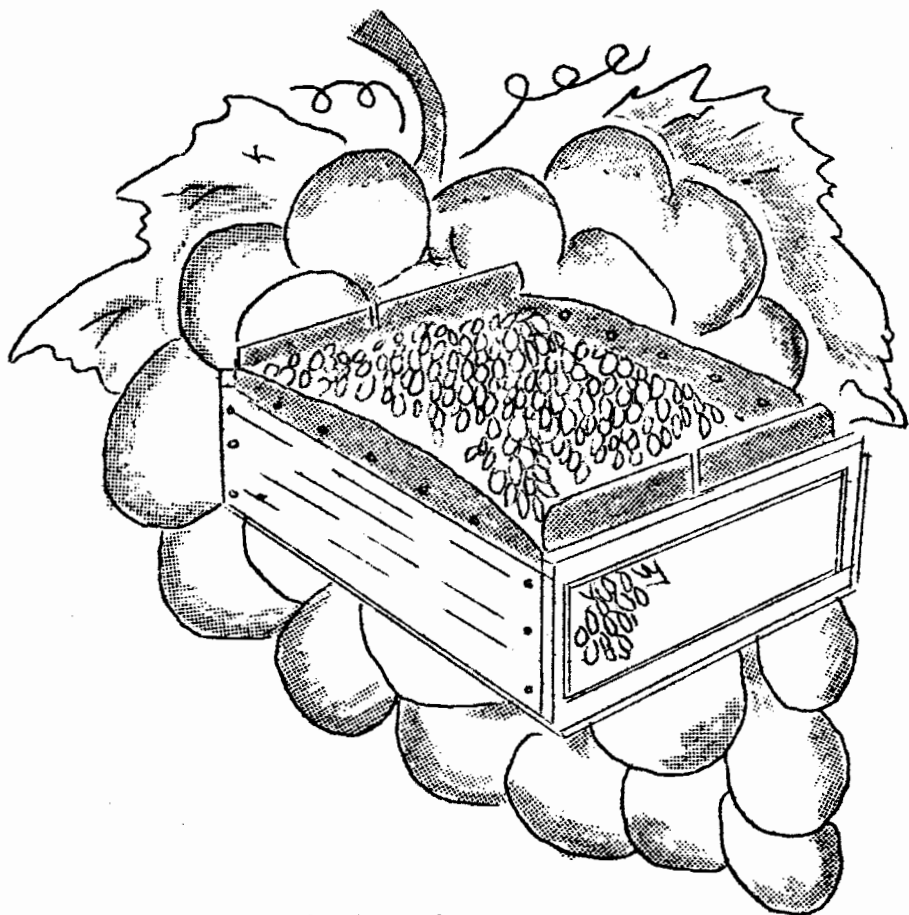


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TOKAY GRAPES

COST OF ESTABLISHING A VINEYARD

IN SAN JOAQUIN COUNTY



University of California
Agricultural Extension Service
San Joaquin County

COST OF ESTABLISHING A TOKAY VINEYARD

IN SAN JOAQUIN COUNTY

by
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The cost figures reported here were developed at a meeting of a group of Lodi area Tokay growers with the Agricultural Extension Service. The costs are based on good cultural practices in the development of a Tokay vineyard with above average fresh shipping yields. The costs are none-the-less believed to be representative of the actual costs of establishing a Tokay vineyard in the Lodi area.

In developing these cost figures, it was assumed that the land on which the vineyard was to be established had been previously leveled. The land preparation reported for the first year, therefore, included a charge for the final floating, but none for the rough leveling.

Grape phylloxera and root-knot nematode are prevalent through the Tokay growing area around Lodi; however, all of the resistant rootstock trials to date have failed to show up any one single rootstock which is entirely satisfactory for the production of top quality Tokay grapes. While a number of growers in the area have been planting Tokay grapes on one or another of these rootstocks, the practice cannot be recommended because of the varied drawbacks. For purposes of this study, therefore, we have assumed that Tokays are planted on their own root in clean soil.

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COST PER ACRE OF ESTABLISHING A TOKAY VINEYARD

IN SAN JOAQUIN COUNTY

Total
Cost 1935

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Yield, boxes shipped	-	-	-	-	50	125	200
tons winery	-	-	2.0	5.0	6.3	6.25	5.7
total tons	-	-	2.0	5.0	7.0	8.0	8.5
Land preparation: subsoil, disc, float, etc.	20.00	-	-	-	-	-	-
Planting: 18 man-hours	18.00	1.25	.50	-	-	-	-
Rootings (Tokay) @ 7½¢	32.64	1.88	.75	-	-	-	-
Staking: 10 man-hours	10.00	-	-	-	-	-	-
Stakes: 4 ft. @ 15¢	65.25	-	-	-	-	-	-
Irrigation: 12 man-hours	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Water - Power cost	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Tillage and hoeing	13.50	13.50	13.50	13.50	13.50	13.50	13.50
Rabbit cont: labor-mat'l.	4.35	4.35	-	-	-	-	-
Dusting + spraying	-	.50	2.00	2.50	4.00	6.00	6.00
Dust and spray material	-	1.00	2.50	3.00	4.00	6.00	6.00
Prune, tie, train, sucker, etc.	-	22.35	22.00	22.00	22.00	22.00	22.00
Twine 10 lbs. @ 30¢	-	3.00	3.00	-	-	-	-
Fertilize	-	2.00	2.00	2.00	2.00	2.00	2.00
Fertilizer	-	6.50	9.75	9.75	9.75	9.75	9.75
Thinning	-	-	-	-	8.00	12.00	16.00
Miscellaneous lab. & mat'l.	2.00	4.00	6.00	8.00	10.00	10.75	10.75
Total cul. lab. & mat'l.	\$183.74	78.33	80.00	78.75	91.25	100.00	104.00
Pick, pack, load, boxes, etc.	-	-	16.00	37.50	88.25	135.63	187.25
Hauling	-	-	4.00	10.00	14.60	15.50	19.40
Total Harvesting			20.00	47.50	102.85	151.13	206.65
General Expenses	9.19	3.92	5.00	6.31	9.71	12.56	15.53
County Taxes	12.00	12.00	12.00	15.00	15.00	15.00	18.00
Repairs, ins., misc. cash costs	3.50	4.00	4.50	5.50	6.50	7.50	7.50
Total cash overhead	24.69	19.92	21.50	26.81	31.21	35.06	41.03
TOTAL CASH, LABOR & FIELD POWER	\$208.43	98.25	121.50	153.06	225.31	286.19	351.68
Depreciation on bldgs. irrig. fac. & equip.	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Interest @ 5% on facil. & equip.	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Interest on land (\$800 value)	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Int. on accumulated costs	-	13.10	21.34	28.16	32.39	35.25	36.50
Total Cash Costs	261.93	164.85	196.34	234.72	311.20	374.94	441.68
Credit for Fruit	-	-	60.00	150.00	254.00	350.00	431.00
Total Net Cash Costs	261.93	164.85	136.34	84.72	57.20	24.94	10.68
Total Accumulated Costs	\$261.93	426.78	563.12	647.84	705.04	729.98	740.66

The actual man-hours of labor and quantities of material used are shown in the table where possible or practicable. This was not possible where the costs could be expected to vary considerably from year to year, or where several different practices or materials may be equally effective. Harvest costs on either a per lug or per ton basis are expected to be higher during the first few years of production, than later when the yield had risen considerably.

Depreciation on buildings, irrigation facilities and equipment is based on an investment of \$180 per acre with the expected life averaging 20 years. This investment does not include the owner's house, tractors or trucks. Depreciation and interest costs for tractors and trucks is included in the hourly rate charged for the use of that equipment.

All interest charges are figured at 5%. In the case of facilities and equipment, an average value of 1/2 of the original value, or \$90 per acre, is used. The interest on accumulated costs will, of course, grow from year to year as the total accumulated costs grow.

In figuring the credit for fruit produced during the establishment of the vineyard, a price of \$1.30 per lug net grower for shipped fruit and \$30 per ton delivered winery for strippings was used in this study. The \$1.30 per lug net grower would reflect an f.o.b. price of approximately \$1.55 to \$1.60 per lug. This is not a forecast of future prices. It is a figure mainly based on past prices and takes into consideration a price sufficient for the vineyard to become self-sustaining when it nears maturity. If a price were anticipated below a profitable level for a mature vineyard, there would be little incentive for new plantings.

After a study of the cost data reported here, it will be noted that by far the heaviest investment comes during the first three years of the vineyard. However, this data sheet will show further that the grower will have to be able to continue to invest in the vineyard through the sixth year, and, in fact, will have to wait until the eighth growing season to realize any appreciable returns from the vineyard. Any variations in economic conditions from those assumed in this study may change both the total anticipated investment and the period of time necessary to develop a self-sustaining Tokay vineyard and, therefore, the conditions noted here may be modified considerably in the future.

In determining the total overall anticipated investment in a Tokay vineyard enterprise, a grower will have to add to the approximately \$740 per acre establishment cost, the cost of land (valued here at \$800 per acre), the cost of irrigation facilities, buildings and miscellaneous equipment (valued here at \$180 per acre), the cost of any truck and tractor, and the cost of any dwelling house. It may be helpful to refer to the publication, Tokay Grapes - Cost of Production in San Joaquin County, as a guide to production costs of a mature vineyard and as a guide in determining the size of unit which a grower could expect to operate economically and from which he could obtain a satisfactory family income.

October, 1953