

AVOCADO ORCHARD DEVELOPMENT COSTS

SANTA BARBARA COUNTY - 1984

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These sample costs are based on records from cooperating growers whose practices are typical of the South Coastal area of Santa Barbara County. Great variations are found between different properties. The figures presented are median costs for budgeting purposes, when other data is not available. Add any special practices such as frost protection, etc. Also, use specific local information when available and insert into this framework.

Assumptions: Hass variety, 120 trees per acre, planted 18' X 20', moderate slope hillside planting, permanent plastic pipe irrigation system with drip hoses and emitter per tree, 40 acre size orchard for equipment needs, hired labor at \$8.00 per hour including fringe benefits, management charge of \$5.00 per acre per month, or if owner operated allowance at same rates, no frost protection, weed control by herbicides, and no deer fencing.

Footnotes:

a/ Water costs are based on District water at \$190 per AF. Other sources, booster pumps, and special equipment would vary. Irrigation system includes filters and fertilizer injection for the drip system.

b/ Orchard in Agricultural Preserve so assessed value is computed on potential agricultural income for mature orchard discounted back to the early years.

c/ Production on young trees usually starts in the 3rd year, but amounts vary widely. Assume: 3rd year 500 lbs. per acre, 4th year 1500 lbs. per acre, 5th year 3000 lbs. per acre; 30¢ per pound on-tree price.

d/ Initial capital outlay estimated; \$1,000 for all other improvements.

e/ Interest on investment calculated at 12% interest. First year based on total cost (line 5) plus land value and undepreciated improvements; subsequent years are 12% of prior years total investment value (line 10).

COOPERATIVE EXTENSION

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	Dollars per Acre				
	1st yr.	2nd yr.	3rd yr.	4th yr.	5th yr.
Labor and Field Power Costs					
Land Preparation	\$ 450				
Orchard Layout	70				
Plant - dig, stake, wrap	275	15			
Irrigate	110	110	110	110	110
Fertilize	30	30	30	30	30
Weed Control - herbicides	125	110	100	100	100
Pest and Rodent Control	65	60	40	40	40
Tree Care and Pruning	55	55	40	40	40
Miscellaneous	70	70	30	30	30
(1) Labor & Equipment Subtotal	\$ 1,250	\$ 450	\$ 350	\$ 350	\$ 350
Material and Supplies Costs					
Trees - 120 @ \$8.00	960	40			
Stakes, Wraps	60	10			
Water a/	40	70	120	170	190
Fertilizer	20	30	40	50	60
Herbicides	100	90	80	50	30
Pesticides	20	20	20	10	10
Miscellaneous	50	40	40	20	10
(2) Materials Subtotal	\$ 1,250	\$ 300	\$ 300	\$ 300	\$ 300
Cash Overhead Costs					
General Expenses - office	125	35	35	35	35
Taxes - property b/	90	100	110	120	130
Maintenance and Repairs	25	45	45	35	25
Management Charge or Allowance	160	70	60	60	60
(3) Cash Overhead Subtotal	\$ 400	\$ 250	\$ 250	\$ 250	\$ 250
(4) Total Cash Costs	\$ 2,900	\$ 1,000	\$ 900	\$ 900	\$ 900
Fruit Credit c/			(150)	(450)	(900)
(5) Net Cash Costs	\$ 2,900	\$ 1,000	\$ 750	\$ 450	\$ 00
(6) Accumulated Cash Costs	\$ 2,900	\$ 3,900	\$ 4,650	\$ 5,100	\$ 5,100
Investment Costs					
Depreciation d/	212	212	212	212	212
Interest on Investment - 12% e/	1,308	1,488	1,788	2,093	2,398
(7) Investment Subtotal	\$ 1,520	\$ 1,700	\$ 2,000	\$ 2,305	\$ 2,610
(8) Total All Costs	\$ 4,420	\$ 2,700	\$ 2,750	\$ 2,755	\$ 2,610
(9) Accumulated Total Costs	\$ 4,420	\$ 7,120	\$ 9,870	\$ 12,625	\$ 15,235
INVESTMENT VALUE AT END OF YEAR					
Land - assumed value	5,000	5,000	5,000	5,000	5,000
Trees - from line (9)	4,420	7,120	9,870	12,625	15,235
Irrigation System, equipment	2,000	1,868	1,733	1,600	1,467
Other Equipment \$ Improvements	1,000	922	842	760	683
(10) Total Investment Value	\$ 12,420	\$ 14,910	\$ 17,445	\$ 19,985	\$ 22,385