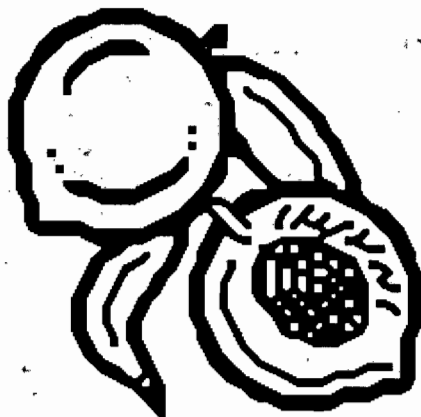


1990
**SAMPLE COSTS TO PRODUCE
CORDON TRAINED, HIGH DENSITY
CLING PEACHES IN THE SACRAMENTO
AND SAN JOAQUIN VALLEYS**

PH-CV-90-2



by

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UC COOPERATIVE EXTENSION

Table 1.

U.C. COOPERATIVE EXTENSION
 SAMPLE COSTS PER ACRE TO ESTABLISH A CLING PEACH ORCHARD
 SACRAMENTO & SAN JOAQUIN VALLEYS - 1990
 Cordon Trained - High Density

Skilled labor: \$8.00 per hour
 Field labor: \$5.70 per hour

Interest rate: 12%
 Trees/Acre: 370

YEAR	Costs per Acre						
	1st	2nd	3rd	4th	5th	6th	
YIELD (Tons/acre)	0	5	11	17	23	28	
Planting costs							
Land preparation: subsoil & level - contract	\$160						
Disk and float: 4 hours - labor and tractor	76						
Trees: 370 @ \$3.50 (2% 2nd Yr & 1% 3rd Yr)	1,295	\$26	\$13				
Survey and plant: 370 @ \$1.00	370	3	2				
Fumigate: (methyl bromide)	500						
TOTAL PLANTING COSTS	\$2,401	\$29	\$14				
Cultural costs:							
Prune and train (unskilled hand labor)	\$95	\$57	\$165	\$239	\$239	\$239	
Brush disposal	10	20	30	40	40	40	
Put up borders	30						
Mow & disc middles	12	12	12	12	12	12	
Weed control sprays (material & application)		51	68	68	68	68	
Irrig. labor: 4 hrs. 1st yr, 2.5 hr yrs 2+	23	14	14	14	14	14	
Water @ \$25/acft	25	30	40	70	90	90	
Fertilizer: Nitrogen \$0.25/lb	12	15	20	25	30	30	
: Potassium \$0.16/lb, every 4th yr				160			
: Labor for fertilization	7	7	7	31	7	7	
Pest control sprays	30	252	252	252	252	252	
Custom application	7	26	26	26	26	39	
Miscellaneous labor and power - 1 hour	8	8	8	8	8	8	
Pick-up truck costs	23	23	23	23	23	23	
Thinning		23	162	250	338	412	
TOTAL CULTURAL COSTS	\$280	\$537	\$826	\$1,217	\$1,147	\$1,233	
Harvesting Costs:							
Bin handling -----	\$1.31	per Ton	\$7	\$14	\$22	\$30	\$37
Forklift -----	\$800.00	per week	40	40	40	40	40
Hand picking -----	\$25.00	per Ton	125	275	425	575	700
Field sorting -----	\$2.75	per Ton	14	30	47	63	77
Hauling, to grade station -----	\$2.62	per Ton	13	29	45	60	73
TOTAL HARVEST COSTS	\$0		\$198	\$388	\$579	\$769	\$927

U.C. Cooperative Extension
Table 1. continued

	YEAR	1st	2nd	3rd	4th	5th	6th
Overhead Costs:							
Office and business costs		60	60	60	60	60	60
County taxes		58	63	63	63	63	63
Insurance		7	10	10	10	10	10
TOTAL OVERHEAD COSTS		\$125	\$133	\$133	\$133	\$133	\$133
TOTAL CASH COSTS		\$2,806	\$898	\$1,362	\$1,929	\$2,048	\$2,293
INCOME FROM PRODUCTION @ \$225/TON			\$1,125	\$2,475	\$3,825	\$5,175	\$6,300
NET CASH COSTS FOR THE YEAR		\$2,806					
PROFIT ABOVE CASH COSTS			\$227	\$1,113	\$1,896	\$3,127	\$4,007
ACCUMULATED NET CASH COSTS		\$2,806	\$2,578	\$1,465			
ACCUMULATED PROFITS ABOVE NET CASH COSTS					\$431	\$3,127	\$4,007
Depreciation:							
Buildings, equipment and irrigation system		95	95	95	95	95	95
TOTAL DEPRECIATION		\$95	\$95	\$95	\$95	\$95	\$95
Interest on Investment							
Buildings, equipment and irrigation system		199	309	309	309	309	309
Land \$5000/acre		600	600	600	600	600	600
Interest on accumulated cash costs		337	444	473	459	621	756
TOTAL INTEREST ON INVESTMENT		\$1,136	\$1,354	\$1,382	\$1,368	\$1,530	\$1,665
TOTAL COST FOR THE YEAR		\$4,036	\$2,346	\$2,839	\$3,392	\$3,674	\$4,054
CREDIT FROM HARVEST @ \$225/TON			\$1,125	\$2,475	\$3,825	\$5,175	\$6,300
NET COST FOR THE YEAR		\$4,036	\$1,221	\$364			
NET PROFIT FOR THE YEAR					\$433	\$1,501	\$2,246
TOTAL ACCUMULATED NET COST		\$4,036	\$5,257	\$5,622	\$5,189	\$3,688	\$1,442
TOTAL ACCUMULATED PROFIT							

U.C. COOPERATIVE EXTENSION
 COSTS PER ACRE TO PRODUCE CLING PEACHES
 SACRAMENTO & SAN JOAQUIN VALLEY - 1990
 Cordon Trained - High Density

Labor Rate: \$8.00/hr. skilled labor
 \$5.70/hr. field labor

Interest Rate: 12%
 Yield - (Gross tons/A): 28.0

Operation	Item		Hours	----- Cash and Labor Costs per Acre -----				Total Cost	Your Cost
	No.			Labor Cost/A	Fuel & Repairs	Material Cost	Custom/ /Rent		
Pruning							\$239.19	\$239	
Shred brush	1	8	1.8	\$15.40	\$14.50			30	
Dormant spray	1	6	.3	2.90	3.70	\$45.00		52	
Bloom spray 2X	1	6	.7	5.81	7.39	55.00		68	
OFM 3X	1	6	1.0	8.71	11.09	53.25		73	
Pre-harvest brown rot	1	6	.3	2.90	3.70	25.50		32	
Weed control	1	7	.2	1.76	1.66	64.40		68	
Thin							411.88	412	
Fertilize (50# N @ \$.25)	2	7	.2	1.76	1.00	12.50		15	
Potassium (1 of 4 yrs)	2		.1	.44	.15	40.00		41	
Mow or disc 3X	1	3	1.5	13.20	8.15			21	
Irrigation (3.5')	14	16				87.50		88	
Labor			2.5	14.24				14	
Backhoe			.3				13.00	13	
Remove tree and burn	1		.3	2.00	.97			3	
Fumigate and replant tree	2		.2	1.71	.58	5.25		8	
Costs for pick up truck	15	16				22.50		23	
Miscellaneous			2.0	13.70	7.00			21	
Interest on operating capital @ 12% x 6 months								67	
TOTAL CULTURAL COSTS			11	\$85	\$82	\$388	\$664	\$1,286	
=====									
Harvest Costs									
Bin handling	2	12	1.0	\$8.80	\$2.91			\$12	
extra labor			1.0	5.70			\$0	6	
Hand pick	\$ 26.00/ton						728	728	
Field sorting	\$ 3.00/ton						84	84	
Rent forklift	\$ 1.43/ton						40	40	
Hauling to grade station				37.34	7.00			44	
Harvest supervision			2.0	16.00				16	
TOTAL HARVEST COSTS			4.0		\$10		\$852	\$930	
=====									

U.C. Cooperative Extension
Table 2. continued

Cash overhead:				
Office and business costs				\$60
County taxes				71
Insurance				31
Marketing order assessment	@ \$5.50 per ton			154
TOTAL CASH OVERHEAD COSTS				\$317
TOTAL CASH COSTS				\$2,533
	Per production	----- Annual Cost -----		
Investment	Acre	Depreciation	Interest @ 12%	
-----	-----	-----	-----	
Land (bare)	\$5,000		\$600	\$600
Roads and farmstead	300		\$36	\$36
Equipment and buildings	1,658	\$95	\$199	294
Trees (15 yr. depreciation)	2,578	\$172	\$309	481
TOTAL INVESTMENT COSTS				\$1,411
TOTAL COSTS PER ACRE				\$3,944
TOTAL COST/PAID-FOR TON @ 26.0 Paid-for tons/acre (28 gross tons/acre, 7% off grade)				\$151.46

U.C. COOPERATIVE EXTENSION
 MONTHLY CASH COSTS PER ACRE TO PRODUCE CLING PEACHES
 SACRAMENTO & SAN JOAQUIN VALLEYS - 1990
 Cordon Trained - High Density

Table 3.

Operation	\$/acre												TOTAL
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
Pruning		\$79.7					\$79.7			\$79.7			\$239
Shred brush		10.0					10.0			10.0			30
Dormant spray		51.6											52
Bloom spray 2X			\$30.7	\$37.5									68
OFM 3X						\$24.4	24.4	\$24.4					73
Brown rot									\$32.1				32
Weed control					\$67.8								68
Thin						411.9							412
Fertilize (50# N)				3.8		3.8							8
Potassium (1/4 yrs.)											\$40.6		41
Mow and disc 3X			7.1			7.1				7.1			21
Irrigation (3.5')					14.6	14.6	14.6	14.6	14.6	14.6	14.6		88
Labor					2.4					14.6			17
Replant and remove												3.0	3
Miscellaneous		.6	.6	.6	.6	.6	.6	.6	.6	.6	.6	.6	7
Pick-up truck costs		1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	21
Interest on operating capital		1.4	1.9	2.3	3.2	7.9	9.3	9.8	19.7	21.1			77
TOTAL CULTURAL COST	\$0	\$145	\$42	\$46	\$90	\$472	\$140	\$51	\$69	\$150	\$3	\$46	\$1,255
Harvest Costs (28 tons/Ac):													
Bin handling									11.7				12
extra labor									5.7				6
Hand pick									728.0				728
Field sorting									84.0				84
Rent forklift									40.0				40
Hauling (12 bins/trip)									44.3				44
Harvest supervision									16.0				16
TOTAL HARVEST COSTS		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$930	\$0	\$0	\$0	\$930
Cash overhead:													
Office and business	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	60
County taxes													
Equipment insurance													
Advisory board assessment											154.0		154
TOTAL CASH OVERHEAD	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$159	\$5	\$214
TOTAL CASH COSTS	\$5	\$150	\$47	\$51	\$95	\$477	\$145	\$56	\$1,004	\$155	\$162	\$51	\$2,399

Table 4.

U.C. COOPERATIVE EXTENSION
EQUIPMENT AND BUILDING LIST COSTS
SACRAMENTO & SAN JOAQUIN VALLEYS - 1990
Cordon Trained - High Density

Interest Rate: 12%

Fuel Cost per Gallon \$.85 diesel
\$1.00 unleaded

Item #	Description	New Cost	Annual Use (Acres)	Cost Per Acre	Life (Hrs)	Years ---OVERHEAD*---			--- HOURLY COSTS ---			
						To Trade	Depreciation	Interest*	TAR*	Fuel*	Repairs*	Total
Tractors:												
1	65 hp wheel diesel	\$25,000	100	\$250	12,000	15	\$16.67	\$15.00	120%	\$3.70	\$2.50	\$6.20
2	30 hp wheel	12,000	100	120	12,000	15	8.00	7.20	120	1.71	1.20	2.91
3	Disc, offset 8'	4,050	100	41	2,500	10	4.05	2.43	120		1.94	1.94
4	Ringroller, 8'	1,500	100	15	2,500	10	1.50	.90	120		.72	.72
5	Float, 8'	9,500	100	95	2,500	10	9.50	5.70	60		2.28	2.28
6	Orchard sprayer, PTO 500 gal	12,500	100	125	2,000	10	12.50	7.50	80		5.00	5.00
7	Weedsprayer, 100 gal	2,500	100	25	1,200	10	2.50	1.50	100		2.08	2.08
8	Brush shredder, 8'	6,000	100	60	2,500	10	6.00	3.60	100		2.40	2.40
9	3 point blade	1,000	100	10	2,500	10	1.00	.60	100		.40	.40
10	Bin trailers - 5	4,100	40	103		20	5.13	6.15				
11	Buckets - 25	125	40	3		5	.63	.19				
12	Irrigation pump, 20 hp	9,000	40	225		20	11.25	13.50				
13	Well, 150'	10,000	40	250		35	7.14	15.00				
14	Drip irrigation system	31,000	40	775		35	22.14	46.50				
15	Pickup, 3/4 ton	14,000	100	140		7	20.00	8.40				
16	Pick-up, 1/2 ton (used)	2,500	100	25		4	6.25	1.50				
17	ATV	2,200	100	22		5	4.40	1.32				
18	Implement trailer	5,000	100	50		20	2.50	3.00				
19	Miscellaneous shop tools	5,000	100	50		10	5.00	3.00				
20	Fuel storage tanks - 2	10,000	100	100		35	2.86	6.00				
21	Chemical storage shed	3,000	100	30		30	1.00	1.80				
	Shop building	25,000	100	250		30	8.33	15.00				
TOTAL COST		\$194,975		\$2,763			\$158	\$166				
60% OF NEW COSTS*		\$116,985		\$1,658			\$95	\$99				

* DEFINITIONS:

- LIFE IN HOURS ----- Derived from the "American Society of Agricultural Engineers Yearbook of Standards".
- YEARS TO TRADE----- The projected life of the machine in years adjusted for excessive annual use.
- OVERHEAD ----- Per acre per year.
- DEPRECIATION ----- "COST PER ACRE" divided by "YEARS TO TRADE"
- INTEREST----- ("COST PER ACRE" X "INTEREST RATE") divided by 2 = average interest cost per acre per year.
- TAR----- Total accumulated repairs. The total cost of repairs during the machine's life expressed as a percent of "NEW COST". Calculated from equations based on equipment type and annual use.
- HOURLY COST OF FUEL----- Diesel fuel, oil and lube costs per hour = HP x cost of diesel fuel/gal X 0.0667.
Gasoline fuel, oil and lube costs per hour = HP x cost of gasoline/gal X 0.0889.
- HOURLY COST OF REPAIRS-- ("NEW COST" X "TAR") divided by ("LIFE IN HOURS").
- 60% OF NEW COSTS ----- Used to reflect a mix of new and used equipment.

Table 5.

U.C. COOPERATIVE EXTENSION
RANGING ANALYSIS
SACRAMENTO & SAN JOAQUIN VALLEYS - 1990
Cordon Trained - High Density

Gross Yield: 28 Tons per Acre

COST TO PRODUCE CLING PEACHES

	26.6	26.0	25.5
YIELD (Paid-for tons/acre)	26.6	26.0	25.5
OFF-GRADE	5%	7%	9%
Cultural Costs	1,286	1,286	1,286
Harvest Costs	928	927	926
Cash Overhead	317	317	317
Cash cost/acre	2,531	2,530	2,529
Cash cost/ton	95	97	99
Investment cost	1,411	1,411	1,411
TOTAL COST/ACRE	3,942	3,941	3,940
TOTAL COST/TON	148	151	155

PER ACRE INCOME ABOVE CASH COSTS

Dollars per Ton	YIELD (Paid-for Tons/Acre)		
	26.6	26.04	25.48
170	1,991	1,897	1,803
180	2,257	2,158	2,058
190	2,523	2,418	2,312
200	2,789	2,678	2,567
210	3,055	2,939	2,822
220	3,321	3,199	3,077
230	3,587	3,460	3,332

PER ACRE INCOME ABOVE TOTAL COSTS

Dollars per Ton	YIELD (Paid-for Tons/Acre)		
	26.6	26.04	25.48
170	580	486	392
180	846	746	646
190	1,112	1,007	901
200	1,378	1,267	1,156
210	1,644	1,528	1,411
220	1,910	1,788	1,666
230	2,176	2,048	1,920