

UNIVERSITY OF CALIFORNIA
AGRICULTURAL EXTENSION SERVICE
STANISLAUS COUNTY - 1964

SAMPLE COSTS TO PRODUCE CLINGSTONE PEACHES IN STANISLAUS COUNTY IN 1963

BY

Norman W. Ross, Farm Advisor

What This Study Is

These compilations of costs of producing clingstone peaches in Stanislaus County are sample costs. These costs cover typical sets of conditions as to the size of business and includes the operations of 30 farmers with varying acreages, yields, costs and methods.

Basis of Cost Calculations

Certain assumptions must be made as to size of orchard and yield per acre. The average size of orchard of these growers was 29 bearing acres. Yield is figured at 13.3 tons per acre which was the average of the cooperating growers in this study. This represents the marketable fruit sold.

Man labor is figured at varying rates per hour depending on the work performed. Cost of tractor operation was based on a 40 H. P. tractor at \$1.25 per hour cash cost, 70¢ per hour for depreciation and 25¢ per hour interest on the investment.

Certain work such as pruning, thinning and harvesting are generally on a piecework basis. Brush disposal is included as a tillage operation except for large limbs.

It should be pointed out that no allowance is made for management cost. Growers, generally, must receive more than the total cost of production per ton for their fruit, excluding management, to make a living.

What This Study Is Not

The results of this study is not the average cost of producing clingstone peaches in Stanislaus County. Such a cost would have to involve all growers in the county. A county average cost would not serve to assist a grower who desires to improve his operation cost-wise.

How These Sample Costs May Be Useful To You

It is suggested that you set up a similar set of costs for your operation opposite the various costs listed here. As a result you can compare your costs with these as a guide. In operations where your costs exceed those of the study, there may be adjustments that you can make to reduce your costs. Should your yield per acre be less with correspondingly higher costs, look for places in your operation that influence tonnage such as pruning, fertilization, irrigation procedure, bearing surface, thinning practice, and tree stand. The real purpose of this study is to help you analyze your operation and improve it by comparing it with a sample cost.

Some of the major factors where management should be of real influence are plotted on individual pages. These show the variations involved and some indications for managers.

SAMPLE COSTS TO PRODUCE PEACHES (CLINGSTONE) IN STANISLAUS COUNTY 1963

An average of 30 growers farming 880 acres with an average yield of 13.3 tons per acre of No. 1 Fruit

Norman Ross, Farm Advisor

Vernon Patterson, Farm Advisor

LABOR

Pruning	\$64.24 per acre	* \$4.83 per ton
Thinning	90.83	* 6.83
Harvest	157.34	* 11.94
Hauling (includes emptys to rec. sta.)	10.64	.80
Propping & wiring	16.06	1.21
Tillage (including irrigation prep.)	10.39	.78
Irrigation	6.48	.49
Pest control (labor only)	7.88	.59
Misc. labor (includes fert. appl., brush disp.)	6.00	.45
Total Labor	\$369.86	\$27.81

EQUIPMENT - (includes Repair & Maint.

Fuel & Oil		
Equip. hire)	48.74	3.66

<u>Supplies</u> - Pesticides,	42.21	* 3.17
Fertilizers	24.07	* 1.81
Misc. materials	4.00	.30

Overhead - (includes taxes, ins., interest, utilities, dues, office supplies, legal and professional fees, marketing order assessment, misc., indirect labor (foreman, shop etc.) 87.61 6.58

Total Cash and Labor Costs	\$576.49	\$43.35
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DEPRECIATION COSTS

Trees: Development costs	\$870.51 - 20 year life	43.53
Irrigation facilities	\$100 costs - 25 year life	4.00
Buildings	\$120 costs - 25 year life	4.80
Equipment	\$360/A - 10 year life	36.00

Total Depreciation Costs	\$88.33	\$6.64
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INTEREST ON INVESTMENT @ 6%

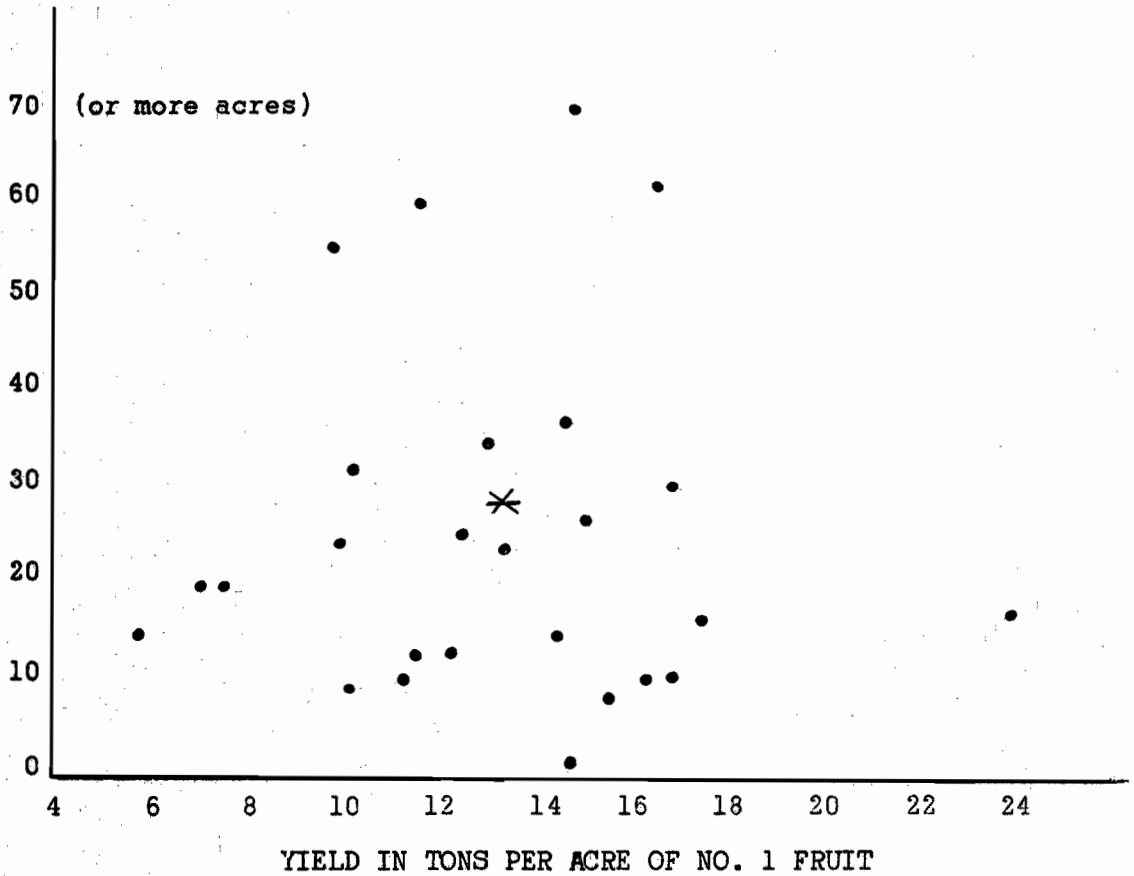
Trees: on $\frac{1}{2}$ cost (435.26)	26.12
Irrigation facilities on $\frac{1}{2}$ cost (\$50)	3.00
Buildings: on $\frac{1}{2}$ cost (\$60)	3.60
Equipment: on $\frac{1}{2}$ cost (\$180)	10.80
Land @ \$1,500/A	90.00

Total Interest on Investment	\$133.52	\$10.04
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TOTAL COST OF PRODUCTION	\$798.34	\$60.03
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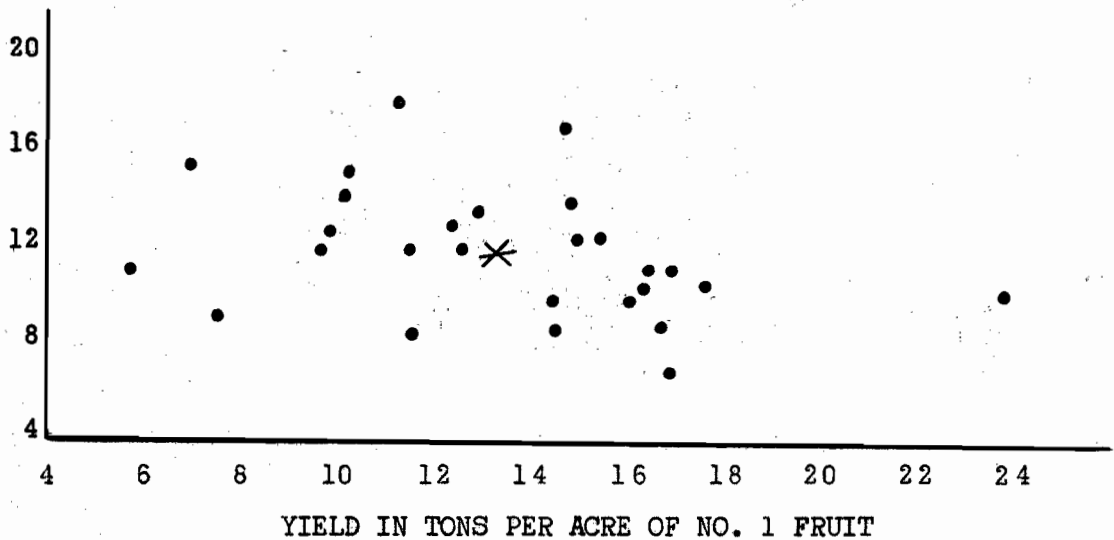
* See full range of costs which average these amounts

CLINGSTONE
PEACHES
ACRES
FARMED



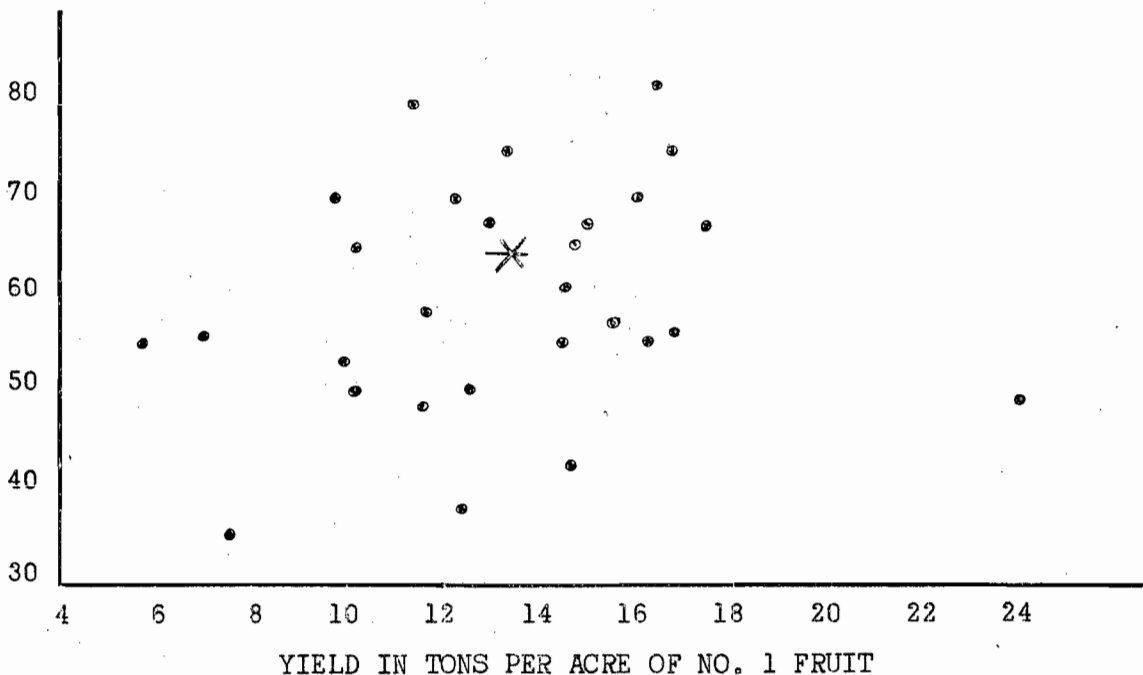
Size of orchard does not give a clue as to the productiveness. The grower who only has a few acres can have a high or low rate of production.

HARVEST
COST IN
DOLLARS
PER TON



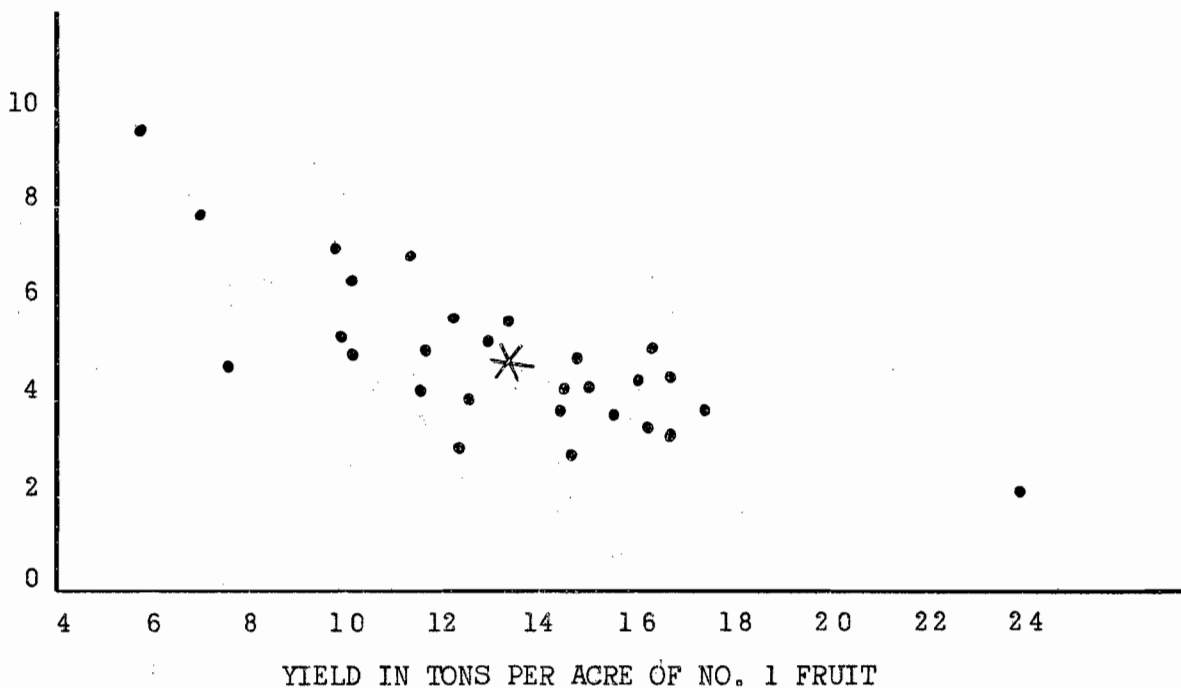
Harvest costs should be in a fairly narrow range. Cost per ton should also decrease with increasing yield. This would result from lower piece rates where yields are high.

CLINGSTONE PEACH PRUNING COSTS PER ACRE IN DOLLARS



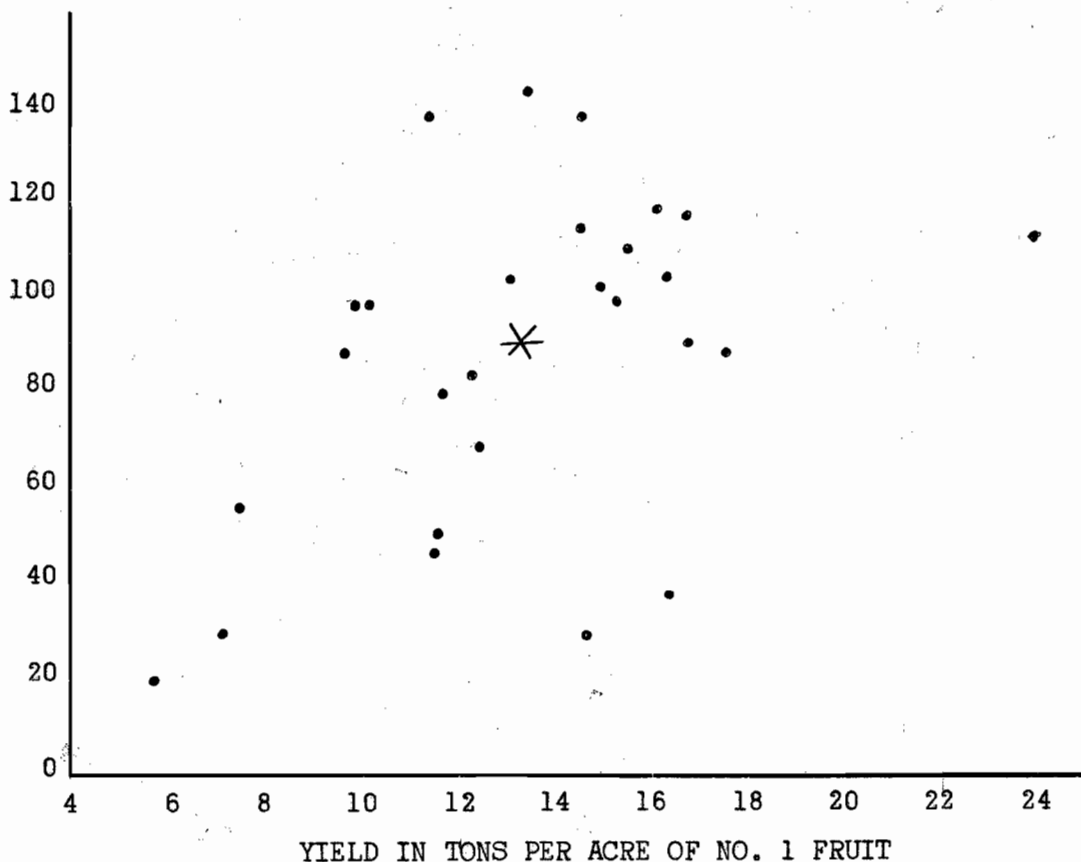
Yield per acre generally increases with increased pruning cost. The one exception of very high yield and low cost, plus the wide cost range at the same yields, indicate need for re-evaluation of cost by some of the high-cost operators.

PRUNING COST IN DOLLARS PER TON



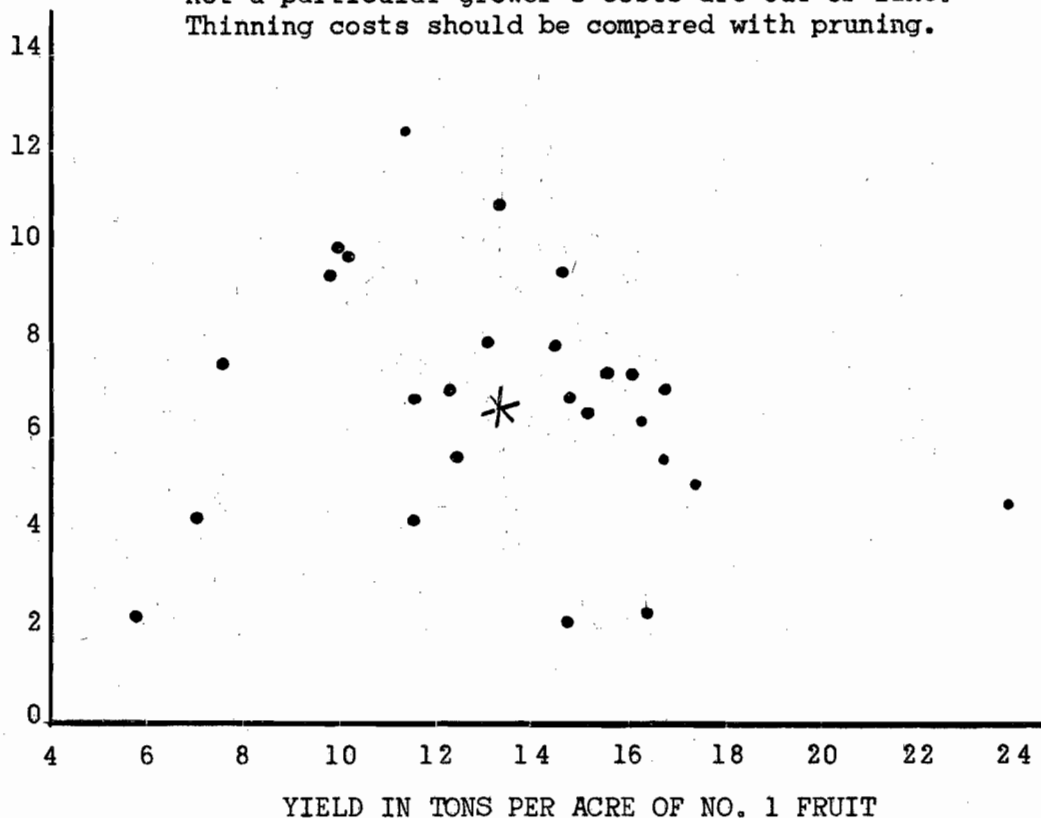
The slope of these costs justify the increased per acre cost as a group. The variations in cost per ton at a given yield are too large.

CLINGSTONE PEACH THINNING COSTS PER ACRE IN DOLLARS

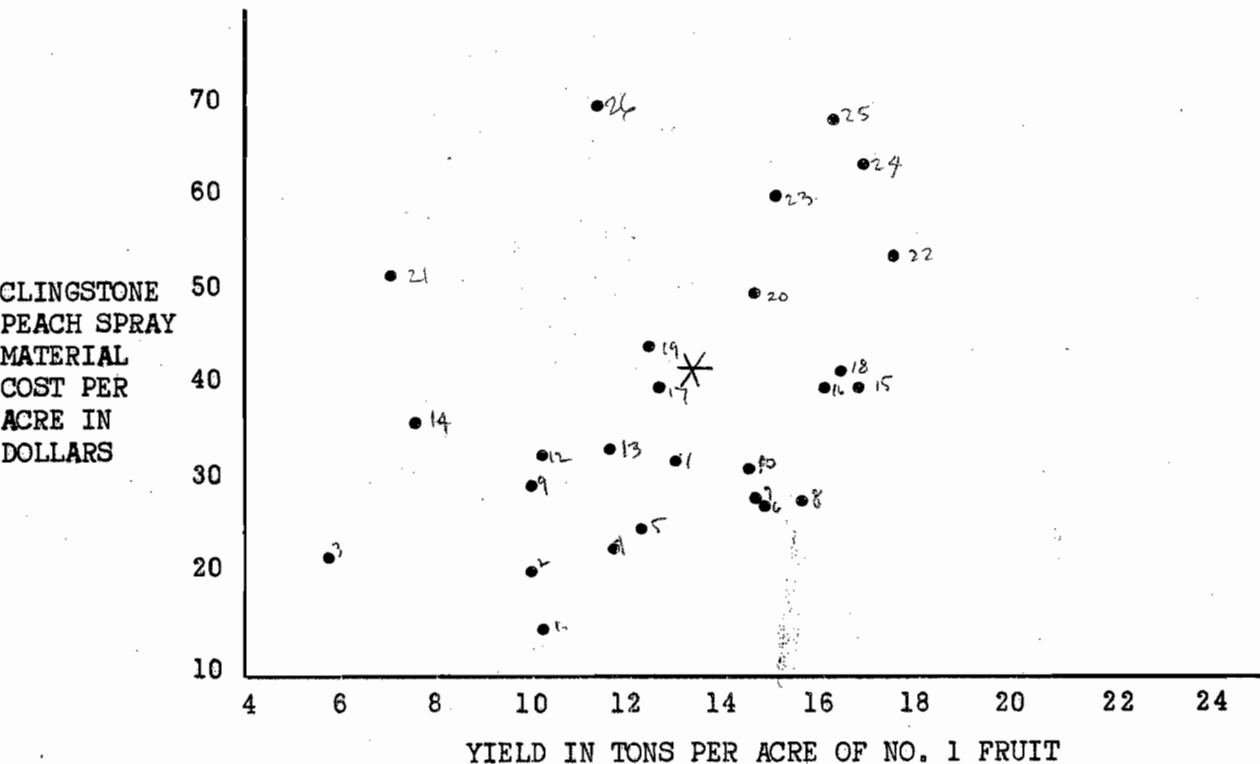


Thinning costs naturally vary considerably between varieties and from year to year. In a single season it may be difficult to know by cost alone whether or not a particular grower's costs are out of line. Thinning costs should be compared with pruning.

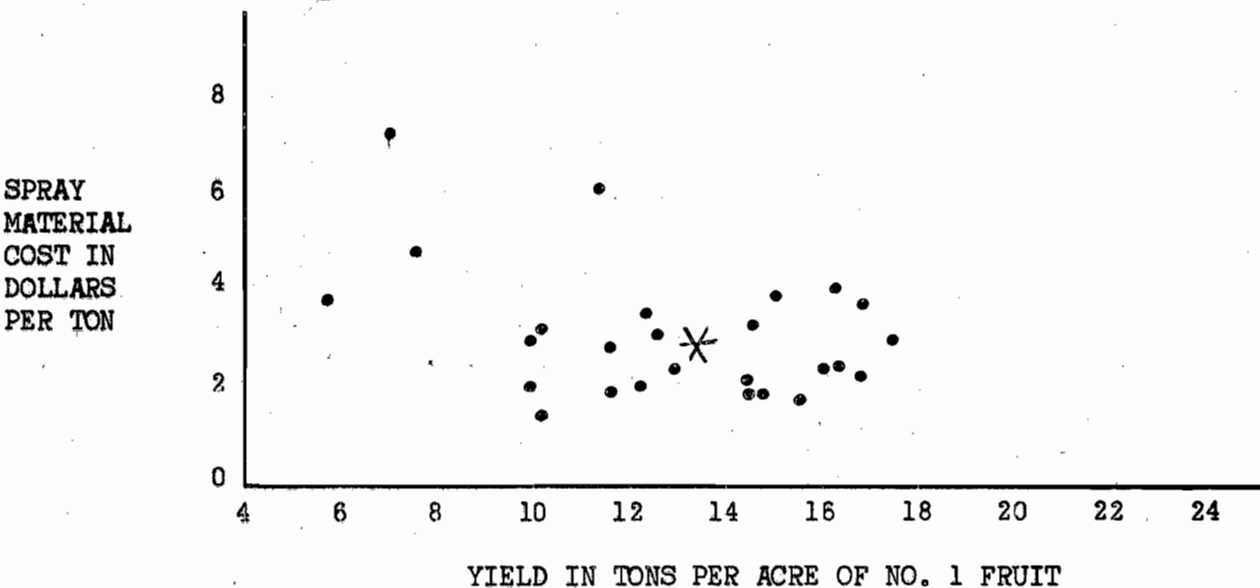
THINNING COSTS IN DOLLARS PER TON



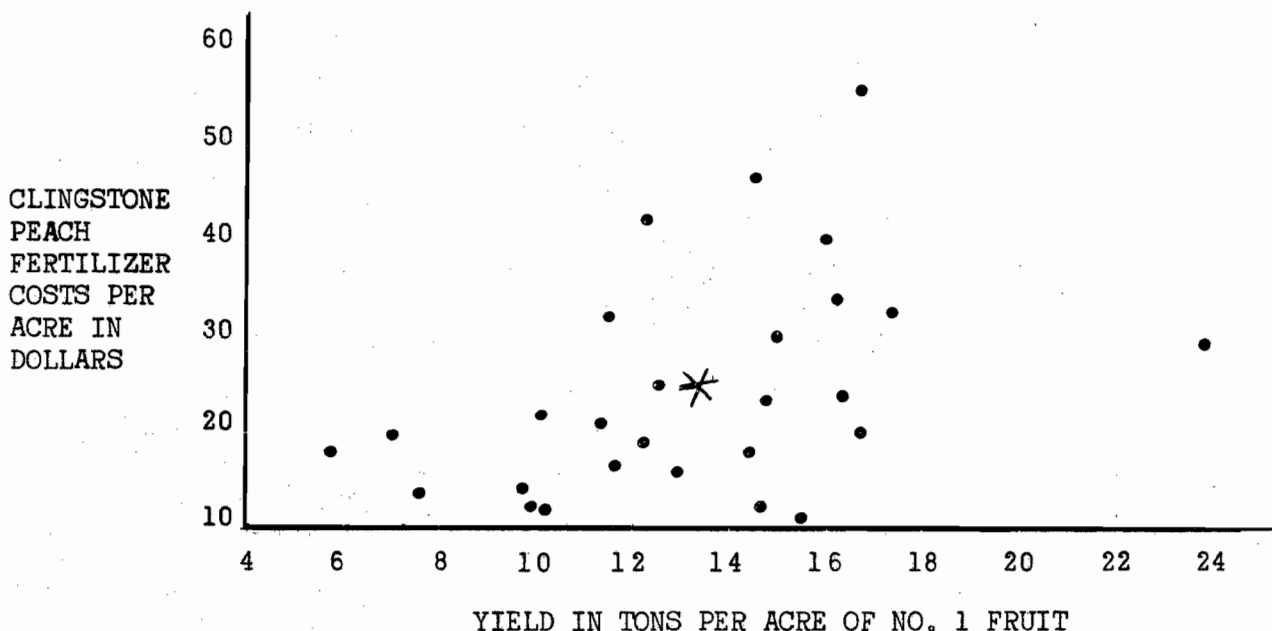
High thinning costs on a per acre basis can be justified if the end result is a high yield. This can be seen in the case of the 24 ton per acre yield.



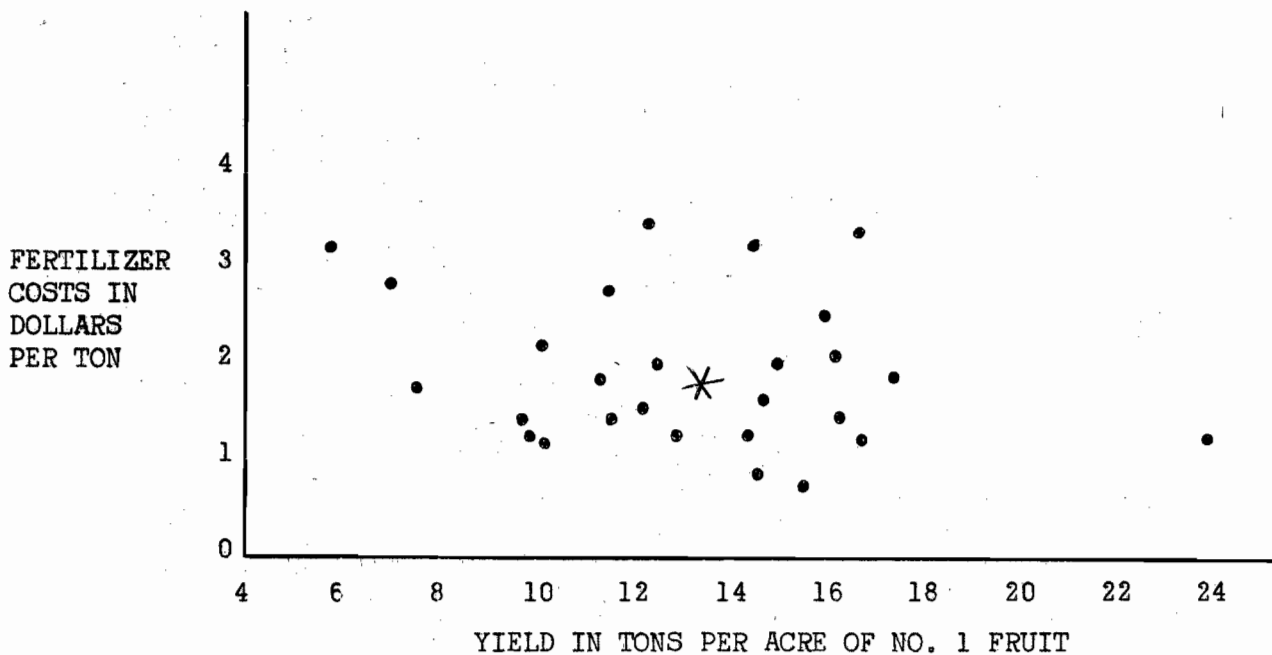
Insect and disease problems can vary considerably in any one year. The wide variations here may be due to severe Oriental Fruit Moth flights in 1963. A general yield increase accompanies spray cost increases.



With the exception of four growers, most of the costs per ton are fairly well grouped. Two dollars variation per ton, however, is too much unless it is well justified.



An average may not mean very much. The wide cost differences at the same yield indicate some possible savings for the high cost operators. There is, however, a slight increase in yield with increased costs.



Unfortunately this does not tell whether the wide cost differences are due to different amounts of fertilizer or different forms. The differences are too great and bear investigation.