

SAMPLE COSTS TO ESTABLISH AN AVOCADO GROVE IN
SAN LUIS OBISPO COUNTY - 1968

by
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YIELD: POUNDS PER ACRE	COSTS PER ACRE				
	1st Year	2nd Year	3rd Year	4th Year	5th Year
	Harvest starts in the 4th year				
PRE-HARVEST CASH COSTS					
Land clearing, brush & tree removal: range \$10 to \$350	170.00				
Trees: 125 @ \$3.00	375.00				
Layout, plant, irrigate & wrap trees	50.00				
Replant second year		10.00			
Irrigation (sprinkler) labor	19.25	26.25	26.25	26.25	26.25
Water: @ \$20/ac ft	6.50	19.50	33.00	48.00	60.00
Weed control by chemicals	21.00	17.50	15.00	12.50	10.00
Fertilizer (injected in water)	4.00	13.00	22.00	31.00	40.00
Pest control: materials & application	6.00	6.00	5.00	5.00	5.00
Pruning	5.25	5.25	5.25	5.25	5.25
Frost protection: Wind machine	65.00	65.00	65.00	65.00	65.00
Oil, labor for heaters @ 15/ac average	53.00	53.00	53.00	53.00	53.00
Rodent control	15.00	15.00	15.00	15.00	15.00
Taxes (estimate)	27.00	27.00	27.00	27.00	65.00
Repairs, except tractor	40.00	40.00	40.00	40.00	40.00
Misc. labor and materials	5.00	5.00	10.00	15.00	25.00
Office, car, business expense	51.70	18.15	19.00	20.58	24.57
Management	33.00	33.00	33.00	33.00	33.00
Total Pre-Harvest Cash Costs	\$ 946.70	\$ 353.65	\$ 368.50	\$ 396.58	\$ 467.07
HARVESTING COST					
Picking and hauling	Costs are deducted from gross value of fruit				
Total Harvesting Costs	\$ 0.00	\$ 0.00	\$ 0.00		
Total Cash Costs	\$ 946.70	\$ 353.65	\$ 368.50	\$ 396.58	
DEPRECIATION					
Pump, panel, wall: \$200, 10-year life	20.00	20.00	20.00	20.00	20.00
Irrig. system: \$190, 15-year life	12.67	12.67	12.67	12.67	12.67
Wind machine: \$540, 15-year life	36.00	36.00	36.00	36.00	36.00
Tractors	5.00	3.50	3.50	5.00	5.00
Heaters, spray rig etc: \$38 10-yr. life	3.80	3.80	3.80	3.80	3.80
Total Depreciation	\$ 77.47	\$ 75.97	\$ 75.97	\$ 77.47	\$ 77.47
INTEREST ON INVESTMENT @ 7%					
Pump, panel, wall: 1/2 cost \$100	7.00	7.00	7.00	7.00	7.00
Irrigation system: 1/2 cost \$95	6.65	6.65	6.65	6.65	6.65
Wind machine: 1/2 cost \$270	18.90	18.90	18.90	18.90	18.90
Tractor:	1.25	.85	.85	1.25	1.25
Heaters, spray rig, etc: 1/2 cost \$19	1.33	1.33	1.33	1.33	1.33
Land: \$1,000	70.00	70.00	70.00	70.00	70.00
Interest on accumulated costs	0.00	79.05	121.99	168.97	217.84
Total Interest on Investment	\$ 105.13	\$ 183.78	\$ 226.72	\$ 274.10	\$ 322.97
Total Cost for the Year	\$1,129.30	\$ 613.40	\$ 671.19	\$ 748.15	\$ 867.51
Credit for fruit (net value)	00.00	00.00	00.00	50.00	100.00
TOTAL COST FOR THE YEAR	\$1,129.30	\$ 613.40	\$ 671.19	\$ 698.15	\$ 767.51
ACCUMULATED NET COST	\$1,129.30	\$1,742.70	\$2,413.89	\$3,112.04	\$3,879.55

Based on planting of 125 trees/acre. Small crawler tractor and light wheel tractor per hour cash costs \$1.50 and 90¢, depreciation 80¢ and 40¢ and interest 40¢ and 20¢. Man labor per hour total \$1.75 and equipment operator \$1.95. These costs assume hired management.