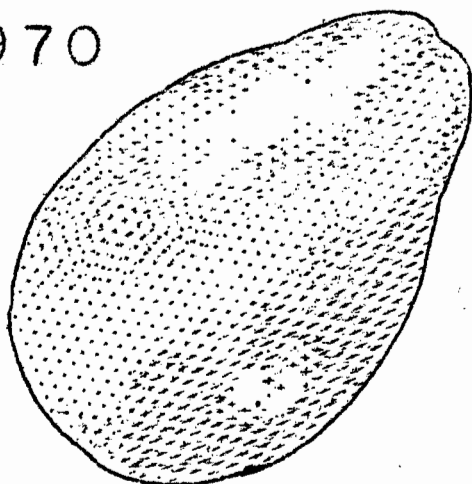


SAMPLE COSTS
TO DEVELOP AN
AVOCADO
ORCHARD IN
SAN DIEGO COUNTY

1970



Prepared by:

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SAMPLE COSTS OF ESTABLISHING AN AVOCADO ORCHARD
IN SAN DIEGO COUNTY 1970 a/

	DOLLARS PER ACRE				
	1st yr.	2nd yr.	3rd yr.	4th yr.	5th yr.
Labor and Field Power					
Land preparation (rip, disk, float)	\$ 250	\$ -	\$ -	\$ -	\$ -
Orchard layout	20	-	-	-	-
Plant (dig, plant, mulch & wrap)	85	5	3	-	-
Irrigation	70	70	70	80	80
Fertilization	2	3	3	7	7
Weed control (hoe, oil & herbicide)	25	15	12	12	12
Pest control	10	10	10	10	10
Tree care & pruning	5	5	5	5	10
Misc. (propping, erosion control, cover crop)	10	10	10	10	20
(1) Total Labor and Power	\$ 477	\$ 118	\$ 113	\$ 124	\$ 139
Materials					
Trees (100 trees/acre @ \$3.50)	\$ 350	\$ 15	\$ -	\$ -	\$ -
Mulch	15	10	5	-	-
Tree protectors	8	-	-	-	-
Water <u>b/</u>	25	35	50	100	120
Fertilizer	3	5	8	8	12
Weed oil & herbicides	16	13	13	10	8
Pest control	6	6	5	5	5
Misc. (supplies)	10	5	6	6	7
(2) Total Materials	\$ 433	\$ 89	\$ 82	\$ 129	\$ 152
(3) Total Cash Cultural	\$ 910	\$ 207	\$ 195	\$ 253	\$ 291
Cash Overhead					
General expense	\$ 74	\$ 18	\$ 17	\$ 22	\$ 26
Management charge (\$5/acre/month)	60	60	60	60	60
Taxes <u>c/</u>	45	45	45	50	70
Maintenance & repair	15	15	15	15	15
(4) Total Cash Overhead	\$ 194	\$ 138	\$ 137	\$ 147	\$ 171
(5) Total Pre-Harvest Cash Costs	\$1,104	\$ 345	\$ 332	\$ 400	\$ 462
(6) Less Fruit Credits <u>d/</u>				50	100
(7) Net Cash Costs	\$1,104	\$ 345	\$ 332	\$ 350	\$ 362
Investment Costs					
Depreciation <u>e/</u>	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124
Interest on Investment <u>f/</u>	358	392	443	498	557
(8) Total Non-Cash Costs	\$ 482	\$ 516	\$ 567	\$ 622	\$ 681
(9) Total Net All Costs	\$1,586	\$ 861	\$ 899	\$ 972	\$1,043
(10) Accumulated Total Net Costs	\$1,586	\$2,447	\$3,346	\$4,318	\$5,361
(11) Accumulated Net Cash Costs	\$1,104	\$1,449	\$1,781	\$2,131	\$2,493
INVESTMENT VALUE AT END OF YEAR					
Land @ \$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Trees <u>g/</u>	1,586	2,447	3,346	4,318	5,361
Irrigation system (\$650) - Equipment & bldgs. (485) = \$1,135 <u>h/</u>	1,011	887	763	639	515
(12) Total Investment Value	\$5,597	\$6,334	\$7,109	\$7,957	\$8,876

See reverse side for footnotes.

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FOOTNOTES

- a/ Sample costs in this data sheet have been estimated on the basis of the following new 10-acre planting in San Diego County: Fuerte variety, planted 20' x 20' or 100 trees per acre; trees spring planted on relatively frost-free hillside site; permanent plastic irrigation system.
- b/ Water costs will vary depending upon the source, district, assessments, etc. Range is from \$40 to \$60 per acre foot, or \$90 to \$100 per acre foot if pumping charge is added.
- c/ Trees are not assessed for taxes until they become productive, usually fourth or fifth year. There will be variations in tax charges, depending on the area where an orchard is located.
- d/ Fruit credit varies depending on tree yields and market prices. (Harvest cost, $1\frac{1}{2}\%$ to 3% , marketing order assessment, $4\frac{1}{2}\%$ value at roadside.
- e/ Capital outlay is estimated to be \$4,135 per acre based on an assumed land cost of \$3,000 per acre and \$1,135 per acre for the irrigation system and building and equipment. The initial cost of the permanent plastic irrigation system with spitter heads is estimated at \$550 per acre installed. At the end of the fourth year, the spitter heads are converted to revolving sprinklers at an additional cost of \$100 per acre. To simplify calculations in the table, the initial capital outlay of \$1,135 per acre includes a charge for the complete irrigation system.
- f/ Interest on investment for the first year equals 7% of first-year total cash cost per acre (5) plus 7% of land value and undepreciated balance of irrigation system, equipment, and building. Interest for remaining years equals 7% of prior-year total investment value (12).
- g/ Investment in trees at end of year equals accumulated total net costs (11) of prior years.
- h/ Investment value for items is original cost, less accumulated depreciation.