

Grapes

Cost Analysis Work Sheet
 THOMPSON SEEDLESS FOR TABLE USE
 Cost of Establishing a Vineyard - 1962

	Costs per Acre		
	1st Year	2nd Year	3rd Year
Yield - tons (fresh)			5.0
<u>PRE-HARVEST CASH AND LABOR COST</u>			
Land prep. - chisel, disc twice, float, etc. (contract)	\$ 20.00	\$	\$
Survey & peg - 5 M-hrs., \$6; 413 pegs, \$2.07	8.07		
Planting @ 3.5 cts., including trimming	14.46	1.20	
Rootings - 413 (+ 10 2nd yr.) @ 7.5 cts.	30.98	.75	
Stake & set end posts - \$19.96 + distrib. stakes \$3.60		23.56	
Stakes - 413, 6 ft. @ 27 cts. (treated)		111.51	
End Posts - 11 @ \$1.25 (treated)		13.75	
String one wire and staple 2nd yr.; 3 more in 3d yr.		3.16	9.48
Wire - 100 lbs. 2d yr., 300 lbs. 3d yr. @ \$14.48		14.48	43.44
Attaching crossarms and braces - 24 M-hrs.			28.80
Crossarms - 3 ft. @ 6 cts., braces @ 1.8 cts. + staples, nails and wire			35.00
Training & suckering (M-hrs. 2d yr., 17; 3d, 5)		20.40	6.00
Prune and tie (M-hrs. 2nd yr., 2.5; 3d, 10)		3.00	12.00
Rabbit control	5.00	5.00	
Irrigation labor - 8 M-hrs.	9.60	9.60	9.60
Water - 3½ A. ft., power and/or irrig. dist. tax	25.00	30.00	35.00
Tillage, irrig. prep. and hoe - 10 M-hrs. + 4 TR-hrs.	17.20	17.20	17.20
Fertilizer application - 1 M-hr. + .5 TR-hr.		1.85	1.85
Fertilizer (dry) - 25 lbs N (2nd yr.), 40 lbs. N (3d yr.)		2.38	3.80
Pest & disease control - 6 X, 1.5 M-hrs. + 1.5 TR-hrs.			4.50
Pest and disease control material			13.75
Misc. labor and material, including twine	3.50	6.50	7.00
County taxes	10.00	10.00	14.00
Office, car, interest on operating capital, etc. (5% cash and labor costs)	7.44	13.97	15.32
Repairs, except tractor	5.00	5.00	5.00
TOTAL PRE-HARVEST CASH AND LABOR COST	\$156.25	\$293.31	\$261.74
<u>HARVESTING COST</u>			
Pick and haul @ \$12/ton 3d yr.			\$ 60.00
TOTAL CASH AND LABOR COST	\$156.25	\$293.31	\$321.74
<u>DEPRECIATION</u>			
Irrigation facilities \$200.00 @ 10 yrs. + \$160.00 at 20 yrs. life	\$ 28.00	\$ 28.00	\$ 28.00
Buildings and Equipment, except tractor (\$100 cost)	7.50	7.50	7.50
Tractor @ 48 cts./hr. (1st yr., 4; 2d, 4.5; 3d, 6)	1.92	2.16	2.88
TOTAL DEPRECIATION	\$ 37.42	\$ 37.66	\$ 38.38
TOTAL CASH AND DEPRECIATION COST	\$193.67	\$330.97	\$360.12

(over)

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	1st year	2nd year	3rd year
<u>INTEREST ON INVESTMENT @ 6%</u>			
Irrigation facilities - on $\frac{1}{2}$ cost (\$180.00)	\$ 10.80	\$ 10.80	\$ 10.80
Buildings and equipment, except tractor - on $\frac{1}{2}$ cost (\$50)	3.00	3.00	3.00
Tractor @ 22 cts./hr. (1st yr., 4; 2d, 4.5; 3d, 6)	.88	.99	1.32
Land @ \$800	48.00	48.00	48.00
Interest on accumulated costs		15.38	39.93
<u>TOTAL INTEREST ON INVESTMENT</u>	\$ 62.68	\$ 78.17	\$103.05
<u>TOTAL COST FOR YEAR</u>	\$256.35	\$409.14	\$463.17
CREDIT FOR FRUIT @ \$43.68/ton* 3d yr.			\$218.40
<u>NET COST FOR YEAR</u>	\$256.35	\$409.14	\$244.77
<u>TOTAL ACCUMULATED COST</u>	\$256.35	\$665.49	\$910.26

* 1956-60 5-year average price \$43.68 per ton for crushing.

Based on man labor @ \$1.20 and \$1.40 per hour (includes workmen's compensation, social security, and other benefits); medium wheel tractor per hour, cash cost \$1.10, depreciation 48 cents; interest 22 cents.

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ABOUT THIS SHEET

This cost of establishment sheet has been specifically designed for Kern County conditions. Other sample costs include: Thompson Seedless for Raisins or Wine, Emperors and Standard Wine Varieties. These input and cost data are to be used only as guides in determining the costs of establishing a vineyard. They are not intended to represent industry averages. The vineyard is considered to be in production at the end of the third growing season.

Land Preparation -- The cost of leveling land for irrigation was included in the land value. Subsoiling, fumigation or re-leveling costs would be additional.

Rootings -- Cost is based upon planting rooted cuttings. When cuttings are planted directly in the field the over-all cost is sometimes less than the cost of rootings, planting and replanting. If resistant rootstocks are used, the over-all cost would probably be \$75-\$100 more per acre.

Irrigation -- Sample costs for irrigation labor and water costs are based on a pumping system with pipeline. Deep wells with lifts of 400-600 feet are not uncommon in Kern County; consequently, there is a larger investment in the pumping system and increased power costs in Kern County than in other areas. Labor cost per acre is affected by the number of irrigations, quantity applied and size of head. Large heads of water may lower the labor costs. When all or part of the water is from an irrigation district, the investment overhead costs of depreciation and interest on irrigation facilities are normally lower.

Pest and Disease Control -- Dusting and spraying costs may vary considerably from year to year and from grower to grower. Control measures required also can vary from vineyard to vineyard. The sample costs shown on this sheet are considered to be average. Some growers may spend considerably more while others less.