

SAMPLE COSTS TO ESTABLISH AN AVOCADO GROVE IN
SAN LUIS OBISPO COUNTY - 1970

by
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	COSTS PER ACRE				
	1st Year	2nd Year	3rd Year	4th Year	5th Year
* YIELD: POUNDS PER ACRE	Harvest starts in the 4th year.				
PRE-HARVEST CASH COSTS					
Land clearing, brush 7 tree removal: range \$10 to \$350	170.00				
Trees: 125 @ 3.40	425.00				
Layout, plant, irrigate, wrap trees	50.00				
Replant second year		10.00			
Irrigation labor (sprinkler system)	22.00	27.50	27.50	27.50	27.50
Water: \$20/ac ft	6.50	20.00	33.00	48.00	60.00
Weed control by chemicals	21.00	17.50	15.00	12.50	10.00
Fertilizer (injected in water)	4.00	13.00	22.00	31.00	40.00
Pest control: materials & application	5.00	5.00	6.00	6.00	6.00
Pruning	5.75	5.75	5.75	5.75	5.75
Frost protection: Wind machine	65.00	65.00	65.00	65.00	65.00
Oil, labor for heaters @ 15/ac ft ave.	56.50	56.50	56.50	56.50	56.50
Rodent control	15.00	15.00	15.00	15.00	15.00
Taxes (estimate)	31.00	31.00	31.00	31.00	74.70
Repairs, except tractor	10.00	10.00	10.00	10.00	10.00
Disc. labor and materials	5.00	5.00	10.00	15.00	25.00
Office, car, business expense	55.48	18.90	19.78	21.38	25.71
Management	33.00	33.00	33.00	33.00	33.00
Total Pre-Harvest Cash Costs	\$ 980.23	\$ 333.15	\$ 349.53	\$ 377.63	\$ 454.16
HARVESTING COST					
Picking and hauling	Costs are deducted from gross value of fruit				
Total Harvesting Costs	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 454.16
Total Cash Costs	\$ 980.23	\$ 333.15	\$ 349.53	\$ 377.63	\$ 454.16
DEPRECIATION					
Pump, panel, well \$200, 10-year life	20.00	20.00	20.00	20.00	20.00
Irrigation system \$190, 15-year life	12.67	12.67	12.67	12.67	12.67
Wind machine \$540, 15 yrs	36.00	36.00	36.00	36.00	36.00
Tractors	5.00	3.90	3.90	5.00	5.00
Heaters, other equip. \$46, 10 yrs	4.60	4.60	4.60	4.60	4.60
Total Depreciation	\$ 78.27	\$ 77.17	\$ 77.17	\$ 78.27	\$ 78.27
INTEREST ON INVESTMENT @ 7%					
Pump, panel, well: 1/2 cost \$100	7.00	7.00	7.00	7.00	7.00
Irrigation system: 1/2 cost \$95	6.65	6.65	6.65	6.65	6.65
Wind machine: 1/2 cost \$270	18.90	18.90	18.90	18.90	18.90
Tractors	2.60	2.00	2.00	2.60	2.60
Heaters: other equip. 1/2 cost \$23	1.61	1.61	1.61	1.61	1.61
Land \$1,500	105.00	105.00	105.00	105.00	105.00
Interest on accumulated costs		84.02	128.50	177.25	227.29
Total Interest on Investment	\$ 141.76	\$ 225.18	\$ 269.66	\$ 319.01	\$ 369.05
Total Cost for the Year	\$1,200.26	\$ 635.50	\$ 696.36	\$ 774.91	\$ 901.48
Credit for fruit				\$ 60.00	\$ 120.00
COST FOR THE YEAR	\$1,200.26	\$ 635.50	\$ 696.36	\$ 714.91	\$ 781.48
ACCUMULATED NET COST	\$1,200.26	\$1,835.76	\$2,532.12	\$3,247.03	\$4,028.51