



SAMPLE PRODUCTION COSTS
FOR
SAN BERNARDINO COUNTY
1958

Prepared By
Richard E. Puffer
Farm Advisor
and
H. Fisk Phelps
Extension Economist, Farm Management
Agricultural Extension Service
University of California

SAMPLE COSTS TO PRODUCE LEMONS

San Bernadino County - 1958

Based on a 10-acre owner operation, 90 trees/acre, 30 year old trees, furrow irrigated, yield of 400 field boxes per acre, labor \$1.50 per hour or by contract.

Operation	Labor and Equipment	Materials		Total Cost Per Acre	Costs Per Field Box
		Kind	Cost		
Fertilize	\$ 2.00	2 lbs. actual N/tree (1 lb. from calcium nitrate, 1 lb. from NH ₃)	\$28.00	\$30.00	
Irrigate - 15 times	26.00	Water - 45 acre inches	56.00	82.00	
Pest Control - 2 treatments		Contract		55.00	
Other Pests (Gophers)	3.00			3.00	
Frost Protection (Heaters)		(Labor and Oil)		38.00	
Cultivation and Weed Control		Contract		25.00	
Remove and Plant Trees	3.00	1 tree	3.00	6.00	
Pruning and Brush Disposal		Contract		50.00	
Miscellaneous	10.00			10.00	
TOTAL CULTURAL COSTS				\$299.00	\$.75
Pick - 400 field boxes @ 60¢ per field box				\$240.00	
Haul - 400 field boxes @ 6¢ per field box				24.00	
TOTAL HARVEST COSTS				\$264.00	\$.66
	Investment	Depreciation	Interest*	Taxes (grove inside city limits)	\$ 77.00
	Per Acre	Per Acre	Per Acre	Insurance	6.00
Land	\$3600.00	\$ - -	\$180.00	Maintenance, Repairs and Nuisance Damage	20.00
Trees - 30 years	900.00	30.00	22.50	General Expense	40.00
Irrigation System - 20 years	200.00	10.00	5.00		
Heaters & Oil Tank - 20 years	225.00	11.25	5.65		
Sprayer & Misc. - 10 years	55.00	5.50	1.35		
	\$4980.00	\$56.75	\$214.50	CASH OVERHEAD	\$143.00
				TOTAL CASH COSTS	706.00
				Depreciation	\$ 56.75
				Interest on Investment	214.50
				NON-CASH OVERHEAD	\$271.25
				TOTAL ALL COSTS	\$977.25

*Land @ 5%; irrigation system, heaters, sprayer and pickup 1/2 value @ 5%.

A special note to lemon growers — many lemon growers are caught in a squeeze between rising costs of production and low returns for their fruit. To meet this problem it is necessary to maintain or increase yields while producing a better quality fruit, and at the same time cut the cost of production. Many returns were lower than average last year due to thrip damage, fruit scarring, and small sizes. Insects must be controlled to maintain tree vigor and to improve fruit quality, so this cost cannot be materially reduced. The only practical means of improving yields and fruit sizes and possibly to reduce scarring is to maintain an annual pruning program. In looking over the cost data sheet the only large cost item that could be materially reduced is pruning. Because pruning is so essential, it cannot be eliminated; however, by changing over to mechanical methods of pruning, costs can be reduced by approximately 40 per cent. Shown below is a table that emphasizes the importance of maintaining high yields.

Yield — Field Boxes per Acre	250	300	350	400	450	500	550	600	700	800	900
Cultural Costs per Field Box*	\$ 1.77	1.47	1.26	1.11	.98	.88	.80	.74	.63	.55	.49
Income above Cultural Costs per Field Box**	\$ -.52	-.22	-.01	.14	.27	.37	.45	.51	.62	.70	.76
Income per Acre Above Cultural Costs	\$-130.00	-66.00	-3.50	56.00	121.50	185.00	247.50	306.00	434.00	560.00	684.00

* Total on tree cash costs \$442.00 per acre. Depreciation and interest on investment not included.

** A figure of \$1.25 per field box on tree was used for income

If total on tree costs, including depreciation and interest on investment, were used, with an income of \$1.25 per box, it would take approximately 570 field boxes per acre to break even.

The sample costs in this data sheet were revised from the previous year's data sheet by contacting a number of growers. The growers decided that the costs in this data sheet would be the average costs for a well cared for typical lemon orchard in the Upland-Alta Loma area of San Bernardino County.

Costs are for the 1958 calendar year. The yields and various costs in the growing of lemons in San Bernardino County vary considerably. Yields were slightly lower than last year's record crop. The average was equal to a normal crop.

IN SUMMARY

	Per Acre	Per Field Box	Your Cost	
			Per Acre	Per Field Box
Cultural Costs	\$299.00	\$.75		
Cash Overhead	143.00	.36		
TOTAL ON TREE CASH COSTS	442.00	1.11		
Harvesting Costs	264.00	.66		
TOTAL ALL CASH COSTS	706.00	1.77		
Depreciation	56.75	.14		
Interest on Investment	214.50	.54		
TOTAL NON-CASH OVERHEAD	271.25	.68		
TOTAL ALL COSTS	977.25	2.44		