

1973

LATE SEASON NECTARINES

Orchard Production Costs
in the
Southern San Joaquin Valley

**Cost Analysis Worksheet
Showing Sample Costs**

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Agricultural Extension University of California

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COST ANALYSIS WORK SHEET - 1973

Sample costs to produce late season nectarines in the southern San Joaquin Valley for fresh shipment. Costs are for a mature orchard containing 108 trees per planted acre producing 1600 packed lugs of fruit, with approximately 15% discarded as culls. Man labor \$2.70 per hour and equipment operator \$2.95. Wages include Social Security, Workman's Compensation and insurance. Medium wheel tractor per hour cash costs \$1.80, depreciation \$2.00 and interest \$1.00.

Prepared by Edward A. Yeary, Farm Advisor-Statewide

	<u>SAMPLE COSTS</u>		<u>MY COSTS</u>	
	Per Acre	Per Lug	Per Acre	Per Lug
Pre-Harvest Cash Costs:				
Pruning: 108 trees at \$1.25	\$ 135.00			
Brush shredding: contract \$6.50 per acre	6.50			
3 man hrs. raking brush	8.10			
Fertilize: 150 lbs. N at 15¢	22.50			
½ hr. man & tractor	2.38			
Spray 5 times: materials	100.34			
application: 2¢/gallon -2000 gallons	40.00			
Furrow 3 times: 1½ hrs. man & tractor	7.13			
Irrigate 8 times: labor 9 hrs.	24.30			
4 ft. water: power + tax \$8/ac. ft.	32.00			
Disc 5 times: 7½ hrs. man & tractor	35.63			
Thin: 108 trees at \$1.00	108.00			
Prop and Tie: 9 hrs. labor - 2 tractor hrs.	27.90			
materials	10.00			
Taxes	32.00			
Misc. labor, materials, field power: includes				
4 man hrs. and 1 tractor hr.	15.85			
Repairs to equipment except tractor	12.00			
Office, car, operating capital, insurance, etc.	77.94			
TOTAL PRE-HARVEST CASH COSTS	\$ 697.57	\$.44		
Harvesting Costs:				
Pick: 1600 lugs (23 lbs.) at 35¢	\$ 560.00			
Haul: 1600 lugs (23 lbs.) at 7¢	112.00			
Misc. 4 man hrs. & 1 tractor hr.	7.45			
TOTAL HARVESTING COSTS	\$ 679.45	\$.42		
TOTAL CASH COSTS	\$1377.02	\$.86		
Depreciation:				
Irrigation system & well: \$300, 20 yr. life	\$ 15.00			
Bldgs. & equip. except tractor: \$120, 12 yr. life	10.00			
Tractor: 12½ hrs. at \$2.00	25.00			
Trees: \$1918, 20 yr. life	95.90			
TOTAL DEPRECIATION	\$ 145.90	\$.09		
Interest on Investment at 8%:				
Irrigation system & well: ½ cost \$150	\$ 12.00			
Bldgs. & equip. except tractor: ½ cost \$60	4.80			
Tractor: 12½ hrs. at \$1.00	12.50			
Trees: ½ cost \$959	76.72			
Land: \$1200	96.00			
TOTAL INTEREST ON INVESTMENT	\$ 202.02	\$.13		
TOTAL COST OF PRODUCTION	\$1724.94	\$1.08		

SAMPLE COSTS AT VARYING YIELDS

Yield: Tons per acre	Average			Exceptional	
	14	16	18	20	22
Total Cost of Production/Ton	\$106.26	\$96.86	\$89.53	\$83.69	\$78.90
Cash Costs Only: per 23 lb. lug	1.10	1.02	.95	.90	.85
Total Cost per 23 lb. lug	1.44	1.31	1.21	1.13	1.07
Packed lugs per acre	1035	1183	1330	1478	1626

ABOUT THIS SHEET

This work sheet was developed to show sample costs for a good yielding, mature orchard under southern San Joaquin Valley conditions. Specific years, areas and orchards may have different costs because of the following considerations:

1. Seasonal variations influence fruit set and quality. Consequently, differences in thinning, pest control and cullage will occur.
2. No account is made for partial or complete crop loss.
3. Interest and depreciation costs are based on present costs of establishing an orchard. Present bearing orchards were probably established at lower costs. Variety patent fees are not included in the development costs.
4. Costs per 2-layer lug are based on an average net weight of 23 lbs. Net weights vary depending on fruit size and maturity.
5. No allowance is made for cost of management, packing costs or commission charges.
6. Water costs vary in the southern San Joaquin Valley and an average cost is used in this study.

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