

Sample Costs to Produce Walnuts

Production data: Based on a 40 acre orchard with a yield of 2,000 lbs. dried nuts per acre. Trees 30 x 30 - 48 trees/acre Labor: \$1.65 for unskilled and \$2.00 per hour for skilled labor.

Operation	Hours Per Acre	Cash and Labor Cost per Acre			Total
		Labor	Fuel and Repairs	Materials Kind and Quantity Cost	
Cultural costs					
Prune	8.0	\$13.20			\$ 13.20
Brush Disposal	2.0	3.30	2.00		5.30
Spray Insect (5x)	1.5	3.00	5.25		
Fungicides (2x)	.6	1.20	2.10	\$ 44.25	55.80
Cultivation & Har. (7x)	5.0	10.00	8.25		18.25
Ridge (3x)	.6	1.20	.75		1.95
Irrigation (3x)	.5	8.25			8.25
Power & Pump Tax				for 18" 24.00	24.00
Fertilize	.75	1.50	.75	100#N @ 12 12.00	14.25
Miscellaneous	4.0	6.60	1.40		8.00
TOTAL CULTURAL COSTS	22.95	48.25	20.50	80.25	149.00
Harvest Costs					
Knocking Contract @ \$16.00/Ac		16.00			16.00
Picking-25¢ per box-160 boxes/acre		40.00			40.00
Supervision & Hauling	5.0	10.00	4.00		14.00
Hulling & Dehydrating contract 2¢ per dry lb.				40.00	40.00
TOTAL HARVEST COSTS	5.0	66.00	4.00	40.00	100.00
Cash Overhead					
Misc., office, etc.				13.00	13.00
Taxes				100.00	100.00
TOTAL CASH OVERHEAD				113.00	113.00
TOTAL CASH COST		114.25	24.50	233.25	372.00
Management 5% of 2000# @ 24¢ per lb.					24.00
Investment					
		Per Acre	Annual Cost		
Land		\$3,000	Depreciation	Interest	
Trees		2,000 (40 yrs)	\$ 50.00	60.00	
Irrigation system		200	10.00	6.00	
Buildings		50	2.50	1.50	
Equipment		550	55.00	16.50	
Total Investment		5,800	117.50	264.00	381.50
TOTAL COST PER ACRE					777.50
Cost per CWT @2,000 lb. yield					38.87

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

<u>ITEM</u>	<u>COST</u>
Pickup	\$2,600
Truck	4,000
Tractor WD 30	5,000
Sprayer 500 gal.	5,500
Disk 9 feet	1,200
Ridger	600
Fertilizer Spreader	370
Float	300
Sled	300
Miscellaneous	2,130
Total Investment	\$22,000.00
Per Acre on <u>40</u> acres	<u>550.00</u>
Depreciation per acre	<u>55.00</u>
Interest per acre	<u>16.50</u>

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