

VINEYARD ESTABLISHMENT COSTS IN THE SAN JOAQUIN VALLEY

STANDARD WINE VARIETIES

The standard wine varieties considered in this cost analysis worksheet include the highly productive varieties Carignane, Palomino, Mission, Grenache, Alicante Bouschet, and Black Malvoisie.

1966

Cost Analysis Worksheet
Showing Sample Costs

University of California Agricultural Extension Service

UC Cooperative Extension AXT-59

Ad Reed

Standard Wine Varieties – Costs of Establishing a Vineyard, 1966

COST ANALYSIS WORKSHEET

| | COST PER ACRE | | |
|---|-----------------|-----------------|-----------------|
| | 1st Year | 2d Year | 3d Year |
| Yield – tons (fresh) | | | 5.0 |
| PREHARVEST CASH & LABOR COST | | | |
| Land prep. – chisel, disc twice, float, etc. | \$ 20.00 | \$ | \$ |
| Survey & mark – 5 M-hr | 7.50 | | |
| Planting, including trimming – @ 3.5¢ | 14.46 | 1.20 | |
| Rootings – 413 (+ 10 2d year) @ 7.5¢ | 30.98 | .75 | |
| Stake & set end posts – @ 5¢ & 27¢ | | 23.62 | |
| Stakes (treated) – 413, 6 ft @ 27¢ | | 111.51 | |
| End posts (treated) – 11 @ \$1.25 | | 13.75 | |
| String 1 wire & staple* | | 4.00 | |
| Wire – 100 lb No. 12 @ \$8.85* | | 8.85 | |
| Training & suckering – M-hr 2d yr, 26; 3d, 7 | | 39.00 | 10.50 |
| Twine | | 2.75 | 1.37 |
| Prune & tie – M-hr 2d yr, 2.5; 3d, 7 | | 3.75 | 10.50 |
| Rabbit control | 7.50 | 2.50 | |
| Irrigation labor – 8 M-hr 1st 2 yrs; 5 hr 3d yr | 12.00 | 12.00 | 7.50 |
| Water – 3½ ac-ft, power &/or irrig. dist. tax | 9.00 | 10.50 | 12.00 |
| Tillage, irrig. prep., & hoe – 6 M-hr & 3 TR-hr 1st yr, then 4-M-hr & 3 TR-hr | 13.35 | 10.35 | 10.35 |
| Fertilizer application (contract) | | 1.00 | 1.00 |
| Fertilizer – 25 lb N, 2d yr; 40 lb N, 3d yr @ 11¢ | | 2.75 | 4.40 |
| Pest & disease control – 3d yr 1.5 M-hr + 1.5 TR-hr | | | 4.43 |
| Pest & disease control material | | | 7.50 |
| Misc. labor & material, incl. twine & ½ TR-hr | 5.00 | 8.00 | 10.00 |
| County taxes | 14.40 | 14.40 | 16.35 |
| Office, car, interest on operating capital, etc. (5% of cash & labor cost) | 7.03 | 13.86 | 8.12 |
| Repairs, except tractor | 6.50 | 6.50 | 6.50 |
| Total Preharvest Cash & Labor Cost | \$147.72 | \$291.04 | \$110.52 |
| HARVESTING COST | | | |
| Pick & haul (winery basis) – @ \$12/ton | \$ | \$ | \$ 60.00 |
| Total Cash & Labor Costs | \$147.72 | \$291.04 | \$170.52 |
| DEPRECIATION COST | | | |
| Irrigation facilities – \$220 cost | \$ 11.00 | \$ 11.00 | \$ 11.00 |
| Buildings & equipment, except tractor – \$100 cost | 7.50 | 7.50 | 7.50 |
| Tractor – @ 70¢/hr (1st year, 3; 2d, 3; 3d, 4.5) | 2.10 | 2.10 | 3.15 |
| Total Depreciation Cost | \$ 20.60 | \$ 20.60 | \$ 21.65 |
| Total Cash & Depreciation Cost | \$168.32 | \$311.64 | \$192.17 |
| INTEREST ON INVESTMENT @ 6% | | | |
| Irrigation facilities – on ½ cost (\$110) | \$ 6.60 | \$ 6.60 | \$ 6.60 |
| Buildings & equipment, except tractor – on ½ cost (\$50) | 3.00 | 3.00 | 3.00 |
| Tractor – @ 27¢/hr (1st yr, 3; 2d, 3; 3d, 4.5) | .81 | .81 | 1.22 |
| Land – @ \$900 | 54.00 | 54.00 | 54.00 |
| Interest on accumulated cost | | 13.96 | 37.36 |
| Total Interest on Investment | \$ 64.41 | \$ 78.37 | \$102.18 |
| TOTAL COST FOR YEAR | \$232.73 | \$390.01 | \$294.35 |
| CREDIT FOR FRUIT @ \$35 per ton | | | \$175.00 |
| NET COST FOR YEAR | \$232.73 | \$390.01 | \$119.35 |
| TOTAL ACCUMULATED COST | \$232.73 | \$622.74 | \$742.09 |

*Cost of adding two more wires with 30-inch crossarm is about \$92 (2d year).

Based on man labor @ \$1.50 and \$1.70 per hour (includes Workmen's Compensation, Social Security, and other benefits); medium wheel tractor per hour cash cost, \$1.25; depreciation, 70¢; interest, 27¢.

ABOUT THIS SHEET

This sheet is one of a series on sample costs of establishing vineyards in the San Joaquin Valley. They include: Thompson Seedless for Raisins or Wine, Thompson Seedless for Table Use, Emperors, and Standard Wine Varieties. These input and cost data are to be used only as guides in determining the costs of establishing a specific vineyard. They are not intended to represent industry averages.

LAND PREPARATION – The cost of leveling land for irrigation is included in the land value. Subsoiling, fumigation, or releveling costs would be additional.

ROOTINGS – Cost is based on planting rooted cuttings. When cuttings are planted directly in the vineyard, the overall cost of rootings, planting, and replanting is sometimes less. If resistant rootstocks are used, the overall cost probably would be \$100 to \$150 more per acre.

IRRIGATION – Irrigation labor and water sample costs are based on a pumping system with pipeline. Labor cost per acre is affected by the number of irrigations, quantity applied, and size of head. Large heads of water may lower the labor costs. When all the water is from an irrigation district, the investment overhead costs of depreciation and interest on irrigation facilities are normally lower.

PEST AND DISEASE CONTROL – Dusting and spraying costs may vary considerably from year to year. Control measures required also vary between vineyards. The sample costs shown on this sheet are based on average conditions.

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