

COST OF PRODUCING

WALNUTS

IN

TULARE COUNTY

1967

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COST ANALYSIS WORK SHEET
SAMPLE COSTS TO PRODUCE WALNUTS IN TULARE COUNTY - 1967

Based on an average yield of 2,500 lbs. dry nuts per acre. Man labor at \$1.60 and \$1.80 per hour, including compensation insurance and Social Security; medium wheel tractor per hour cash cost \$1.30, depreciation \$.75, interest \$.30.

	Sample Costs		Your Costs	
	Per Acre	Per Cwt.	Per Acre	Per Cwt.
PRE-HARVEST CASH COSTS:				
Pruning: 10 man hours @ \$1.60	\$ 16.00			
Brush disposal: 4 man and 1 tractor hour	7.90			
Fertilizer: 125 lbs. N @ 11¢ applied	13.75			
Cover crop seed \$2.00; plant ½ hr., man & tractor	3.55			
Spray application: 2 times - contract	15.00			
Spray material:	15.00			
Tillage and prep. for harvest: 7 hr. man & tr.	21.70			
Irrigate: 6 times - 6 man hrs.	9.60			
Water: power 40" @ \$5.50/A ft. + dist. tax \$6.00	24.33			
Misc. labor: 4 man & 1 tractor hour	7.90			
Misc. material:	8.00			
County taxes:	35.00			
Office, car, int. on operating capital, etc.	15.00			
Repairs, except tractor	6.00			
TOTAL PRE-HARVEST CASH AND LABOR COST	\$198.73	\$ 7.95		
HARVESTING COSTS:				
Shake & pick: contract @ \$60/ton	75.00	\$ 3.00		
Hull, dehydrate & haul: contract @ \$35/ton	43.75	\$ 1.75		
TOTAL HARVESTING	\$118.75	\$ 4.75		
TOTAL CASH AND LABOR COST	\$317.48	\$12.70		
DEPRECIATION:				
Trees: cost - \$1500 - 40 year life	37.50			
Irrigation Facilities: \$200 cost	12.00			
Bldgs. & equipment, except tractor: \$100 cost	7.50			
Tractor: 9½ hr.	7.13			
TOTAL DEPRECIATION COST	\$ 64.13	\$ 2.57		
TOTAL CASH AND DEPRECIATION COST	\$381.61	\$15.27		
INTEREST ON INVESTMENT @ 6%:				
Trees: on ½ cost (\$750)	45.00			
Irrigation facilities: on ½ cost (\$100)	6.00			
Bldgs. & equip., except tractor: on ½ cost (\$50)	3.00			
Tractor: 9½ hours @ 30¢	2.85			
Land at \$1000	60.00			
TOTAL INTEREST ON INVESTMENT	\$116.85	\$ 4.67		
TOTAL COST OF PRODUCTION	\$498.46	\$19.94		

COST PER HUNDRED WEIGHT AT VARYING YIELDS

Yield, pounds per acre	1,000	1,500	2,000	2,500	3,000	3,500
Cash and depreciation cost	\$31.04	\$22.27	\$17.89	\$15.27	\$13.51	\$12.26
TOTAL COST PER CWT.	\$42.73	\$30.06	\$23.73	\$19.94	\$17.41	\$15.60

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COST ANALYSIS WORK SHEET

SAMPLE COSTS PER ACRE TO ESTABLISH A WALNUT ORCHARD IN TULARE COUNTY - 1967

Costs are based on 35' x 35' planting 35 trees per acre. Man labor at \$1.60 per hour total and equipment operator \$1.80. Medium wheel tractor per hour cash costs \$1.30, depreciation 75¢ and interest 30¢.

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Yield: Lbs. Per Acre					500	1000
PRE-HARVEST CASH COSTS:						
Land preparation: subsoil, contract	\$ 10.00	\$	\$	\$	\$	\$
Disc & float: 4 hrs. man & tractor	12.40					
Trees: 35 at \$3	105.00	3.00	1.50			
Survey, peg, dig holes, plant & prune trees: 35 at 25¢	8.75					
Stakes: 37 at 40¢ (10' stakes)	14.80					
Plant & prune replants		2.50	1.25			
Stake trees: 5 man hrs. 1 tr. hr.	9.50					
Training, tying, pruning	15.00	10.00	12.00	15.00	20.00	30.00
Whitewash trees 1st 3 yrs.	6.00	6.00	7.00			
Tillage & irrigation prep. 6 hrs. man & tractor	18.60	18.60	18.60	18.60	18.60	18.60
Irrigation labor at \$1.60 hr.	6.40	6.40	9.60	9.60	9.60	9.60
Water: @ \$5.50 A ft.; Dist. tax \$6.00	11.50	11.50	14.25	17.00	22.50	22.50
Fert.: 11¢ lb. N applied	1.32	2.64	2.64	2.64	2.64	2.64
Spray materials	2.00	2.00	2.00	4.00	6.00	12.00
Spray appli.: contract	2.50	2.50	2.50	5.00	7.50	10.00
Misc. labor: 4 man hrs. 1 tr. hr.	7.90	7.90	7.90	7.90	7.90	7.90
Misc. materials	6.00	6.00	6.00	6.00	6.00	6.00
County taxes:	20.00	20.00	20.00	20.00	20.00	35.00
Repairs to equip. except tr.	6.00	6.00	6.00	6.00	6.00	6.00
Office, car, oper. capital, etc.	13.20	5.25	5.60	5.60	7.75	10.80
TOTAL PRE-HARVEST CASH COSTS	\$276.87	\$110.29	\$116.84	\$117.34	\$134.49	\$171.04
HARVESTING COSTS:						
Shake and pick: contract @ \$75/ton					\$ 18.75	\$ 37.50
Hull & dry & haul: contract \$35/ton					8.75	17.50
TOTAL HARVESTING COSTS					\$ 27.50	\$ 55.00
TOTAL CASH COSTS	\$276.87	\$110.29	\$116.84	\$117.34	\$161.99	\$226.04
DEPRECIATION:						
Irrigation system: \$200 cost	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
Bldgs, other equip: \$100 cost	7.50	7.50	7.50	7.50	7.50	7.50
Tractor: 75¢ per hour	9.00	5.25	5.25	5.25	5.25	5.25
TOTAL DEPRECIATION	\$ 28.50	\$ 24.75	\$ 24.75	\$ 24.75	\$ 24.75	\$ 24.75
INTEREST ON INVESTMENT AT 6%:						
Irrigation system: ½ cost \$100	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
Bldgs, other equip: ½ cost \$50	3.00	3.00	3.00	3.00	3.00	3.00
Tractor: 30¢ per hour	3.60	2.10	2.10	2.10	2.10	2.10
Land: \$1,000	60.00	60.00	60.00	60.00	60.00	60.00
Interest on accumulated costs		22.68	36.41	51.35	67.23	80.13
TOTAL INTEREST ON INVESTMENT	\$ 72.60	\$ 93.78	\$107.51	\$122.45	\$138.33	\$151.23
TOTAL COST FOR THE YEAR	\$377.97	\$228.82	\$249.10	\$264.54	\$325.07	\$402.02

(over)

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>	<u>6th Year</u>
Credit for production: 22¢ lb. \$		\$	\$	\$	\$ 110.00	\$ 220.00
Net cost for the year	377.97	228.82	249.10	264.54	215.07	182.02
Accumulated net cost	377.97	606.79	855.89	1120.43	1335.50	1517.52

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ABOUT THIS SHEET

This work sheet is designed to be useful as a guide for determining production costs for a specific orchard. The figures we have used are not intended to represent industry averages but are based on what is considered good management practice.

When using this work sheet it will be important to consider the following items that influence cost and returns:

- 1) Walnut Variety - Walnut varieties differ in cultural operations required. Susceptibility to various insects and disease varies widely and will greatly influence cultural costs.
- 2) Yield - Yield is the most important factor affecting cost per ton and profit per acre. This will vary with variety, location, management and tree age. In conjunction with yield, nut quality is also an important factor influencing net return.
- 3) Cultural Practices - Costs for cultural operations vary with variety and location. For instance, irrigation labor and water costs are affected by amount applied, number of irrigations, and size of head - large heads of water in some districts lower water costs.
- 4) Size Of Operation - Larger acreages lower many fixed costs on a per acre basis. Small farms may not be profitable from figures presented in this work sheet.