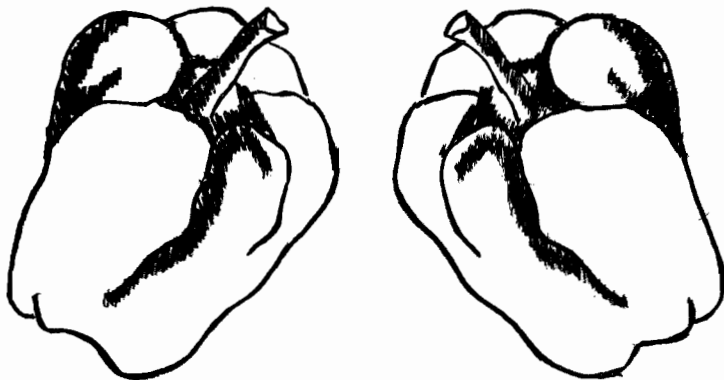


PP-VN-74

SAMPLE COSTS OF PRODUCTION

# FRESH MARKET



# BELL PEPPERS

Agricultural Extension, University of California, Merced County

UC Cooperative Extension

BELL PEPPERS - TRANSPLANTED

Produced on Rented Land

COST ANALYSIS WORK SHEET

Sample costs to produce bell peppers from transplants in Merced County. Costs are based on a yield of 500 cartons weighing 30 lbs. each. Man labor \$2.90 per hour total and equipment operator \$3.40, including all employer contributions and benefits. 80 H.P. Crawler Tractor per hour cash costs \$6.21, depreciation \$2.88 and interest \$2.16. 40 H.P. wheel tractor \$1.85, \$1.69 and 84¢.

	SAMPLE COSTS		MY COSTS	
	Per Acre	Per Carton	Per Acre	Per Carton
<b>Pre-Harvest Cash Costs:</b>				
Disc 2X: 1 hr. man and tracklayer	\$ 9.61			
Landplane 2X: 1 hr. man and tracklayer	9.61			
Chisel: 1 hr. man and tracklayer	9.61			
Disc 1X: 1/2 hr. man and tracklayer	4.80			
Bedding up: 3/4 hr. man and wheel tractor	3.94			
Incorporate herbicide: material	4.70			
3/4 hr. man and wheel tractor	3.94			
<b>Transplant:</b>				
Plants: 11,000 purchased \$18.50				
per 1,000	203.50			
2 hrs. man and wheel tractor	10.50			
10 man hours	29.00			
2 hrs. water truck and driver	10.80			
Hoe weeds: total 12 hrs.	34.80			
Cultivate 5X: 3/4 hr. per acre per time	19.69			
Fertilizer: total amount	90.00			
Irrigate 20X: 15 hrs. labor	43.50			
Water - paid by land owner				
Pest control: 5X materials	42.50			
Application (air) \$3.25 per time	16.25			
Rent	100.00			
Repairs, except truck and tractors	12.00			
Misc. labor, equipment and machine				
time 1 hr. wheel tractor	10.50			
Office & business costs, operating capital, etc.	85.16			
<b>TOTAL PRE-HARVEST CASH COSTS</b>	<b>\$754.41</b>	<b>\$1.51</b>		
<b>Harvesting Costs:</b>				
Total to pick, haul and pack, including carton: \$1.50 carton	750.00			
3 tons of peppers for processing.				
All costs except harvest are charged to fresh market production.				
Harvest costs are \$35.75 ton.				
<b>TOTAL HARVESTING COSTS</b>	<b>\$750.00</b>	<b>\$1.50</b>		
<b>TOTAL CASH COSTS</b>	<b>\$1504.41</b>	<b>\$3.01</b>		
<b>Depreciation:</b>				
Bldgs. and equipment except truck and tractors: \$120.00 - 12 yrs life	10.00			
Tracklayer: 3-1/2 hrs. @ \$2.88	10.08			
Wheel tractor: 8-1/4 hrs. @ \$1.69	13.94			
Truck: 2 hrs. @ 90¢	1.80			
<b>TOTAL DEPRECIATION</b>	<b>\$ 35.82</b>	<b>\$ .07</b>		

(Continued)

	SAMPLE COSTS		MY COSTS	
	Per Acre	Per Carton	Per Acre	Per Carton
Interest on Investment at 8%: Bldgs. and equipment except truck and tractors: 1/2 cost \$60.00	\$ 4.80			
Tracklayer: 3-1/2 hrs. @ \$2.16	7.56			
Wheel tractor: 8-1/4 hrs. @ 84¢	6.93			
Truck: 2 hrs. @ 50¢	1.00			
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>\$ 20.29</b>	<b>\$ .04</b>		
<b>TOTAL COST OF PRODUCTION</b>	<b>\$1560.52</b>	<b>\$3.12</b>		

Additional income may be earned from the sale of about 3 tons of peppers per acre for processing. All cultural costs have been charged to the fresh market production, so harvesting is the only remaining cost.

Sample income per acre: 3 tons at \$125.00	\$375.00
Harvest Costs: 3 tons at \$ 35.75	<u>\$107.25</u>
Net Value	\$267.75

Sample Costs of Production at Varying Yields, with all production costs charged to fresh market peppers.

Yield: 30 lb. Cartons Per Acre	350	400	450	500	550	600
Cash Costs only: Per Carton	\$3.66	\$3.39	\$3.18	\$3.01	\$2.87	\$2.75
Total Costs Per Carton	\$3.82	\$3.53	\$3.30	\$3.12	\$2.97	\$2.85

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May, 1974

UC Cooperative Extension