

WINE VARIETIES  
Cost of Establishing a Vineyard  
Cost Analysis Worksheet - 1984

Based on a 120-acre unit, vines spaced at 8' x 11', 495 vines/acre. Labor costs at \$5.25 and \$6.25 per hour total. Tractor per hour cash costs \$8.90, depreciation \$2.86, and interest \$1.60. Wages include Social Security, Workmen's Compensation, insurance and all other fringe benefits. Yield of 5 tons.

YIELD (tons/acre)	Costs Per Acre		
	1st Year	2nd Year	3rd Year
	-	-	5
<b>Pre-Harvest Cash Costs:</b>			
Fumigate: materials + application	\$ 355.		
Land preparation: chisel, disc, float, etc.	135.		
Rootings: 495 (+25, 2nd yr.) at 32¢	158.	\$ 8.	
Trim and store at 8¢ per rooting	40.	2.	
Machine planting: 11¢ per vine (+2 hrs., 2nd yr.)	54.	11.	
Metal stakes: 495 7-foot at \$1.25		619.	
End posts (treated): 12 8-foot at \$5.25		63.	
Stake and set end posts: 18¢ stakes + \$4.50 end posts		143.	
Wire: 180 lbs. #13 high tensile at 34¢/lb.		61.	
String two wires & attach metal stake		60.	
Training and suckering: 40 hrs. labor, 2nd yr.; 10 hrs. labor, 3rd yr.		210.	\$ 53.
Tying materials		12.	6.
Prune and tie: 5 hrs. labor, 2nd yr.; 12 hrs. labor, 3rd yr.		26.	63.
Rabbit control	15.	8.	
Irrigation labor: 5 hrs. each yr. at \$6.25	31.	31.	31.
Water-power and/or district tax: 1, 2, 3½ ac. ft. at \$15	15.	30.	53.
Irrigation preparation and cultivation: 6 hrs. labor + 4 hrs. tractor, 1st yr.; then 8 hrs. labor + 4 hrs. tractor	71.	82.	82.
Fertilizer: 30¢/lb. (30 lbs. N, 2nd yr.; 50 lbs. N, 3rd yr.) + \$5/acre application		14.	20.
Pest management and disease control, including mildew			108.
Herbicides: materials and application	35.	32.	32.
Misc. labor + materials, including 1 hr. labor + 1 hr. tractor	34.	29.	34.
County taxes	45.	45.	65.
Repairs, except tractor	32.	29.	32.
Interest on operating capital 12%	61.	91.	50.
Office and business costs	32.	48.	26.
<b>TOTAL PRE-HARVEST CASH COSTS</b>	<b>\$1113.</b>	<b>\$1654.</b>	<b>\$ 655.</b>
<b>Harvest Costs:</b>			
Contract - \$50/ton pick and haul			\$ 250.
<b>TOTAL HARVEST COSTS</b>			<b>\$ 250.</b>
<b>TOTAL CASH COSTS</b>	<b>\$1113.</b>	<b>\$1654.</b>	<b>\$ 905.</b>

The University of California Cooperative Extension in compliance with the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and the Rehabilitation Act of 1973 does not discriminate on the basis of race, creed, religion, color, national origin, sex, or mental or physical handicap in any of its programs or activities. Inquiries regarding this policy may be directed to: Affirmative Action Officer, 317 University Hall, University of California, Berkeley, California 94720, (415) 842-8300

**Depreciation:**

Irrigation system: \$680, 20 yr. life	\$ 34.	\$ 34.	\$ 34.
Buildings and equipment, except tractor: \$550, 12 yr. life	46.	46.	46.
Tractor: \$2.86/hr.	14.	14.	20.
<b>TOTAL DEPRECIATION</b>	<b>\$ 94.</b>	<b>\$ 94.</b>	<b>\$ 100.</b>

**Interest on Investment at 11%:**

Irrigation system: $\frac{1}{2}$ cost \$340	\$ 37.	\$ 37.	\$ 37.
Buildings and equipment, except tractor: $\frac{1}{2}$ cost \$275	30.	30.	30.
Tractor: \$1.60/hr.	8.	8.	11.
Land: \$5000/acre	550.	550.	550.
Interest on accumulated costs		202.	485.
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$ 625.</b>	<b>\$ 827.</b>	<b>\$1113.</b>
<b>TOTAL COST FOR THE YEAR</b>	<b>\$1832.</b>	<b>\$2575.</b>	<b>\$2118.</b>
<b>CREDIT FOR FRUIT AT \$150/TON</b>			<b>\$ 750.</b>
<b>NET COST FOR THE YEAR</b>	<b>\$1832.</b>	<b>\$2575.</b>	<b>\$1368.</b>
<b>TOTAL ACCUMULATED COST</b>	<b>\$1832.</b>	<b>\$4407.</b>	<b>\$5775.</b>

About This Sheet

This sheet is one of a series on sample costs of producing grapes in the San Joaquin Valley. This series includes: Thompson Seedless for Raisins and Wine, Thompson Seedless for Table Use, Wine Varieties, Emperor, and Ribier or Cardinal. The input and cost data are to be used only as guides in determining the production costs for a specific vineyard and to help growers analyze costs and practices that would increase production efficiency. The figures shown are based on what are considered good management practices in many vineyards. They do not represent industry averages.

**YIELD** - Yield is the most important factor affecting costs per ton and profit per acre. The yield per acre used in this sample is average over a period of years for a typical, well-managed vineyard. Although this figure is higher than the industry average, some vineyards do better.

**IRRIGATION** - Sample costs for irrigation labor and water costs are based on a pumping system with pipeline. Labor cost per acre is affected by the number of irrigations, quantity applied, and size of head. Large heads of water may lower the labor costs. When all the water is from an irrigation district, the investment overhead costs of depreciation and interest on irrigation facilities are normally lower.

**PEST AND DISEASE CONTROL** - Dusting and spraying costs may vary considerably from year to year. Control measures required also vary between vineyards. The sample costs shown on this sheet are based on average conditions.

Prepared by: Harry Andris, Farm Advisor, Fresno County; Robert Beede, Farm Advisor, Kings County; Peter Christensen, Farm Advisor, Fresno County; George Leavitt, Farm Advisor, Madera County; Maxwell Norton, Farm Advisor, Merced County; William Peacock, Farm Advisor, Tulare County; Fred Jensen, Extension Viticulturist, Parlier; and Edward Yeary, Area Farm Management Specialist, Parlier.