

SAMPLE COSTS TO ESTABLISH A HASS AVOCADO GROVE

San Luis Obispo County - 1986

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Based on a mature yield of 250 field boxes (40 lbs.) per acre, 20 acre grove.
 All labor at \$8.50 per hour cost to the grower--includes fringe benefits.

COST PER ACRE	Yield: pounds per acre	1st year -0-	2nd year -0-	3rd year 1240	4th year 2480
PRE-HARVEST CASH COSTS:					
Land Preparation: Range \$100 TO \$300	\$	250			
Trees: 125 @ \$8.50, 8, 2nd yr, 4, 3rd yr.		1063	68	34	
Lay out, plant, irrigate, \$ per tree		390	25	13	
Irrigation labor (drip system)		57	115	115	115
Water: \$160, ac. ft.		50	50	100	150
Weed control: chemical with hand labor supplement		212	132	132	106
Fertilizer (injected in water)		6	17	34	48
Pest control materials & application including rodent control and nutrient spray		80	80	80	100
Pruning, suckering and tying		24	24	24	48
Frost protection: wind machines		240	240	240	240
Taxes		64	64	64	64
Repairs, except tractors		83	87	93	103
Misc. labor and materials		82	82	82	82
Management		75	75	75	75
Interest on operating capital 13%		174	69	71	74
Office and business costs		86	34	35	36
TOTAL PRE-HARVEST COSTS	\$	2936	\$1162	\$1192	\$1241
HARVESTING COSTS					
Pick: \$2.10 per 40 lb. field box				65	130
Haul: \$.40 per 40 lb. field box				12	25
TOTAL HARVESTING COSTS				77	155
TOTAL CASH COSTS				\$1269	\$1396
DEPRECIATION					
Pump/panel/well \$500, 10 yrs.		50	50	50	50
Drip irrigation system \$700, 10 yrs.		70	70	70	70
Wind machines \$1600, 15 yrs.		107	107	107	107
Tractor: \$3 per hour		15	12	12	15
Other equipment: \$400 cost, 10 yrs.		40	40	40	40
TOTAL DEPRECIATION	\$	252	\$ 279	\$ 279	\$ 282
INTEREST ON INVESTMENT AT 12%					
Pump/panel/well 1/2 cost \$250		30	30	30	30
Drip irrigation system 1/2 cost \$350		42	42	42	42
Tractor: \$1.80 per hour		5	4	4	5
Other equipment: 1/2 cost \$200		24	24	24	24
Wind machine 1/2 cost. \$800		96	96	96	96
Land: \$5000		600	600	600	600
Interest on accumulated costs 13%		-0-	522	881	1177
TOTAL INTEREST ON INVESTMENT	\$	797	\$1318	\$1677	\$1974
TOTAL COST FOR THE YEAR	\$	4015	\$2759	\$3225	\$3652
CREDIT FOR FRUIT @ \$.80/LB.		-0-	-0-	\$ 992	\$1984
NET COST FOR THE YEAR	\$	4015	\$2759	\$2233	\$1668
ACCUMULATED NET COST	\$	4015	\$6774	\$9007	\$10675

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