

LARODA PLUMS FOR FRESH SHIPMENT

Cost Analysis Worksheet, 1976

Sample costs to produce Laroda plums for fresh shipment in the southern San Joaquin Valley. Costs are for a mature orchard containing 108 trees per planted acre, producing 800 cartons of fruit with approximately 10% of the total crop discarded as culls. Labor costs at \$3.30 per hour and equipment operator at \$4.00 per hour. Wages include Social Security, Workmen's Compensation and insurance. Medium wheel tractor per hour cash costs at \$2.60; depreciation at \$1.65; and interest at \$.82.

	Sample Costs		My Costs	
	Per Acre	Per Carton	Per Acre	Per Carton
Pre-Harvest Cash Costs:				
Pruning: 108 trees at \$2.50		\$ 270.00		
Brush shredding: contract \$6.50 per acre		6.50		
3 hrs. labor raking brush		9.90		
Fertilize: 125 lbs. N at 30¢		37.50		
1/2 hr. labor & tractor		3.30		
Spray 2 times: materials		41.60		
Application: 2 1/2¢/gallon, 900 gallons		22.50		
Furrow 3 times: 1 1/2 hrs. labor & tractor		9.90		
Irrigate 8 times: labor 9 hrs.		29.70		
4 ft. water: power + tax \$10/ac. ft.		40.00		
Disc 3 times: 4 1/2 hrs. labor & tractor		29.70		
Weed control		15.34		
Bee rental - 2 hives		20.00		
Thin: 108 trees at \$3.30		356.40		
Taxes		60.00		
Misc. labor, materials, field power: includes				
4 hrs. labor & 1 tractor hr.		20.00		
Repairs to equipment, except tractor		17.00		
Office, insurance, capital, business expenses		100.75		
TOTAL PRE-HARVEST CASH COSTS		\$1090.09	\$1.36	
Harvest Costs:				
Pick: 800 cartons (27 lbs.) at 75¢		\$ 600.00		
Haul: 10¢ per packed carton		80.00		
Misc. 2 hrs. labor & 1 tractor hr.		9.90		
TOTAL HARVEST COSTS		\$ 689.90	\$.86	
TOTAL CASH COSTS		\$1779.99	\$2.22	
Depreciation:				
Irrigation system and well: \$300, 20 yr. life		\$ 15.00		
Bldgs. and equip., except tractor:				
\$120, 12 yr. life		10.00		
Tractor: 7 1/2 hrs. at \$1.65		12.38		
Trees: cost \$2926, 30 yr. life		97.53		
TOTAL DEPRECIATION		\$ 134.91	\$.17	
Interest on Investment @ 8%:				
Irrigation system & well: 1/2 cost, \$150.00		\$ 12.00		
Bldgs. & equip., except tractor:				
1/2 cost, \$60		4.80		
Tractor: 7 1/2 hrs. @ \$.82/hr.		6.15		
Trees: 1/2 cost, \$1463		117.04		
Land: @ \$1700/acre		136.00		
TOTAL INTEREST ON INVESTMENT		\$ 275.99	\$.35	
TOTAL COST OF PRODUCTION		\$2190.89	\$2.74	

SAMPLE COSTS AT VARYING YIELDS

Yield:	Average			Exceptional	
	8	10	12	14	16
Tons per acre					
Total cost of production per ton	\$245.44	\$207.74	\$182.57	\$164.54	\$151.09
Cash costs only:					
per 27 lb. carton	2.91	2.50	2.22	2.03	1.88
Total costs per 27 lb. carton	3.69	3.11	2.74	2.47	2.26
Packed cartons per acre	533	667	800	933	1067

ABOUT THIS SHEET

This work sheet was developed to show sample costs for a good yielding, mature orchard under southern San Joaquin Valley conditions. Specific years, areas and orchards may have different costs because of the following considerations:

1. Seasonal variations influence fruit set and quality. Consequently, differences in thinning, pest control and cullage will occur.
2. No account is made for partial or complete crop loss.
3. Interest and depreciation costs are based on present costs of establishing an orchard. Present bearing orchards were probably established at lower costs.
4. Costs per 2-layer carton are based on an average net weight of 27 lbs. Net weights vary depending on fruit size and maturity.
5. No allowance is made for cost of management, packing costs or commission charges.
6. Water costs vary in the southern San Joaquin Valley and an average cost is used in this study.
7. Packing and selling charges are not included in production costs. These costs do not vary with production levels. They must, however, be deducted from gross sale prices, as are production costs to determine net returns. Packing charges in 1975 were approximately \$1.65 per carton. Sales charges vary from 10-15% of gross sale prices. Other charges such as precooling, hydrocooling and marketing order fees must also be considered.

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