

Walnut Production Costs in Western Merced County



Spring 1962

UC Cooperative Extension

COST ANALYSIS WORKSHEET

SAMPLE COST OF WALNUT PRODUCTION IN
WESTERN MERCED COUNTY-1961

FALL-1961

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Assumed yield is 2000 lbs. per acre. Hand laborers \$1.25 per hour, machinery operators \$1.40 per hour. Medium wheel tractor per hour cash cost \$1.00, depreciation \$.41, interest \$.19. Orchard furrow irrigated.

<u>Pre-Harvest Cash Costs:</u>	<u>Sample Costs</u>		<u>Your Cost</u>	
	<u>Per Acre</u>	<u>Per CWT</u>	<u>Per Acre</u>	<u>Per CWT</u>
Pruning: 10 man hours @ \$1.25	\$ 12.50			
Brush Disposal: 4 man and 1 tractor hours	6.00			
Fertilizer: 350# N @ 13¢ applied	19.50			
Spray application: 3 times @ 200 gal/acre contract price 2¢/gallon	12.00			
Spray material: 3 sprays	40.00			
Tillage and Harvest Preparation - 8 man + 8 tractor hrs.	19.20			
Irrigate 5 times - 5 man hours	6.25			
Water: canal, gravity flow				
CCID Tax	2.15			
Water, 4 acre feet @ \$2.00/acre foot	8.00			
Misc. Labor: 4 man + 1 tractor hours	6.00			
Misc. Material	5.00			
Office, car, int. on operating capital, etc. (5% cash costs)	7.69			
Repairs, except tractor	5.00			
County Taxes @ 5.30/\$100	12.19			
Total Pre-harvest Cash and Labor Cost	\$ 161.48	\$8.07		

Harvesting Costs:

Shaking: Contract	\$ 30.00	\$1.50
Picking: Contract	30.00	1.50
Hulling and Dehydrating: Contract	30.00	1.50
Haul: Contract	5.00	.25
Total Harvesting Costs	\$ 95.00	\$4.75

	Sample Costs		Your Cost	
	Per Acre	Per CWT	Per Acre	Per CWT
Total Cash and Labor Costs	\$ 256.48	\$ 12.82		

Depreciation:

Trees: Cost, \$1200.00 - 40 yrs. life	30.00			
Irrigation System: \$100 cost-25 yr.life	4.00			
Buildings and Equipment, except tractor: \$90 - 15 yr. life	6.00			
Tractor: 10 hours @ \$.41	4.10			
Total Depreciation	\$ 44.10	\$ 2.21		
Total Cash Costs and Depreciation	\$ 300.58	\$ 15.03		

Interest on Investment @ 6%

Buildings and Equipment except tractor 1/2 cost	2.70			
Trees: 1/2 cost	36.00			
Irrigation System: 1/2 cost	3.00			
Tractor: 10 hours @ \$.19	1.90			

Land @ \$1000/acre	60.00			
Total Interest on Investment	\$ 103.60	\$ 5.18		
TOTAL COST OF PRODUCTION	\$ 404.18	\$ 20.21		

Cost Per Hundredweight at Varying Yields

Yield, Lbs. Per Acre	1000	1500	2000	2500	3000	3500
Total Cost Per Ton	\$713.36	\$507.25	\$404.18	\$342.34	\$301.12	\$271.67
Total Cost Per CWT	35.67	25.36	20.21	17.12	15.05	13.58
Total Cost Per Acre	\$356.68	\$380.43	\$404.18	\$427.93	\$451.68	\$475.43

Gross Income per acre at varying average prices per CWT:

Price per CWT	1000	1500	2000	2500	3000	3500
\$30.00	\$300.00	\$450.00	\$600.00	\$750.00	\$900.00	\$1050.00
28.00	280.00	420.00	560.00	700.00	840.00	980.00
26.00	260.00	390.00	520.00	650.00	780.00	910.00
24.00	240.00	360.00	480.00	600.00	720.00	840.00
22.00	220.00	330.00	440.00	550.00	660.00	770.00
20.00	200.00	300.00	400.00	500.00	600.00	700.00
18.00	180.00	270.00	360.00	450.00	540.00	630.00

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This cost study was designed to give an idea of the costs involved in a typical orchard operation in Western Merced County. These costs of walnut production should not be thought of as county averages; they are not. These costs represent those that a good grower, on land well suited to orchard production, will incur.

The yield of one ton per acre is well above ~~the county average, but this yield is a practical~~ minimum for profitable walnut production.

It is not expected that your costs will be the same as those presented in this publication. You may find this study most useful if you evaluate your costs by entering them opposite the listed costs.

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