

Red Reed

SAMPLE COSTS TO PRODUCE PEARS

Sacramento County - 1968

Production Data: Yield - 25 tons per acre
 134 trees per acre
 Skilled Labor: \$2.25 per hour including social security and workmen's compensation insurance.
 Unskilled Labor: \$1.75 per hour including social security and workmen's compensation insurance.

Operation	Hours Per Acre	Cash and Labor Costs Per Acre				Total
		Labor	Fuel & Repairs	Materials Kind & Quan.	Cost	
<u>Cultural Costs</u>						
Prune	112	\$196.00				\$196.00
Brush Shredding	4	7.26	.60	(.90 + .30)		7.86
Spray 7X 2M	7	14.01	14.70	(.90 + 3.30)	\$150.00	178.71
Dust 7X	1.5	3.38	4.20	(.65 + 2.15)	15.00	22.58
Blight Cutting	7.0	12.25	8.40	(1.20) (Tree Squirrel)		20.65
Fertilizer	.5	1.13	.33	(.65) 175 units	19.25	20.71
Chop Cover Crop 6X	3.0	6.75	3.60	@ 11¢		10.35
Weed Control (strip)	1.5	3.38	1.58	(.65 + .40)	14.78	19.74
Irrig. (sprinkler) 7X	7.75	13.56	1.00	sterilan, 2,4-D, contact Power for 3 1/2 acre foot	20.00	34.56
Miscellaneous	5	10.25	3.00		1.00	14.25
TOTAL CULTURAL COSTS	149.25	\$267.97	\$37.41		\$220.03	\$525.41
<u>Harvest Costs</u>						
Picking				\$15 per ton		375.00
Hauling				\$ 1 per ton		25.00
Supervision				\$ 1 per ton		25.00
TOTAL HARVEST COSTS						\$425.00
<u>Cash Overhead</u>						
Misc., office, etc.				Pickup, interest on operating capital, etc.		47.52
Taxes				Real estate and personal property		70.00
TOTAL CASH OVERHEAD						\$117.52
TOTAL CASH COST						\$1,067.93
Management	5% of 25 ton @ \$75					\$93.75

INVESTMENT	Per Acre	Annual Cost		
		Depreciation	Interest	
Land	\$1,250.00	\$	\$ 75.00	
Trees	2,000.00	40.00	60.00	
Irrigation pipe	100.00	10.00	3.00	
Irrigation main and pump	100.00	5.00	3.00	
Buildings	100.00	5.00	3.00	
Equipment	614.50	61.44	18.49	
TOTAL	\$4,164.50	\$121.44	\$162.49	\$283.93

TOTAL COST PER ACRE \$1,445.61
COST PER TON @ 25 Ton Yield \$57.82

The sample costs in this study are based on a typical set of conditions and include the operations of a better than average producer. Figures are not average and will vary one year to another with weather, variations in cultural practices, and prices paid and received.

Sprinkler instead of flood irrigation costs were used since the trend is toward this method. For any individual grower, some items might be omitted others added depending on his methods of production.

Basis of Cost Calculations

Labor

1. Skilled, which includes equipment operators and crew supervisors.
2. Unskilled, including pruners, pickers, irrigators and other labor that does not operate equipment or perform specialized tasks.

Interest

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

EQUIPMENT INVESTMENT

ITEM	COST
Tractor W.D. 40 H.P.	\$ 6,000
Tractor W.D. 30 H.P. (2)	9,000
Sprayer aircarrier 36"	9,500
Forklift attachment	2,000
Forklift attachment low lift	1,200
Trailer (2)	1,200
Tree squirrel	3,000
Cover crop and limb schredder 6'	1,200
Duster	2,000
Disk, 8½'	1,200
Nurse truck (for sprayer)	4,000
Weed sprayer, P.T.O	850
Pickup truck	3,000
Ladders and picking bags	5,000
TOTAL	\$49,150

TOTAL INVESTMENT

Per acre on 80 acres	614.38
Depreciation per acre	61.44
Interest per acre	18.49

Prepared By

Gordon W. Morehead, Farm Advisor and Philip S. Parsons, Extension Economist
 University of California Agricultural Extension Service
 Room 3020, Federal Building
 UC Cooperative Extension 650 Capitol Mall
 Sacramento, California 95814