

AVOCADOS

SAMPLE COSTS TO DEVELOP
AN AVOCADO ORCHARD
IN
VENTURA COUNTY

1968

Agricultural Extension Service
University of California
Ventura County
684 Buena Vista Street
Ventura, California

SAMPLE COST OF ESTABLISHING AN AVOCADO ORCHARD
IN VENTURA COUNTY a/

	Dollars Per Acre				
	1st yr.	2nd yr.	3rd yr.	4th yr.	5th yr.
Labor and Field Power					
Land preparation	\$ 15	-	-	-	-
Orchard layout	15	-	-	-	-
Plant (dig, plant, mulch & wrap)	63	6	3	-	-
Irrigation	32	28	24	24	24
Fertilization	2	3	4	4	4
Weed control (hoe, oil & herbicide)	22	15	12	10	10
Pest control	6	6	6	6	6
Tree care & pruning	12	10	8	8	6
Miscellaneous (propping, erosion control)	10	10	10	10	10
(1) Total Labor and Power	\$ 177	\$ 78	\$ 67	\$ 62	\$ 60
Materials					
Trees (126 trees/acre @ \$2.65)	334	16	8	-	-
Mulch	16	1	1	-	-
Tree protectors	6	1	1	-	-
Water <u>b/</u>	15	15	30	45	45
Fertilizer	4	8	12	16	19
Weed oil & herbicides	13	27	27	23	21
Pest Control	6	6	6	6	6
Miscellaneous (supplies)	10	10	10	10	10
(2) Total Materials	\$ 404	\$ 84	\$ 95	\$ 100	\$ 101
(3) Total Cash Cultural	581	162	162	162	161
Cash Overhead					
General expense	58	16	16	16	16
Management charge	36	36	36	36	36
Taxes <u>c/</u>	60	60	60	60	60
Maintenance & repairs	20	20	20	20	20
(4) Total Cash Overhead	\$ 174	\$ 132	\$ 132	\$ 132	\$ 132
(5) Total Cash Costs	755	294	294	294	293
Depreciation <u>d/</u>	124	124	124	124	124
Interest on investment <u>e/</u>	282	307	343	381	413
(6) Total Non-cash Costs	406	431	467	505	537
(7) Total Cost Per Acre (preharvest)	\$1,161	\$ 725	\$ 761	\$ 799	\$ 830
Less Fruit Credit <u>f/</u>	-	-	-	150	300
(8) Net Total Cost	1,161	725	761	649	530
(9) Accumulated Total Cost	\$1,161	\$1,886	\$2,647	\$3,296	\$3,826
INVESTMENT VALUE AT END OF YEAR					
Land @ \$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Trees <u>g/</u>	1,161	1,886	2,647	3,296	3,826
Irrigation system, equip. and bldgs. <u>h/</u> total - \$1,075	951	827	703	579	455
(10) Total Investment Value - End of Year	\$5,112	\$5,713	\$6,350	\$6,875	\$7,281

Footnotes - see reverse side. UC Cooperative Extension

Footnotes

- a/ Sample costs in this data sheet have been estimated on the basis of the following: new 20-acre planting in Ventura County. Hass variety, planted 15x23 or 126 trees per acre on cleared and relatively frost-free land with permanent plastic irrigation system. Owner-operated with hourly wage rate of \$2 per hour.
- b/ Water from irrigation districts or well on the property ranges from \$5 to \$32 per acre.
- c/ Land tax will vary with location. Ranges from \$60 to \$120 per acre. Trees are not taxed until after the fifth year.
- d/ Capital outlay is estimated to be \$4,075 per acre based on an assumed land cost of \$3,000 per acre and \$1,075 per acre for the irrigation system, building, and equipment. The initial cost of the permanent plastic irrigation system with spitter heads is estimated at \$550 per acre installed. Spitters are converted to revolving sprinklers as needed at an additional cost of \$100 per acre.
- e/ Interest on investment for the first year equals 6% of first-year total cash cost per acre (5) plus 6% of land value and undepreciated balance of irrigation system, equipment, and building. Interest for remaining year equals 6% of prior-year total investment value (10).
- f/ Fruit credit varies depending on orchard yield and market prices.
- g/ Investment in trees at end of year equals accumulated net costs (9) of prior years.
- h/ Investment value for items is original cost less accumulated depreciation.

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