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SOME COSTS OF GROWING MACADAMIAS

Very limited plantings of macadamias have been made in California. There is considerable interest in raising macadamias commercially in California. To see what the economic possibilities of this crop may be, a few costs for raising macadamias on an orchard basis have been accumulated and some estimates made. These costs are for a bearing orchard over 10 years old, with 100 trees per acre, irrigated with a permanent low head sprinkler system, weed control by oil sprays, and labor cost figured at \$1.50 per hour. Production of 2500 pounds of nuts (in shell) per acre is assumed.

Sample Costs to Produce Macadamias

<u>Materials and Operations</u>	<u>Range of Costs</u>
<u>Cultural Costs</u>	
Water 2-3 acre feet @ \$30-\$60 per acre foot	\$60 to \$180
Irrigation labor (1 hr./acre/irrigation - 10 irrigations)	15
Fertilizer 2 lbs. actual nitrogen/tree @ 15¢/lb. of N	30
Labor to apply fertilizer (4 applications/year - 2 hours each)	12
Pruning labor (4 hours/acre)	6
Weed control (oil 200 gal. @ 18¢/gal.)	36
Labor to spray weeds 5 times per year	15
Miscellaneous	10 to 25
Total On Tree Cultural Costs	\$184 to \$319
<u>Harvesting Costs</u>	
Pick up nuts weekly by hand 8¢/lb. x 2,500 lbs.	\$200
Shelling and drying nuts 2¢/lb. x 2,500 lbs.	50
Total Harvesting Costs	\$250
<u>Overhead Costs</u>	
Taxes (land and trees)	\$50 to \$100
General expenses (insurance, repairs, etc.)	20
Total Overhead Costs	\$70 to \$120
<u>Depreciation</u>	
Sprinkler system - permanent low head - \$1,000 20-year life	\$50
Trees - value \$2,400 - 30 years	80
Total Depreciation	\$130
<u>Interest on Investment</u>	
Land (value without trees) \$1,500 - \$3,500 @ 6%	\$90 to \$210
Sprinkler system (1/2 original cost) @ 6%	30
Trees (1/2 original value at 12 years) @ 6%	72
Total Interest on Investment	\$192 to \$312
Total Cultural, Harvest, Overhead, Depreciation, and Interest	\$826 to \$1131

Value of Crop

Current prices paid to growers for macadamia nuts (in-shell) in California range from 35 cents per pound for the better nuts down to 20 cents per pound for the poorer grades. At the most common prices of 25 and 30 cents per pound the value of 2500 pounds of nuts (estimated average annual production per acre) would be \$625 and \$750 respectively. If 4000 pounds of nuts (in-shell) per acre could be raised with the better varieties the value of these nuts would be \$1000 at 25 cents per pound. Some single trees have produced 50 to 150 pounds of nuts in one year but this is not common in California.

In Hawaii where 3000 acres of macadamias have been planted growers receive 16 to 18 cents per pound for in-shell nuts.

About three pounds of in-shell nuts when cracked make one pound of nut kernels. Kernels are roasted, salted and sealed in jars for retail sale. Processed kernels in jars sell retail for \$2.50 to \$3.00 per pound in Hawaii and \$4.00 per pound in California.

Information on how to grow macadamia trees is available in the University of California publication OSA #95 titled "Producing Macadamia Nuts."

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