

*as read*

SAMPLE INPUTS AND COSTS FOR PRUNES IN SAN BENITO COUNTY

With a Yield of 2.2 Tons of Dried Fruit per Acre

Investment overhead based on a 40 acre orchard with 20 acres of prunes

|                                                                             | Hours per acre |                  |             | Cost per acre | Cost per ton    |
|-----------------------------------------------------------------------------|----------------|------------------|-------------|---------------|-----------------|
|                                                                             | Man labor      | 30 hp. tractor   | 2-ton truck |               |                 |
| Pruning, average annual at 50¢ per tree                                     | 30.0           |                  |             | \$ 35.50      |                 |
| Brush disposal, large wood only                                             | 2.0            |                  | 1.0         | 4.25          |                 |
| Spraying, 3 times, plus borer spray                                         | 3.5            | 2.0              | (1.5 sp)    | 10.33         |                 |
| Cultivation & furrowing or checking                                         | 6.5            | 6.5              |             | 17.73         |                 |
| Irrigation 3 times                                                          | 18.0           |                  |             | 22.50         |                 |
| Miscel. cover crop, etc.                                                    | 6.0            | 0.5              | 1.0         | 9.55          |                 |
| <b>Total cultural labor &amp; field power</b>                               | <b>66.0</b>    | <b>9.0</b>       | <b>2.0</b>  | <b>99.86</b>  | <b>\$ 45.39</b> |
| Propping, bracing, etc.                                                     | 3.0            |                  | 1.0         | 5.25          | 2.39            |
| Picking & shaking, 5.5 fr. tons @ \$11.00                                   | 55.0           |                  |             | 60.50         | 27.50           |
| Supervision, hauling & misc. harvest                                        | 8.0            | (2.0 f)          | 2.0         | 16.00         | 7.27            |
| Dehydrating 5.5 tons at \$14                                                |                |                  |             | 77.00         | 35.00           |
| Hauling dehydrator to market                                                | 2.0            |                  | 1.0         | 4.50          | 2.05            |
| <b>Total harvesting &amp; fruit handling</b>                                | <b>68.0</b>    | <b>(2.0 f)</b>   | <b>4.0</b>  | <b>163.25</b> | <b>74.21</b>    |
| <b>Total labor and field power</b>                                          | <b>134.0</b>   | <b>9.0</b>       | <b>6.0</b>  | <b>263.11</b> | <b>119.60</b>   |
| Irrigation, power to pump 16 acre inches 100' lift                          |                |                  |             | 5.75          |                 |
| Spray materials, fungicides & insecticides                                  |                |                  |             | 22.00         |                 |
| Miscel. materials, cover crop seed, etc.                                    |                |                  |             | 5.00          |                 |
| <b>Total material costs</b>                                                 |                |                  |             | <b>32.75</b>  | <b>14.88</b>    |
| <b>Total labor &amp; material costs</b>                                     |                |                  |             | <b>295.86</b> | <b>134.48</b>   |
| General expense, office, car, etc., estimated at 5% of above                |                |                  |             | 14.79         |                 |
| County taxes, land & trees \$450, eqt. \$80 at 4.25%                        |                |                  |             | 22.53         |                 |
| Repairs other than included in above rates                                  |                |                  |             | 5.00          |                 |
| Insurance, compensation \$4.00, other - soc. sec., liab. & fire \$1         |                |                  |             | 5.00          |                 |
| <b>Total cash overhead costs</b>                                            |                |                  |             | <b>47.32</b>  | <b>21.51</b>    |
| <b>Total cash costs</b>                                                     |                |                  |             | <b>343.18</b> | <b>155.99</b>   |
| Investment overhead based on a 40-acre orchard unit with 20 acres of prunes | Original cost  | Aver. value      | 6% int.     | Depreciation  |                 |
|                                                                             |                | Dollars per acre |             |               |                 |
| Trees-cost \$600, 40 yr. life                                               | \$24,000       | 300.00           | 18.00       | 15.00         |                 |
| Building for equipment                                                      | 2,000          | 25.00            | 1.50        | 1.70          |                 |
| Irrigation system                                                           | 7,000          | 87.50            | 5.25        | 8.75          |                 |
| Tillage equipment                                                           | 2,000          | 25.00            | 1.50        | 3.00          |                 |
| Tractor, pickup, forklift, truck                                            | 14,000         | 175.00           | 10.50       | 24.00         |                 |
| Sprayer                                                                     | 6,000          | 75.00            | 4.50        | 10.00         |                 |
| Miscel. ladders, lugs, props, etc.                                          | 4,000          | 50.00            | 3.00        | 5.00          |                 |
| Land                                                                        | 40,000         | 1000.00          | 60.00       |               |                 |
| <b>Total investment &amp; deprec.</b>                                       | <b>99,000</b>  | <b>1737.50</b>   |             | <b>67.45</b>  | <b>30.66</b>    |
| <b>Total cash &amp; depreciation costs</b>                                  |                |                  |             | <b>410.63</b> | <b>186.65</b>   |
| Interest on investment at 6%                                                |                |                  | 104.25      | 104.25        | 47.39           |
| <b>Total all costs except management</b>                                    |                |                  |             | <b>514.88</b> | <b>234.04</b>   |

Labor costs above are figured at the following hourly rates: skilled labor \$1.25, other labor \$1.00, 30 hp. crawler tractor \$1.60, fork lift \$1.00, air carrier sprayer \$1.50, and 2-ton truck \$2.00. These equipment rates are cash costs only, for fuel, oil, repairs and insurance and license in case of the truck. Average value of items that depreciate is assumed at half of the original cost to approximate average book or remaining value over the years of useful life.

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PRUNE PRODUCTION IN SAN BENITO COUNTY

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Prune production is an important industry in San Benito County. The total acreage is 3,320 acres. According to the Agricultural Commissioner's Report of 1960, the prune crop grossed \$1,781,180 from 2,982 bearing acres. French prunes are the major variety, followed by a much smaller acreage of Imperials.

Requirements:

A medium textured soil, having a depth of at least five to six feet, is the most suitable for prune production. Heavy adobe, or soils underlain with clay, are not satisfactory. Abundant water of good quality is required for irrigation, since this fruit cannot be produced with profit in this area without irrigation.

Size of business:

The equipment needed in an orchard will often serve more acres than one operated by a single grower. The smallest orchard that could justify owning all the equipment needed would be at least 40 acres. Investment overhead costs on the reverse side of this sheet are based on this total acreage with 20 acres of prunes. The additional acreage may be in apricots, walnuts or pears. Outside custom work also offers opportunities to reduce the equipment overhead. Orchardists with smaller acreages would probably arrange to hire some of the work done in preference to owning expensive equipment. Older used equipment is often available.

Yield is important to profit. With costs per acre about the same prior to harvest, the higher the yield the lower the total cost per ton. We used 2.2 tons per acre as the yield in the detailed schedule on the other side of the sheet. With the same growing and overhead costs per acre we show below the costs for five different yields.

COSTS PER ACRE AND PER TON WITH VARYING YIELDS PER ACRE

| Yield, dry tons per acre                  | 1.5      | 2.0      | 2.5      | 3.0      | 4.0      |
|-------------------------------------------|----------|----------|----------|----------|----------|
| Cost per acre except propping and harvest | \$343.47 | \$343.47 | \$343.47 | \$343.47 | \$343.47 |
| Fruit handling at \$77.92 per ton*        | 116.88   | 155.84   | 194.80   | 233.76   | 311.68   |
| Total cost per acre                       | 460.35   | 499.31   | 538.27   | 577.23   | 655.15   |
| Total cost per ton                        | 306.90   | 249.66   | 215.31   | 192.41   | 163.79   |

\* Includes 5% general expense