

CLINGSTONE PEACH PRODUCTION COSTS

Cost Analysis Worksheet, 1976

Sample costs to produce clingstone peaches in the southern San Joaquin Valley. Costs are for a mature orchard containing 108 trees per planted acre, producing 17 tons of fruit for cannery use, with approximately 10% of the total crop discarded as culls. Costs are based on labor at \$3.30 per hour and equipment operator at \$4.00 per hour. Wages include Social Security, Workmen's Compensation and insurance. Medium wheel tractor per hour cash costs at \$2.60 per hour; depreciation at \$1.65; and interest at \$ .82.

	Sample Costs		My Costs	
	Per Acre	Per Ton	Per Acre	Per Ton
<b>Pre-Harvest Cash Costs:</b>				
Tree topping: contract \$25/acre	\$ 25.00			
Pruning: 108 trees at \$1.50	162.00			
Brush shredding: contract \$6.50/acre	6.50			
Raking brush: 4 1/2 hrs.	14.85			
Fertilize: 150 lbs. N at 30¢ 1/2 hr. labor and tractor	45.00	3.30		
Spray 4 times: material	122.15			
Application: 2 1/2¢/gallon - 1800 gallons	45.00			
Furrow 3X: 1 1/2 hrs. man and tractor	9.90			
Disc 3X: 4 1/2 hrs. man and tractor	29.70			
Weed control	15.34			
Irrigate 9 times: labor 10 hrs.	33.00			
4 ac. ft. water: power + tax \$10/ac. ft.	40.00			
Thin: 108 trees at \$2.50	270.00			
Prop and tie: 9 hrs. labor, 2 tractor hrs	36.30			
Materials	30.00			
Grade fruit	36.00			
Taxes	60.00			
Marketing order \$4.50/ton of #1 fruit	76.50			
Misc labor, materials, field power includes 6 hrs. labor and 2 tractor hrs.	28.50			
Repairs to equipment, except tractor	17.00			
Office, insurance, capital, business expenses	95.01			
<b>TOTAL PRE-HARVEST CASH COSTS</b>	<b>\$1201.05</b>	<b>\$70.65</b>		
<b>Harvest Costs:</b>				
Pick and haul: 18.7 tons @ \$25	\$ 467.50			
Misc. 2 hrs. labor and 1 tractor hr.	9.90			
<b>TOTAL HARVEST COSTS</b>	<b>\$ 477.40</b>	<b>\$28.08</b>		
<b>TOTAL CASH COSTS</b>	<b>\$1678.45</b>	<b>\$98.73</b>		
<b>Depreciation:</b>				
Irrigation system and well: \$300, 20 yr. life	\$ 15.00			
Bldgs. and equip., except tractor: \$120 cost, 12 yr. life	10.00			
Tractor: 10 1/2 hrs. at \$1.65	17.32			
Trees: cost \$2926, 20 yr. life	146.30			
<b>TOTAL DEPRECIATION</b>	<b>\$ 188.62</b>	<b>\$11.10</b>		
<b>Interest on Investment @ 8%:</b>				
Irrigation system and well: 1/2 cost, \$150	\$ 12.00			
Bldgs. and equip., except tractor: 1/2 cost, \$60	4.80			
Tractor: 10 1/2 hrs. @ \$ .82/hr.	8.61			
Trees: 1/2 cost, \$1463	117.04			
Land: @ \$1700/acre	136.00			
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$ 278.45</b>	<b>\$16.38</b>		
<b>TOTAL COST OF PRODUCTION</b>	<b>\$2145.52</b>	<b>\$126.21</b>		

SAMPLE COSTS OF PRODUCTION PER TON OF #1 FRUIT

Yield: Tons per acre	13	15	17	19	21	23	25
Cash costs per ton	\$120.84	\$108.56	\$ 98.73	\$ 91.50	\$ 85.40	\$ 80.37	\$76.24
Total costs per ton	\$156.77	\$139.70	\$126.21	\$116.08	\$107.64	\$100.67	\$94.92

ABOUT THIS SHEET

This work sheet was developed to show sample costs for a good yielding, mature orchard under southern San Joaquin Valley conditions. Specific years, areas and orchards may have different costs because of the following considerations:

1. Seasonal variations influence fruit set and quality. Consequently, differences in thinning, pest control and cullage will occur.
2. No account is made for partial or complete crop loss.
3. Interest and depreciation costs are based on present costs of establishing an orchard. Present bearing orchards were probably established at lower costs.
4. No allowance is made for cost of management.
5. Water costs vary in the southern San Joaquin Valley and an average cost is used in this study.

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LATE SEASON PEACHES FOR FRESH SHIPMENT  
Cost Analysis Worksheet, 1976

Sample costs to produce late season peaches in the southern San Joaquin Valley for fresh shipment. Costs are for a mature orchard containing 108 trees per planted acre, producing 1500 lugs of fruit, with 15% graded as culls. Labor costs at \$3.30 per hour and equipment operator at \$4.00 per hour. Wages include Social Security, Workmen's Compensation and insurance. Medium wheel tractor per hour cash costs at \$2.60; depreciation at \$1.65; and interest at \$ .82.

	Sample Costs		My Costs	
	Per Acre	Per Lug	Per Acre	Per Lug
<b>Pre-Harvest Cash Costs:</b>				
Pruning: 108 trees at \$1.50	\$ 162.00			
Brush shredding: contract	6.50			
3 man hrs. raking brush	9.90			
Fertilize: 150 lbs. N at 30¢	45.00			
1/2 hr. man & tractor	3.30			
Spray 4 times: materials	108.60			
Application: 2 1/2¢/gallon, 1450 gallons	36.25			
Furrow 3 times: 1 1/2 hrs. man & tractor	9.90			
Irrigate 8 times: labor 9 hrs.	29.70			
4 ft. water: power + tax \$10/ac. ft.	40.00			
Disc 3 times: 4 1/2 hrs. man & tractor	29.70			
Weed control	15.34			
Thin: 108 trees at \$2.30	248.40			
Prop & tie: labor 9 man hrs. + 2 tractor hrs.	36.30			
Materials	30.00			
Taxes	60.00			
Misc. labor, materials, field power: includes 4 man hrs. & 1 tractor hr.	20.00			
Repairs to equipment, except tractor	17.00			
Office, car, operating capital, insurance, etc.	95.58			
<b>TOTAL PRE-HARVEST CASH COSTS</b>	<b>\$1003.47</b>	<b>\$ .67</b>		
<b>Harvest Costs:</b>				
Pick: 1500 lugs (23 lbs.) at 35¢	\$ 525.00			
Haul: 1500 lugs (23 lbs.) at 10¢	150.00			
Misc.: 2 man hrs. & 1 tractor hr.	9.90			
<b>TOTAL HARVEST COSTS</b>	<b>\$ 684.90</b>	<b>\$ .46</b>		
<b>TOTAL CASH COSTS</b>	<b>\$1688.37</b>	<b>\$1.13</b>		
<b>Depreciation:</b>				
Irrigation system & well: \$300, 20 yr. life	\$ 15.00			
Bldgs. & equip., except tractor: \$120, 12 yr. life	10.00			
Tractor: 7 1/2 hrs. at \$1.65	12.37			
Trees: cost \$2926, 20 yr. life	146.30			
<b>TOTAL DEPRECIATION</b>	<b>\$ 183.67</b>	<b>\$ .12</b>		
<b>Interest on Investment @ 8%:</b>				
Irrigation system & well: 1/2 cost, \$150	\$ 12.00			
Bldgs. & equip., except tractor: 1/2 cost, \$60	4.80			
Tractor: 7 1/2 hrs. @ \$ .82/hr.	6.15			
Trees: 1/2 cost, \$1463	117.04			
Land: @ \$1700/acre	136.00			
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$ 275.99</b>	<b>\$ .18</b>		
<b>TOTAL COST OF PRODUCTION</b>	<b>\$2148.03</b>	<b>\$1.43</b>		

SAMPLE COSTS AT VARYING YIELDS

Yield: Tons per acre	Average					
	10	12	14	16	18	20
Total cost of production per ton	\$180.56	\$156.02	\$138.48	\$125.34	\$115.09	\$106.91
Cash costs only: per 23 lb. lug	1.82	1.59	1.43	1.31	1.21	1.14
Total cost per 23 lb. lug	2.44	2.11	1.87	1.70	1.56	1.45
Packed lugs per acre	739	887	1035	1183	1330	1478

ABOUT THIS SHEET

This work sheet was developed to show sample costs for a good yielding, mature orchard under southern San Joaquin Valley conditions. Specific years, areas and orchards may have different costs because of the following considerations:

1. Seasonal variations influence fruit set and quality. Consequently, differences in thinning, pest control and cullage will occur.
2. No account is made for partial or complete crop loss.
3. Interest and depreciation costs are based on present costs of establishing an orchard. Present bearing orchards were probably established at lower costs. Variety patent fees are not included in the development costs.
4. Costs per 2-layer lug are based on an average net weight of 23 lbs. Net weights vary depending on fruit size and maturity.
5. No allowance is made for cost of management, packing costs or commission charges.
6. Water costs vary in the southern San Joaquin Valley and an average cost is used in this study.
7. Packing and selling charges are not included in production costs. These costs do not vary with production levels. They must, however, be deducted from gross sale prices as are production costs to determine net returns. Packing charges in 1975 were approximately \$1.65 per lug. Sales charges vary from 10-15% of gross sale prices. Other charges such as precooling, hydrocooling and marketing order fees must also be considered.

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MID-SEASON PEACHES FOR FRESH SHIPMENT

Cost Analysis Worksheet, 1976

Sample costs to produce mid-season peaches in the southern San Joaquin Valley for fresh shipment. Costs are for a mature orchard containing 108 trees per planted acre, producing 1100 packed lugs of fruit with approximately 15% graded as culls. Labor costs at \$3.30 per hour and equipment operator at \$4.00 per hour. Wages include Social Security, Workmen's Compensation and insurance. Medium wheel tractor per hour cash costs at \$2.60; depreciation at \$1.65; and interest at \$ .82.

	Sample Costs		My Costs	
	Per Acre	Per Lug	Per Acre	Per Lug
<b>Pre-Harvest Cash Costs:</b>				
Pruning: 108 trees at \$1.50	\$ 162.00			
Brush shredding: contract	6.50			
3 man hrs. raking brush	9.90			
Fertilize: 125 lbs. N at 30¢	37.50			
1/2 hr. man & tractor	3.30			
Spray 3 times: materials	82.40			
Application: 2 1/2¢/gallon, 1200 gallons	30.00			
Furrow 3 times: 1 1/2 hrs. man & tractor	9.90			
Irrigate 7 times: labor 8 hrs.	26.40			
3 1/2 ft. water: power + tax \$10/ac. ft.	35.00			
Disc 3 times: 4 1/2 hrs. man & tractor	29.70			
Weed control	15.34			
Thin: 108 trees at \$2.75 per tree	297.00			
Tie: labor 6 hrs.	19.80			
materials	30.00			
Taxes	60.00			
Misc. labor, materials, field power: includes				
4 man hrs. & 1 tractor hr.	20.00			
Repairs to equipment, except tractor	17.00			
Office, car, operating capital, insurance, etc.	90.40			
<b>TOTAL PRE-HARVEST CASH COSTS</b>	<b>\$ 982.14</b>	<b>\$ .89</b>		
<b>Harvest Costs:</b>				
Pick: 1100 lugs (23 lbs.) at 45¢	\$ 495.00			
Haul: 1100 lugs (23 lbs.) at 10¢ per packed lug	110.00			
Misc.: 2 hrs. labor, 1 tractor hr.	9.90			
<b>TOTAL HARVEST COSTS</b>	<b>\$ 614.90</b>	<b>\$ .56</b>		
<b>TOTAL CASH COSTS</b>	<b>\$1597.04</b>	<b>\$1.45</b>		
<b>Depreciation:</b>				
Irrigation system & well: \$300, 20 yr. life	\$ 15.00			
Bldgs. & equip., except tractor: \$120, 12 yr. life	10.00			
Tractor: 7 1/2 hrs. at \$1.65	12.37			
Trees: \$2926, 20 yr. life	146.30			
<b>TOTAL DEPRECIATION</b>	<b>\$ 183.67</b>	<b>\$ .17</b>		
<b>Interest on Investment @ 8%:</b>				
Irrigation system & well: 1/2 cost, \$150	\$ 12.00			
Bldgs. & equip., except tractor: 1/2 cost, \$60	4.80			
Tractor: 7 1/2 hrs. @ \$ .82/hr.	6.15			
Trees: 1/2 cost, \$1463	117.04			
Land: @ \$1700/acre	136.00			
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$ 275.99</b>	<b>\$ .25</b>		
<b>TOTAL COST OF PRODUCTION</b>	<b>\$2056.70</b>	<b>\$1.87</b>		

SAMPLE COSTS AT VARYING YIELDS

Yield:	Average				Exceptional		
	10	12	14	16	18	20	22
Tons per acre							
Total cost of production per ton	\$185.13	\$161.06	\$143.87	\$130.97	\$120.91	\$112.74	\$106.33
Cash costs only:							
per 23 lb. lug	1.89	1.67	1.51	1.39	1.29	1.22	1.16
Total cost per 23 lb. lug	2.51	2.19	1.95	1.78	1.64	1.53	1.44
Packed lugs per acre	739	887	1035	1183	1330	1478	1626

ABOUT THIS SHEET

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2. No account is made for partial or complete crop loss.
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4. Costs per 2-layer lug are based on an average net weight of 23 lbs. Net weights vary depending on fruit size and maturity.
5. No allowance is made for cost of management, packing costs or commission charges.
6. Water costs vary in the southern San Joaquin Valley and an average cost is used in this study.
7. Packing and selling charges are not included in production costs. These costs do not vary with production levels. They must, however, be deducted from gross sale prices as are production costs to determine net returns. Packing charges in 1975 were approximately \$1.65 per lug. Sales charges vary from 10-15% of gross sale prices. Other charges such as precooling, hydrocooling and marketing order fees must also be considered.

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EARLY MATURING PEACHES FOR FRESH SHIPMENT  
Cost Analysis Worksheet, 1976

Sample costs to produce early maturing peaches for fresh shipment in the southern San Joaquin Valley. Costs are for a mature orchard containing 108 trees per planted acre, producing 650 lugs of fruit (22 lbs.), with approximately 25% of the total crop discarded as culls. Labor costs at \$3.30 per hour and equipment operator at \$4.00 per hour. Wages include Social Security, Workmen's Compensation and insurance. Medium wheel tractor per hour cash costs at \$2.60 per hour; depreciation at \$1.65; and interest at \$ .82.

	<u>Sample Costs</u>		<u>My Costs</u>	
	Per Acre	Per Lug	Per Acre	Per Lug
<b>Pre-Harvest Cash Costs:</b>				
Pruning: 108 trees at \$1.50		\$ 162.00		
Brush shredding: contract \$6.50 per acre		6.50		
3 hrs. raking brush		9.90		
Fertilize: 100 lbs. N at 30¢		30.00		
1/2 hr. labor and tractor		3.30		
Spray 2X: materials		60.00		
Application 2 1/2¢/gallon, 800 gallons		20.00		
Furrow 3X: 1 1/2 hrs. labor and tractor		9.90		
Irrigate 7X: labor 8 hrs.		26.40		
3 1/2 ft. water: power + tax \$10/ac. ft.		35.00		
Disc 3X: 4 1/2 hrs. labor and tractor		29.70		
Weed control		15.34		
Thin: 108 trees at \$3.65		394.20		
Girdle: 35¢ per tree		37.80		
Tie: 5 hrs. labor		16.50		
Materials		30.00		
Taxes		60.00		
Misc. labor, materials, field power including				
4 hrs. labor and 1 tractor hr.		20.00		
Repairs to equipment, except tractor		17.00		
Office, insurance, capital, business expenses		90.81		
<b>TOTAL PRE-HARVEST CASH COSTS</b>		<b>\$1074.35</b>	<b>\$1.65</b>	
<b>Harvest Costs:</b>				
Pick: 650 lugs (22 lbs.) at 70¢		\$ 455.00		
Haul: 10¢ per packed lug		65.00		
Misc.: 2 hrs. labor and 1 hr. tractor		9.90		
<b>TOTAL HARVEST COSTS</b>		<b>\$ 529.90</b>	<b>\$ .82</b>	
<b>TOTAL CASH COSTS</b>		<b>\$1604.25</b>	<b>\$2.47</b>	
<b>Depreciation:</b>				
Irrigation system and well: \$300, 20 yr. life		\$ 15.00		
Bldgs. and equip., except tractor:				
\$120, 12 yr. life		10.00		
Tractor: 7 1/2 hrs. at \$1.65		12.37		
Trees: cost \$2926, 15 yr. life		195.07		
<b>TOTAL DEPRECIATION</b>		<b>\$ 232.44</b>	<b>\$ .36</b>	
<b>Interest on Investment @ 8%:</b>				
Irrigation system and well: 1/2 cost, \$150		\$ 12.00		
Bldgs. and equip., except tractor: 1/2 cost, \$60		4.80		
Tractor: 7 1/2 hrs. at \$ .82		6.15		
Trees: 1/2 cost, \$1463		117.04		
Land: @ \$1700/acre		136.00		
<b>TOTAL INTEREST ON INVESTMENT</b>		<b>\$ 275.99</b>	<b>\$ .42</b>	
<b>TOTAL COST OF PRODUCTION</b>		<b>\$2112.68</b>	<b>\$3.25</b>	

SAMPLE COSTS AT VARYING YIELDS

Yield:	Average			Exceptional	
	6	8	10	12	14
Tons per acre					
Total cost of production per ton	\$319.66	\$253.34	\$213.63	\$187.10	\$168.20
Cash costs only:					
per 22 lb. packed lug	3.45	2.79	2.39	2.13	1.94
Total cost for 22 lb. packed lug	4.69	3.72	3.14	2.75	2.47
Packed lugs/acre with 25% cull-out	409	545	682	818	955

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