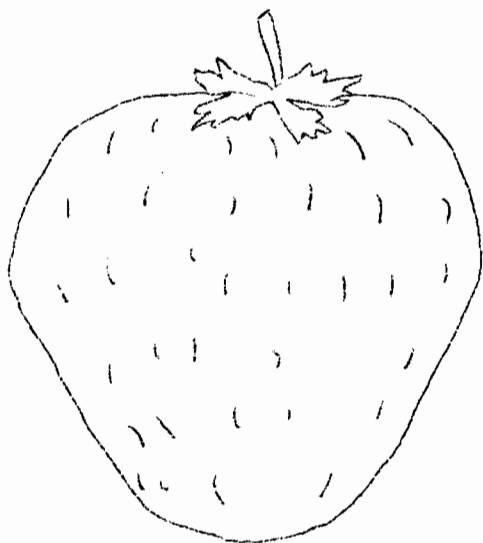


STRAWBERRY COST OF PRODUCTION STUDY



FOR
SANTA CRUZ & MONTEREY
COUNTIES
1956

UNIVERSITY OF CALIFORNIA
AGRICULTURAL EXTENSION SERVICE

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INTRODUCTION

The following study of production costs is the result of a survey of the individual cost records on several plantings. These figures do not represent the actual cost on any individual planting but an average value adjusted in line with sound procedure.

Harvest costs are related directly with the yield, which varies considerably in this area.

The costs for the First year were summarized separately as initial cost of establishment is considerably greater than the maintenance costs of the Second, Third, and Fourth years.

The first year costs are of particular significance to those interested in going into the production of strawberries for the first time.

Net Cost of Establishment found at end of first year summary is written off over the following three years as noted in the summary for 2nd, 3rd, and 4th year.

The only items considered on a depreciation basis are those which would be in use for more than the life of the planting, generally eight years. It is recognized that for some purposes, a person may wish to spread the cost of some items over the life of the planting, such as plants, reservoir, permanent pipe and harvesting carts.

The fertilizer costs would include 10 tons of manure as a pre-plant treatment, and an annual application of commercial fertilizer to supply about 200 lbs. of actual nitrogen, 100 lbs. of actual phosphate and 50 lbs. of actual potassium.

To simplify the computation of harvest cost, and eliminate the problem of including crates and baskets, this study assumed that all berries were delivered to a freezer outlet.

FIRST YEAR

SAMPLE COSTS FOR TEN ACRES OF STRAWBERRIES

BASED ON:

Slightly rolling land - December planting - 600 crates/acre yield first 12 months.
 (Yields can vary from 0-1200 crates/acre)
 Skilled labor, \$1.25/hr. - Stoop labor, \$1.00/hr.
 Per hour charge for 40 HP Track laying Tractor (T.Tr.) \$2.95
 " " " " gas & oil, 10 HP Wheeled Tractor (W.Tr.) \$.45
 " " " " 1½ ton Truck \$1.76

ITEM	HOURS FOR TEN ACRES				COST Per 10 Acres Dollars
	Man Labor	40 HP T.Tr.	10 HP W.Tr.	1½ T. Truck	
<u>OPERATIONS & LABOR</u>					
<u>Land Preparation</u>					
Plow	15	15			63.00
Disc two ways	20	20			84.00
Survey for general layout	4				5.00
Subsoil two ways	25	25			105.00
Disc	10	10			42.00
Floating	15	15			63.00
Survey for leveling	81				101.00
Grading and leveling	40	40			168.00
Work in manure	8	8			34.00
Chisel	10	10			42.00
Make beds	10	10			42.00
Roll and mark rows	15		15		26.00
<u>Planting & Care</u>					
Planting (cleaning, trimming, & replanting)	1,500			50	1,588.00
Cultivate, 5 times to picking	30		30		51.00
Weeding & cutting runners, 4 times	4,000				4,000.00
Apply fertilizer side dressing	30		15		44.00
<u>Irrigating</u>					
Installing flumes & cross-pieces (material included in depre- ciation schedule)	450			80	703.00
Watering 45 hr/appl., 20 times	900				1,125.00
<u>Harvest</u>					
Picking & Hauling 600 crates/acre					4,300.00
TOTAL LABOR	7,163	153	60	130	\$12,586.00

FIRST YEAR (Continued)

ITEM	COSTS Per 10 Acres	OPTIONAL COST
MATERIALS & SERVICES		
Manure, 10 tons/A @ \$9.50/Ton, by contract	\$ 950.00	
Commercial fertilizer, 500 lbs. of 16-20 applied	300.00	
Soil fumigant (optional) contract		\$350.00
Residual insecticides, soil treatment (optional) contract		350.00
20,000 plants/acre	3,000.00	
Power cost for irrigation, 2" application 20 times/year	500.00	
Permanent pipe	500.00	
Insecticides, \$11/A, 5 times (airplane contract)	550.00	
Harvesting carts, 50 @ \$3.00	150.00	
Hand tools	100.00	
Generator hire, drilling flume holes	40.00	
Reservoir (temporary)	400.00	
TOTAL OF MATERIALS & SERVICES	\$6,490.00	\$700.00
OVERHEAD		
General Expenses (office, car, phone, interest on working capital, ins., etc.). (5% of all above costs)	954.00	
Taxes (except land) \$12.50 per acre for plants & personal property	125.00	
Repairs to Equipment	300.00	
Rent on Land, \$150/Acre	1,500.00	
TOTAL CASH OVERHEAD COSTS	\$2,879.00	
TOTAL CASH COSTS	\$21,955.00	
DEPRECIATION & INTEREST		
*Depreciation on tractor, fert. drill, shed & flumes based on 8-year life	402.00	
**5% Interest on Average Investment (except land)	104.00	
TOTAL DEPRECIATION & INTEREST	\$ 506.00	
TOTAL ALL COSTS	\$22,461.00	
Minus first year's sales of 6,000 @ 17¢/lb. (income) (1955 freezer price)	13,260.00	
NET COST OF ESTABLISHING 10 ACRES STRAWBERRIES	9,201.00	

*Depreciation covered the following items and initial cost as indicated:

Wheeled tractor and implements	\$1300.00
Equipment shed	300.00
Fertilizer drill	165.00
Flumes 360 ft./Acre includes material, construction and plugs. (approximately 60¢ per lineal foot installed)	1450.00

**The average investment was based on one-half of the total outlay for all permanent equipment.

SAMPLE COSTS OF PRODUCTION ON 10 ACRES OF SECOND, THIRD OR FOURTH YEAR STRAWBERRIES

ITEM	HOURS FOR TEN ACRES		COSTS
	Man Labor	10 HP W.Tr.	Per Ten Acres
<u>LABOR & OPERATIONS</u>			
Pruning, rake and burn	240		\$ 240.00
Cultivations, 3 times	18	18	31.00
Weeding	2,000		2,000.00
Apply fertilizer side dressing	30	15	44.00
Apply fertilizer by irrigation, 5 times	100		125.00
Watering, 45 hr. per appl., 20 times	900		1,125.00
TOTAL LABOR (Except Harvest)	3,288	33	\$ 3,565.00
<u>MATERIAL & SERVICES</u>			
Irrigation pumping costs, \$50 per acre per year			500.00
Insecticides, \$11/A (airplane contract) 5 times			550.00
Fertilizer, applied dry & in irrigation water \$60 per acre			600.00
TOTAL COST MATERIALS & SERVICE			\$ 1,650.00
<u>OVERHEAD</u>			
General Expense, 5% of all above costs			261.00
Taxes, \$12.50 per acre for plants and personal property			125.00
Repairs to Equipment			300.00
Rent of Land, \$150 per acre			1,500.00
TOTAL CASH OVERHEAD COSTS			\$ 2,186.00
TOTAL CASH COST (Except Harvest)			\$ 7,401.00
<u>DEPRECIATION & INTEREST</u>			
Write off of net first year cost of \$9201 over 3-year period			3,067.00
Depreciation of equipment, shed & flumes, tractor, drill			402.00
Interest on average investment, including strawberry plantation but excluding land			334.00
TOTAL DEPRECIATION & INTEREST			\$ 3,803.00
TOTAL COSTS, EXCEPT HARVEST, HAULING & HARVEST OVERHEAD			\$11,204.00
2nd or 3rd year Harvest & Hauling & Harvest Overhead (assuming 2500 crates/A)			18,288.00
TOTAL 2nd OR 3rd YEAR COSTS			\$29,492.00
4th Year Harvest & Hauling & Harvest Overhead (assuming 1000 crates/A)			7,420.00
TOTAL 4th YEAR COST			\$18,624.00