

Table 1. SPRINGCREST PEACHES (EARLY SEASON)  
TULARE, FRESNO and KING COUNTIES

Yield: 650 lugs/acre, 18.6 bins, 20% cullage and 108 trees/acre

Pre-harvest cost

pruning	76 hours	\$ 378*
brush shredding		10
dormant spray		58
tie		76
thinning	92 hours	459*
girdling	8 hours	49*
parathion		0*
nitrogen (135 lbs)		54
weed control		27
niticide		16
propping		0*
tractor (fuel-lube-repairs)		22
equipment (fuel-lube-repairs)		102
buildings (repairs)		5
irrigation (power, repairs) & district water		40
	34 acre-inches	
machinery labor		131
irrigation labor		51
misc. labor		20
interest on operating capital		<u>105*</u>
TOTAL PRE-HARVEST COST		\$1,603*

Harvest cost

contract pick	\$1.00/lug	650*
contract haul	\$.10/lug	65*
packing charges	\$2.35/lug	1,528*
selling charges	\$ .75/lug (10% of cash receipt)	487*
misc. harvest labor		<u>20</u>
TOTAL HARVEST COST		\$2,750*
TOTAL PRE-HARVEST AND HARVEST COST		\$4,353*

Table 2. O'HENRY PEACHES (LATE SEASON)  
TULARE, FRESNO and KING COUNTIES

Yield: 1500 lugs/acre, 108 trees/acre

Pre-harvest cost

pruning	54 hours	\$ 270*
brush shredding		10
dormant spray		58
tie		76
thinning	56 hours	281*
girdling		0*
parathion		9*
nitrogen 135 lbs/acre-contract applications		54
weed control		27
niticide		16
prop	9 hours	45*
tractor (fuel-lube-repairs)		22
equipment (fuel-lube-repairs)		102
buildings (repairs)		5
irrigation (power repairs) & district water 34 acre inches		40
machinery labor		131
irrigation labor		51
misc. labor		20
interest on operating capital @ 14% for com		90*
TOTAL PRE-HARVEST COST		\$1,307*

Harvest cost

pick \$.75/lug		1,125*
haul \$.10/lug		150*
packing charge 2.35/lug		3,525*
selling charge .55/lug (10% of cash receipts)		825*
misc. labor		20
TOTAL HARVEST COST		\$5,645*
TOTAL PRE-HARVEST AND HARVEST COST		\$7,020*

Table 3. COMPARISON OF EARLY AND LATE  
SEASON PEACH VARIETIES  
COMPLETE BUSINESS BUDGET

Springcrest peaches (early)		O'Henry Peaches (late)	
Income:		Income:	
Yield	650 lugs	Yield	1500 lugs
Price	\$7.50/lug	Price	\$5.50/lug
Gross Income	\$4,875	Gross Income	\$8,250
Costs:		Costs:	
Pre-harvest	\$1,603	Pre-harvest	\$1,307
Harvest	2,750	Harvest	5,645
TOTAL	\$4,353	TOTAL	\$6,952
NET INCOME	\$ 522	NET INCOME	\$1,298

Difference between late and early = \$ 776

Table 4. COMPARISON OF EARLY AND LATE  
SEASON PEACH VARIETIES  
PARTIAL BUDGET

Springcrest peaches (early)		O'Henry Peaches (late)	
Income:		Income:	
Yield	650 lugs	Yield	1500 lugs
Price	\$7.50/lug	Price	\$5.50/lug
Gross Income	\$4,875	Gross Income	\$8,250
Costs:		Costs:	
<u>Pre-harvest</u>		<u>Pre-harvest</u>	
pruning	\$ 378	pruning	\$ 270
thinning	459	thinning	281
girdling	49	girdling	0
parathion	0	parathion	9
propping	0	propping	45
interest	105	interest	90
<u>Harvest</u>		<u>Harvest</u>	
pick	650	pick	1,125
haul	65	haul	150
packing charge	1,528	packing charge	3,525
selling charge	<u>487</u>	selling charge	<u>825</u>
TOTAL	\$3,721	TOTAL	\$6,320

Difference between late and early -

Change in income - \$8,250 - \$4,875 = \$3,375  
Change in costs - \$6,320 - \$3,721 = 2,599  
Change in net income - \$3,375 - 2,599 = \$ 776



Table 6. PARTIAL BUDGETING

What if cullage is reduced from 15% to 10%?

1 lug = 23 lbs      1 bin = 950 lbs.

18.6 bins =          17,642 lbs.

Cullage @ 1% = - 1,841 lbs.

Packout =            15,801 lbs. = 687 lugs

Springcrest peaches 10% cullage

Springcrest peaches 15% cullage

Income:

Yield                  687 lugs

Price                  \$7.50/lug

Gross Income        \$5,153

Costs:

Packing charge      \$1,614

Selling charges      515

TOTAL                \$2,129

Income:

Yield                  650 lugs

Price                  \$7.50/lug

Gross Income        \$4,875

Costs:

Packing charge      \$1,528

488

TOTAL                \$2,016

Difference in income -      \$5,153 - \$4,875 = \$278

Difference in cost -        \$2,129 - \$2,016 = \$113

Difference in net income -    \$ 278 - \$ 113 = \$165

O'HENRY PEACHES

ASSUME LOSS OF MATURE TREE 7 YRS OLD - ORCHARD SPACING 20' x 20'  
 THUS, 108 TREES/ACRE YIELD: 1500 LUGS/ACRE

YEAR 1)	0	1	2	3	4	5	6
<b>YIELD:</b>							
LUGS/ACRE	0	0	0	300	750	1000	1350
LUGS/TREE	0	0	0	2.78	6.94	9.26	12.50
<u>COSTS FOR TREE LOSS AND REPLACEMENT</u>							
STUMP & ROOT REMOVAL	7.50	0	0	0	0	0	
LAND PREPARATION (subsoil & fumigate)	8.00	0	0	0	0	0	
REPLACEMENT TREE COST	0	3.50	0	0	0	0	
PLANTING, SUNBURN PROTECTION, TRAINING & PRUNING	0	3.00	.16	.50	1.00	1.50	1.50
-LESS MATURE TREE PRUNING COST	-1.50	-1.50	-1.50	-1.50	-1.50	-1.50	-1.50
FERTILIZER & SPRAYS	0	1.75	0	0	0	0	
SC: MATERIAL, LABOR, THINNING, TER, WEED CONTROL COSTS	0	3.50	2.00	1.50	1.40	2.50	2.75
-LESS FULL SIZE TREE THINNING COST	-2.75	-2.75	-2.75	-2.75	-2.75	-2.75	-2.75
VALUE OF CROP LOST @ \$7.50/LUG <sup>2)</sup>	104.17	104.17	104.17	83.32	52.12	34.72	10.41
-LESS REDUCED PICKING, HAULING 2) & PACKING COSTS @ \$3.75 IN PICK- ING, HAULING, & PACKING CHARGES/ LUG	-52.08	-52.08	-52.08	-41.66	-26.06	-17.36	- 5.21
ANNUAL LOSS/TREE	63.34	59.59	50.00	39.41	24.21	17.11	5.20
PRESENT VALUE OF LOSS <sup>3)</sup>	56.56	47.51	35.59	25.05	13.74	8.67	2.35

TOTAL LOSS/TREE \$189.47

- 1) YEAR ZERO, TREE LOST PRIOR TO HARVEST BUT TOO LATE IN THE YEAR TO REPLANT.
- 2) ESTIMATE BASED ON % OF CROP LOST. COMPENSATION REDUCED AS REPLACEMENT TREE COMES INTO BEARING.
- 3) COMPENSATION IS DISCOUNTED AT 12% SINCE GROWER IS PAID NOW FOR INCOME THAT WOULD NOT HAVE BEEN RECEIVED UNTIL A FUTURE DATE.

Table 8. HOW \$1 LEFT AT COMPOUND INTEREST WILL GROW  $(1 + i)^n$

INTEREST RATE (i)	PERIOD (n)						
	1	2	3	4	5	6	7
11%	1.11	1.23	1.37	1.52	1.69	1.87	2.08
12%	1.12	1.25	1.40	1.57	1.76	1.97	2.21
13%	1.13	1.28	1.44	1.63	1.84	2.08	2.35
14%	1.14	1.30	1.48	1.69	1.92	2.20	2.50

Table 9. WHAT \$1 DUE IN THE FUTURE IS WORTH TODAY  $1/(1 + i)^n$   
(PRESENT VALUE OF \$1)

INTEREST RATE	PERIOD						
	1	2	3	4	5	6	7
11%	.90	.81	.73	.66	.59	.53	.48
12%	.89	.80	.71	.64	.57	.51	.45
13%	.89	.78	.69	.61	.54	.48	.43
14%	.88	.77	.68	.59	.52	.46	.40