Costs and Returns for Tree Crops in the Sacramento Valley

May 6, 2004

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Tree Crops
- Almonds
- Walnuts
- Olives
- Prunes
- Peaches
SPECIALTY TREE CROPS

- Organic almonds
- Olives for oil

COSTS of PRODUCTION

- Cultural costs
- Harvest costs
- Cash overhead costs
- Noncash overhead costs
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Costs of Production

- Cultural costs
  - Pruning and brush removal
  - Pest control
  - Fertilization
  - Irrigation
  - Floor management
  - Pollination
  - Thinning/ winter sanitation
  - PCA, leaf analysis

Costs of Production

- Harvest costs
  - Shake, rake, sweep (almonds/walnuts)
  - Hull and shell (almonds, walnuts)
  - Shake, catch and field size (prunes)
  - Dry (prunes)
  - Hand pick (peaches and olives)
  - Sort and pack (Peaches)
  - Haul
CASH OVERHEAD

- Cash overhead
  - Office expense
  - Sanitation fees
  - Liability and property insurance
  - Property taxes
  - Repairs on buildings and irrigation system

NONCASH OVERHEAD

- Noncash overhead
  - Buildings
  - Shop and pruning tools
  - Irrigation system (including pump, well, filtration system, pipes, and sprinklers)
  - Fuel tank
  - Equipment
  - Tree establishment
  - Land
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REVENUE

- Best management practices, UCCE
- California average
- Ag commissioners’ reports

EXPECTED REVENUE per ACRE

<table>
<thead>
<tr>
<th>Crop</th>
<th>Best management practices</th>
<th>California Average 2001</th>
<th>Sutter Co. Average 2001, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almonds</td>
<td>$2,000</td>
<td>$1,422</td>
<td>$1,061</td>
</tr>
<tr>
<td>Walnuts</td>
<td>$3,348</td>
<td>$1,747</td>
<td>$1,867</td>
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<tr>
<td>Olives</td>
<td>$2,123</td>
<td>$2,500</td>
<td>$1,263*</td>
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<tr>
<td>Prunes</td>
<td>$3,200</td>
<td>$1,305</td>
<td>$910</td>
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<tr>
<td>Peaches</td>
<td>$4,700</td>
<td>$4,026</td>
<td>$3,831</td>
</tr>
</tbody>
</table>

*Butte County 2001
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SPECIALTY TREE CROPS

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COSTS per ACRE to PRODUCE CONVENTIONAL and ORGANIC ALMONDS
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OLIVES ANNUAL COSTS
5 tons per acre

OLIVES CUMMULATIVE COSTS
5 tons per acre

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Index numbers are a way to put prices of different inputs on the same scale to look at relative changes over time.

- Base 1990 – 1992 = 100
- Example: an index number of 110 means prices paid are 10% higher than the average of prices from 1990 – 1992.

Source: CA Chapter, American Society of Farm Managers and Rural Appraisers
INDEXES of PRICES PAID by US FARMERS
1990-1992 = 100

Source: CA Chapter, American Society of Farm Managers and Rural Appraisers
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