

LAKE COUNTY ORGANIC WALNUTS: COSTS *AND* RETURNS

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BACKGROUND

LAKE COUNTY ORGANIC

- 74 registered organic producers
- 2,248 organic acres
- 1,748 organic walnut acres
- 65% of all walnut acres are organic
- 78% of organic acres are walnuts
- 44% of CA organic walnut acres are in Lake County

COST AND RETURN STUDY ASSUMPTIONS

- Franquette variety
- 35 yr. orchard life (many are actually older)
- 10 acres of land (9 acres of walnuts and 1 acre homesite)
- Sprinkler irrigation
- No PCA hired

LAKE COUNTY ORGANIC WALNUTS

- Organic Practices
 - Fertilization
 - Insect & disease control
 - Weed control
 - Vertebrate control

FERTILIZATION

Material	Rate / Acre	Application
Chicken manure	1,000 pounds	Grower
Zinc sulfate 36%	10 – 15 pounds	Foliar spray
Compost + gypsum	3 tons	Grower

INSECT & DISEASE CONTROL

Pest	Rate / Acre	Application
Walnut husk fly	Entrust + GF 120	Grower
Walnut blight	Champion (copper)	Custom

WEED CONTROL

- Middles mowed 5X
- Tree rows weeded 2X
using a weed eater

VERTEBRATE PESTS

- Trapping is used to control gophers and squirrels
- Explosive devices
- Owl boxes

COSTS *of* PRODUCTION

- Cultural costs
- Harvest costs
- Cash overhead costs
- Noncash overhead

COSTS *of* PRODUCTION

- Cultural costs
 - Pruning, and brush removal
 - Pest control (disease, insects, vertebrates)
 - Weed control
 - Fertilization
 - Irrigation
 - Leaf sampling

COSTS *of* PRODUCTION

- Harvest costs
 - Shake, pick up, rake
 - Haul
 - Hull, dry
 - CA Walnut Commission

COST *of* PRODUCTION

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

COST *of* PRODUCTION

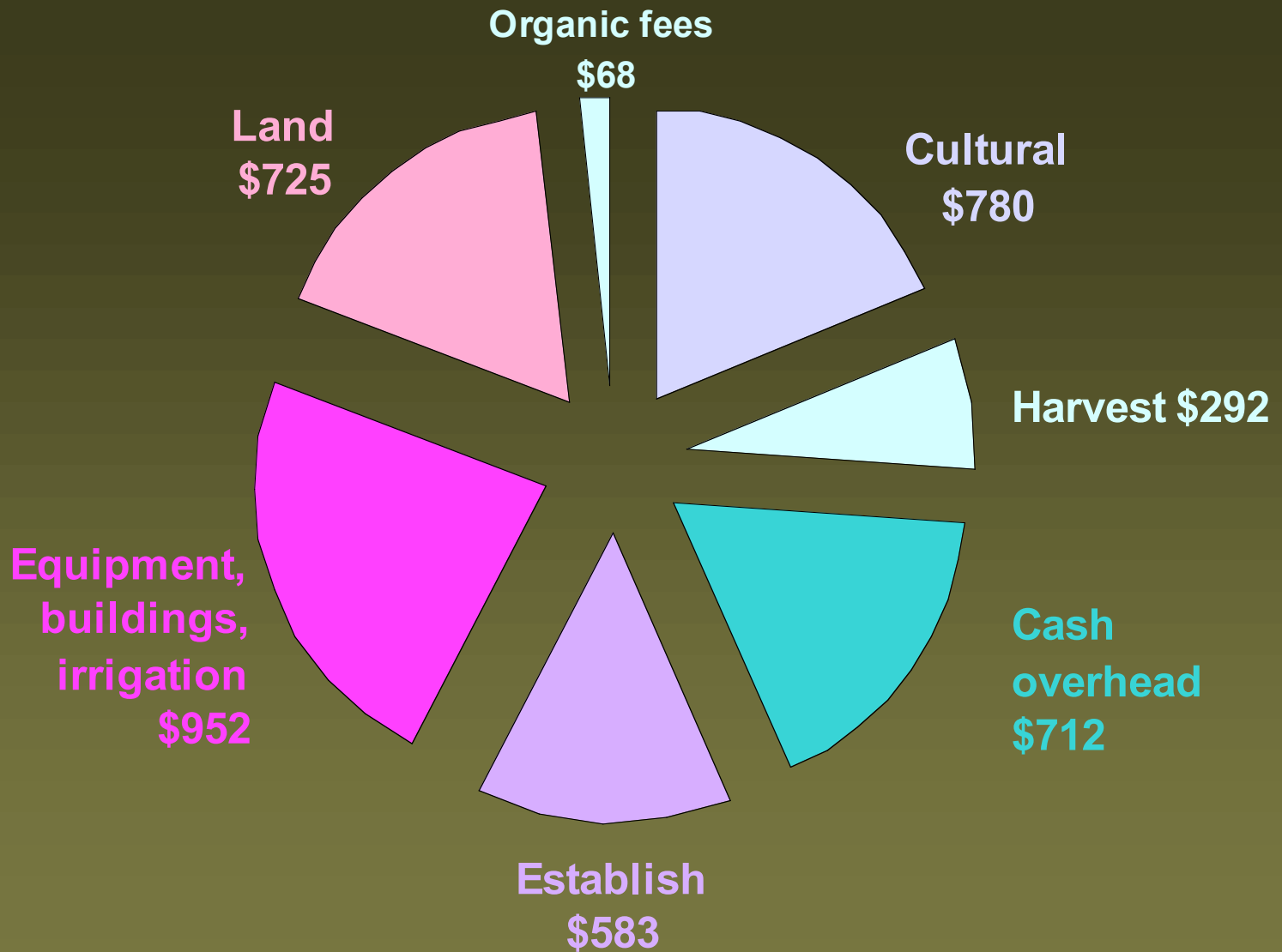
- Noncash overhead
 - Buildings
 - Shop and field tools
 - Irrigation system (including pump, well, filtration system, pipes, and sprinklers)
 - Equipment
 - Orchard establishment
 - Land

COST ASSUMPTIONS

- 9 acres of land in walnuts, \$10,000/A
- Established trees, \$7,000/A
- Water \$57 per acre foot, 2 AF/A
- \$20.70/hr. machine labor
- \$13.80/hr. irrigator labor and pruning

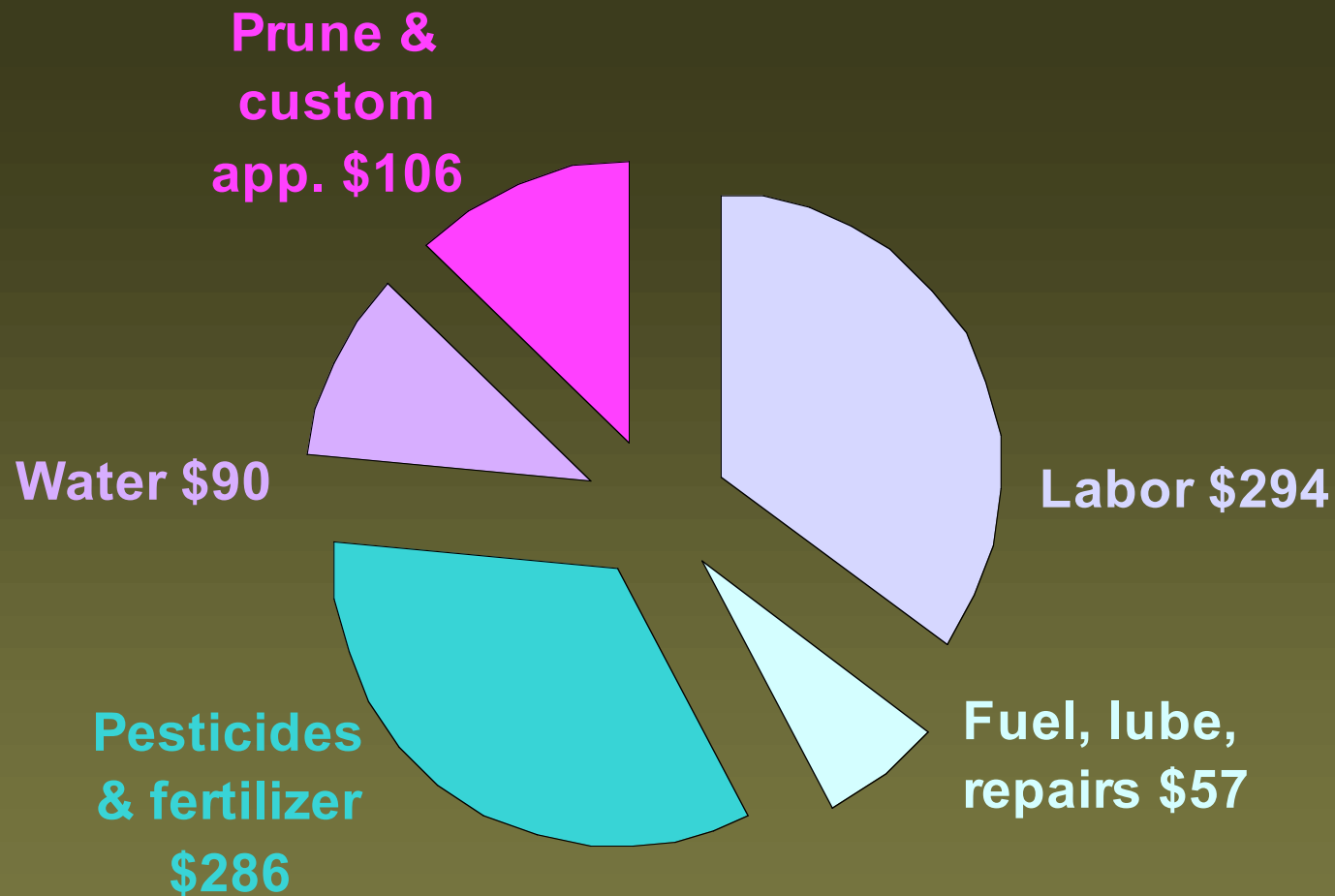
COSTS *to* PRODUCE ORGANIC WALNUTS

\$ 4,111 per Acre

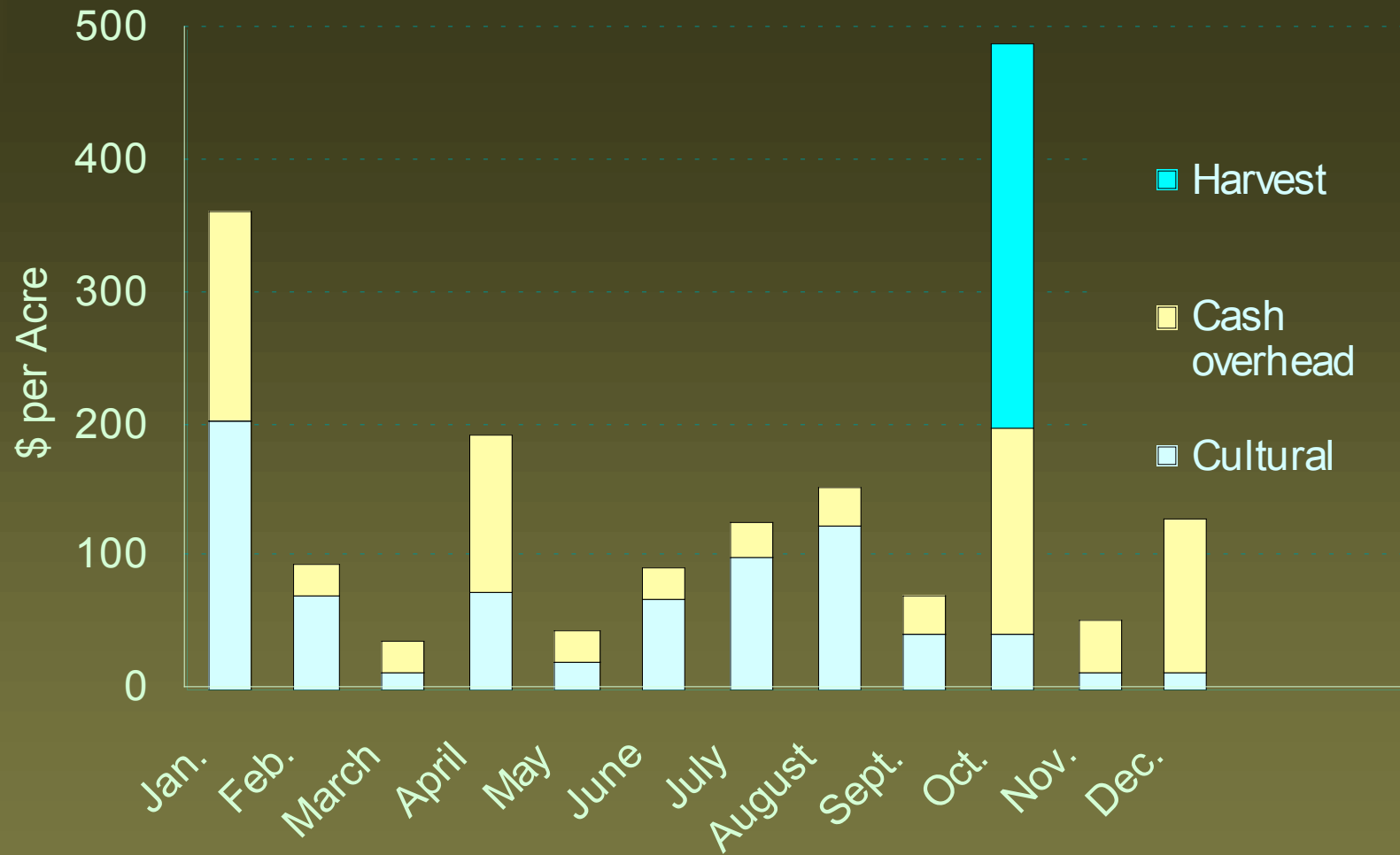


CULTURAL COSTS *FOR* ORGANIC WALNUTS

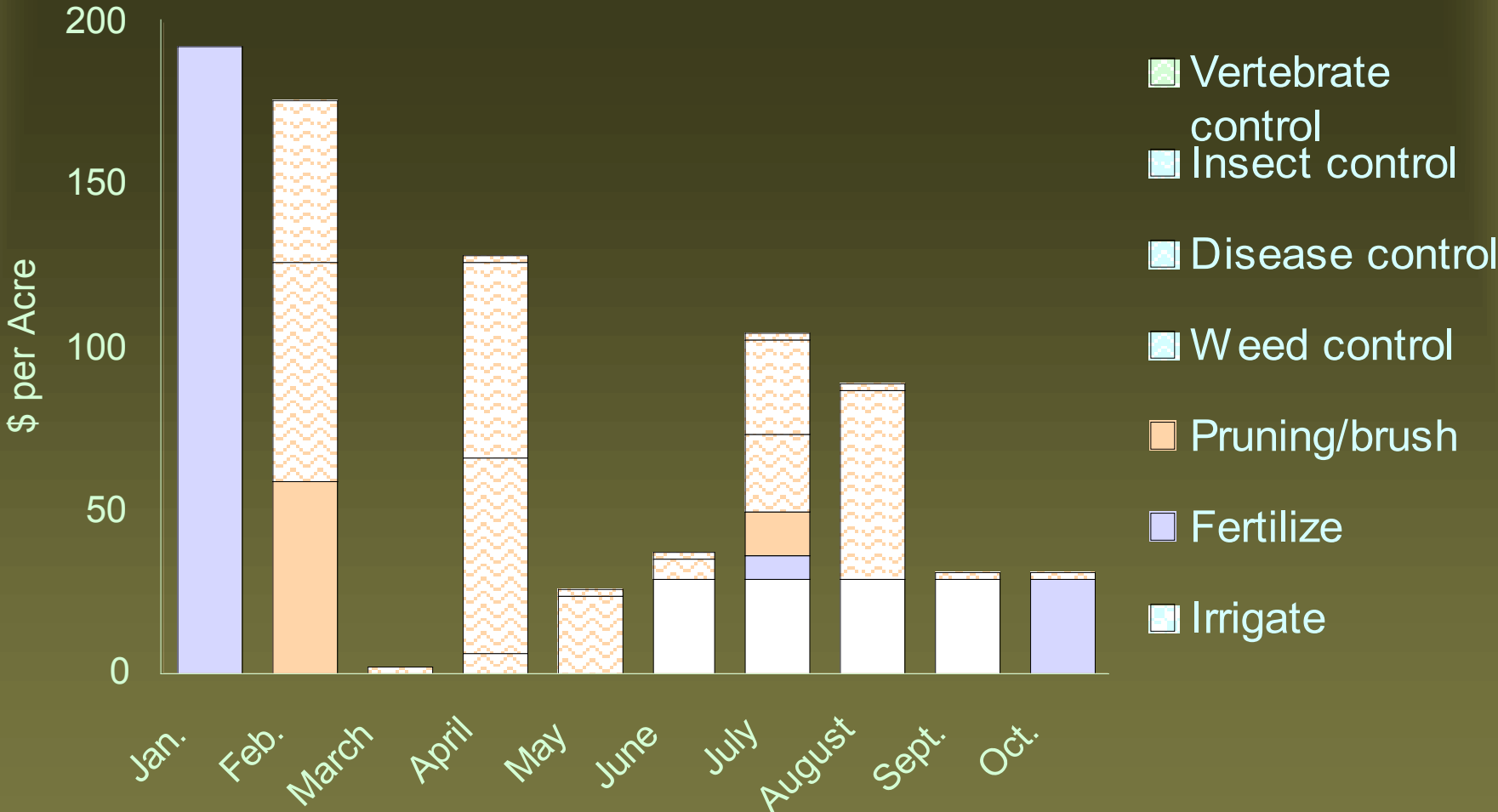
\$ 780 per Acre



MONTHLY CASH COSTS *per* ACRE



MONTHLY CULTURAL COSTS *per ACRE*



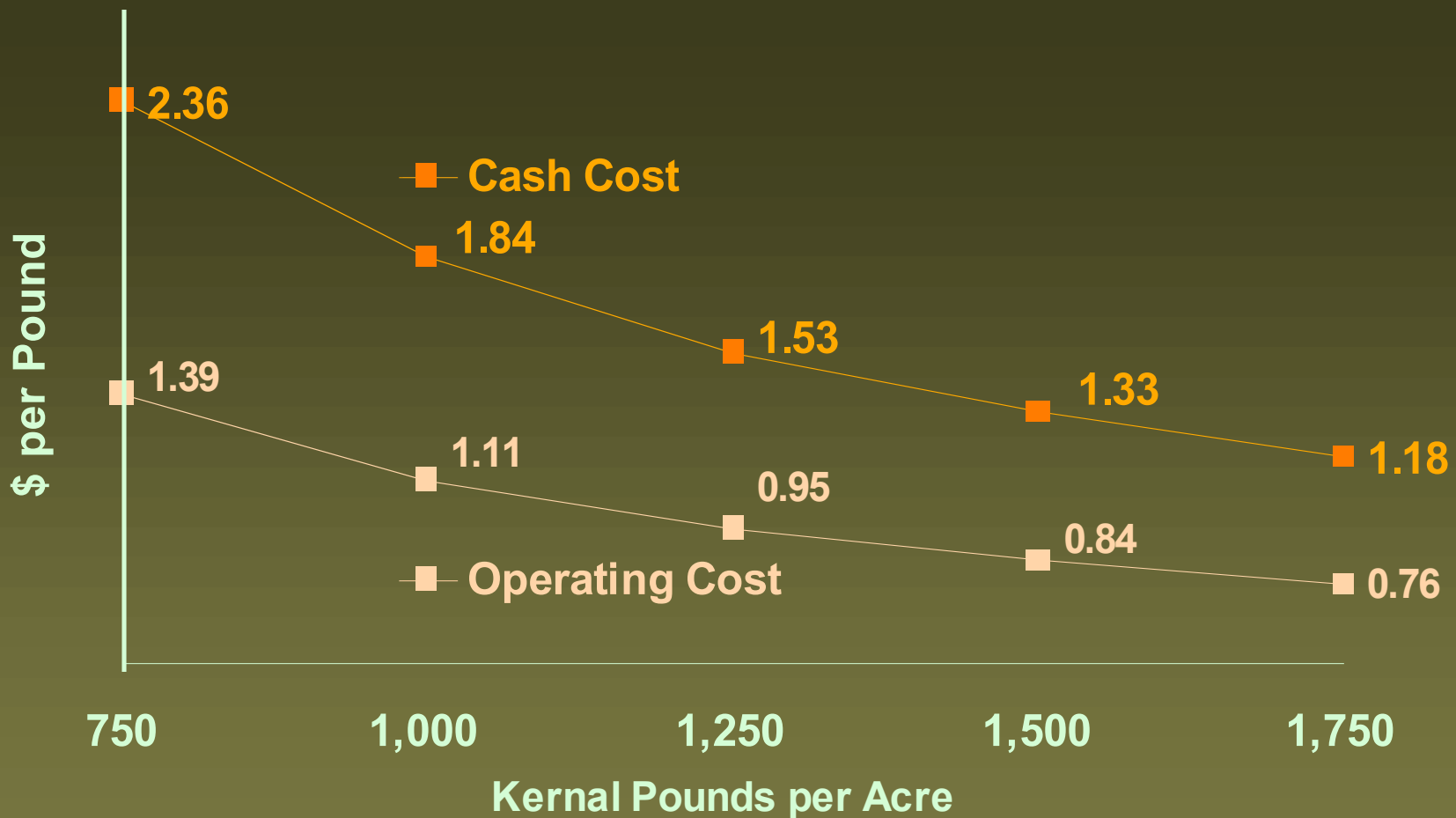
CASH OVERHEAD

Description	Whole farm	Per Acre
Certification	\$470	\$52
Registration	50	6
Office expenses	1,125	125
Sanitation rental	290	32
Property taxes	1,710	190
Insurance	1,197	133
Investment Repairs	1,287	143
TOTAL	6,561	729

YIELD *and* PRICE

- 1,000 in-shell pounds
- \$1.00 per pound

ORGANIC WALNUT PRODUCTION BREAKEVEN PRICES *AT* VARYING YIELDS



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