

COSTS OF ESTABLISHING A WINE GRAPE VINEYARD
IN SAN JOAQUIN COUNTY - 1983

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IN SAN JOAQUIN COUNTY
APRIL 1983

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SAMPLE COSTS PRESENTED HERE ARE BASED ON:

I

--Good cultural practices in developing an 80-acre wine variety vineyard on resistant rootstocks planted 7 feet by 11 feet, 566 vines per acre. These input and cost data are to be used only as a guide in determining the cost of establishing a specific vineyard. They are not intended to represent industry averages.

II

--Labor costs based on \$4.20 and \$5.40 per man hour. (Includes Workmen's Compensation, Social Security, Unemployment Insurance and other benefits, based on 20% of cash wage.) Medium-wheel tractor at \$4.50 per hour cash costs.

III

--Interest charges of 12% for

Land valued at \$5500 per acre

| | | |
|------------------|---------------------------|----------------|
| Original values: | Buildings | \$120 per acre |
| | Surface Irrigation System | 600 per acre |
| | Equipment | 480 per acre |

Interest is determined on one-half the original value.

IV

--Depreciation based as follows:

| | <u>Investment per Acre</u> |
|---------------------------|----------------------------|
| Buildings | \$120.00 |
| Surface Irrigation System | 600.00 |
| Equipment | 480.00 |

REMEMBER--These are only sample costs and will vary according to varieties, rootstocks, etc.

SAMPLE COSTS PER ACRE TO ESTABLISH A WINE VARIETY VINEYARD
IN SAN JOAQUIN COUNTY - APRIL 1983
(7' x 11' Spacing = 566 Vines per Acre)

| | Cost per Acre | | |
|---|---------------|---------------|---------------|
| | 1st Year | 2nd Year | 3rd Year |
| PREHARVEST CASH COSTS: | | | |
| Land preparation*--Chisel, disc 2x, float, etc | \$ 70 | | |
| Survey and mark--5 man(M) hours | .27 | | |
| Planting, including trimming--27¢ each | 153 | \$ 14 | |
| Rootstocks (certified)--566 @ 70¢; 50 2nd yr. | 396 | 35 | |
| Stakes, steel, 7 ft.--566 @ \$1.25 | | 708 | |
| Set stakes--@10¢ each | | 57 | |
| End posts--6 @\$5.50 each + labor \$1.50 | | 77 | |
| Wire, #13 Hi-carbon--2 wires | | 80 | |
| Clips (fasteners)--1322 @ 3¢ each | | 40 | |
| String 2 wires and fasten--13 M. hrs. | | 55 | |
| Bud and cover--60¢ per vine | 340 | 30 | |
| Budwood (certified)--6¢ per bud | 34 | 3 | |
| Uncover & prune rootstock--10 M hrs; 1.5, 3rd | | 42 | \$ 6 |
| Cut rubbers and tops, place collars--20 M hrs | | | |
| 2nd year; 4 M hrs. 3rd year | | 84 | 17 |
| Train, sucker, and tie--50 M hrs. 2nd year; | | | |
| 9 M hrs. 3rd year | | 210 | 84 |
| Tying material | | 18 | 10 |
| Dormant prune and tie--11 M. hrs. | | | 46 |
| Rabbit control--milk cartons @ 6¢ each | | 34 | |
| Irrigation labor--6 M hrs. | 25 | 25 | 25 |
| Water (pumped) | 20 | 26 | 33 |
| Tillage--irrigation preparation & weed control | | | |
| 6 M hrs. plus 6 tractor (T) hrs. | 59 | 59 | 59 |
| Weed control:Hoe--8 M hrs. 1st yr; chemical | | | |
| control 2nd and 3rd yrs. | 25 | 45 | 45 |
| Fertilizer, applied--1st, 2nd yrs. 30# N; | | | |
| 3rd yr. 60# | 15 | 15 | 25 |
| Pest and disease control application | | | 35 |
| Pest and disease control material | | | 116 |
| Miscellaneous labor and material | 25 | 30 | 30 |
| County taxes | 21 | 21 | 21 |
| Office, car, interest on operating capital 12% | 149 | 209 | 70 |
| Repairs, except tractor | 35 | 35 | 35 |
| TOTAL CASH AND LABOR COSTS | \$1394 | \$1952 | \$ 657 |
| DEPRECIATION COSTS: | | | |
| Irrigation system--\$600 cost | \$ 30 | \$ 30 | \$ 30 |
| Buildings--\$120 | 4 | 4 | 4 |
| Equipment--\$480 cost | 57 | 57 | 57 |
| TOTAL DEPRECIATION COSTS | \$ 91 | \$ 91 | \$ 91 |
| INTEREST ON INVESTMENT @ 12% | | | |
| Irrigation system--on 1/2 cost (\$300) | 36 | 36 | 36 |
| Buildings and equipment--on 1/2 cost (\$300) | 36 | 36 | 36 |
| Land--@ \$5500 | 660 | 660 | 660 |
| Interest on accumulated costs | | 266 | 631 |
| TOTAL INTEREST ON INVESTMENT | \$ 732 | \$ 998 | \$1363 |
| TOTAL COST FOR YEAR | \$2217 | \$3041 | \$2111 |
| NET CREDIT FOR FRUIT-- $\frac{3}{8}$ tons @ \$250/T (price varies as to variety) | | | -875 |
| TOTAL ACCUMULATED COSTS | \$2217 | \$5258 | \$6494 |

* Additional land preparation may be necessary; costs vary according to soil problems.
Deep ripping: \$150 to \$200 per acre.
Nematode problems: Preplant fumigation may be necessary--\$350 to \$700 per acre.

SAMPLE INVESTMENT AND DEPRECIATION COSTS FOR AN 80-ACRE WINE VARIETY VINEYARD
IN SAN JOAQUIN COUNTY - April 1983

| | C o s t | | Life | Annual Depreciation 80 Acres |
|-----------------------------|-------------|----------|------|------------------------------------|
| | Total | Per Acre | | |
| Land | \$ 440,000 | \$ 5,500 | | |
| Vines | 519,520 | 6,494 | 30 | \$17,317 |
| Irrigation System | 48,000 | 600 | 20 | 2,400 |
| Buildings | 9,600 | 120 | 30 | 320 |
| Equipment: | | | | |
| Wheel tractor, 40 HP Diesel | 12,100 | 151 | 10 | 1,210 |
| Disc 8' tandem wheel lift | 3,050 | 38 | 10 | 305 |
| Ridger | 540 | 7 | 10 | 54 |
| Furrower | 340 | 4 | 10 | 34 |
| Rotary chopper | 2,800 | 35 | 10 | 280 |
| Duster | 1,550 | 19 | 10 | 155 |
| Sprayer (Conc. P.T.O.) | 8,000 | 100 | 10 | 800 |
| Field toilet | 500 | 6 | 10 | 50 |
| Pickup truck | 7,500 | 94 | 5 | 1,500 |
| Miscellaneous equipment | 3,000 | 38 | 10 | 300 |
| Equipment Totals | \$ 39,380 | 492 | | \$ 4,688 |
| TOTAL INVESTMENT | \$1,056,500 | \$13,206 | | |
| TOTAL DEPRECIATION | | | | \$24,725 |