

1969

Sample Production Costs

PRUNES

in Glenn County

This cost study is based upon information gathered from several Glenn County operations. The data should be used only as a guide for planning or evaluating your own operation.

All labor is shown as hired at either \$2.25 skilled or \$1.95 common per hour (including Social Security, Workmens Compensation Insurance, and other minor costs). Operators performing their own labor may wish to reduce the labor costs shown by an appropriate amount. It should be remembered that all contract labor in a cost study represents actual costs plus a profit to the contractor.

The equipment investment is based upon new cost. It should be realized that many operators own and maintain equipment which has been partially or

W. J. Reed

SAMPLE COSTS TO PRODUCE PRUNES IN GLENN COUNTY

80 Acre Orchard Yield 2.5 dry tons/ac. Labor at \$1.95 and \$2.25 (Tilled Orchard) Year...1969

Cash and labor cost per acre

Operation	Hours Per Acre	Labor	Fuel & Repair	Description of Materials	Total Materials	Total	Your Cost Per Acre
Cultural Costs							
Prune 75 trees		33.75		Contract: @.45/tree	\$ 33.75	\$ 33.75	
Remove and burn brush	1.0	\$ 2.25	\$.95				3.20
Spray - 2 x	1.0	2.25	3.80	Pesticides	20.00		26.05
Fertilize	.4	.90	.75	Nitrogen @ .10 lb., 150 lb./AC.	15.00		16.65
Disc - 3 x	1.5	3.40	2.10				5.50
Ridge - 2 x	.8	1.80	.95				2.75
Irrigate - 4 x	4.0	7.80	1.50	3 A/ft. @ 2.50	7.50		16.80
Prop or tie	4.0	7.80	2.00				9.80
TOTAL CULTURAL COSTS		\$26.20	\$12.05		\$ 72.50	\$114.50	
Harvest Costs							
Disc - 2 x	1	2.25	1.65				3.90
Roll	5	1.15	1.50				2.65
Shake & Bank out Bins				Contract: 6.7 tons @ 17.00	113.90		113.90
Load, haul to dehydrator				6.7 tons @ 3.50	23.50		23.50
Dehydrate				6.7 tons @ 18.00	120.60		120.60
Haul to market				2.5 dry T @ 2.00	5.00		5.00
TOTAL HARVEST COSTS	6	\$ 3.40	\$ 3.15		\$263.00	\$269.55	
Cash Overhead							
Misc., office, etc.					\$ 18.85		
Taxes and Insurance					\$ 27.50		
TOTAL CASH OVERHEAD					\$ 46.35	\$ 46.35	
TOTAL CASH COSTS		\$29.60	\$15.20		\$385.60	\$430.40	
Management 5% of (2.5 tons X \$300/ton)							\$ 37.50

Annual Cost

INVESTMENT	Per Acre	Depreciation	Interest at 6%
Land	\$ 800.00	16	\$ 48.00
Trees (35 years)	845.00	5	\$ 24.14
Irrigation system	150.00	2	7.50
Buildings	125.00	1	4.50
Tractor & equipment	360.00	4	3.75
Total	\$2,280.00	31	\$ 71.80

\$ 92.40

TOTAL COST PER ACRE \$632.10

Cost per ton at 2.5 ton yield \$252.84

NET INCOME PER ACRE AFTER PAYING ALL EXPENSE

Yield Tons/Acre (dry tons)	Price per Ton						
	\$255.00	\$270.00	\$285.00	\$300.00	\$315.00	\$330.00	\$345.00
1.5	-125.11	-103.74	- 82.37	- 61.00	- 39.63	- 18.26	+ 3.11
2.0	- 65.90	- 37.40	- 8.90	+ 64.60	+ 48.10	+ 76.60	+105.10
2.5	+ 11.04	+ 46.66	+ 82.28	+117.90	+153.52	+189.15	+224.77
3.0	+ 81.25	+124.00	+166.75	+209.50	+252.25	+295.00	+337.75
3.5	+144.41	+194.29	+244.17	+294.05	+343.93	+393.81	+443.69
4.0	+218.55	+275.55	+332.55	+389.55	+446.55	+503.55	+560.55

completely depreciated. In such cases, proper adjustments should be made in depreciation and interest costs. Growers owning equipment jointly could allow savings to be made in overhead costs. Such savings are not reflected in this study.

Cultural costs as shown are based upon maximum recommended requirements. It is recognized that from year to year pest control requirements may be different.

The investment shown for trees reflects input costs covering those years up to self-sustaining production.

Interest on investment costs represents 6 per cent on the average value of all depreciable items. Land does not depreciate; therefore, interest is computed on the full value.

Taxes are figured on depreciable investment divided by two; then add to full land value. The sum of the land and one-half of depreciable investment is divided by four to obtain the assessed evaluation of 25% (or taxable investment). Sufficient rate of (7.0%) has been used to cover both Taxes and Insurance.

Note the blank column on the right margin. This is for your use in comparing your costs with the sample costs.

Prepared by Farm Advisor Roy B. Jeter, Glenn County, and Extension Economist Philip Parsons.

Co-operative Extension work in Agriculture and Home Economics, College of Agriculture,
University of California, and United States Department of Agriculture co-operating.
Distributed in furtherance of the Acts of Congress of May 8, and June 30, 1914.
George S. Alcorn, Director, California Agricultural Extension Service.

UC Cooperative Extension

March 1969

300 copies

