

1968

GRAPE PRODUCTION COSTS IN THE SAN JOAQUIN VALLEY

WINE VARIETIES

This cost analysis worksheet considers the highly productive varieties Carignane, Palomino, Mission, Grenache, Alicante Bouschet, and French Colombard; and the moderately productive varieties, such as Ruby Cabernet, Barbera, Tinta Madeira, Emerald Riesling, Rubired, and Royalty.

Cost Analysis Worksheet
Showing Sample Costs

University of California, Agricultural Extension Service

AXT-55 Rev.

UC Cooperative Extension

COST ANALYSIS WORKSHEET

Wine Varieties - Sample Costs for Mature Vineyard, 1968

	COST PER ACRE	
	Sample Cost	Your Cost
PREHARVEST CASH AND LABOR COST		
Pruning (contract)	\$ 34.00	
Brush disposal (contract)	2.50	
Fertilizer - 40 lb N @ 14¢ applied	5.60	
Pest and disease control appl. - 1.5 M-hr + 1.5 TR-hr	4.80	
Pest and disease control material	10.50	
Tillage, irrig. prep., and shovel - 4 M-hr + 3 TR-hr	11.30	
Irrigate - 4 M-hr	7.60	
Water - irrig. tax and/or power, 3½ ac-ft	12.00	
Misc. labor - 3 M-hr + 1 TR-hr	6.60	
Misc. material	6.00	
County taxes	28.00	
Office, car, interest on operating capital, etc.	14.20	
Repairs, irrig. system and equipment, except tractor	6.50	
Total Preharvest Cash and Labor Cost	\$149.60	
DEPRECIATION		
Vines, stakes, trellises - establishment cost \$803, 30-year life	\$ 26.77	
Irrigation system - cost \$220, 20-year life	11.00	
Buildings and equipment, except tractor - cost \$100	7.50	
Tractor - 5.5 hr @ \$1.00	5.50	
Total Depreciation Cost	\$ 50.77	
INTEREST ON INVESTMENT @ 6%		
Vines, stakes, trellises - on ½ cost (\$401.50)	\$ 24.09	
Irrigation system - on ½ cost (\$110)	6.60	
Buildings and equipment, except tractor - on ½ cost (\$50)	3.00	
Tractor - 5.5 hr @ 36¢	1.98	
Land - \$900	54.00	
Total Interest on Investment	\$ 89.67	
TOTAL COST, EXCEPT HARVESTING	\$290.04	

	COST PER TON			
	Moderate Yielding		High Yielding	
	Sample Cost	Your Cost	Sample Cost	Your Cost
HARVESTING AND TOTAL COST PER TON				
Total cost, except harvesting	\$ 36.26		\$ 26.37	
Pick and haul to winery (contract basis)	20.00		13.00	
Miscellaneous harvesting	.75		.50	
TOTAL COST OF PRODUCTION PER TON	\$ 57.01		\$ 39.87	
Based on 80-acre vineyard; yield at 11 tons for high yielding varieties and 8 tons for moderate yielding varieties. Man labor @ \$1.70 and \$1.90 per hour (includes Workmen's Compensation, Social Security, and other benefits); medium-wheel tractor per hour cash cost, \$1.30; depreciation, \$1.00; interest, \$0.36.				
TOTAL COST OF PRODUCTION PER TON AT VARYING YIELDS:				
High Yielding Varieties:				
8 tons = \$49.76 10 tons = \$42.50 12 tons = \$37.67 14 tons = \$34.22				
Moderate Yielding Varieties:				
6 tons = \$69.09 7 tons = \$62.18 9 tons = \$52.98 10 tons = \$49.75				

ABOUT THIS SHEET

This sheet is one of a series on sample costs of producing grapes in the San Joaquin Valley. They include: Thompson Seedless for Raisins and Wine, Thompson Seedless for Table Use, Emperors, and Wine Varieties. The input and cost data are to be used only as guides in determining the production costs for a specific vineyard and to help growers analyze costs and practices that would increase production efficiency. The figures shown are based on what are considered good management practices in many vineyards. They do not represent industry averages.

YIELD – Yield is the most important factor affecting costs per ton and profit per acre. The yield per acre used in this sample is average over a period of years for a well-managed typical vineyard. Although this figure is higher than the industry average, some vineyards do better.


IRRIGATION – Sample costs for irrigation labor and water costs are based on a pumping system with pipeline. Labor cost per acre is affected by the number of irrigations, quantity applied, and size of head. Large heads of water may lower the labor costs. When all the water is from an irrigation district, the investment overhead costs of depreciation and interest on irrigation facilities are normally lower.

PEST AND DISEASE CONTROL – Dusting and spraying costs may vary considerably from year to year. Control measures required also vary between vineyards. The sample costs shown on this sheet are based on average conditions.

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Co-operative Extension work in Agriculture and Home Economics, College of Agriculture,
University of California, and United States Department of Agriculture co-operating.
Distributed in furtherance of the Acts of Congress of May 8, and June 30, 1914.
George B. Alcorn, Director, California Agricultural Extension Service.

Rev. JULY 1968--3M

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