	Taxes & Ins.	
Land	\$ 800.00	\$	\$ 48.00	\$ 10.00	
Trees	1000.00	25.00	30.00	15.00	
Irrigation System	150.00	7.50	4.50	2.25	
Cultural equipment	500.00	40.06	15.04	7.50	
Harvest equipment	375.00	33.67	11.25	5.63	
Hulling equip. & shed	113.00	3.75	3.38	1.70	
<b>TOTAL</b>	<b>\$2938.00</b>	<b>\$109.98</b>	<b>\$112.17</b>	<b>\$42.08</b>	<b>\$264.23</b>
<b>TOTAL COST PER ACRE</b>					<b>\$457.24</b>
<b>COST PER LB. @ 2000 lb. yield</b>					<b>.23</b>

**NET INCOME PER ACRE AFTER ALL EXPENSE**

Yield, lbs.	Price per lb.						
	16¢	18¢	20¢	22¢	24¢	26¢	28¢
1000	-253.66	-234.66	-215.66	-196.66	-177.66	-158.66	-139.66
1500	-192.66	-164.16	-135.66	-107.16	- 78.66	- 50.16	- 21.66
2000	-131.24	- 93.24	- 55.24	- 17.24	+ 20.76	+ 58.76	+ 96.72
2500	- 70.66	- 23.16	+ 24.34	+ 71.84	+119.34	+166.84	+214.34
3000	- 9.66	+ 47.34	+104.34	+161.34	+218.34	+275.34	+332.34

completely depreciated. In such cases, proper adjustments should be made in depreciation and interest costs. Owning equipment jointly, which is on the increase in Glenn County, allows savings to be made in overhead costs. Such savings are not reflected in this study.

Cultural costs as shown are based upon maximum recommended requirements. It is recognized that in a given year it may not be necessary for all practices (pest control, etc.) to be performed.

The investment shown for trees reflects input costs covering those years up to self-sustaining production.

Interest on investment costs represents 6 per cent on the average value of all depreciable items. Land does not depreciate; therefore, interest is computed on the full value.

Taxes are figured by applying a rate of 1.25% to the land value and 1.50% to depreciable property to cover both taxes and fire insurance.

Note the blank column on the right margin. This is for your use in comparing your costs with the sample costs.

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