



*Sample Costs  
to Establish a*

**MANZANILLO  
OLIVE ORCHARD**

*in the Southern  
San Joaquin Valley*

**1976**

Division of Agricultural Sciences  
**UNIVERSITY OF CALIFORNIA**

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MANZANILLO OLIVE ORCHARD ESTABLISHMENT COSTS  
 Cost Analysis Worksheet, 1976

Costs are for a 15' x 30' planting with 97 trees per acre. Based on labor at \$3.30 and \$4.00 per hour; medium wheel tractor per hour cash costs \$2.60; depreciation \$1.65; and interest \$ .82.

YIELD (tons/acre)	Costs Per Acre				
	1st year	2nd year	3rd year	4th year	5th year
YIELD (tons/acre)	-	-	0.2	1.0	2.0
<b>Pre-Harvest Cash Costs:</b>					
Land preparation: contract, includes ripping of hardpan	\$ 80.00				
Trees: 97 @ \$1.50 (+1, 2nd yr.)	145.50	\$ 1.50			
Layout & plant trees: 97 @ 45¢ (+1 replant @ \$2.00, 2nd yr.)	43.65	2.00			
Stakes: 97 @ 25¢	24.25				
Stake trees: 2 hrs. labor + 1 tractor hr.	9.90				
Irrigation labor: 2 times, 1st & 2nd yrs., then 6 times per year	6.60	6.60	\$ 19.80	\$ 19.80	\$ 19.80
Water: \$11/ac. ft. + district tax @ \$6	11.50	14.00	17.00	22.50	27.00
Weed control	16.00	16.00	16.00	16.00	16.00
Fertilizer: nitrogen @ 30¢/pound Fertilization: 1/2 hr. labor + 1/2 hr. tractor	3.95	7.94	7.94	15.87	15.87
Misc. labor, materials & field power	20.00	20.00	20.00	20.00	20.00
County taxes	28.00	28.00	28.00	28.00	60.00
Repairs, except tractor	17.00	17.00	17.00	17.00	17.00
Office and business costs	24.58	6.98	9.28	16.23	26.10
<b>TOTAL PRE-HARVEST CASH COSTS</b>	<b>\$ 434.23</b>	<b>\$ 123.32</b>	<b>\$ 138.32</b>	<b>\$ 158.70</b>	<b>\$ 205.07</b>
<b>Harvest Costs:</b>					
Pick: \$120/ton			\$ 24.00	\$ 120.00	\$ 240.00
Haul: \$8/ton			1.60	8.00	16.00
<b>TOTAL HARVEST COSTS</b>			<b>\$ 25.60</b>	<b>\$ 128.00</b>	<b>\$ 256.00</b>
<b>TOTAL CASH COSTS</b>	<b>\$ 434.23</b>	<b>\$ 123.32</b>	<b>\$ 163.92</b>	<b>\$ 286.70</b>	<b>\$ 461.07</b>
<b>Depreciation:</b>					
Irrigation system: \$250 cost, 15 yr. life	\$ 16.67	\$ 16.67	\$ 16.67	\$ 16.67	\$ 16.67
Buildings & equipment: \$120 cost, 12 yr. life	10.00	10.00	10.00	10.00	10.00
Tractor: \$1.65/hr.	16.50	9.90	9.90	9.90	9.90
<b>TOTAL DEPRECIATION</b>	<b>\$ 43.17</b>	<b>\$ 36.57</b>	<b>\$ 36.57</b>	<b>\$ 36.57</b>	<b>\$ 36.57</b>
<b>Interest on Investment @ 8%:</b>					
Irrigation system: 1/2 cost, \$125	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Buildings and equipment: 1/2 cost, \$60	4.80	4.80	4.80	4.80	4.80
Tractor: 82¢/hr.	8.20	4.92	4.92	4.92	4.92
Land: \$1500/acre	120.00	120.00	120.00	120.00	120.00
Interest on accumulated costs		49.63	77.57	105.79	125.30
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$ 143.00</b>	<b>\$ 189.35</b>	<b>\$ 217.29</b>	<b>\$ 245.51</b>	<b>\$ 265.02</b>
<b>TOTAL COST FOR THE YEAR</b>	<b>\$ 620.40</b>	<b>\$ 349.24</b>	<b>\$ 417.78</b>	<b>\$ 568.78</b>	<b>\$ 762.66</b>
<b>CREDIT FOR CROP: @ \$325/ton</b>			<b>\$ 65.00</b>	<b>\$ 325.00</b>	<b>\$ 650.00</b>
<b>NET COST FOR THE YEAR</b>	<b>\$ 620.40</b>	<b>\$ 349.24</b>	<b>\$ 352.78</b>	<b>\$ 243.78</b>	<b>\$ 112.66</b>
<b>ACCUMULATED NET COST</b>	<b>\$ 620.40</b>	<b>\$ 969.64</b>	<b>\$1322.42</b>	<b>\$1566.20</b>	<b>\$1678.86</b>

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