

VALENCIA ORANGE ORCHARD DEVELOPMENT COST ANALYSIS  
 SAN DIEGO COUNTY

ANNUAL COSTS	Per Acre Costs - Each Year				
	1st	2nd	3rd	4th	5th
<b>PLANTING</b>					
Land Preparation, Clearing & Ripping					
Trees 200 (Maximum) @\$2.75	150				
Planting	550				
	50				
Total Planting Cost	\$ 750				
<b>MATERIALS</b>					
Water	50	50	50	50	50
Fertilizer	3	5	10	15	20
Shavings-Mulch	30	20	20		
Tree Wraps	6	3			
Weed Killer	10	10	10	10	8
Total Materials	\$ 99	88	90	75	78
<b>CARE</b>					
Wrapping	20	10			
Irrigation	50	50	50	55	65
Weed Control	18	18	18	18	18
Fertilization	4	6	8	11	12
Mulch Application	18	14	14		
Pruning, etc.	6	6			
Pest Control - Contract	15	15	18	20	25
Rodents, etc.	6	5	4	4	4
Repairs & Misc.	17	17	18	19	19
Total Care	\$ 154	141	130	127	143
<b>OVERHEAD COSTS</b>					
Taxes	40	40	40	42	50
Management Fee	60	60	60	60	60
Office, general expense, ins.	35	17	18	20	30
Depreciation	75	75	75	75	75
Interest on investment	295	313	352	393	428
Total Overhead	\$ 505	505	545	590	643
TOTAL ANNUAL COST	\$1508	734	765	792	864
Less Credit for Fruit Sold				(150)	(450)
NET TOTAL COST	\$1508	734	765	642	414
ACCUMULATED NET TOTAL COST	\$1508	2242	3007	3649	4063
<b>INVESTMENT VALUE - END OF YEAR</b>					
Land and Water Meter	\$3030	3030	3030	3030	3030
Irrigation System (\$750)	675	600	525	450	375
Trees (Accum. Net Costs)	1508	2242	3007	3649	4063
TOTAL INVESTMENT VALUE	\$5213	5872	6562	7129	7468

## GENERAL CONDITIONS.

This sample cost sheet gives estimates of the per acre cost of developing a ten- to fifteen-acre Valencia orange orchard in a frost-free location in San Diego County. Costs are based on a planting of 200 trees per acre which is usually a maximum. Many growers plant fewer. Development costs for other varieties will ordinarily differ little except that various tree spacings will alter the cost, and different fruit returns will change the credit from early production. This study assumes the yield per tree of 1/2 box the fourth year and 1-1/2 boxes the fifth year at \$1.50 net per box.

It is well to remember that these sample costs are based on assumed conditions and that these conditions may vary widely between specific orchards. Variations in costs between orchards result primarily from different land cost and taxes, different water costs according to source, different land preparation costs according to slope and brush cover present, and different irrigation system costs depending on the number of trees planted per acre and type of sprinkler system used. Returns from fruit will vary, depending on production and price.

## CAPITAL OUTLAY

The initial capital outlay per acre assumed in this sample cost sheet includes: land (\$3,000), water meter (\$30), a permanent sprinkler system having each sprinkler irrigate two trees (\$750), land preparation, clearing and ripping (\$150), trees and planting (\$600). These expenditures required at the beginning of development amount to \$4,530 in this data sheet.

## INVESTMENT

The total investment value is given at the end of each year for the five-year period. This includes the cost of the land, water meter, and the undepreciated balance for the sprinkler system. It also includes the total cost of the trees which consists of the accumulated net annual costs of their care. The cost has been reduced by credits for fruit sold.

Thus, the final figure of \$7,468 is the net cost of the total orchard investment at the end of the fifth year, under the assumed conditions, based on 1965 costs.

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