

ESTIMATING THE LOSS FROM ACCIDENTAL OR
OTHER REMOVAL OF A PEACH TREE

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The example presented below notes the procedure used in estimating the loss when a tree is accidentally destroyed. Yields will vary with the age and size of trees, soil and culture, as will the price paid for the crop. Because of this the information presented below is meant only as an example.

In this study we are considering a peach orchard yielding 18 tons per acre on 109 trees per acre (20 x 20 planting). The price paid per ton in this study is \$60.00. We have assumed that the tree was destroyed in 1967 and replanted in the winter of 1967-8.

1. First figure the net worth of the crop in dollars per tree.
 - a. 18 tons x \$60 per ton = \$1080 per acre (gross income).
 - b. \$1080 - \$180 (picking costs) = \$900 (net income - See note 1).
 - c. \$900 ÷ 109 trees = \$8.25 per tree (net)
2. Next we figure the loss from the date the tree was lost until the replacement is in full production.

Year	Leaf	Yield Per Acre	Net Loss of Old Tree	Net Income of New Tree (1)	Net Annual Loss Per Tree	Discounted Annual Loss (2)
1967	Mature	18 Tons	\$8.25	\$0	\$8.25	\$8.25
1968	1	0	8.25	0	8.25	7.75
1969	2	0	8.25	0	8.25	7.30
1970	3	0	8.25	0	8.25	6.90
1971	4	5	8.25	2.30	5.95	4.90
1972	5	9	8.25	4.15	4.10	3.10
1973	6	12	8.25	5.50	2.75	1.95
1974	7	15	8.25	6.90	1.35	.90
1975	8	17	8.25	7.80	.45	.30
1976	9	18	8.25	8.25	.00	.00
Subtotal						\$41.35
*Miscellaneous						5.00
Total						\$46.35

* Includes the cost of removing the old stump, cost of the new tree, special irrigations, etc.

Notes:

- (1) The picking cost (\$10/ton) has been subtracted from the gross (\$60.00) as picking is not a cost to the grower while a tree is not bearing.
- (2) This represents a discount of 6%, since the grower is being paid damages in 1967 for income that he would normally not receive until some future date.

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