

APR 29 1968

SAMPLE COSTS TO PRODUCE CHERRIES  
IN SANTA CLARA COUNTY - 1967

UNIVERSITY OF

Sample Costs to Produce Cherries

Production data: Based on a 40-acre orchard with a yield of 8,000 lbs. per acre, trees 26' x 26'-60 per acre. Labor: \$1.65 for unskilled and \$2 for skilled labor.

Operation	Hours Per Acre	Cash and Labor Cost Per Acre			
		Labor	Fuel and Repairs	Materials Kind and Quantity Cost	Total
<u>Cultural costs</u>					
Prune	4.0	6.60			\$ 6.60
Brush Disposal	1.0	1.65	1.00		2.65
Cultivate	4.0	8.00	5.80		13.80
Spray (3x)	1.5	3.00	5.25	\$ 21.00	29.25
Fertilize	.3	.60	.50	70# N @ .12 8.40	9.50
Irrigate (4x) sprinkle	4.0	6.60	2.00		
Pump tax and Power				for 20" 25.60	34.20
Miscellaneous	4.0	6.60	2.00	1.00	9.60
TOTAL CULTURAL COSTS	18.8	33.05	16.55	56.00	105.60
<u>Harvest costs</u>					
Picking \$1.20/ 25# bucket		384.00			384.00
Hauling	10.0	20.00	6.00		26.00
Supervision	2.0	4.00			4.00
TOTAL HARVEST COSTS	12.0	408.00	6.00		414.00
<u>Cash Overhead</u>					
Misc., office, etc.				26.00	26.00
Taxes				100.00	100.00
TOTAL CASH OVERHEAD				126.00	126.00
TOTAL CASH COST		441.05	22.55	182.00	645.60
Management 5% of 8000# @ 18¢ per lb.					72.00
<u>Investment</u>					
		<u>Per Acre</u>	<u>Annual Cost</u>	<u>Interest</u>	
Land		\$3,000		\$180.00	
Trees		1,865 (40 yrs)	\$ 46.60	55.95	
Irrigation system		175	8.75	5.25	
Buildings		50	2.00	1.50	
Equipment		600	60.00	18.00	
Total Investment		\$5,690	\$117.35	\$260.70	378.05
TOTAL COST PER ACRE					1095.65
Cost per cwt. @ 8000 # yield					13.70

The Sample costs in this study are based on a typical set of conditions and include the operations that a good farmer would perform to reach the yield that is indicated. This study is not the average cost of production of a crop and will vary from one year to another, depending on the weather conditions, prices (both paid out and received) and the methods used in performing certain operations.

For the individual grower, some of the operations and materials listed in this study may not be necessary. For others, however, additional operations may have to be performed.

#### BASIS OF COST CALCULATIONS

##### Labor

Labor is broken down into two categories:

1) Skilled labor which includes tractor drivers, truck drivers, and crew supervisors.

2) Unskilled labor which includes pruners, irrigators, harvesters and other labor that do not operate equipment or perform other specialized tasks.

Included in the labor costs of \$1.65 for the unskilled and \$2 for the skilled laborer are social security, compensation insurance, housing and utilities which are paid by the grower.

##### Management

Management costs are calculated at 5% of the assumed gross income.

##### Cash Overhead

Cash overhead is calculated as 5% of the total cultural and harvest cost and includes incidentals, such as running parts or parts and fuel for operation of a pickup truck, that were not covered in other places in the study.

##### Interest on land and trees

The 6% interest charge on land and trees is based on the assumption that the growers investment could reasonably be expected to provide a 6% return if this money were invested in bank loans or similar enterprises.

#### EQUIPMENT INVESTMENT

<u>ITEM</u>	<u>COST</u>
Pickup	\$ 2,600
Truck	4,000
Tractor WD 30	5,000
Sprayer	5,500
Disk 6 ft	900
Fertilizer Spreader	300
Trailer	1,400
Ladders, buckets, etc.	2,000
Miscellaneous	2,300
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Total Investment	<u>\$24,000.00</u>
Per Acre on <u>40</u> acres	<u>600.00</u>
Depreciation per acre	<u>60.00</u>
Interest per acre	<u>18.00</u>

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 12/67 - 300 c