

# AUOCADOS

SAMPLE COSTS TO DEVELOP

AN ORCHARD IN

VENTURA COUNTY

1970

Agricultural Extension  
University of California  
Ventura County  
684 Buena Vista Street  
Ventura, California  
UC Cooperative Extension

SAMPLE COSTS OF ESTABLISHING AN AVOCADO ORCHARD  
IN VENTURA COUNTY 1970 <sup>a/</sup>

	DOLLARS PER ACRE				
	1st yr.	2nd yr.	3rd yr.	4th yr.	5th yr.
<b>Labor and Field Power</b>					
Land preparation	\$ 15	\$ --	\$ --	\$ --	\$ --
Orchard layout	15	--	--	--	--
Plant (dig, plant, mulch, and wrap)	77	4	2	--	--
Irrigation	50	38	30	30	30
Fertilization	8	5	5	4	4
Weed control (hoe, oil, and herbicide)	15	15	10	10	8
Pest control	5	5	5	5	5
Tree care and pruning	20	20	20	20	20
Miscellaneous (erosion control, etc.)	10	10	10	10	10
<b>(1) Total Labor and Power</b>	<b>\$ 215</b>	<b>\$ 97</b>	<b>\$ 82</b>	<b>\$ 79</b>	<b>\$ 77</b>
<b>Materials</b>					
Trees (110 trees/acre @ \$3.00)	\$ 330	\$ 18	\$ 9	\$ --	\$ --
Mulch	14	1	1	--	--
Tree protectors	6	1	1	--	--
Water <sup>b/</sup>	15	15	30	45	45
Fertilizer	4	8	10	20	30
Weed oil and herbicides	25	25	18	18	18
Pest control	6	6	6	11	11
Miscellaneous (supplies)	10	10	10	10	10
<b>(2) Total Materials</b>	<b>\$ 410</b>	<b>\$ 80</b>	<b>\$ 85</b>	<b>\$ 104</b>	<b>\$ 114</b>
<b>(3) Total Cash Cultural</b>	<b>\$ 625</b>	<b>\$ 117</b>	<b>\$ 167</b>	<b>\$ 183</b>	<b>\$ 191</b>
<b>Cash Overhead</b>					
General expense	\$ 63	\$ 18	\$ 17	\$ 18	\$ 19
Management charge	36	36	36	36	36
Taxes <sup>c/</sup>	60	60	60	60	95
Maintenance and repair	20	20	20	20	20
<b>(4) Total Cash Overhead</b>	<b>\$ 179</b>	<b>\$ 134</b>	<b>\$ 133</b>	<b>\$ 134</b>	<b>\$ 120</b>
<b>(5) Total Pre-Harvest Cash Costs</b>	<b>\$ 804</b>	<b>\$ 311</b>	<b>\$ 300</b>	<b>\$ 317</b>	<b>\$ 361</b>
<b>(6) Less Fruit Credits <sup>d/</sup></b>				<b>\$ 165</b>	<b>\$ 330</b>
<b>(7) Net Cash Costs</b>	<b>\$ 804</b>	<b>\$ 311</b>	<b>\$ 300</b>	<b>\$ 152</b>	<b>\$ 31</b>
<b>Investment Costs</b>					
Depreciation <sup>e/</sup>	\$ 80	\$ 80	\$ 96	\$ 96	\$ 96
Interest on investment <sup>f/</sup>	316	344	390	450	492
<b>(8) Total Non-Cash Costs</b>	<b>\$ 396</b>	<b>\$ 424</b>	<b>\$ 486</b>	<b>\$ 546</b>	<b>\$ 588</b>
<b>(9) Total Net All Costs</b>	<b>\$1,200</b>	<b>\$ 735</b>	<b>\$ 786</b>	<b>\$ 698</b>	<b>\$ 619</b>
<b>(10) Accumulated Total Net Costs</b>	<b>\$1,200</b>	<b>\$1,935</b>	<b>\$2,721</b>	<b>\$3,419</b>	<b>\$4,038</b>
<b>(11) Accumulated Net Cash Costs</b>	<b>\$ 804</b>	<b>\$1,115</b>	<b>\$1,415</b>	<b>\$1,567</b>	<b>\$1,598</b>
<b>INVESTMENT VALUE AT END OF YEAR</b>					
Land @ \$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Trees <sup>g/</sup>	1,200	1,935	2,721	3,419	4,038
Irrigation system \$650 ) Equipment & bldgs. 310 ) - \$960 <sup>h/</sup>	715	635	704	608	512
<b>(12) Total Investment Value</b>	<b>\$4,915</b>	<b>\$5,570</b>	<b>\$6,425</b>	<b>\$7,027</b>	<b>\$7,550</b>

See reverse side for footnotes.

FOOTNOT

- a/ Sample costs have been estimated on the basis of a new 10-acre planting in Ventura County. Hass variety, planted 18x22' or 110 trees per acre, relatively frost-free site, permanent plastic irrigation system, and non-tilled.
- b/ Water costs vary, depending on source. Range is from \$10 to \$60 per acre foot. Average for County is \$18 per acre foot.
- c/ Assessed values and tax rates vary by districts. Range is from \$75 to \$135 per acre. Tree values are usually added after the fourth year.
- d/ Fruit credit varies, depending on yields and prices. Assumed yields are  $\frac{1}{4}$  and  $\frac{1}{2}$  field boxes per tree for fourth and fifth years respectively. On-tree price 15¢ per pound.
- e/ Initial capital outlay is estimated at \$3,960 per acre based on an assumed land cost of \$3,000 per acre and \$960 per acre for the irrigation system, pickup, building, and equipment. The initial cost of the irrigation system is estimated at \$650 per acre installed. At the beginning of the third year, the spitter heads are usually replaced with rotating sprinklers at an initial cost of \$100 per acre. For simplification, this is included in the initial cost figure.
- f/ Interest on investment for the first year equals 7% of the total cost per acre (line 5) plus 7% of land value and undepreciated balance of irrigation system, equipment, and building. Interest for remaining years equals 7% of prior-year total investment value (12).
- g/ Investment in trees at end of year equals accumulated net costs (11) of prior years.
- g/ Investment value for items is original cost, less accumulated depreciation.

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