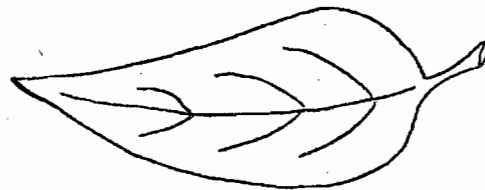


ROADSIDE

APPLE MARKETING

COSTS in San Bernardino County



Appreciation is expressed to the many San Bernardino County orchardists for their cooperation, and to Robert C. Rock and Kenneth R. Farrell, Extension Economists, University of California, for their assistance.

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**SAMPLE COSTS OF ROADSIDE APPLE MARKETING  
IN  
SAN BERNARDINO COUNTY**

Roadside apple marketing in San Bernardino County is centered in the Oak Glen area. Direct consumer purchasing of apples has become an essential factor influencing the returns to Oak Glen orchardists.

The importance of this unique marketing method to local apple growers prompted the compilation of the sample costs that follow. It is believed that the orchardists can use these costs as a guide in planning their marketing operation.

Due to the variations in size of operation and the owner's preference in marketing and selling practices, certain assumptions were necessary:

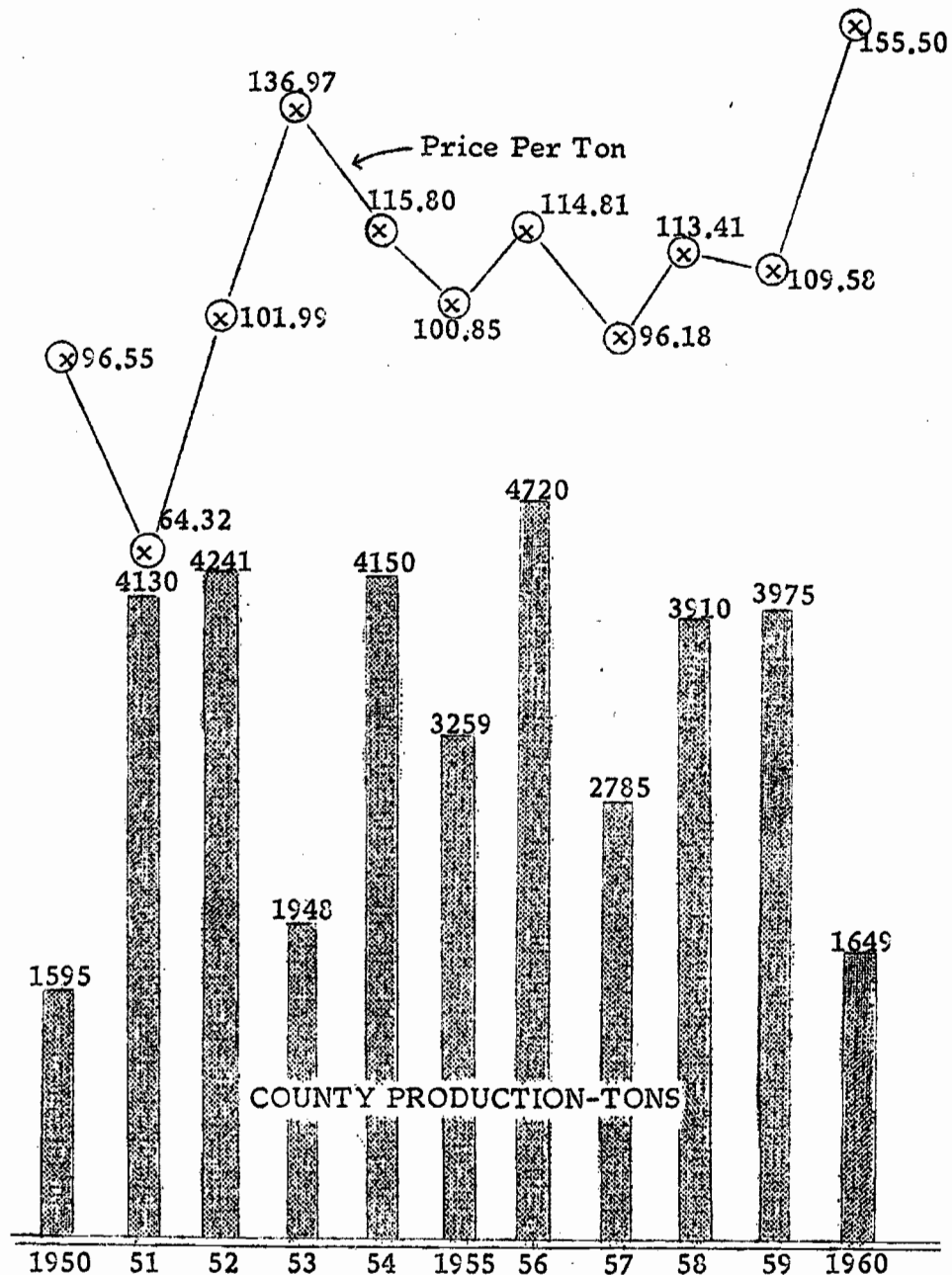
- I. Six thousand 35-pound field boxes (picked) are packed and sold during a ten-week apple marketing season.

**A. Apple Sales**

5100 field boxes are sold fresh. Of this amount, 4500 boxes are sold in a stand directly to the consumer, and 600 boxes are sold to door-to-door canvassers.

Of the 5100 field boxes sold fresh, 2040 boxes, or 40 per cent, are packed in one-bushel wooden boxes. Another 2040 boxes or 40 per cent, are packed in half-bushel cartons.

**SAN BERNARDINO COUNTY APPLE PRODUCTION  
AND PRICE PER TON**



**COST\* OF MARKETING APPLES AT  
ROADSIDE IN SAN BERNARDINO COUNTY**

(6,000 - 35-lb. Field Boxes, or 105 Tons)

Marketing Operations (Refer to cost description)	Per Field Box	Your Cost
<u>Cash Costs</u>		
1. Cider	\$ .29	\$
2. Labor	.25	
3. Utilities	.01	
4. Cold Storage	.06	
5. Advertising	.06	
6. Materials	.23	
7. General Expense	.03	
Total Cash Costs	\$ .93	\$
<u>Non-Cash Costs</u>		
8. Investment		
Depreciation	.03	
Interest	.04	
TOTAL ALL COSTS	\$ 1.00	\$

\*These figures represent only roadside market costs. To estimate total expenditures, production and harvesting costs must be included.

The publications "Costs of Establishing an Apple Orchard" and "Apple Production Costs" can assist you in developing your individual over-all costs. They are available from the Agricultural Extension Service office, at 566 Lugo Avenue, San Bernardino.

The remaining 1020 boxes, or 20 per cent, are packed in one-fourth bushel mesh bags.

**B. Cider Sales**

900 field boxes of apples are pressed into cider. The apples selected for cider are boxed, delivered, and sold directly to a local cider press. The cider is then purchased from the cider press at wholesale price.

The following cider conversion rates are used in determining the per gallon price:

150 gallons per ton of apples  
3.5 gallons per bushel (48 lbs.)  
.047 gallons per pound of apples

- II. The roadside market facilities consist of a building with 960 square feet.
- III. Parking accommodations are provided and are immediately adjacent to the roadside market. No picnic area is available.
- IV. Cost of labor, whether hired or family, is computed at the rate of \$1.50 per hour.
- V. The packing shed and roadside salesroom utilize a minimum amount of equipment.

## DESCRIPTION OF COST ITEMS

1. Cider: The value of the apples sold for cider is applied against the purchase price of cider. Cider costs include pressing, bottles, labor, and delivery to the roadside stand. Combined cider processing costs total 29¢ per field box.

2. Labor: Total labor cost is 25¢ per field box, of which 16¢ is for packing, and 9¢ for sales.

Hours of labor for packing are 408 hours hired, and 210 hours family.

Labor costs for sales total 260 hours hired, and 121 hours family.

3. Utilities: Utilities needed are electricity and water. Total cost of utilities is 1¢ per box, equally allocated to packing and sales.

4. Cold storage: Based on the 918 field boxes that move through cold storage, the average cost to haul, store, and return to the roadside market is 42¢ per box. However, when the cost of cold storage is distributed over all field boxes marketed (6000), the cost per box is 6¢.

5. Advertising: Three methods are used:

a) Membership in the Apple Growers' Association at 3¢ per box.

b) Direct individual advertising in newspapers, totaling 2¢ per box.

c) Roadside signs--annual cost, 1¢ per box.

## 6. Materials:

1-bushel wooden containers.....22¢ each  
 1/2-bushel paper cartons.....15¢ each  
 1/4-bushel mesh bags..... 2 3/4¢ each

Total cost of materials used is 27¢ per field box picked for apples sold fresh at roadside.

If the cost is distributed over the entire crop marketed, including the apples sold as cider, the material cost is 23¢ per field box picked.

7. General expense: General cash expenditures of 3¢ per box include insurance (public liability, fire, theft), office rental, office supplies, accounting, workmen's compensation, taxes, and social security.

8. Investment: Total investment cost is:

	Packing per Field Box	Sales per Field Box
Land	\$ .13	\$ .20
Building	.10	.15
Equipment	.25	.03
	\$ .48	\$ .38

Depreciation charge totals 3¢ per box. This is necessary to cover replacements.

Interest, 4¢ per box, must be included in costs, to compare income obtained from equivalent investment in other securities or properties. Interest on investment is calculated at 6 per cent per annum.