

INCOME SUPPLEMENT
TO THE
THIRD ANNUAL REPORT
OF THE
SANTA CLARA COUNTY WALNUT MANAGEMENT STUDY, 1952

AGRICULTURAL EXTENSION SERVICE
Room 201 Post Office Bldg.
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Final payments have now been received on the 1952 Walnut Crop so it is possible to complete the annual records and issue this supplement which shows prices received and orchard earnings. The original report shows costs in detail. This supplement contains table 7 which is intended to be attached to the original report which contains 6 tables.

Averages for all orchards in the study in 1952 and 1951 appear at the bottom of the table. These apply only to these orchards and should not be considered as averages for the county. Averages with income and earnings for high and low cost or profit groups were not prepared this year.

Individual orchard figures are listed in order of management income per acre, which appears in the next to the last column of table 7. With prices and income available, this order is somewhat different than in tables 1 to 5 in the original cost report, in which orchards were listed in order of increasing cost per hundred-weight of nuts produced.

The influence of the main profit factors of yield per acre, price per hundred-weight, and total cost per acre are well shown by the individual orchard figures. Notice the wide range from a high management income of \$349 an acre to a loss of \$144.

Management Income is the amount by which total income exceeds total costs as figured in these records. Since an allowance for the operators management is not included in costs, but interest on the investment is included, we call this earning "management income" instead of profit. It is figured the same way for each orchard whereas profit is an individual matter and may be figured in many ways.

Capital and Management Income is management income plus the interest on investment included in costs. It is the amount by which income exceeds cash costs and depreciation and is more likely to approximate the operator's own profit figure if he includes wages for his own actual work in the orchard as a cost. It appears in the last column in table 7.

Costs and returns per hundredweight of merchantable nuts are shown in table 7 for those orchards selling on a graded basis. The price and cost of merchantable walnuts is a more significant figure for some purposes. It is arrived at by deducting the salvage income from culls and blows from total cost and then figuring this net cost just for the merchantable nuts--the nuts that are of sufficient quality to be marketed as walnuts in the shell. All 14 orchards selling on a grade basis had 92.1% of their nuts merchantable. These brought 22.3¢ per pound and with a cost of 15.9¢ left a management income of 6.4¢. In 1951 average price of merchantable nuts was 24.2¢, cost per pounds with a lower average yield was 18.2¢, and management income was 6.0¢ per pound. The 1952 yield at 2574 lbs. per acre was excellent in the 16 orchards covered--far above the county average.

TABLE 7 MAIN PROFIT FACTORS IN INDIVIDUAL WALNUT ORCHARDS, 1952

Serial Number	Yield total lbs per A.	Per cent Large & med.	Per cent merch-antable	Merchantable walnuts, per cwt.*			All orchard run walnuts, per cwt.			Total income per acre	Total costs per acre	Mgt. income per acre	Capital & mgt. income per A.
				Av. price	Net cost	Mgt. income	Av. price	Av. cost	Mgt. income				
21	3,447	87.8	92.0	22.31	11.29	11.02	21.16	11.03	10.13	729.41	380.16	349.25	422.35
12	3,332	73.2	92.4	23.06	12.78	10.28	21.96	12.46	9.50	731.83	415.39	316.44	404.77
6	3,143	55.6	93.4	20.83	11.68	9.15	19.96	11.42	8.54	627.21	358.85	268.36	340.94
9	3,044	-	-	-	-	-	25.08	16.92	8.16	763.46	515.07	248.39	319.58
8	2,427	59.5	91.4	21.82	14.24	7.58	20.67	13.75	6.92	501.78	333.71	168.07	238.83
1	2,961	79.0	91.5	22.93	16.96	5.97	21.70	16.24	5.46	642.68	480.91	161.77	247.55
3	3,144	73.6	89.1	22.82	17.67	5.15	21.23	16.63	4.60	667.40	522.98	144.42	230.67
10	3,160	79.5	93.4	23.01	18.56	4.45	22.11	17.95	4.16	698.73	567.29	131.44	231.31
16	2,013	72.8	94.3	22.85	16.05	6.80	22.07	15.67	6.40	444.25	315.35	128.90	207.64
5	2,154	80.9	92.2	23.22	18.21	5.01	22.12	17.50	4.62	476.45	376.94	99.51	171.88
2	2,292	79.6	91.4	23.00	19.41	3.59	21.79	18.50	3.29	499.22	423.89	75.33	153.90
18	1,197	80.3	86.5	23.25	23.64	.39	21.26	21.60	.34	254.46	258.51	4.05	45.62
17	1,208	90.4	96.5	23.83	25.50	1.67	23.27	24.88	1.61	280.96	300.45	19.49	45.12
7	2,009	65.4	85.1	21.68	24.62	2.94	19.90	22.40	2.50	399.82	450.05	50.23	14.96
4	1,286	-	-	-	-	-	23.00	28.68	5.68	295.78	368.84	73.06	.69
23	936	63.2	90.7	21.79	38.82	17.03	20.57	36.01	15.44	192.47	336.95	144.48	64.73
Av. 1952	2,574	70.6	92.1	22.29	15.87	6.42	21.40	15.46	5.94	550.74	397.80	152.94	229.40
Av. 1951	2,326	80.5	89.5	24.22	18.20	6.02	22.80	17.42	5.38	530.40	405.13	125.27	200.35

The 16 individual orchard records are listed above in order of management income per acre which appears in the next to the last column. Notice how this figure declines with declines in yield per acre or price per hundred weight or increases in total cost per acre. Six of the first 8 records had yields over 3000 lbs. per acre.

The last 8 records all had yields varying between 2292 and 936 pounds per acre. Record no. 8 was rather high in earnings with only a good yield of 2427 pounds because of below average total costs per acre. Record no 7 with a fair yield of 2009 pounds per acre had a loss with above average total costs and a below average price. Price was low because of below average size and per cent merchantable. It would appear from the above that it will be difficult to show a profit here with yields of less than 2000 lbs. per acre.