

RIO OSO GEM PEACHES FOR FRESH SHIPMENT
(Matures in early August)

Cost Analysis Work Sheet

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This work sheet was developed to show sample costs for a good yield, mature orchard under Fresno County conditions. These costs will be useful as a guide when a specific orchard planting is under consideration.

When using this work sheet it is important to consider the following:

1. Seasonal variations influence fruit set and quality. Consequently differences in thinning, pest control and cullage will occur.
2. These sample costs are based on a 10 acre fruit operation and larger.
3. No account is taken for partial or complete crop loss due to frost, rain, labor problems, etc.
4. No allowance is made for cost of management.
5. Interest and depreciation costs are based on present costs of establishing an orchard. Present bearing orchards may have been established at a lower cost.
6. Costs per two-layer lug are based on an average net weight of 22 pounds. Net weights may vary depending on count and maturity. Fruit packed in a California peach box would average about 18 pounds per unit.
7. Rio Oso Gem peach orchards are short-lived. Poor soils, insect infestations, and improper cultural care will accentuate this condition.
8. When Rios are produced for the freezer industry the production costs will be slightly lower per ton.

Sample Costs at Varying Yields

Yield - Tons Per Acre	<u>Average</u>					<u>Exceptional</u>	
	8	9	10	11	12	13	14
Total Cost of							
Production Per Ton	\$79.28	72.12	66.39	61.70	57.80	54.50	51.66
Cash Costs Only Per							
22 lb. Lug	78¢	71¢	66¢	61¢	58¢	54¢	52¢
Total Costs/22 lb. lug	1.01	91¢	84¢	78¢	73¢	69¢	65¢
Packed Lugs Per Acre	618	695	773	850	927	1004	1082

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Farm & Home Advisors' Office
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Fresno 2, Calif.

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Sample Costs to produce Rio Oso Gem peaches in Fresno County for fresh shipment. Costs are for a mature orchard containing 108 trees per planted acre, producing 12 tons of fruit. Man labor @ \$1.25/hour total and tractor operator \$1.40.

	<u>Sample Costs</u>		<u>My Costs</u>	
	<u>Per Acre</u>	<u>Per Ton</u>	<u>Per Acre</u>	<u>Per Ton</u>
<u>PRE-HARVEST CASH COSTS</u>				
Pruning - 108 trees @ 80¢	86.40			
Brush disposal - contract \$4.00/acre	4.00			
2 man hrs. raking brush	2.50			
Fertilizer - 80 lbs. N @ 15¢	12.00			
½ hr. man & tractor	1.20			
Spray 3 times - materials	34.44			
Application @ 2¢/gal.	30.00			
Furrow 3 times - 1½ hrs. man & tractor	3.60			
Irrigate 7 times - labor 13 hrs.	16.25			
3½ ft. of water	12.95			
Disc 5 times - 7½ hrs. man & tractor	18.00			
Thin 108 trees @ 90¢	97.20			
Prop & tie - labor 5 man hrs.	6.25			
Materials	3.00			
Plant cover crop - 60 lbs. barley	2.10			
½ hr. man & tractor	1.20			
Taxes	16.50			
Misc. labor, field power, materials incl. 4 man hours and 1 tractor hour.	8.10			
Office, car, operating capital, insurance, etc.	18.00			
Total Pre-Harvest Cash Costs	373.69	31.14		
<u>HARVESTING COSTS</u>				
Pick 12 tons of fruit @ \$12.50	150.00			
Roadside - 12 man hrs. & 6 tractor hrs.	21.90			
Misc. - 4 man hrs. & 1 tractor hr.	6.15			
Total Harvesting Costs	178.05	14.84		
TOTAL CASH COSTS	551.74	45.98		
<u>DEPRECIATION</u>				
Irrigation system cost \$90 - 20 yr. life	4.50			
Tractor - 18 hrs. @ 41¢	7.38			
Equipment except tractor - \$40 cost 10 yr. life	4.00			
Buildings for equipment \$20 cost 20 yr. life	1.00			
Trees - cost \$714 - 15 yr. life	47.60			
Total Depreciation	64.48	5.37		
<u>INTEREST ON INVESTMENT @ 6%</u>				
Irrigation system - ½ cost \$45	2.70			
Tractor - 18 hrs. @ 19¢	3.42			
Equipment except tractor - ½ cost \$20	1.20			
Buildings for equipment - ½ cost \$10	.60			
Trees - ½ cost \$357	21.42			
Land - \$800	48.00			
Total Interest on Investment	77.34	6.45		
TOTAL COST OF PRODUCTION	\$693.56	57.80		

Credit for 300 lbs. culls from 1 ton (15%) = \$1.50
Net cost of 1700 lbs. merchantable fruit = \$56.30
Net cost of 22 lbs. merchantable fruit (1 lug) = 73¢
Net cash costs only of 22 lbs. merchantable fruit = 58¢