

SAMPLE COSTS TO PRODUCE CHILI PEPPERS IN MONTEREY COUNTY - 1977

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YIELD: 4300 pounds per acre  
 PLANT: February-March  
 HARVEST: November-December

TOTAL LABOR COST/HOUR*		HOURLY TRACTOR COSTS			
			Cash Costs	Depreciation	Interest
Cl. I Tractor Driver	5.53	80 H.P. Crawler Diesel	7.71	3.81	2.29
Cl. II Tractor Driver	5.41	50 H.P. Wheel Diesel	2.82	1.80	0.90
Other Labor	4.55				

Operation	Tractor Used	Hours/Acre	Labor	Fuel & Repairs	Contract & Materials	Total/Acre
<u>CULTURAL</u>						
Cover crop--every 3 years, 1/3 to peppers						25.00
Disc and roll 3x	C-80	0.69	3.82	5.32		9.14
Chisel 2x	C-80	1.0	5.53	7.71		13.24
Land plane 2x	C-80	0.52	2.88	4.01	Contract @ \$4.50/Ac, 500 lbs. 12-12-12 @ \$45.00	6.89
List & preplant fertilizer						49.50
Shape beds	WD-50	0.25	1.35	0.71		2.06
Weed control					Preplant contract @ \$5.75/Ac per application & \$20.25 for materials; Post emergence contract @ \$6.35/Ac per application & \$20.60 for materials.	52.35
Prevention: nematode control (every 3 years)					Contract @ \$8.25/Ac and materials @ \$18.50 1/3 to peppers	9.00
Plant: 4-bed planter	WD-55	0.50	2.77	1.41	7.5 lbs. coated seed	26.50
Soil anti-crustant (phos. acid)					Applied at planting, 400 lbs. 0-20-0 @ .052/lb.	20.90
Irrigate 15x		24.00	109.20		3 Ac Ft @ \$7.50 Ac Ft for power, \$2.00 for booster pump	133.70
Fertilizer, sidedress 2x					Contract @ \$3.75/Ac 150 lbs. N @ 0.26/lb.	46.50
Thin		12.0	54.60			54.60
Insecticide 2x					Contract @ \$5.50/Ac, materials @ \$8.25	27.50
Cultivation 6x	WD-55	2.5	13.53	7.05		20.58
Weed		22.0	100.10			100.10
Miscellaneous		4.0	19.06	5.70		24.76

TOTAL CULTURAL COSTS	622.32
OVERHEAD	
Business costs: office and business expense, etc. @ 8% cultural costs	49.79
Taxes: equipment, except tractors	9.00
Interest: \$250.00/Acre	250.00
TOTAL OVERHEAD COSTS	308.79
TOTAL CULTURAL AND OVERHEAD COSTS	931.11
HARVEST	
4300 pounds @ .11/lb. roadside	473.00
TOTAL HARVEST COSTS	473.00
TOTAL CULTURAL, OVERHEAD AND HARVEST COSTS	1404.11

ANNUAL COSTS					
	<u>Investment</u>	<u>Per Acre</u>	<u>Depreciation</u>	<u>Interest - 8%</u>	
Buildings		50.00	2.50	4.00	
Irrig System		75.00	7.50	6.00	
Tractors		150.00	10.46	5.72	
Equipment		100.00	4.42	8.00	
		<u>375.00</u>	<u>24.88</u>	<u>23.72</u>	48.60
TOTAL COST PER ACRE					1452.71
COST PER POUND					0.338

\*Labor costs per hour include Social Security, Workmen's Compensation, unemployment, health plan, vacation plan and pension plan and holidays.

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#### SAMPLE COSTS OF PRODUCTION AT VARYING YIELDS

YIELD - POUNDS PER ACRE	4000	4300	4600	4900
Cost To Grow	931.11	931.11	931.11	931.11
Harvest Costs @ .11/lb.	440.00	473.00	506.00	539.00
Annual Costs	48.60	48.60	48.60	48.60
TOTAL COST PER ACRE	1419.71	1452.71	1485.71	1518.71
COST PER POUND	0.355	0.338	0.323	0.31

Management has not been included as a cost of production in this study. It may be as much as 5% of the farm value of the crop.