

AV-SC-70-1

# SAMPLE COSTS TO PRODUCE

# AVOCADOS

1970

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SAMPLE COSTS TO PRODUCE AVOCADOS

San Diego County <sup>a/</sup>

CULTURAL OPERATIONS	COSTS PER ACRE		
	Labor Cost <sup>c/</sup>	Materials and Equipment Item	Total Cost/Acre
Fertilizer - 2 times <sup>b/</sup>	\$ 12	Actual N - 150 lbs./acre	\$ 20
Irrigation - 36 times	90	Water - 3½ acre ft./acre @ \$60	210
Pest control - ants, gophers, snails	6	Baits, poisons & predators	5
Weed control - spot spraying and mowing	10	Oil	6
Pruning (skirt, deadwood) and orchard thinning <sup>d/</sup>	40	Chain saw and brush disposal	7
Miscellaneous - tree care, erosion control, supplies	30	Supplies and tools	10
<b>Total Cultural Costs</b>	<b>\$188</b>		<b>\$258</b>
			<b>\$446</b>

INVESTMENT SCHEDULE

Item	Expected Life	Investment per Acre	Depreciation per Acre
Trees (100/acre)	20 years	\$5,361	\$268
Irrigation system	10 years	650	65
Pickup	5 years	125	25
Buildings	20 years	50	3
Weed sprayer, mower, hand tools	10 years	310	31
<b>TOTAL</b>		<b>\$6,496</b>	<b>\$392</b>

OVERHEAD COSTS

Taxes	\$ 100
Maintenance and repairs	25
General expenses	44
Management charge (\$5/acre/mo.)	60
<b>Total Cash Overhead Costs</b>	<b>\$ 229</b>
<b>TOTAL PREHARVEST CASH COSTS</b>	<b>\$ 675</b>
Depreciation	392
<b>TOTAL CASH AND DEPRECIATION</b>	<b>\$1,067</b>
Interest on Investment <sup>e/</sup>	437
<b>TOTAL PREHARVEST COSTS <sup>f/</sup></b>	<b>\$1,504</b>

Footnotes - see back page

## FOOTNOTES

- a/ Sample costs in this report are based on a typical commercial 10-acre avocado orchard, Fuerte variety, 10- to 12-year-old trees, 100 trees per acre, and permanent plastic irrigation system. Costs will vary from orchard to orchard and from district to district. The purpose of these sample costs is to serve as a guide for cost estimation.
- b/ Zinc may be needed. This may be applied to leaves by aerial or ground spraying, or applied on the ground. Phosphate and potassium may be applied periodically, but not regularly like nitrogen. Includes leaf analysis.
- c/ Wage rate: \$2.25/hr. base wage plus 15% fringe benefits = \$2.59 (rounded to \$2.50).
- d/ Tree removal between 10 to 15 years @ \$8 per tree.
- e/ Interest on investment charged at rate of 7% on assumed land value of \$3,000 per acre plus half life value on trees, equipment, and building.
- f/ Harvest costs, assessments, and yield.

Harvest costs vary from  $1\frac{1}{2}$  to 3¢ per pound depending on tree size, size of crop, terrain, etc. A  $4\frac{1}{2}\%$  assessment is made on the value of crop at roadside after harvesting. This money is used for industry advertising and sales promotion. Yield per acre varies by different varieties, locations, cultural practices, type of tree and climatic conditions from year to year. Average good commercial yields per acre should range from 6,000 pounds to 10,000 for Fuerte and 7,000 to 12,000 for Hass.

Prepared by: C. D. Gustafson, Farm Advisor, San Diego County, in cooperation with Robert C. Rock, Extension Economist, University of California, Riverside, and avocado growers of San Diego County.