

# UNIVERSITY OF CALIFORNIA COOPERATIVE EXTENSION

## RAISIN BEST MANAGEMENT PRACTICES<sup>†</sup>

with

## ESTIMATED COSTS AND RETURNS FOR A 40 ACRE RAISIN VINEYARD

1998



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Appreciation is expressed to all growers and individuals who provided information, assistance and expertise for this study. This study was funded by the Pew Charitable Trusts with assistance from Fresno Pacific University.

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<sup>†</sup> The Raisin Best Management Practices Program is an innovative partnership with Sun-Maid Growers, The Pew Charitable Trusts, and Fresno Pacific University and is available for all California raisin growers. This report is for the first year of a two-year study.

# RAISIN BEST MANAGEMENT PRACTICES<sup>†</sup> - 1998

## Introduction

The California grape industry ranks first in grape production in the nation with roughly 676,000 bearing acres. This produces about 90% of the total United States grape crop. Grapes have consistently been the second largest contributor to farm income in California during the 1990's, with gross values ranging from \$1.7 to \$2.8 billion for juice, raisin, table and wine grapes combined. Raisin varieties account for approximately 40% of the state's bearing acres and 25% of the gross value for all grapes. Raisin production is concentrated in the southern San Joaquin Valley, with the largest acreages located in Fresno and Madera counties.

Production for many of California's major crops decreased in 1998, due in large part to erratic weather patterns and challenging field conditions. The California Department of Food and Agriculture (CDFA) estimates that weather related crop damage exceeded half a billion dollars (CDFA, 1998). Total grape tonnage reportedly decreased by 24%, with raisin production reduced by 32% (California Agricultural Statistics Service, 1999).

The following report is meant to familiarize readers with different production strategies and practices currently being used by growers enrolled in the Raisin Best Management Practices Program (BMP) of Sun-Maid Growers of California. BMP is an approach to crop production that considers all aspects of farming including soil, water and pest management, economics, and human and environmental health and safety. Specifically, the program has four major objectives: 1) improve yields per acre, 2) improve worker safety, 3) improve chemical selectivity and decrease usage, and 4) improve grower margins.

The first section of this study discusses three broad areas of raisin BMP: soil fertility and vineyard floor management, pest management, and other considerations such as labor management. Estimated costs and returns for a 40 acre raisin vineyard, including the set of assumptions used to generate costs, are then presented. The study is intended as a guide for growers who would like to evaluate potential costs and returns associated with raisin BMP in relationship to their own situations. It is not meant to be a cost comparison of different production systems because, in addition to economics, each grower's approach to farming is determined by multiple complex issues.

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## Raisin Best Management Practices

BMP farming methods are in many ways similar to raisin production as has been practiced for numerous years. Similar practices include pruning, vine tying, vineyard maintenance and harvest operations. Because a general goal of BMP is to reduce fertilizer and pesticide use, growers are encouraged to use certain practices such as cover cropping and vineyard monitoring, and are discouraged from using some material inputs by Sun-Maid's "Do Not Use" list. Therefore, differences in practices often occur in the areas of soil fertility, vineyard floor, and pest management. It is important to note that BMP supports a flexible problem-solving approach to decision-making and farm management. Because of this, there is no "model" set of practices or strategies for any individual vineyard using BMP. Various BMP production strategies and practices are presented in the following discussion.

### *Raisin BMP Soil Fertility & Vineyard Floor Management Strategies*

- ◆ Petiole, soil and water analyses
- ◆ Cover crops
- ◆ Manure or compost
- ◆ Drip irrigation
- ◆ Mechanical mowing and cultivation; chemical mowing
- ◆ Low volume sprayers

In the area of soil fertility, growers rely on petiole, soil, and water analyses to monitor vineyard nutrient levels and help with fertilizer application decisions. Petiole analyses are usually performed on a yearly basis; soil and/or water analyses are performed every third or fourth year. The type, number and frequency of the different analyses typically depends on grower experience and vineyard needs.

An increasing number of BMP growers plant and maintain cover crops in their raisin vineyards on a year-to-year basis. Growers report five potentially beneficial reasons for their use: 1) the addition of nitrogen and other nutrients to vineyard soils, 2) the addition of organic matter to vineyard soils, 3) improvement of water penetration and infiltration, 4) management of habitat to attract and sustain beneficial insects, and 5) the reduction of dust in vineyards, which in turn may lead to a reduction in spider mite pest populations.

The type of cover crop that is planted, and associated vineyard floor management practices, depend on a grower's specific objectives. Some growers plant cereal grasses such as barley, oats or rye on an annual basis to add organic matter to the soil and improve water infiltration. Others plant annual legumes such as vetch or peas for their nitrogen benefit. Still others plant a mixture of the two cover crop types to take advantage of the potential benefits of both. A smaller number of growers plant self-reseeding annual cover crops such as blando brome or bur clover to avoid yearly seeding costs. Cover crops are most often seeded in the fall in every or every other row middle, leaving the vine rows free of vegetative growth. Annually planted cover crops are usually mowed and incorporated into the soil during the spring or summer months. However, growers may perform these operations earlier in the year to minimize frost hazard.

Some raisin BMP growers also indicate that cover crop use has potential drawbacks. Drawbacks include increased costs for seed and planting, and in addition, increased labor costs to manage vegetative growth on vineyard floors. Also, tillage operations may increase in vineyards with planted cover crops. This, in turn, may

increase dust problems, and therefore spider mite problems in vineyards. As an alternative to planted cover crops, some growers allow resident vegetation (weeds) to re-seed and re-grow in their vineyards. This practice eliminates seed and planting costs, and may also help reduce tillage operations, dust, and spider mite populations. Growers have also found that the use of leguminous cover crops may lead to over fertilization of vineyards by fixing excessive nitrogen.

Manures and composts are being used in some BMP vineyards to add organic matter to the soil and help meet the crop's nutrient needs. Manures and composts may be used alone, or in conjunction with a cover crop program.

BMP growers also manage crop growth and health through the efficient use of water and fertilizers. Drip irrigation is a suggested strategy for BMP vineyards because it may lead to improved distribution, thus use, of both inputs. However, water costs are generally higher with drip irrigation because of increased energy use. Tensiometer and gypsum block use is another suggested means of monitoring water use and moisture levels in vineyards.

Management of vegetative growth on vineyard floors is another important aspect of raisin BMP. Weeds are controlled using a combination of various techniques throughout the year including mechanical mowing and cultivation, or chemical mowing. To help reduce total herbicide use, some growers are using or experimenting with new types of application equipment such as low volume sprayers. Other growers have decreased herbicide use by eliminating pre-emergent herbicides and now "spot spray" only those areas in or surrounding vineyards with high weed densities.

### ***Raisin BMP Pest Management Strategies***

- ◆ Use an integrated approach for pest management
- ◆ Monitor insect, mite and disease populations and incidence
- ◆ Use weather station information, degree days, pest cast models

BMP growers use an integrated approach for pest management. This may include genetic, chemical, cultural, behavioral and natural controls. Examples of genetic controls include resistant rootstock for the management of various nematode species and grape phylloxera (*Daktulosphaira vitifoliae*). Chemical controls can include the use of synthetically formulated pesticide materials such as Provado for variegated grape leafhopper (*Erythroneura variabilis*) and western grape leafhopper (*E. elegantula*) populations, and Abound for powdery mildew (*Uncinula necator*) control, or organically acceptable materials such a sulfur dust for powdery mildew or cryolite for OLR, omnivorous leafroller (*Platynota stultana*). Some growers also manage pests culturally using such methods as vineyard sanitation for OLR, behaviorally using pheromones for mating disruption of OLR, and naturally using releases of beneficial insects and predaceous mites with the goal of reducing populations of leafhoppers and spider mite pests. There is some debate, however, as to the effectiveness of beneficial insect and mite releases for this purpose.

One of the cornerstones of raisin BMP is monitoring vineyards for the presence or absence of pest and beneficial insects, mites, and diseases. Monitoring familiarizes growers with existing insect, mite, and disease levels and helps with yearly pest management decisions. For BMP, raisin vineyards are typically monitored at least once every week, but may be visited more or less often depending on the site's history and current pest populations.

Growers sometimes monitor their own vineyards, but frequently enlist the services of an input supplier, in-house or independent pest control advisor (PCA) to help with this activity. There are usually no fees associated with the services of an input supplier or in-house PCA so long as a grower's material inputs are purchased from the same PCA. By contrast, independent PCA's do not act as material suppliers and therefore charge for their services. Costs vary depending on the level of service agreed to by the grower and the PCA, and are generally charged on a per acre basis.

BMP growers make pesticide application decisions by evaluating information from a variety of sources including PCA and grower monitoring data, weather station reports, Sun-Maid's vineyard information phone line, degree day calculations, and pest cast models. For example, insect monitoring data may show that the population of a particular pest is high in a vineyard, thereby indicating the need for a material application, while powdery mildew sprays may be timed by using information gathered from both weather station reports and pest cast models.

BMP growers also strive to reduce pesticide use through various other strategies, including a decrease in the number of pesticide applications per year, applying materials at below label rate, or treating only those areas of the vineyard in which pest outbreaks occur or pest populations are high.

#### *Other Raisin BMP Considerations*

- ◆ Labor management
- ◆ Pesticide regulation

While BMP emphasizes a flexible problem-solving approach to crop production and farm management on a yearly basis, the overarching goal is to consider long-term effects on the entire farming system. This includes human, and environmental health and safety considerations. It follows that raisin BMP growers are concerned about various aspects of labor management and pesticide regulations.

Farm labor is viewed as part of a well-balanced, complete BMP program in that, as much as is possible, raisin growers want to provide farm workers with year-round employment, opportunities for advancement, education, and work incentives. Whereas education may take the form of participation in training programs, incentives can include added worker benefits or bonuses. However, labor availability and scarcity may preclude some growers from meeting the above objectives.

BMP growers generally have one of two different perspectives with respect to pesticide regulation in agricultural production. On the one hand, many growers view current laws and regulations as an integral part operating a farm business, and therefore incorporate related activities such as pesticide use reporting into daily management activities. Other growers see pesticide regulation as burdensome, particularly as it relates to the areas of training and reporting procedures. The added training and paperwork demands may be difficult and costly to implement especially in the case of growers with small acreages and/or few employees. Ultimately, however, both groups understand that compliance with pesticide laws and regulations is essential to maintaining a farm business.

# ESTIMATED COSTS AND RETURNS FOR A 40 ACRE RAISIN VINEYARD - 1998

## General Information

The practices described for the hypothetical vineyard used in this report are considered common for raisin production within the five districts of the Raisin Best Management Practices Program (BMP)<sup>†</sup> of Sun-Maid Growers of California. The costs and returns associated with BMP vineyards may not vary substantially from vineyards managed using conventional or organic production methods. In this report, sample costs given for labor, materials, equipment and contract services are based on 1998 prices. **The use of trade names does not constitute an endorsement or a recommendation by the University of California or the BMP Program nor is criticism implied by omission of other similar products.** A blank Your Cost column is provided to enter your actual costs on Table 1 Costs Per Acre by Operation and Table 2 Detail of Costs Per Acre by Input. Costs and practices detailed in this study may not be applicable to all situations. This study is only intended as an estimate or guide and can be helpful in making production decisions, determining potential returns, preparing budgets and evaluating production loans.

This report consists of the set of assumptions used for a 40 acre vineyard in raisin production and the following seven tables.

- Table 1. Costs Per Acre by Operation
- Table 2. Detail of Costs Per Acre by Input
- Table 3. Monthly Cash Costs Per Acre
- Table 4. Annual Equipment, Investment and Business Overhead Costs
- Table 5. Hourly Equipment Costs
- Table 6. Ranging Analysis
- Table 7. Costs and Returns/Breakeven Analysis

For an explanation of calculations used for this study refer to the attached assumptions. For questions, call the Department of Agricultural and Resource Economics, Cooperative Extension, University of California, Davis, California, (530) 752-3563 or a representative of the Raisin Best Management Practices Program at (559) 897-6356.

Copies of this study can be requested through the Department of Agricultural and Resource Economics, U.C. Davis, or from the Raisin Best Management Practices Program of Sun-Maid Growers of California.

## Cost of Production Assumptions for a 40 Acre Raisin Vineyard

This study reflects the practices and costs associated with production of raisins in the Best Management Practices Program (BMP) of Sun-Maid Growers of California. While every effort is made to model a production system based on real world practices, this report cannot fully represent the costs and practices that are specific to each vineyard or production district within the program. This study should therefore be interpreted as a representative operation only and not as a statistical average. Costs are presented on an annual per acre basis.

The following is a description of general assumptions pertaining to sample costs for raisins.

**Land.** The total farm size is 100 acres, 40 of which are in raisin production. The remaining acreage is dedicated to other agricultural enterprises and land for the farmstead, roads and wells. For this study, land for an established vineyard is assumed to be owned by the grower and is valued at \$8,250 per acre. This figure is within the range of low and high values for established raisin producing land in Fresno and Madera Counties. The price includes cost of the land, mature vines and a drip irrigation system, and is shown as an investment in Table 4 Annual Equipment, Investment and Business Overhead Costs. Land values per acre vary within each county and will affect grower returns. The vineyard and irrigation system are considered improvements to the property and are depreciated as part of capital recovery costs under total land costs. Land is assumed to be level, with well-drained soils of moderate depth and fertility.

**Vines/Trellis System.** The grape variety is assumed to be Thompson Seedless. Vines are planted on a 7' x 12' spacing with 519 vines per acre. The trellis system is a single wire design.

**Production Practices.** Production practices for raisins are listed in Table 1 Costs Per Acre by Operation. This table shows the order in which the operations are performed, as well as the hours per acre required for each operation. Labor, contract and rental rates, materials, and fuel and repair costs are also included in this table. Input costs can be found in Table 2 Detail of Costs Per Acre by Input. In addition, the sequence of operations and monthly cash costs per acre for the crop are located in Table 3 Monthly Cash Costs Per Acre.

**Floor Management.** In this study, a winter annual cover crop is assumed to be drill-seeded in the fall after harvest. Prior to seeding the cover crop, vineyard middles are re-leveled (terraced back) as well as irrigated. Planting into moisture serves to improve stand establishment and early cover crop growth. After this time, cover crop growth is dependent on fall and winter rains.

The cover crop is a mixture of cereal rye 'Merced' and common vetch, which is planted into alternate middles in six-foot strips at a rate of 21 pounds per planted vineyard acre. This represents 25% of the seeding rate per acre to account for space taken up by the vine rows. It may be necessary to increase seeding rates for late season plantings to insure a good stand.

The cover crop is mowed in late February to reduce vegetative growth in the vineyard and minimize the risk of frost hazard. Alternate middles should also be disced once to eliminate weed growth and reduce the risk of frost hazard. This is best practiced by late February or early March to take advantage of some winter rainfall to settle and moisten the disced soil surface. The cover crop is mowed again in May and then incorporated into the soil by discing once along with the alternate middles. Vineyard middles are disced two additional times during the remaining spring and summer months to control weeds. Therefore, no additional water is required for cover crop growth or for resident weeds during the summer.

Weeds in vine rows are primarily controlled by french plowing in February. In addition, two post-emergent spot sprays are used during the growing season to control weeds. No other means of weed control are used in this study. However, some growers may use a Bezzerides or comparable implement to assist in weed control later in the season after french plowing.

**Crop Irrigation.** The amount of irrigation water applied to vineyards in this region ranges from 2.0 to 4.5 acre-feet per acre per year, averaging a total of 3.5 acre-feet per acre. However, this amount is dependent on soil type, rainfall and residual soil moisture, water availability, and irrigation system design. Raisin grapes are either furrow or drip irrigated with district (surface) or well (pumped) water, or a combination of the both district and well water.

This study assumes that drip irrigation is used in the vineyard. Water costs are estimated to be \$50 per acre, with a total of two acre-feet per acre applied to grapes during the season. Water is pumped from a depth of 100 feet in a 250-foot well using a 40 horsepower (hp) pump that produces a flow of 500 gallons per minute (gpm). Labor costs include time to start each irrigation and monitor the system for proper function. No assumption is made with respect to effective rainfall. The vineyard is assumed to be irrigated once after harvest in October, and as needed during the growing season between April and early August.

**Pest Management.** Disease incidence and arthropod and vertebrate pest damage vary on a year-to-year basis depending on vineyard location, pest populations and management techniques. This study assumes that vineyards are monitored for disease, insect and mite pests throughout the growing season by the grower and an independent licensed pest control advisor (PCA). An estimated PCA and monitoring cost of \$15 per acre has been included in this study. However, charges for independent PCA's vary depending on crop, location and number of visits to the ranch. Costs for the other pest management practices used in this report are located in Tables 1 through 3 and will vary from grower to grower.

**Equipment Cash Costs.** Equipment costs are composed of three parts: cash overhead, capital recovery and operating costs. The operating costs consist of fuel, lubrication and repairs.

Repair costs are based on the purchase price, annual hours of use, total hours of life and repair coefficients formulated by the American Society of Agricultural Engineers (ASAE). Fuel and lubrication costs are also determined by ASAE equations based on maximum power take-off (PTO) horsepower (hp) and the type of fuel used. The fuel and repair costs per acre for each operation in Table 1 are determined by multiplying the total hourly operating cost in Table 5 for each piece of equipment used for the cultural practice by the number of hours per acre for that operation. Tractor operation time is 10% higher than implement operation time to account for fueling, moving equipment, and setup time. Prices for on-farm delivery of diesel and gasoline are \$0.78 and \$1.22 per gallon, respectively.

**Harvest.** In this study, grapes are assumed to be hand harvested in September at a contract rate of \$0.26 per tray. Contract services are also used for turning and rolling (\$70 per thousand trays), and for transporting raisins to a packer (\$10 per ton). Labor and taxes are included in all of the above contract rates. Boxing and shaking raisins is performed by the grower. Harvest costs are located in Tables 1 through 3.

Because contract services are assumed for most harvest operations, costs for harvest equipment (other than equipment to box and shake raisins) are not included in this study. If growers choose to perform all harvest operations, equipment for the appropriate operations should be inventoried and labor, fuel, repairs and capital recovery costs should be added as a cost of production. Contract harvest costs, then, would not be included.



**Packers.** After harvest the crop is transported to a packer where it is inspected by a representative of the United States Department of Agriculture (USDA) for maturity, quality and moisture. Industry standards are set by the Raisin Administrative Committee (RAC), the administrative arm of the federal marketing order for raisins. Fees are associated with both USDA inspections and RAC administrative responsibilities; these are paid for by the packer. Growers receive payment for their crop from the packer.

**Yield and Return Ranges.** This study assumes a raisin yield of 2.0 tons per acre in Tables 1 to 3. Yields for raisins typically range from 1.5 to 2.8 tons per acre. Yield is determined by a variety of factors, including growing location and conditions, soil type and fertility, irrigation practices and pest management.

In 1998, the base price for raisins was \$1,184 per ton, which represented payment to growers on 100% of the crop at 50% maturity and 14% moisture. In most years, returns to growers are calculated by “constructing” a per ton price, which includes yield percentages of both free tonnage and a reserve pool as announced by the Raisin Administrative Committee (RAC), and field price per ton as calculated by the Raisin Bargaining Association (RBA) and packers. In the past, constructed prices have ranged from \$800 to \$1,200 per ton. The exact price each grower receives varies depending on crop maturity, quality and moisture.

**Labor.** Basic hourly wages for workers are \$5.75 and \$6.75 per hour for field workers and machine operators, respectively. Adding 34% for workers compensation, social security, insurance and other benefits increases the labor rates shown to \$7.71 per hour for field labor and \$9.05 for machine labor. The percentage charged for benefits varies depending upon whether or not growers utilize labor contractors or hire their own laborers. For those growers handling their own labor, benefit percentages are often lower than 34%, and have been as low as 18% in the past.

The labor hours for operations involving machinery are 20% higher than the operation times listed on Table 1 to account for extra labor involved in equipment set-up, moving, maintenance, work breaks and repair. Wages for managers are not included as a cash cost. Any returns above total costs are considered returns to management and risk.

**Cash Overhead.** Cash overhead consists of various cash expenses paid out during the year that are assigned to the whole farm and not to a particular operation. These costs include, but are not limited to, property taxes, interest on operating capital, office expenses, property and liability insurance, sanitation services and equipment repairs. Cash overhead costs are found in Tables 1 through 4.

*Property Taxes.* Counties charge a base property tax rate of 1% on the assessed value of the property. In some counties special assessment districts exist and charge additional taxes on property including equipment, buildings and improvements. For this study, county taxes are calculated as 1% of the average value of the property. Average value equals new cost plus salvage value, divided by two, on a per acre basis.

*Interest on Operating Capital.* Interest on operating capital is based on cash operating costs and is calculated monthly until harvest at a nominal rate of 10.46% per year. A nominal interest rate is the going market cost for borrowed funds.

*Office and Business Expense.* Office and business expenses are estimated at \$28 per acre. These expenses include, but are not limited to, office supplies, telephones, bookkeeping, accounting, legal fees and road maintenance.

*Insurance.* Insurance for farm investments varies depending on the assets included and the amount of coverage. Property insurance provides coverage for property loss and is charged at 0.713% of the average value of the assets over their useful life. Liability insurance covers accidents on the farm and costs \$511 per year.

*Sanitation Services.* Sanitation services (portable toilets) are provided by the contractor when contract labor is used. Because contract labor is assumed for many of the operations included in this study, the minimal cost of \$100 for sanitation services is included here.

*Crop Insurance.* This study assumes that the grower pays a total of \$31 per ton for crop insurance. This rate includes 65% crop loss coverage and reconditioning insurance under the federal crop insurance program.

**Capital Recovery Costs.** Although farm equipment for raisin vineyards in the region might be purchased new or used, this study shows the current purchase price for new equipment. The new purchase price is adjusted to 60% to indicate a mix of new and used equipment. Annual ownership costs for equipment and other investments are shown in Tables 1, 2 and 4. They represent the capital recovery cost for each investment on an annual per acre basis.

*Capital Recovery Costs.* Capital recovery cost is the amount of money required each year to recover the difference between the purchase price and salvage value (unrecovered capital). Put another way, it is equivalent to the annual payment on a loan for the investment with the down payment equal to the discounted salvage value. This is a more complex method of calculating ownership costs than by using straight-line depreciation and opportunity costs, but more accurately represents the annual costs of ownership because it takes the time value of money into account (Boehlje and Eidman, 1984). The calculation for annual capital recovery costs is as follows.

$$[(\text{Purchase Price} - \text{Salvage Value}) \times (\text{Capital Recovery Factor})] + [\text{Salvage Value} \times \text{Interest Rate}]$$

*Salvage Value.* Salvage value is an estimate of the remaining value of an investment at the end of its life. For farm machinery (tractors and other implements), the remaining value is a percentage of the new cost of the investment (Boehlje and Eidman, 1984). The life in years is estimated by dividing the wear-out life, as given by the ASAE, by the annual use in hours. Salvage value is calculated as follows.

$$[\text{New Price} \times \% \text{ Remaining Value}]$$

Salvage value for other investments including farm buildings, irrigation systems and miscellaneous tools and equipment is zero. The salvage value for land is equal to the purchase price because land does not depreciate from use. Purchase price and salvage value for the equipment and investments used in this study are shown on Table 4.

*Capital Recovery Factor.* The capital recovery factor is the amortization factor or annual payment whose present value at compound interest is equal to one. The capital recovery factor is a function of the interest rate and years of life of the investment.

*Interest Rate.* The interest rate of 7.81% used to calculate capital recovery costs is the United States Department of Agriculture Economic Research Service's (USDA-ERS's) ten year average of the agricultural sector long-run rate of return to production assets from current income. It is used to reflect the long-term realized rate of return to the specialized resources that can only be used effectively in the agricultural sector. In other words, the next best alternative use of these resources is in another agricultural enterprise.

**Acknowledgement.** Appreciation is expressed to the growers and other individuals who provided information, assistance and expertise for this study. This study was funded by the Pew Charitable Trusts with assistance from Fresno Pacific University.

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Table 1. U.C. COOPERATIVE EXTENSION  
 COSTS PER ACRE TO PRODUCE RAISINS - 1998 BEST MANAGEMENT PRACTICES PROGRAM<sup>1†</sup>  
 VINEYARD SIZE: 40 ACRES

Labor Rate: \$ 9.05/hr. machine labor  
 \$ 7.71/hr. non-machine labor

Interest Rate: 10.46%  
 Yield per Acre: 2.00 ton

Operation	Operation Time (Hrs/A)	Cash and Labor Costs per Acre				Total Cost	Your Cost
		Labor Cost	Fuel,Lube & Repairs	Material Cost	Contract/ Rent		
<b>Cultural:</b>							
Prune Vineyard	0.00	0	0	0	171	171	
Shred/Chop Brush	0.25	3	1	0	0	4	
Vineyard Maintenance	1.35	15	5	0	0	20	
Tie Vines	0.00	0	0	0	31	31	
In Row Weed Control - French Plow	1.00	11	6	0	0	17	
Winter Weeds - Spot Spray	0.13	1	1	3	0	5	
Mow Cover Crop - Alternate Middles	0.10	1	1	0	0	2	
Disc 1X - Alternate Middles	0.13	1	1	0	0	2	
PCA & Monitoring	0.00	0	0	0	15	15	
Phomopsis/Mildew Control	0.22	2	1	7	0	11	
Sulfur Application 10X	1.20	13	5	19	0	37	
Sucker Vineyard	1.25	10	0	0	0	10	
Spring Weeds - Spot Spray	0.13	1	1	3	0	5	
Irrigation	0.50	4	0	42	0	45	
Mow Cover Crop	0.20	2	1	0	0	3	
Disc 1X - All Middles/Incorporate Cover Crop	0.30	3	2	0	0	5	
OLR/Mildew Control with Gibberellic Acid	0.22	2	1	42	0	45	
Petiole Analysis - Yearly	0.00	0	0	1	0	1	
Soil &/or Water Analysis - Every 3rd Year	0.00	0	0	1	0	1	
Mite Control - 1/3 of Acreage	0.08	1	0	9	0	10	
OLR/Mildew Control	0.22	2	1	33	0	37	
Leafhopper Control - 1/4 of Acreage	0.10	1	0	8	0	10	
Ethrel Application	0.20	2	1	2	0	5	
Disc 2X - Floor Management	0.40	4	2	0	0	7	
Terrace	0.25	3	1	0	0	4	
Terrace Back	0.25	3	1	0	0	4	
Disc - Prepare Cover Crop Seedbed	0.20	2	1	0	0	3	
Postharvest Irrigate & Fertilize	0.10	1	0	12	0	12	
Plant Cover Crop - Alternate Middles	0.25	3	1	8	0	12	
Pickup Use	1.50	16	6	0	0	22	
<b>TOTAL CULTURAL COSTS</b>	<b>10.52</b>	<b>108</b>	<b>40</b>	<b>189</b>	<b>217</b>	<b>555</b>	
<b>Harvest:</b>							
Harvest - Contract	0.00	0	0	37	231	269	
Turn & Roll - Contract	0.00	0	0	0	62	62	
Box & Shake	0.95	51	3	0	8	63	
Haul To Packer	0.00	0	0	0	20	20	
<b>TOTAL HARVEST COSTS</b>	<b>0.95</b>	<b>51</b>	<b>3</b>	<b>37</b>	<b>322</b>	<b>413</b>	
Interest on operating capital @ 10.46%						33	
<b>TOTAL OPERATING COSTS/ACRE</b>		<b>159</b>	<b>44</b>	<b>226</b>	<b>539</b>	<b>1,001</b>	
<b>CASH OVERHEAD:</b>							
Office Expense						28	
Liability Insurance						5	
Sanitation Services						3	
Crop Insurance						62	
Property Taxes						68	
Property Insurance						49	
Investment Repairs						5	
<b>TOTAL CASH OVERHEAD COSTS</b>						<b>219</b>	
<b>TOTAL CASH COSTS/ACRE</b>						<b>1,220</b>	

Table 1. continued

U.C. COOPERATIVE EXTENSION  
 COSTS PER ACRE TO PRODUCE RAISINS - 1998 BEST MANAGEMENT PRACTICES PROGRAM<sup>†‡</sup>  
 VINEYARD SIZE: 40 ACRES

			Total Cost	Your Cost
CAPITAL RECOVERY (7.81% Interest Rate):				
Investment:	Per Producing Acre	--Annual Cost-- Capital Recovery		
Buildings	172	15	15	
Shop Tools	50	6	6	
Established Vineyard Land	8,250	644	644	
Fuel Tanks & Pump	60	6	6	
Equipment	295	38	38	
<b>TOTAL CAPITAL RECOVERY COSTS</b>	<b>8,827</b>	<b>709</b>	<b>709</b>	
<b>TOTAL COSTS/ACRE</b>			<b>1,929</b>	

<sup>†</sup> The Raisin Best Management Practices Program is an innovative partnership with Sun-Maid Growers, The Pew Charitable Trusts, and Fresno Pacific University and is available for all California raisin growers.

<sup>‡</sup> Calculation differences in categories due to rounding.

U.C. COOPERATIVE EXTENSION

Table 2. DETAIL OF COSTS PER ACRE TO PRODUCE RAISINS - 1998 BEST MANAGEMENT PRACTICES PROGRAM†  
VINEYARD SIZE: 40 ACRES

Labor Rate: \$ 9.05/hr. machine labor  
\$ 7.71/hr. non-machine labor

Interest Rate: 10.46%

	Quantity/Acre	Unit	Price or Cost/Unit	Value or Cost/Acre†	Your Cost
<b>OPERATING COSTS</b>					
Contract:					
Prune	519.00	vine	0.33	171	
Tie Vines	519.00	vine	0.06	31	
PCA & Monitoring	1.00	acre	15.00	15	
Harvest	889.00	tray	0.26	231	
Turn & Roll	0.89	thou	70.00	62	
Haul to Packer	2.00	ton	10.00	20	
Weed Control:					
Roundup	1.00	pint	5.95	6	
Disease Control:					
Kocide	2.00	lb	2.89	6	
Wettable Sulfur	7.00	lb	0.56	4	
Dusting Sulfur	112.00	lb	0.17	19	
Rubigan EC	10.00	oz	3.22	32	
Insect Control:					
Cryolite	12.00	lb	2.68	32	
Provado	0.25	oz	32.71	8	
Mite Control:					
Misc. Materials	1.00	acre	8.50	9	
Water:					
Pumped	24.00	acin	2.08	50	
Cover Crop Seed:					
Merced Rye	18.00	lb	0.32	6	
Common Vetch	3.00	lb	0.70	2	
Fertilizing Materials:					
UN32	10.00	lb	0.32	3	
Miscellaneous:					
Gibberellic Acid	5.00	oz	1.69	8	
Ethrel	1.00	pint	1.67	2	
Petiole Analysis <sup>§</sup>	1.00	acre	1.00	1	
Soil &/or Water Analysis	1.00	acre	1.00	1	
Paper Trays	0.89	thou	42.00	37	
Rent:					
Forklift	1.00	acre	8.25	8	
Labor (machine)	11.55	hrs	9.05	105	
Labor (non-machine)	7.10	hrs	7.71	55	
Fuel - Gas	2.82	gal	1.22	3	
Fuel - Diesel	25.72	gal	0.78	20	
Lube				4	
Machinery repair				17	
Interest on operating capital @10.46%				33	
<b>TOTAL OPERATING COSTS/ACRE</b>				<b>1,001</b>	
<b>CASH OVERHEAD COSTS:</b>					
Office Expense				28	
Liability Insurance				5	
Sanitation Services				3	
Crop Insurance				62	
Property Taxes				68	
Property Insurance				49	
Investment Repairs				5	
<b>TOTAL CASH OVERHEAD COSTS/ACRE</b>				<b>219</b>	
<b>TOTAL CASH COSTS/ACRE</b>				<b>1,220</b>	

Table 2. continued

U.C. COOPERATIVE EXTENSION  
 DETAIL OF COSTS PER ACRE TO PRODUCE RAISINS - 1998 BEST MANAGEMENT PRACTICES PROGRAM<sup>†</sup>  
 VINEYARD SIZE: 40 ACRES

	Value or Cost/Acre	Your Cost
CAPITAL RECOVERY (7.81% Interest Rate):		
Buildings	15	
Shop Tools	6	
Established Vineyard Land	644	
Fuel Tanks & Pump	6	
Equipment	38	
<b>TOTAL CAPITAL RECOVERY COSTS</b>	<b>709</b>	
<b>TOTAL COSTS/ACRE</b>	<b>1,929</b>	

<sup>†</sup> The Raisin Best Management Practices Program is an innovative partnership with Sun-Maid Growers, The Pew Charitable Trusts, and Fresno Pacific University and is available for all California raisin growers.

<sup>‡</sup> Calculation differences in categories due to rounding.

<sup>§</sup> Cost for each petiole analysis is \$29.

Table 3.

U.C. COOPERATIVE EXTENSION  
MONTHLY CASH COSTS PER ACRE TO PRODUCE RAISINS  
1998 BEST MANAGEMENT PRACTICES PROGRAM<sup>†‡</sup> - VINEYARD SIZE: 40 ACRES

Beginning JAN 98 Ending DEC 98	JAN 98	FEB 98	MAR 98	APR 98	MAY 98	JUN 98	JUL 98	AUG 98	SEP 98	OCT 98	NOV 98	DEC 98	TOTAL
<b>Cultural:</b>													
Prune Vineyard	171												171
Shred/Chop Brush	4												4
Vineyard Maintenance	20												20
Tie Vines		31											31
In Row Weed Control - French Plow		17											17
Winter Weeds - Spot Spray		5											5
Mow Cover Crop - Alternate Middles		2											2
Disc 1X - Alternate Middles		2											2
PCA & Monitoring			15										15
Phomopsis/Mildew Control			11										11
Sulfur Application 10X				14	8	15							37
Sucker Vineyard				10									10
Spring Weeds - Spot Spray				5									5
Irrigation				9	9	9	9	9					45
Mow Cover Crop					3								3
Disc 1X - All Middles/Incorporate Cov Crop					5								5
OLR/Mildew Control with Gibberellic Acid					45								45
Petiole Analysis - Yearly					1								1
Soil &/or Water Analysis - Every 3rd Year					1								1
Mite Control - 1/3 of Acreage							10						10
OLR/Mildew Control							37						37
Leafhopper Control - 1/4 of Acreage							10						10
Ethrel Application							5						5
Disc 2X - Floor Management							3	3					7
Terrace								4					4
Terrace Back										4			4
Disc - Prepare Cover Crop Seedbed										3			3
Postharvest Irrigate & Fertilize										12			12
Plant Cover Crop-Alternate Middles										12			12
Pickup Use	2	2	2	2	2	2	2	2	2	2			22
<b>TOTAL CULTURAL COSTS</b>	<b>197</b>	<b>59</b>	<b>28</b>	<b>40</b>	<b>74</b>	<b>27</b>	<b>76</b>	<b>19</b>	<b>2</b>	<b>34</b>			<b>555</b>
<b>Harvest:</b>													
Harvest - Contract									269				269
Turn & Roll - Contract									62				62
Box & Shake									63				63
Haul To Packer									20				20
<b>TOTAL HARVEST COSTS</b>									<b>413</b>				<b>413</b>
Interest on oper. capital	2	2	2	3	3	4	4	5	8	0			33
<b>TOTAL OPERATING COSTS/ACRE</b>	<b>199</b>	<b>61</b>	<b>31</b>	<b>42</b>	<b>78</b>	<b>30</b>	<b>80</b>	<b>23</b>	<b>424</b>	<b>33</b>			<b>1,001</b>
<b>CASH OVERHEAD:</b>													
Office Expense	3	3	3	3	3	3	3	3	3	3			28
Liability Insurance									5				5
Sanitation Services			1			1			1				3
Crop Insurance									62				62
Property Taxes				34								34	68
Property Insurance	49												49
Investment Repairs	1			1			1			1			5
<b>TOTAL CASH OVERHEAD COSTS</b>	<b>52</b>	<b>3</b>	<b>3</b>	<b>38</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>71</b>	<b>3</b>	<b>0</b>	<b>34</b>	<b>219</b>
<b>TOTAL CASH COSTS/ACRE</b>	<b>251</b>	<b>64</b>	<b>34</b>	<b>80</b>	<b>81</b>	<b>34</b>	<b>83</b>	<b>27</b>	<b>494</b>	<b>37</b>	<b>0</b>	<b>34</b>	<b>1,220</b>

<sup>†</sup> The Raisin Best Management Practices Program is an innovative partnership with Sun-Maid Growers, The Pew Charitable Trusts, and Fresno Pacific University and is available for all California raisin growers.

<sup>‡</sup> Calculation differences in categories due to rounding.



Table 4.

U.C. COOPERATIVE EXTENSION  
WHOLE FARM ANNUAL EQUIPMENT, INVESTMENT, AND BUSINESS OVERHEAD COSTS  
FOR RAISIN PRODUCTION - 1998 BEST MANAGEMENT PRACTICES PROGRAM<sup>†</sup>  
VINEYARD SIZE: 40 ACRES

ANNUAL EQUIPMENT COSTS

Yr	Description	Price	Yrs Life	Salvage Value	Capital Recovery	--Cash Overhead--		Total <sup>‡</sup>
						Insur- ance	Taxes	
98	50 HP 2WD Tractor	22,630	12	5,658	2,672	101	141	2,914
98	75 HP 2WD Tractor	28,421	12	7,106	3,356	127	178	3,660
98	Air/Fan Sprayer	11,130	10	1,968	1,507	47	65	1,620
98	Brush Shredder 6'	5,721	10	1,012	775	24	34	832
98	Disc - Tandem 8'	3,997	10	707	541	17	24	582
98	Drill Seeder 6'	2,893	10	512	392	12	17	421
98	Duster	2,520	10	446	341	11	15	367
98	Flail Mower 6'	3,530	10	624	478	15	21	514
98	French Plow	4,417	10	781	598	19	26	643
98	Pick up - 1/2 ton	16,409	7	6,225	2,430	81	113	2,623
98	Shaker & Bin Dumper	12,870	10	2,276	1,743	54	76	1,873
98	3 Pt Sprayer 100 gal	2,628	10	465	356	11	15	382
98	Terracer	2,465	10	436	334	10	15	359
98	Trailer #1	1,287	12	178	160	5	7	172
98	Trailer #2	1,287	12	178	160	5	7	172
TOTAL EQUIPMENT		122,205		28,572	15,842	538	754	17,133
60% of New Cost <sup>§</sup>		73,323		17,143	9,505	323	452	10,280

ANNUAL INVESTMENT COSTS

Description	Price	Yrs Life	Salvage Value	Capital Recovery	-----Cash Overhead-----			Total
					Insur- ance	Taxes	Repairs	
Buildings	17,200	30		1,501	61	86	344	1,992
Fuel Tanks & Pump	5,985	25		552	21	30	60	663
Established Vineyard Land	330,000		190,000	25,773	1,854	2,600	0	30,227
Shop Tools	5,000	15		577	18	25	50	670
TOTAL INVESTMENT	358,185		190,000	28,403	1,954	2,741	454	33,552

ANNUAL BUSINESS OVERHEAD COSTS

Description	Units/ Farm	Unit	Price/ Unit	Total Cost
Crop Insurance	80	ton	31	2,480
Liability Insurance	1	year	511	511
Office Expense	40	acre	28	1,120
Sanitation Services	1	year	100	100

<sup>†</sup> The Raisin Best Management Practices Program is an innovative partnership with Sun-Maid Growers, The Pew Charitable Trusts, and Fresno Pacific University and is available for all California raisin growers.

<sup>‡</sup> Calculation differences in categories due to rounding.

<sup>§</sup> Used to reflect a mix of new and used equipment.

Table 5.

U.C. COOPERATIVE EXTENSION  
 HOURLY EQUIPMENT COSTS FOR RAISIN PRODUCTION - 1998 BEST MANAGEMENT PRACTICES PROGRAM<sup>†‡</sup>  
 VINEYARD SIZE: 40 ACRES

Yr Description	-----COSTS PER HOUR-----							
	Actual Hours Used <sup>§</sup>	Capital Recovery	--Cash Overhead--			-----Operating-----		Total Oper.
			Insur- ance	Taxes	Repairs	Fuel & Lube		
98 50 HP 2WD Tractor	999.4	1.60	0.06	0.08	0.97	2.20	3.17	4.92
98 75 HP 2WD Tractor	999.1	2.02	0.08	0.11	1.22	3.30	4.52	6.72
98 Air/Fan Sprayer	200.0	4.52	0.14	0.20	1.85	0.00	1.85	6.71
98 Brush Shredder 6'	250.0	1.86	0.06	0.08	1.21	0.00	1.21	3.20
98 Disc - Tandem 8'	200.0	1.62	0.05	0.07	0.64	0.00	0.64	2.38
98 Drill Seeder 6'	120.0	1.96	0.06	0.09	0.59	0.00	0.59	2.69
98 Duster	200.0	1.02	0.03	0.04	0.42	0.00	0.42	1.52
98 Flail Mower 6'	200.0	1.43	0.04	0.06	1.63	0.00	1.63	3.17
98 French Plow	200.0	1.79	0.06	0.08	0.98	0.00	0.98	2.91
98 Pick up - 1/2 ton	295.0	4.94	0.16	0.23	1.19	2.63	3.82	9.16
98 Shaker & Bin Dumper	200.0	5.23	0.16	0.23	0.00	0.00	0.00	5.62
98 3 Pt Sprayer 100 gal	150.0	1.42	0.04	0.06	0.70	0.00	0.70	2.23
98 Terracer	200.0	1.00	0.03	0.04	0.28	0.00	0.28	1.35
98 Trailer #1	250.0	0.38	0.01	0.02	0.19	0.00	0.19	0.61
98 Trailer #2	250.0	0.38	0.01	0.02	0.19	0.00	0.19	0.61

<sup>†</sup> The Raisin Best Management Practices Program is an innovative partnership with Sun-Maid Growers, The Pew Charitable Trusts, and Fresno Pacific University and is available for all California raisin growers.

<sup>‡</sup> Calculation differences in categories due to rounding.

<sup>§</sup> Actual hours used equals hours for raisins and other enterprises.

Table 6.

U.C. COOPERATIVE EXTENSION  
RANGING ANALYSIS FOR RAISIN PRODUCTION - BEST MANAGEMENT PRACTICES PROGRAM<sup>†</sup>  
VINEYARD SIZE: 40 ACRES

	COSTS PER ACRE AT VARYING YIELDS TO PRODUCE RAISINS <sup>‡</sup>						
	YIELD (TONS/ACRE)						
	1.5	1.6	1.8	2.0	2.2	2.5	2.8
<b>OPERATING COSTS/ACRE:</b>							
Cultural Cost	555	555	555	555	555	555	555
Harvest Cost	310	331	372	413	455	517	579
Interest on operating capital	32	32	33	33	34	34	35
<b>TOTAL OPERATING COSTS/ACRE</b>	<b>897</b>	<b>918</b>	<b>960</b>	<b>1,001</b>	<b>1,043</b>	<b>1,106</b>	<b>1,168</b>
<b>TOTAL OPERATING COSTS/TON</b>	<b>598</b>	<b>574</b>	<b>533</b>	<b>501</b>	<b>474</b>	<b>442</b>	<b>417</b>
<b>CASH OVERHEAD COSTS/ACRE</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>
<b>TOTAL CASH COSTS/ACRE</b>	<b>1,116</b>	<b>1,137</b>	<b>1,179</b>	<b>1,220</b>	<b>1,262</b>	<b>1,325</b>	<b>1,387</b>
<b>TOTAL CASH COSTS/TON</b>	<b>744</b>	<b>711</b>	<b>655</b>	<b>610</b>	<b>574</b>	<b>530</b>	<b>495</b>
<b>CAPITAL RECOVERY COSTS/ACRE</b>	<b>708</b>	<b>708</b>	<b>708</b>	<b>709</b>	<b>710</b>	<b>710</b>	<b>711</b>
<b>TOTAL COSTS/ACRE</b>	<b>1,824</b>	<b>1,845</b>	<b>1,887</b>	<b>1,929</b>	<b>1,972</b>	<b>2,035</b>	<b>2,098</b>
<b>TOTAL COSTS/TON</b>	<b>1,216</b>	<b>1,153</b>	<b>1,048</b>	<b>965</b>	<b>896</b>	<b>814</b>	<b>749</b>

NET RETURNS PER ACRE ABOVE OPERATING COSTS FOR RAISINS

PRICE (DOLLARS/TON)	YIELD (TONS/ACRE)						
	1.5	1.6	1.8	2.0	2.2	2.5	2.8
Raisins							
800	303	362	480	599	717	894	1,072
900	453	522	660	799	937	1,144	1,352
1,000	603	682	840	999	1,157	1,394	1,632
1,184	879	976	1,172	1,367	1,562	1,854	2,147
1,200	903	1,002	1,200	1,399	1,597	1,894	2,192

NET RETURNS PER ACRE ABOVE CASH COSTS FOR RAISINS

PRICE (DOLLARS/TON)	YIELD (TONS/ACRE)						
	1.5	1.6	1.8	2.0	2.2	2.5	2.8
Raisins							
800	84	143	261	380	498	675	853
900	234	303	441	580	718	925	1,133
1,000	384	463	621	780	938	1,175	1,413
1,184	660	757	953	1,148	1,343	1,635	1,928
1,200	684	783	981	1,180	1,378	1,675	1,973

NET RETURNS PER ACRE ABOVE TOTAL COSTS FOR RAISINS

PRICE (DOLLARS/TON)	YIELD (TONS/ACRE)						
	1.5	1.6	1.8	2.0	2.2	2.5	2.8
Raisins							
800	-624	-565	-447	-329	-212	-35	142
900	-474	-405	-267	-129	8	215	422
1,000	-324	-245	-87	71	228	465	702
1,184	-48	50	244	439	633	925	1,217
1,200	-24	75	273	471	668	965	1,262

<sup>†</sup> The Raisin Best Management Practices Program is an innovative partnership with Sun-Maid Growers, The Pew Charitable Trusts, and Fresno Pacific University and is available for all California raisin growers.  
<sup>‡</sup> Calculation differences in categories due to rounding.

Table 7.

U.C. COOPERATIVE EXTENSION  
 COSTS AND RETURNS / BREAKEVEN ANALYSIS FOR RAISIN PRODUCTION  
 1998 BEST MANAGEMENT PRACTICES PROGRAM<sup>†</sup> - VINEYARD SIZE: 40 ACRES

COSTS AND RETURNS - PER ACRE BASIS

Crop	1. Gross Returns	2. Operating Costs	3. Net Returns Above Oper. Costs (1-2)	4. Cash Costs	5. Net Returns Above Cash Costs (1-4)	6. Total Costs	7. Net Returns Above Total Costs (1-6)
Raisins	2,368	1,001	1,367	1,220	1,148	1,929	439

COSTS AND RETURNS - TOTAL ACREAGE

Crop	1. Gross Returns	2. Operating Costs	3. Net Returns Above Oper. Costs (1-2)	4. Cash Costs	5. Net Returns Above Cash Costs (1-4)	6. Total Costs	7. Net Returns Above Total Costs (1-6)
Raisins	94,720	40,054	54,666	48,816	45,904	77,178	17,542

BREAKEVEN PRICES PER YIELD UNIT

CROP	Base Yield (Units/Acre)	Yield Units	Operating Costs	Breakeven Price To Cover Cash Costs	Total Costs
				-----\$ per Yield Unit-----	
Raisins	2.0	ton	501	610	965

BREAKEVEN YIELDS PER ACRE

CROP	Yield Units	Base Price (\$/Unit)	Operating Costs	Breakeven Yield To Cover Cash Costs	Total Costs
				-----Yield Units/Acre-----	
Raisins	ton	1,184	0.8	1.0	1.6

<sup>†</sup> The Raisin Best Management Practices Program is an innovative partnership with Sun-Maid Growers, The Pew Charitable Trusts, and Fresno Pacific University and is available for all California raisin growers.