



1973

MANZANILLO OLIVE

Orchard Development Costs in the Southern San Joaquin Valley

Cost Analysis Worksheet Showing Sample Costs

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University of California

COST ANALYSIS WORKSHEET: Manzanillo Olive Orchard Establishment Costs, 1973.

	COSTS PER ACRE				
	1st Year	2nd Year	3rd Year	4th Year	5th Year
Yield (tons/acre)	-	-	0.2	1.0	2.0
PRE-HARVEST CASH COSTS					
Land preparation: contract, includes ripping of hardpan	\$ 50.00	\$	\$	\$	\$
Trees: 97 @ \$1.30 (+1, 2nd year)	126.10	1.30			
Lay out and plant trees: 97 @ 35¢ (+1 replant @ \$1.00, 2nd year)	33.95	1.00			
Stakes: 97 @ 10¢	9.70				
Stake trees: 2 hours labor + 1 tractor-hour	6.35				
Irrigation labor: 2 times 1st and 2nd years; then 6 times per year	4.60	4.60	13.80	13.80	13.80
Water: @ \$5.50/acre-foot + district tax @ \$6.00	8.75	10.00	11.50	14.25	17.00
Weed control	15.00	15.00	15.00	15.00	15.00
Fertilizer: nitrogen @ 11¢/pound applied	1.45	2.91	2.91	5.82	5.82
Fertilization: ½ hour labor + ½ tractor-hour	2.03	2.03	2.03	2.03	2.03
Misc. labor and materials	16.00	16.00	16.00	16.00	16.00
County taxes	20.00	20.00	20.00	20.00	32.00
Repairs, except tractor	10.00	10.00	10.00	10.00	10.00
Office and business costs	18.24	4.97	6.81	12.47	20.02
Total Pre-Harvest Cash Costs	\$ 322.17	\$ 87.81	\$ 98.05	\$ 109.37	\$ 131.67
HARVEST COSTS					
Pick: @ \$105/ton			\$ 21.00	\$ 105.00	\$ 210.00
Haul: @ \$6.00/ton			1.20	6.00	12.00
Total Harvest Costs			\$ 22.20	\$ 111.00	\$ 222.00
Total Cash Costs	\$ 322.17	\$ 87.81	\$ 120.25	\$ 220.37	\$ 353.67
DEPRECIATION					
Irrigation system: \$250 cost, 15-year life	\$ 16.67	\$ 16.67	\$ 16.67	\$ 16.67	\$ 16.67
Buildings and equipment: \$120 cost, 12-year life	10.00	10.00	10.00	10.00	10.00
Tractor: @ \$1.20/hour	12.00	7.20	7.20	7.20	7.20
Total Depreciation	\$ 38.67	\$ 33.87	\$ 33.87	\$ 33.87	\$ 33.87
INTEREST ON INVESTMENT @ 7%					
Irrigation system: ½ cost, \$125	\$ 8.75	\$ 8.75	\$ 8.75	\$ 8.75	\$ 8.75
Buildings and equipment: ½ cost, \$60	4.20	4.20	4.20	4.20	4.20
Tractor: @ 70¢/hour	7.00	4.20	4.20	4.20	4.20
Land: @ \$1,200/acre	84.00	84.00	84.00	84.00	84.00
Interest on accumulated costs		32.54	50.41	68.31	80.47
Total Interest on Investment	\$ 103.95	\$ 133.69	\$ 151.56	\$ 169.46	\$ 181.62
TOTAL COST FOR THE YEAR	\$ 464.79	\$ 255.37	\$ 305.68	\$ 423.70	\$ 569.16
Credit for crop: @ \$250/ton			\$ 50.00	\$ 250.00	\$ 500.00
Net Cost for the Year	\$ 464.79	\$ 255.37	\$ 255.68	\$ 173.70	\$ 69.16
ACCUMULATED NET COST	\$ 464.79	\$ 720.16	\$ 975.84	\$1,149.54	\$1,218.70

VEHICLE LICENSE

Costs are for a 15- by 30-foot planting with 97 trees per acre. Based on labor @ \$2.30 and \$2.65 per hour; medium-wheel tractor per hour cash costs @ \$1.40; depreciation @ \$1.20; and interest @ \$.70.

ABOUT THIS SHEET

The southern San Joaquin Valley is the major olive-producing area of California. The data presented in this sheet are the best estimates available on costs to produce olives in this region. However, each grove varies according to location, soil and water types, tree variety, and management practices.

Location. Olives are usually grown in the thermal area of the southern San Joaquin Valley—a 10- to 15-mile-long belt along the Sierra Nevada foothills.

Soil Conditions. Olives tolerate a wide range of soil conditions. However, poorly drained or highly alkaline soils may affect production. Verticillium wilt may be a problem in soils previously planted to cotton or tomatoes.

Water Requirements. Olive trees can withstand both drought and flooding. However, for best production, there must be adequate moisture available throughout the growing season.

Pollination. Experiments indicate that it may be advantageous to use cross-pollinating varieties in olive plantings. Sevillano, a canning variety, is the best pollenizer for Manzanillo and vice versa. A ratio of one row of pollenizer trees to each ten rows of the crop variety is suitable.

Rootstocks. Manzanillo cuttings grown on their own roots bear more crops and grow more vigorously than do grafted trees. However, Sevillano can be grafted to Manzanillo.

Planting Distances. Manzanillos are usually planted at distances that vary from 30 by 30 feet to 35 by 35 feet. On deep fertile soils, wider tree spacings are preferable. In young groves, double setting the trees makes more efficient use of the available ground area.

Pest and Disease Control. To produce canning quality olives, it is essential to control both olive scale and black scale, either biologically or chemically. Also, the use of good cultural practices can help correct or prevent diseases like Peacock spot and olive knot.

Harvesting and Marketing. To maintain the best fruit quality, use good harvesting techniques, including proper harvest timing, careful picking, and rapid handling.

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