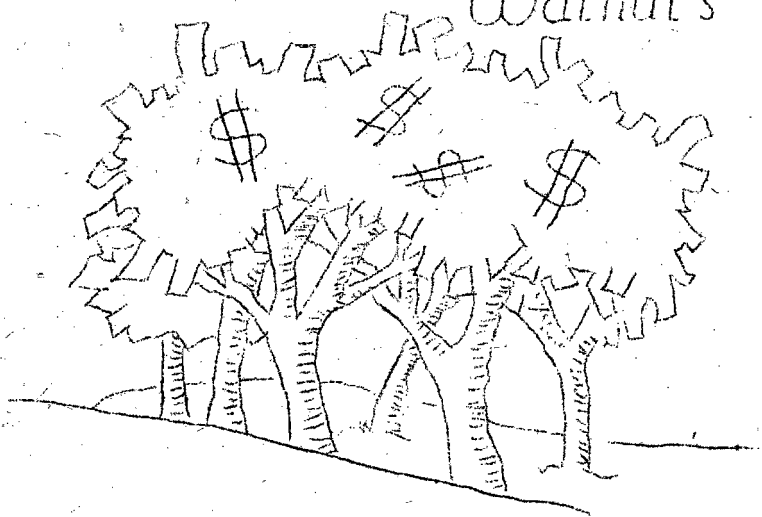


Cost of
Establishing
Walnuts



Western Merced County

Fall 1968

UC Cooperative Extension

COST ANALYSIS WORKSHEET

SAMPLE COSTS TO ESTABLISH A WALNUT ORCHARD IN WESTERN MERCED COUNTY - Fall, 1968

Basis of Calculations - Costs per hour:

Assume 60 acres of Payne variety at 30'x30' spacing (48 trees/acre)

Labor - \$2.00

Tractors: 40 H.P. Wheel Diesel (WD40) Cash Cost - \$1.20, Depreciation - .70,
Interest - \$.28

Older 40 H.P. Diesel Crawler (CD40) Cash Cost - \$1.50, Dep. - \$.80, Int. - \$.30

	1ST Yr.	2nd Yr.	3rd Yr.	4th Yr.	5th Yr.	6th Yr.
Yield: Pounds per Acre					500	1,000
CASH COSTS PER ACRE:						
Land Preparation: Subsoil-contract	\$11.60					
Disk and Float-2 man hrs.	4.00					
2 tractor(CD40) hrs.	3.00					
Survey and Mark	5.00					
Dig Holes - 2 man hrs.	4.00					
2 tractor(WD40) hrs.	2.40					
Plant and Prune 8 man hrs.	16.00	2.00	2.00			
2 tractor(WD40) hrs.	2.40					
Trees: 48 @ \$3.00 (3/4" to 7/8")	144.00	6.00	3.00			
Stakes: 48 @ \$.25	12.00	.50				
4 man hrs.	8.00	2.00				
1 tractor(WD40) hr.	1.20					
Training, Tying, Pruning	30.00	20.00	20.00	20.00	24.00	30.00
Disking: 3 times, 2 ways						
3 tractor(CD40) hrs.	4.50	4.50	4.50	4.50	4.50	4.50
3 man hrs.	6.00	6.00	6.00	6.00	6.00	6.00
Harrow: 2 times, 2 ways						
1 tractor (WD40) hr.	1.20	1.20	1.20	1.20	1.20	1.20
1 man hr.	2.00	2.00	2.00	2.00	2.00	2.00
Furrow: 4 times-2 tractor(WD40) hrs.	2.40	2.40	2.40	2.40	2.40	2.40
2 man hrs.	4.00	4.00	4.00	4.00	4.00	4.00
Irrigation: 4 times - 6 man hrs.	12.00	12.00	12.00	12.00	12.00	12.00
Water-C.C.I.C. Canal \$2.00/acre ft.	6.00	6.00	8.00	8.00	8.00	8.00
C.C.I.D. Tax \$2.15/acre	2.15	2.15	2.15	2.15	2.15	2.15
Whitewash trunks: 2 man hrs.	4.00	4.00	4.00			
Fertilizer: \$.13/lb. applied	1.63 (1/2#)	1.63	3.25 (1/2#)	3.25	6.50 (1#)	6.50
Herbicide Strip Spray	-	6.50	6.50	6.50	6.50	6.50
Spray-Custom Application	4.00	4.00	4.00	8.00	8.00	8.00
Materials	5.00	10.00	10.00	12.00	15.00	30.00
Miscellaneous Material	10.00	10.00	10.00	10.00	10.00	10.00
Miscellaneous Labor: 4 man hrs.	8.00	8.00	8.00	8.00	8.00	8.00
Miscellaneous Tractor(WD40) 1 hr.	1.20	1.20	1.20	1.20	1.20	1.20
Repairs except tractors(Disk,Harrow, etc.)	15.00	10.00	10.00	10.00	10.00	10.00
County Taxes @ \$7.49/\$100	18.73	18.73	18.73	22.48	23.23	23.98
Gustine Drainage District Tax \$.33/\$100	.83	.83	.83	1.00	1.03	1.07
Office,Pickup,Interest on Operating Cap.(6% Cash Cost)	21.13	10.19	8.63	8.68	9.34	10.65
Harvest Costs @ \$100.00 per ton					25.00	50.00
TOTAL CASH COSTS	\$373.37	155.83	152.39	153.36	190.05	238.15

DEPRECIATION COSTS:	1st Yr.	2nd Yr.	3rd Yr.	4th Yr.	5th Yr.	6th Yr.
Irrigation System:\$100/acre-20 rs.	\$ 5.00	5.00	5.00	5.00	5.00	5.00
Bldgs. and Equip. except tractors \$9000 Cost - 15 yrs. life	6.00	6.00	6.00	6.00	6.00	6.00
Tractors-WD40 @ \$.70	6.30	2.80	2.80	2.80	2.80	2.80
CD40 @ \$.80	4.00	2.40	2.40	2.40	2.40	2.40
TOTAL DEPRECIATION COSTS	\$21.30	16.20	16.20	16.20	16.20	16.20
INTEREST ON INVESTMENT @ 7%						
Irrigation System(1/2 Cost) \$ 50.00	3.50	3.50	3.50	3.50	3.50	3.50
Bldgs. & Equip.-exc.Tractor (1/2 Cost) \$45.00	3.15	3.15	3.15	3.15	3.15	3.15
Tractors: WD40 @ \$.28	2.52	1.12	1.12	1.12	1.12	1.12
CD40 @ \$.30	1.50	.90	.90	.90	.90	.90
Land @ \$1000 per acre	70.00	70.00	70.00	70.00	70.00	70.00
Interest on Accumulated Costs	0.00	33.27	53.15	74.18	96.75	114.72
TOTAL INTEREST ON INVESTMENT	80.67	111.94	131.22	152.85	175.42	193.39
TOTAL COST FOR YEAR	\$475.34	283.97	300.41	322.41	381.67	447.74
VALUE OF CROP HARVESTED	--	--	--	--	125.00	250.00
NET COST FOR YEAR	475.34	283.97	300.41	322.41	256.67	197.74
TOTAL ACCUMULATED COST	475.34	759.31	1059.72	1382.13	1638.80	1836.54

This cost study is designed to give prospective walnut growers an idea of the costs involved in establishing a walnut orchard in Western Merced County. Costs may vary widely. These costs we feel are typical although they may not be average.

Depending on variety, some return on the investment may be realized in as few as five years or as many as seven to ten years. Six years non-bearing was chosen as an average, even though some nuts may be harvested the fifth and sixth seasons on early bearing varieties.

As with all tree fruits and nuts, the choice of location is vital. The land cost of \$1000 per acre assumes that the grower will be planting on alkali - free, deep, well-drained loams or clay loams. In Western Merced County the bulk of the commercial walnut orchards are planted on Sorrento or Mocho Series soil of the loam, sandy loam, silty loam, or clay loam types.

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