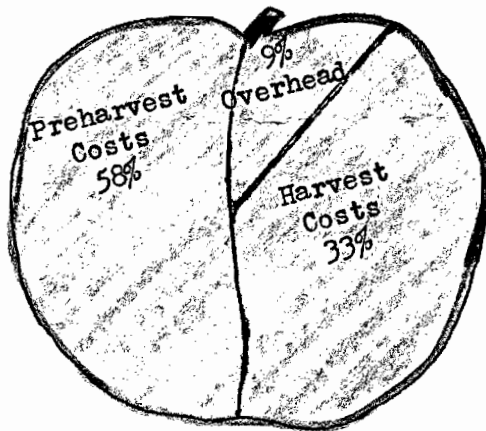


YELLOW NEWTOWN APPLES

IN SANTA CRUZ COUNTY

SAMPLE INVESTMENT AND PRODUCTION COSTS

- 1954 -



DISTRIBUTION OF TOTAL CASH COSTS

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YELLOW NEWTOWN APPLES IN SANTA CRUZ COUNTY

Santa Cruz County has a greater apple acreage than any other county in the state and accounts for more than one-third of the state's total. The Yellow Newtown Pippin is the main variety in the county, with more acreage than all other varieties combined. Approximately 90% of the Newtowns in the state are grown in Santa Cruz County.

Yellow Newtown costs of production, for many years, have been compiled by the Agricultural Extension Service. Due to increasing costs, a new study was recently conducted to determine current costs. These revised data to fit 1953-1954 conditions are presented in the following pages.

Productions costs vary greatly among individual producers due to differences in orchards and management practices. Apple cost and management studies conducted by the Agricultural Extension Service have shown some growers with more than double the costs of others. Yield per acre is the most important factor affecting cost per box or per ton.

Cost factors shown in the tables are based on a 20-acre orchard, which is considered a minimum family-size unit--a smaller acreage would result in higher overhead costs per acre for some equipment, while a larger unit should show lower overhead costs. The yield and costs are for good commercial, dry land orchards with efficient operators.

The tables are for the use of individual growers to serve as a basis for analyzing their own operations and to help others not familiar with such costs. They do not represent average costs for producing Newtowns in the county.

Labor requirements and certain cultural operations will vary from year to year, depending on such factors as weather conditions and size of crop. Inputs and costs shown in the tables, therefore, should be considered an average over a period of years. Operator's labor is included as a cash cost.

Costs for field boxes are not included; such costs depend on how each grower markets his apples. Fruit is harvested in the same boxes generally used for storage and fresh market sales. Fruit sold for immediate processing will have a lower box cost than when stored for fresh sale. This cost can be considered as either a production or marketing expense and should not be over-looked in figuring relationships between cost of production and prices received.

Total cost per ton, shown in Table 2, is an average for both windfall and tree-picked fruit. The net cost of producing tree-picked fruit may be calculated by deducting income received for the windfalls from the total cost of production per acre and dividing this figure by tree-picked tonnage.

Orchard management and marketing are additional costs to those shown in the tables.

Table 1 YELLOW NEWTOWN INVESTMENT AND DEPRECIATION SCHEDULE
FOR 20-ACRE ORCHARD

	Cost	Deprecia- tion	Interest*
	dollars	dollars	dollars
Equipment			
Tractor - 30 HP tracklayer, 2nd hand	3,000	200	75
Truck - 1½ ton, 2nd hand	1,600	135	40
Disk and other cultivation equipment	1,000	110	25
Spraying	3,500	235	88
Spray water supply	400	20	10
Props - 6,000	2,400	200	60
Trailer	300	30	7
Ladders - 15	240	24	6
Shop & Misc. tools, pick bags, buckets	260	32	6
Total equipment	12,700	986	317
Buildings: excluding dwelling	2,500	100	63
Trees: at \$600 per acre	12,000	300	300
Land: at \$800 per acre value	16,000	--	800
Total	43,200	1,386	1,480
Per Acre	2,160	69.30	74.00

*Interest figured at 5% on $\frac{1}{2}$ cost for all depreciable items.

Table 2

SAMPLE COSTS TO PRODUCE YELLOW NEWTOWN APPLES
IN SANTA CRUZ COUNTY

Based on a 20 acre orchard

Yield: 850 36-pound boxes or 15.3 tons per acre

Man labor at \$1 and \$1.25 per hour

Operation, crew & equipment hours <u>1/</u>	Cash Cost per Acre				Interest & Depre. on equip. <u>2/</u>	Total Cost per Acre
	Man Labor	Equip-ment	Mater-ial	Cash Cost		
	\$	\$	\$	\$	\$	\$
PRE-HARVEST COSTS:						
Pruning: 72M	90.00	.05	- -	90.05	.45	90.50
Brush disposal: (large wood only) 4 M & 1 T	4.00	1.50	- -	5.50	1.75	7.25
Fertilizing: 1 M & $\frac{1}{2}$ T	1.25	.75	10.00	12.00	.90	12.90
Dormant spray: $\frac{3}{4}$ M, T & R	.94	1.76	9.90	12.60	4.05	16.65
Other sprays & dusts: 5 to 6 times - $3\frac{1}{2}$ M, T & R	4.38	8.22	52.00	64.60	18.85	83.45
Cultivation: 4 M & T	5.00	6.40	- -	11.40	11.25	22.65
Thinning: 75 M	93.75	.05	- -	93.80	.45	94.25
Prop and brace: 6 M & 2 TK	6.50	3.25	- -	9.75	14.05	23.80
Misc.: 6 M, $1\frac{1}{4}$ T & 2 TK	7.00	5.10	5.00	17.10	2.85	19.95
Total Pre-harvest Operations	212.82	27.08	76.90	316.80	54.60	371.40
HARVEST COSTS:						
Pick from trees: 800 boxes @ 15¢	120.00	.10	- -	120.10	.90	121.00
Pick windfalls: 50 boxes @ 12¢	6.00	-	- -	6.00	-	6.00
Hauling: 18 M & 12 TK	22.50	19.60	- -	42.10	6.10	48.20
Misc.: 4 M, 1 T & 1 TK	5.00	3.15	- -	8.15	2.30	10.45
Total Harvest	153.50	22.85	- -	176.35	9.30	185.65
Total Operational Costs	366.32	49.93	76.90	493.15	63.90	557.05
OVERHEAD COSTS:						
County Taxes				18.00	-	18.00
Other cash: office, auto use, ins., etc.				30.00	-	30.00
Buildings & Misc. equipment				2.00	9.40	11.40
Trees: original cost \$600: life-40 years.				--	30.00	30.00
Land: interest @ 5% on \$800 value				--	40.00	40.00
Total overhead				50.00	79.40	129.40
TOTAL COST PER ACRE				543.15	143.30	686.45
TOTAL COST PER TON				35.50	9.37	44.87

- 1/ M - Man hours
T - tractor & equipment hours
TK - truck hours
R - rig hours

- 2/ See investment schedule for breakdown of depreciation and interest costs.