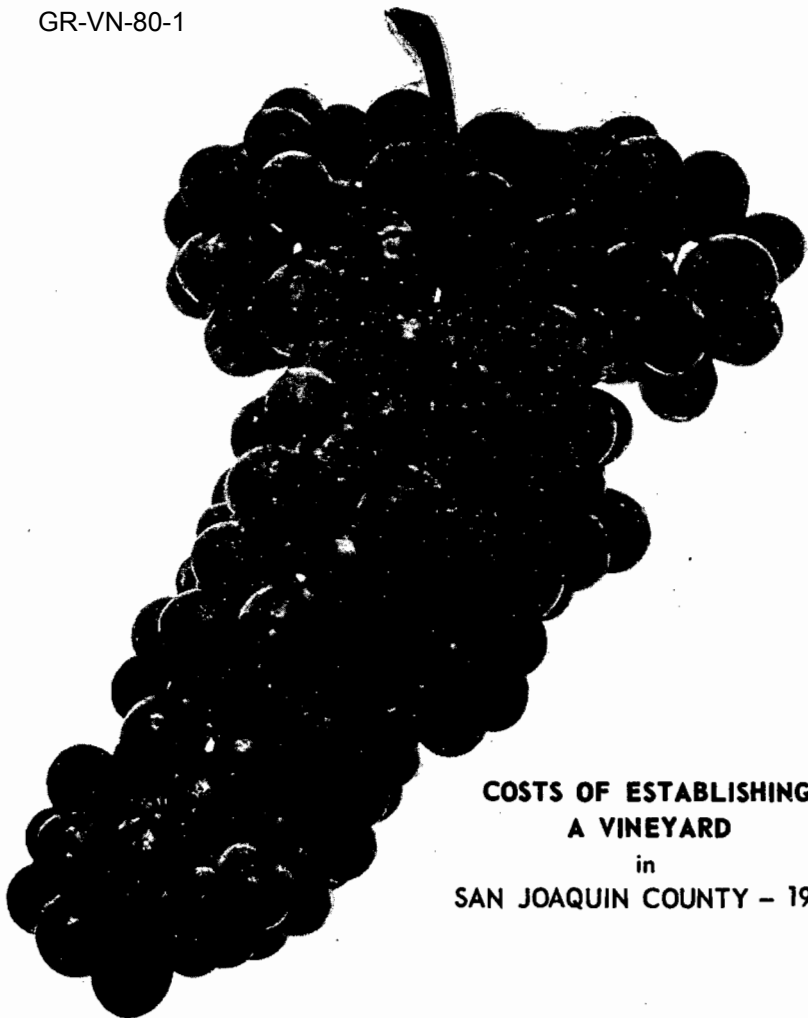


WINE GRAPES

GR-VN-80-1



**COSTS OF ESTABLISHING
A VINEYARD**
in
SAN JOAQUIN COUNTY - 1980

UNIVERSITY OF CALIFORNIA
COOPERATIVE EXTENSION
SAN JOAQUIN COUNTY
UC Cooperative Extension



**SAMPLE INVESTMENT AND DEPRECIATION COSTS FOR AN 80-ACRE WINE VARIETY VINEYARD
IN SAN JOAQUIN COUNTY - NOVEMBER 1980**

	C o s t		Life	Annual Depreciation 80 Acres
	Total	Per Acre		
Land	\$440,000	\$ 5,500.00	--	
Vines	440,000	5,500.00	30	\$14,667
Irrigation System	48,000	600.00	20	2,400
Buildings	9,600	120.00	30	320
Equipment:				
Wheel tractor, 40 HP Diesel	12,100	151.25	10	1,210
Disc 8' tandem--wheel lift	3,050	38.13	10	305
Ridger	540	6.75	10	54
Furrower	340	4.25	10	34
Springtooth	510	6.38	10	51
Rotary mower	1,200	15.00	10	120
Duster	1,550	19.38	10	155
Sprayer (Conc.P.T.O.)	8,000	100.00	10	800
Field toilet	500	6.25	10	5
Pickup truck	7,500	93.75	5	1,500
Miscellaneous equipment	3,000	37.50	10	300
Equipment Totals	\$ 38,290	\$ 478.64		\$ 4,534
TOTAL INVESTMENT	\$975,890	\$12,198.64		
TOTAL DEPRECIATION				\$21,921

COST OF ESTABLISHING A WINE VARIETY VINEYARD
IN
SAN JOAQUIN COUNTY

NOVEMBER 1980

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SAMPLE COSTS PRESENTED HERE ARE BASED ON

I

-Good cultural practices in developing an 80-acre wine variety vineyard on resistant rootstocks planted 7 feet by 12 feet, 480 vines per acre. These input and cost data are to be used only as a guide in determining the cost of establishing a specific vineyard. They are not intended to represent industry averages.

II

-Labor costs based on \$4.20 and \$5.40 per man hour. (Includes Workmen's Compensation, Social Security, Unemployment Insurance and other benefits, based on 20% of cash wage.) Medium-wheel tractor at \$4.30 per hour cash costs.

III

-Interest charges of 12% for

Land valued at \$5500 per acre

Original values:	Buildings	\$120 per acre
	Surface Irrigation System	600 per acre
	Equipment	480 per acre

Interest is determined on one-half the original value.

IV

-Depreciation based as follows:

	<u>Investment per Acre</u>
Buildings	\$120.00
Surface Irrigation System	600.00
Equipment	480.00

REMEMBER--These are only sample costs and will vary according to varieties, rootstocks, etc.

**SAMPLE COSTS PER ACRE TO ESTABLISH A WINE VARIETY VINEYARD
IN SAN JOAQUIN COUNTY - NOVEMBER 1980**

	Cost per Acre		
	1st Year	2nd Year	3rd Year
PREHARVEST CASH COSTS:			
Land preparation*--Chisel, disc 2x, float, etc.	\$ 70.00		
Survey and mark--5 man (M) hours	27.00		
Planting, including trimming--20¢ ea.	96.00	\$ 10.00	
Rootstocks (certified)--480 @ 65¢; 50, 2nd yr.	312.00	32.50	
Set stakes--7.5¢ ea.		36.00	
Stakes (steel) 7-ft.--480 @ \$1.16 ea		556.80	
End posts--6 @ \$5.50 ea. + labor		41.00	
Wire, #13 Hi-carbon--2 wires		60.00	
String 2 wires		27.00	
Bud and cover--45¢/vine	216.00	22.50	
Budwood (certified)--65¢/bud	31.20	3.25	
Uncover and prune rootstock--10 M hrs; 1.5, 3rd		42.00	\$ 6.30
Cut rubbers and tops--20 M hrs. 2nd yr.		84.00	
4 M hrs. 3rd yr.			16.80
Train, sucker, & tie--30 M hrs. 2nd yr.		126.00	
9 M hrs. 3rd yr.			37.80
Tying material		8.00	6.00
Prune and tie--8 M hrs.			33.60
Rabbit and rodent control	36.00	36.00	
Irrigation labor--10 M hrs.	42.00	42.00	42.00
Water (pumped)	19.50	26.00	32.50
Tillage--Irrigation-preparation-and-weed-control	57.60	57.60	57.60
6 M hrs. plus 6 tractor (T) hrs.			
Hoe--8 M hrs. 1st yr., 3 M hrs. 2nd & 3rd yrs.	33.60	12.60	12.60
Fertilizer, applied--2nd yr. 30# N; 3rd yr. 60#		10.70	19.40
Pest and disease control application			24.25
Pest and disease control material			65.60
Miscellaneous labor and material	25.00	28.00	30.00
County taxes	21.00	21.00	21.00
Office, car, interest on operating capital 8%	81.35	105.46	35.25
Repairs, except tractor	35.00	35.00	35.00
TOTAL CASH AND LABOR COSTS	\$1103.25	\$1423.41	\$ 475.70
DEPRECIATION COSTS:			
Irrigation system--\$600 cost	\$ 30.00	\$ 30.00	\$ 30.00
Buildings--\$120	4.00	4.00	4.00
Equipment--\$480 cost	56.68	56.68	56.68
TOTAL DEPRECIATION COSTS	\$ 90.68	\$ 90.68	\$ 90.68
INTEREST ON INVESTMENT @ 12%			
Irrigation system--on 1/2 cost (\$300)	\$ 36.00	\$ 36.00	\$ 36.00
Buildings and equipment--on 1/2 cost (\$300)	36.00	36.00	36.00
Land--@ \$5500	660.00	660.00	660.00
Interest on accumulated costs		231.11	528.38
TOTAL INTEREST ON INVESTMENT	\$ 732.00	\$ 763.11	\$1260.38
TOTAL COST FOR YEAR	\$1925.93	\$2477.20	\$1825.76
NET CREDIT FOR FRUIT--3½ tons @ \$200/T			700.00
(price varies as to variety)			1125.76
TOTAL ACCUMULATED COSTS	\$1925.93	\$4403.13	\$5528.89

*Additional land preparation may be necessary; costs vary according to soil problems
 Deep ripping: \$75 to \$150 per acre.
 Nematode problem: Preplant fumigation may be necessary--\$350 to \$700 per acre.

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NOVEMBER 1980

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James B. Kendrick, Jr., Director, Cooperative Extension, University of California

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