

SAMPLE COSTS TO ESTABLISH AN AVOCADO GROVE IN
SAN LUIS OBISPO COUNTY - 1975

by

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YIELD: POUNDS PER ACRE	COSTS PER ACRE			
	1st Year	2nd Year	3rd Year	4th Year
	0	0	1240	2480
PRE-HARVEST CASH COSTS				
Land clearing, brush and tree removal: range \$30 to \$500	\$ 250.00	\$	\$	\$
Trees: 125 @ \$5	625.00			
Layout, plant, irrigate trees @ \$1/tree	125.00			
Replant second year		24.00		
Irrigation Labor (drip system)	24.00	29.50	29.50	29.50
Water: \$40/ac ft.	6.50	20.00	33.00	40.00
Weed control by chemicals with hand labor supplement	80.00	50.00	50.00	40.00
Fertilizer (injected in water)	5.00	14.00	28.00	40.00
Pest control materials 7 application including rodent control & nutrient spray	10.00	10.00	10.00	16.00
Pruning and suckering	10.00	10.00	10.00	20.00
Frost Protection: wind machine	125.00	125.00	125.00	125.00
Taxes (estimate)	27.00	27.00	27.00	94.00
Repairs, except tractor	32.00	34.00	36.00	40.00
Misc. Labor and materials	20.00	20.00	30.00	30.00
Office, business expenses 6% management	83.60	25.05	26.90	36.35
	54.00	54.00	54.00	54.00
Total Pre-Harvest Costs	\$1,477.10	\$ 442.55	\$ 459.40	\$ 564.85
HARVESTING COST:				
Pick: \$1.00 per 40 lb. field box	\$	\$	\$ 12.50	\$ 62.00
Haul: 25¢ field box			3.13	15.50
Total Harvesting Costs			\$ 15.63	\$ 77.50
Total Cash Costs	\$1,477.10	\$ 442.55	\$ 475.03	\$ 642.35
DEPRECIATION				
Pump, panel, well \$220-10 yrs.	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Irrigation system: drip system \$360-10 yrs.	36.00	36.00	36.00	36.00
Wind machine: \$1,000-15 yrs	66.67	66.67	66.67	66.67
Heaters: other equip. \$200-10 yrs.	20.00	20.00	20.00	20.00
Tractors	12.72	9.90	9.90	12.72
Total Depreciation	\$ 157.39	\$ 154.57	\$ 154.57	\$ 157.39
INTEREST ON INVESTMENT @ 8%				
Pump, panel, well: 1/2 cost \$110	\$ 8.80	\$ 8.80	\$ 8.80	\$ 8.80
Irrigation system: 1/2 cost \$180	14.40	14.40	14.40	14.40
Wind machine: 1/2 cost \$500	40.00	40.00	40.00	40.00
Heaters, other equip: 1/2 cost \$100	8.00	8.00	8.00	8.00
Tractors	6.36	4.95	4.95	6.36
Land: \$2200	176.00	176.00	176.00	176.00
Interest on accumulated costs		151.04	231.07	310.09
Total Interest on Investment	\$ 253.56	\$ 403.19	\$ 483.22	\$ 563.65
Total Cost for the Year	\$1,888.05	\$1,000.31	\$1,112.82	\$1,363.39
Credit for fruit 25¢/lb			\$ 125.00	\$ 620.00
NET COST FOR THE YEAR (gain)	\$1,888.05	\$1,000.31	\$ 987.82	\$ 743.39
ACCUMULATED NET COST	\$1,888.05	\$2,888.36	\$3,876.18	\$4,619.57

All labor \$3.60 per hr. cost to grower. Tractor