

GR-SV-72

**SAMPLE COSTS TO ESTABLISH
AND PRODUCE WINE
GRAPES IN
GLENN COUNTY**



University of California
Agricultural Extension Service
Glenn County

UC COOPERATIVE EXTENSION
UC Cooperative Extension



WINE GRAPES IN GLENN COUNTY

In 1972, Glenn County had 83 acres of bearing wine grapes and 27 acres of non-bearing. The acreage by variety is as follows:

	<u>Bearing</u>	<u>Non-Bearing</u>	<u>Total</u>
Barbera	24	15	39
Cabernet-Sanvignon	4		4
Corignane	3		3
French Colombard	30		30
Gray Riesling		12	12
Grenache	1		1
Zinfandel	14		14
Other	7		7
Total	<u>83</u>	<u>27</u>	<u>110</u>

The grapes in Glenn County yielded 5.3 tons per acre in 1971 and farmers received an average of \$177 per ton.

Due to the low acreage of wine grapes in the county, no previous cost studies have been made. Current interest in grapes as a possible crop to Glenn County, however, has made it desirable to develop projected costs. The following costs are based on cultural practices used in other grape producing areas and cost conditions in Glenn County. Costs for any individual operation can vary from these projected costs because of size, soil, water source, management and other factors. These costs can be used as guides and adjusted to fit individual situations.

WINE GRAPES IN CALIFORNIA

Wine grapes reached a low of 116,000 acres in 1961 but have increased steadily to 137,000 acres in 1972, an 18 percent increase. However, during the same period, the non-bearing acreage increased 7 1/2 times to a total of 82,500 non-bearing acres in 1972. The non-bearing acreage is now 60 percent of the bearing acreage, insuring a further dramatic increase in wine grape production.

Average yields for the state have varied from 4.1 to 6.1 tons since 1954. The average yield in 1971 was 5.7 tons.

Average prices have increased from \$35 per ton in 1955 to \$136 in 1971. Prices during 1972 will average even higher due to a low yield as a result of spring frost. Prices for individual varieties in 1971 varied from a low of \$77 per ton for Missions to \$663 for Merlots. There are over 6,000 acres of Missions compared to 200 acres of Merlots.

Future profitability of wine grape production will depend on the ability of the wineries to absorb the increased production at acceptable grower prices. Growers should not plant wine grapes unless they have an assured market.

SAMPLE COSTS TO ESTABLISH A WINE GRAPE VINEYARD
Glenn County - 1972

Based on an 80 acre vineyard

	Year		
	1	2	3
Planting Costs			
Land preparation	\$ 40.00		
Survey and mark	12.00		
Planting - 18 hours @ \$2.30	41.00		
Rootstocks - 480 @ 50¢	240.00		
Total Planting Costs	\$333.00		
Trellis Costs			
Set stakes	\$ 26.00		
Stakes @ 43¢	206.00		
End posts - 11 @ \$2.00	22.00		
String wire - 6 hours @ \$2.30		\$ 14.00	
Wire - 260 lbs. @ 13 1/2¢		35.00	
Total Trellis Costs	\$254.00	\$ 49.00	
Cultural Costs			
Bud and cover - 25¢/vine	\$120.00	\$ 12.00	
Budwood - 6¢/vine	29.00	3.00	
Uncover and prune rootstock-8 hrs.		18.00	\$ 2.00
Cut rubbers, tops & place collars- 28 hrs.		64.00	7.00
Train, sucker and tie - 24 hours		55.00	16.00
Twine		4.00	4.00
Prune and tie - 8 hrs.			18.00
Rabbit control	8.00	3.00	
Irrigate - 10 hrs.	23.00	23.00	23.00
Water - 3 ac. ft. @ \$2.50	8.00	8.00	8.00
Cultivation	30.00	20.00	15.00
Fertilizer applied		4.00	8.00
Pest and disease control app.			6.00
Pest and disease control material			16.00
Misc.	10.00	13.00	15.00
Total Cultural Costs	\$228.00	\$227.00	\$138.00
Overhead Costs			
Misc.	\$ 41.00	\$ 15.00	\$ 12.00
Taxes (\$700/ac. x 25% x 6.76 rate)	16.00	16.00	16.00
Management	30.00	30.00	30.00
Depreciation	34.00	34.00	34.00
Interest on investment @ 7%	64.00	134.00	170.00
Total Overhead Costs	\$185.00	\$229.00	\$262.00
Total Cost	\$1,000.00	\$505.00	\$400.00
Accumulated Cost		\$1,505.00	\$1,905.00
Investment			
Land	\$ 700.00	\$ 700.00	\$ 700.00
Vines		1,000.00	1,505.00
Irrigation system	200.00	200.00	200.00
Buildings and equipment	240.00	240.00	240.00
Total Investment	\$1,140.00	\$2,140.00	\$2,645.00
Total Development Cost First Three Years - \$1,905.00			

SAMPLE COSTS TO PRODUCE WINE GRAPES
Glenn County - 1972

Based on an 80 acre vineyard Yield/ac. 8 ton
Labor \$2.30 and \$2.60 including social security and compensation insurance

Operation	Hours Per Acre	Cash and labor cost per acre			Total	Your Cost
		Labor	Fuel and Repairs	Materials Kind and Quantity Cost		
Cultural Costs						
Prune	22.0	\$50.60			\$ 50.60	
Brush disposal				Contract \$ 3.00	3.00	
Fertilizer				N 70 lbs. applied 8.75	8.75	
Pest & disease control	1.5	3.90	\$ 2.25	Material 14.00	20.15	
Tillage	3.0	7.80	4.50		12.30	
Herbicide				Applied 11.00	11.00	
Irrigate	9.0	20.70	2.00	Water 3 ac. ft. @\$2.50 8.00	30.70	
Misc.		4.30	3.00	8.00	15.30	
Interest on operating capital				6.00	6.00	
Total Cultural Costs		\$87.30	\$11.75	\$58.75	\$157.80	
Harvest Costs						
Pick & haul				Contract 8 tons @ \$22.00	\$176.00	
Total Harvest Costs					\$176.00	
Cash Overhead						
Misc., office, etc.				\$16.60		
Taxes				44.00		
Total Cash Overhead					\$ 60.60	
Total Cash Cost					\$394.40	
Management 5% of 8 tons @ \$150 (\$1200)					\$ 60.00	
<u>Investment</u>	<u>Per Acre</u>		<u>Annual Cost</u>			
Land	\$ 700.00		-----	\$ 49.00		
Trees	1,905.00		\$ 63.50	66.70		
Irrigation system	200.00		10.00	7.00		
Buildings	} 240.00		24.00	8.40		
Equipment						
Total	\$3,045.00		\$ 97.50	\$131.10		\$228.60
Total Cost Per Acre					\$683.00	
Cost per ton @ 8 ton yield					\$ 85.50	

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