

# **ECONOMICS OF WALNUT ESTABLISHMENT *AND* PRODUCTION**

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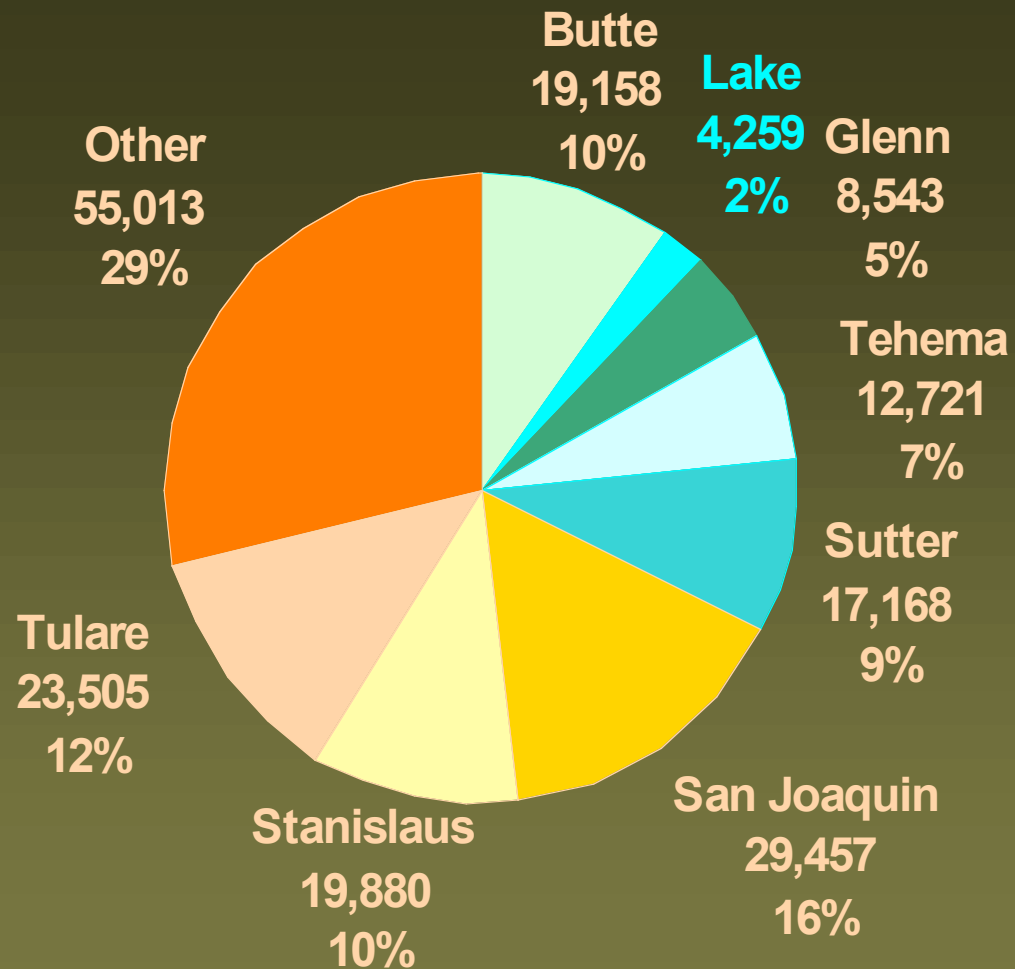
Dept. of Agricultural and Resource Economics

# LAKE COUNTY WALNUTS

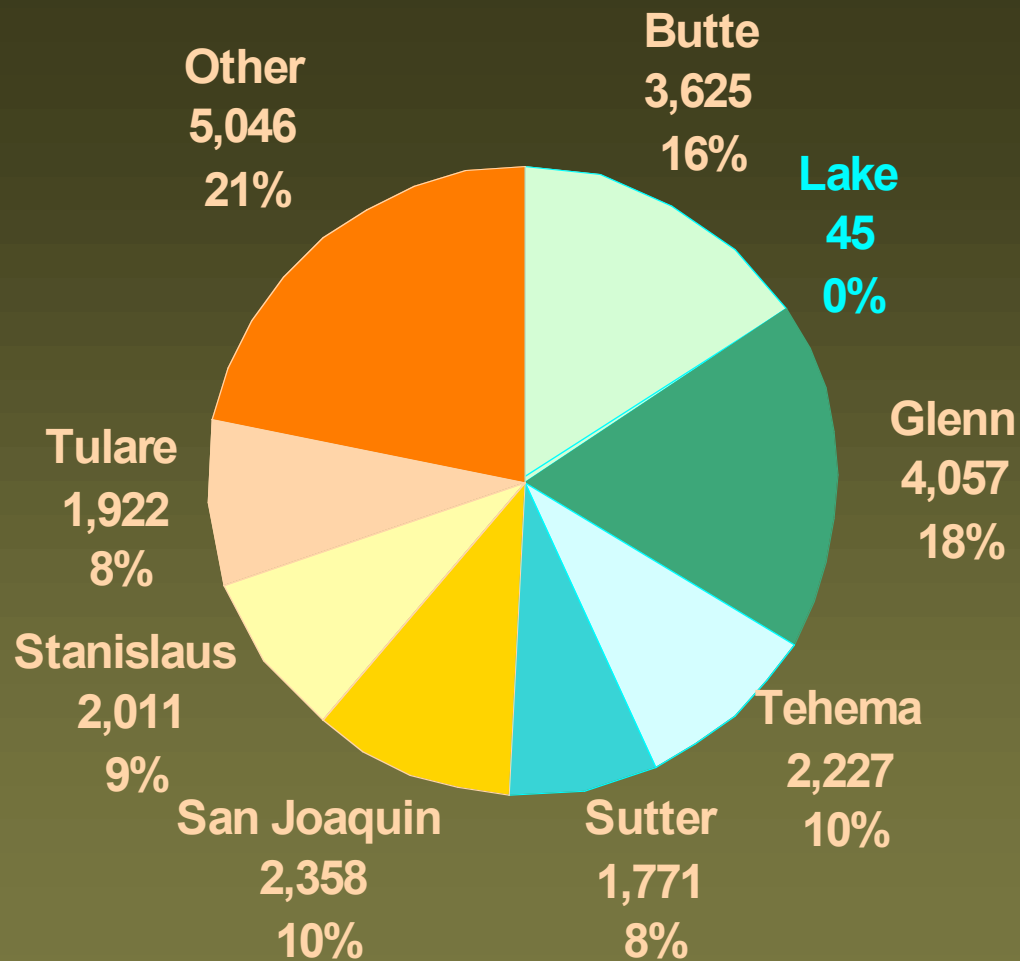
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- CA walnut production
  - Acreage
  - Production
  - Prices
- Cost of establishment
- Cost of production

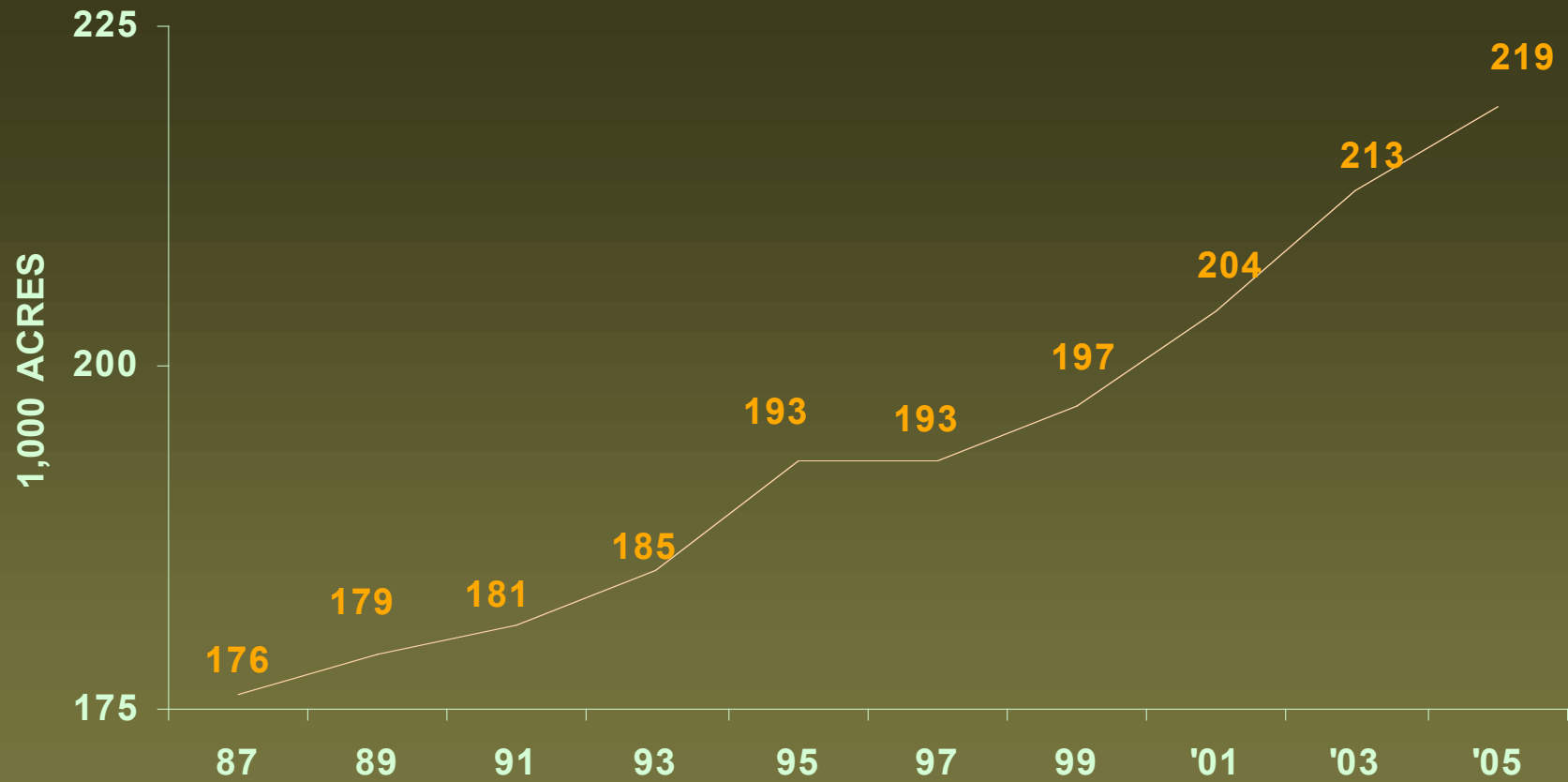
# CA WALNUTS BEARING ACREAGE, 2003



# CA WALNUTS NONBEARING ACREAGE

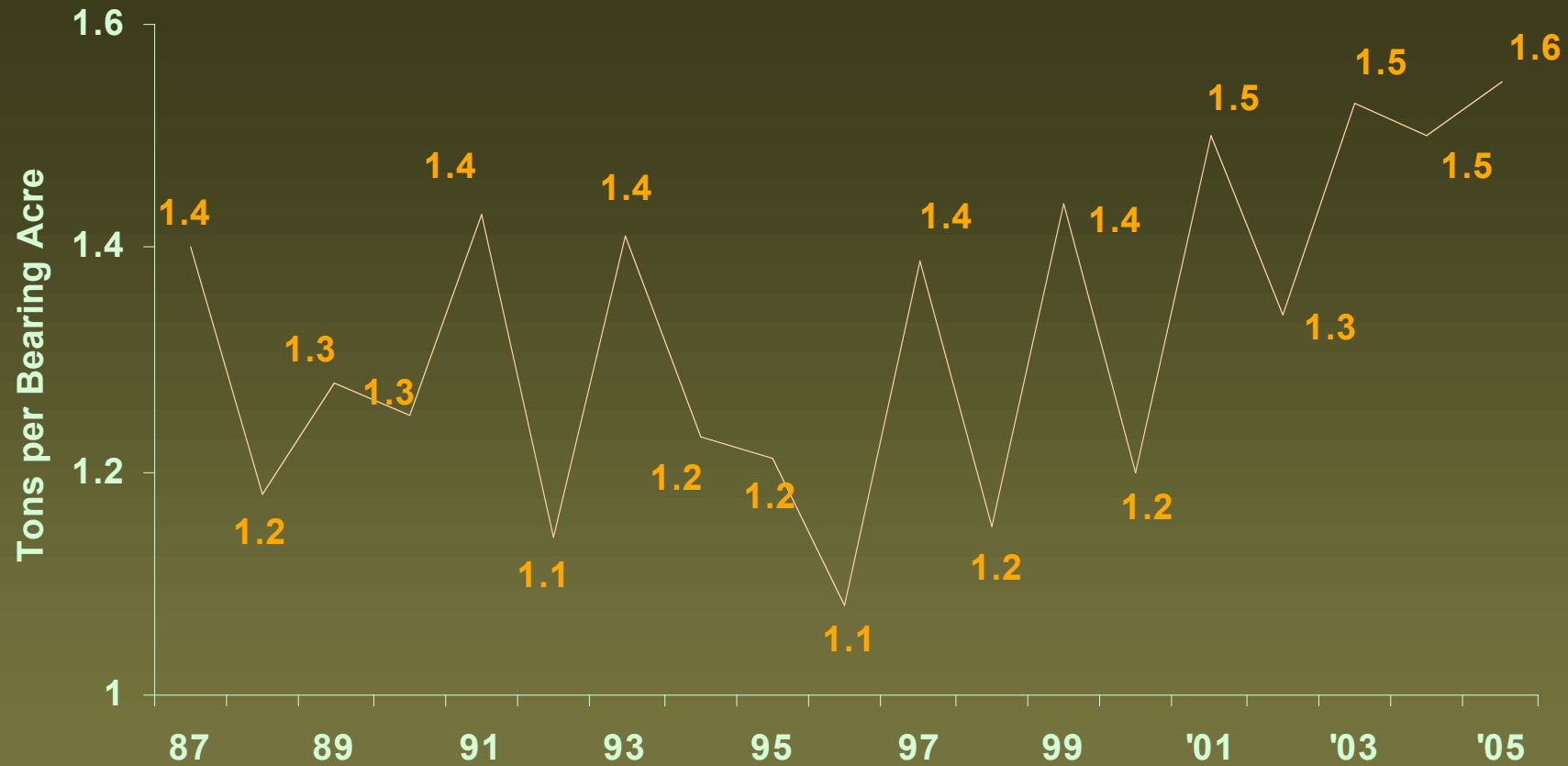


# CA WALNUT ACREAGE 1987 - 2005



Source: NASS

# CA WALNUT YIELD *PER* ACRE 1987 - 2005



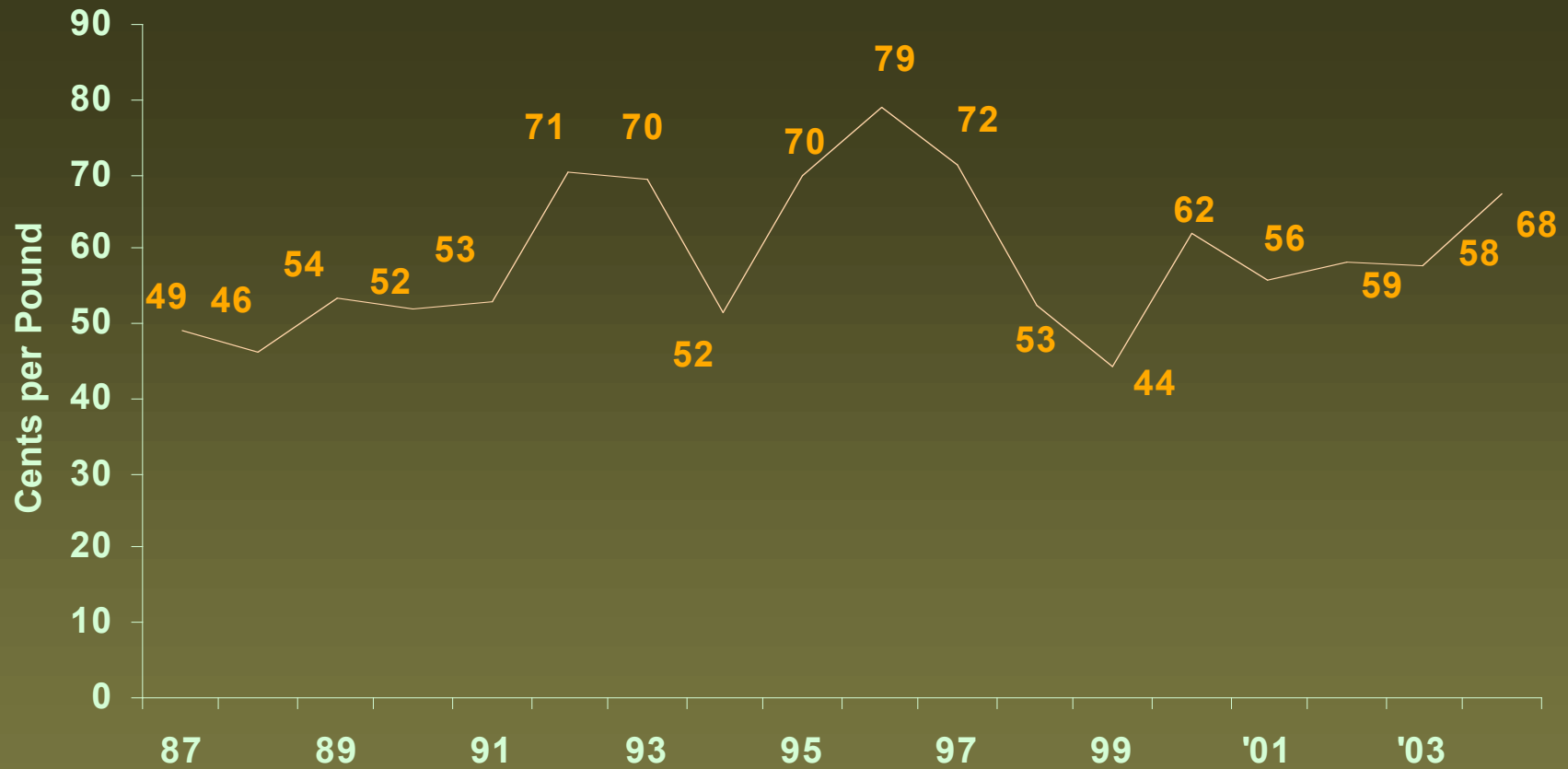
Source: NASS

# CA WALNUT TOTAL PRODUCTION 1987 - 2005



Source: NASS

# CA WALNUT AVERAGE PRICE *PER* POUND 1987 - 2004



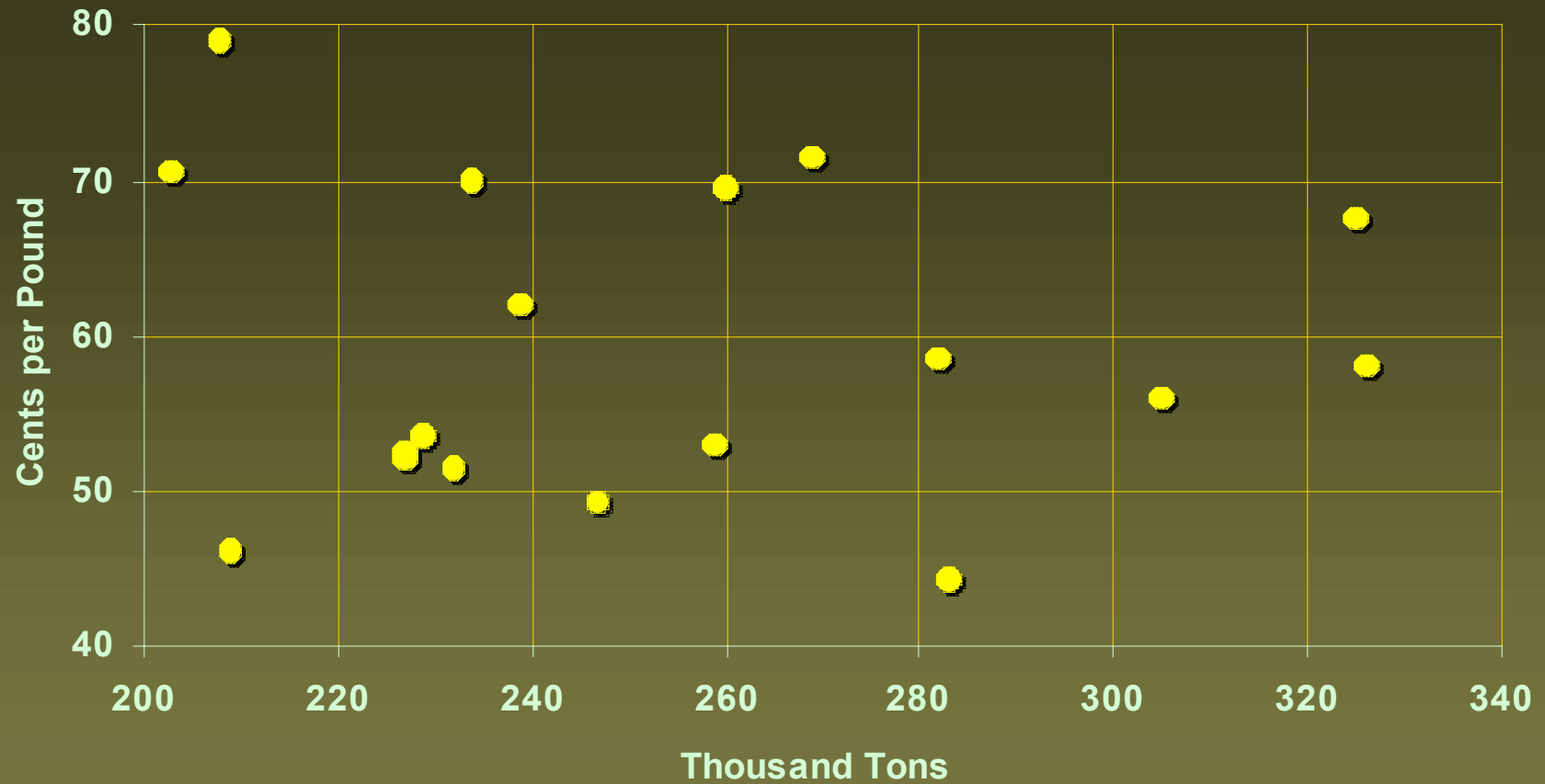
Source: NASS

# CA WALNUT VALUE OF PRODUCTION 1987 - 2004



Source: NASS

# CA WALNUT PRICE VS. PRODUCTION 1987 - 2004



Source: NASS

# CA WALNUT VALUE *PER* ACRE

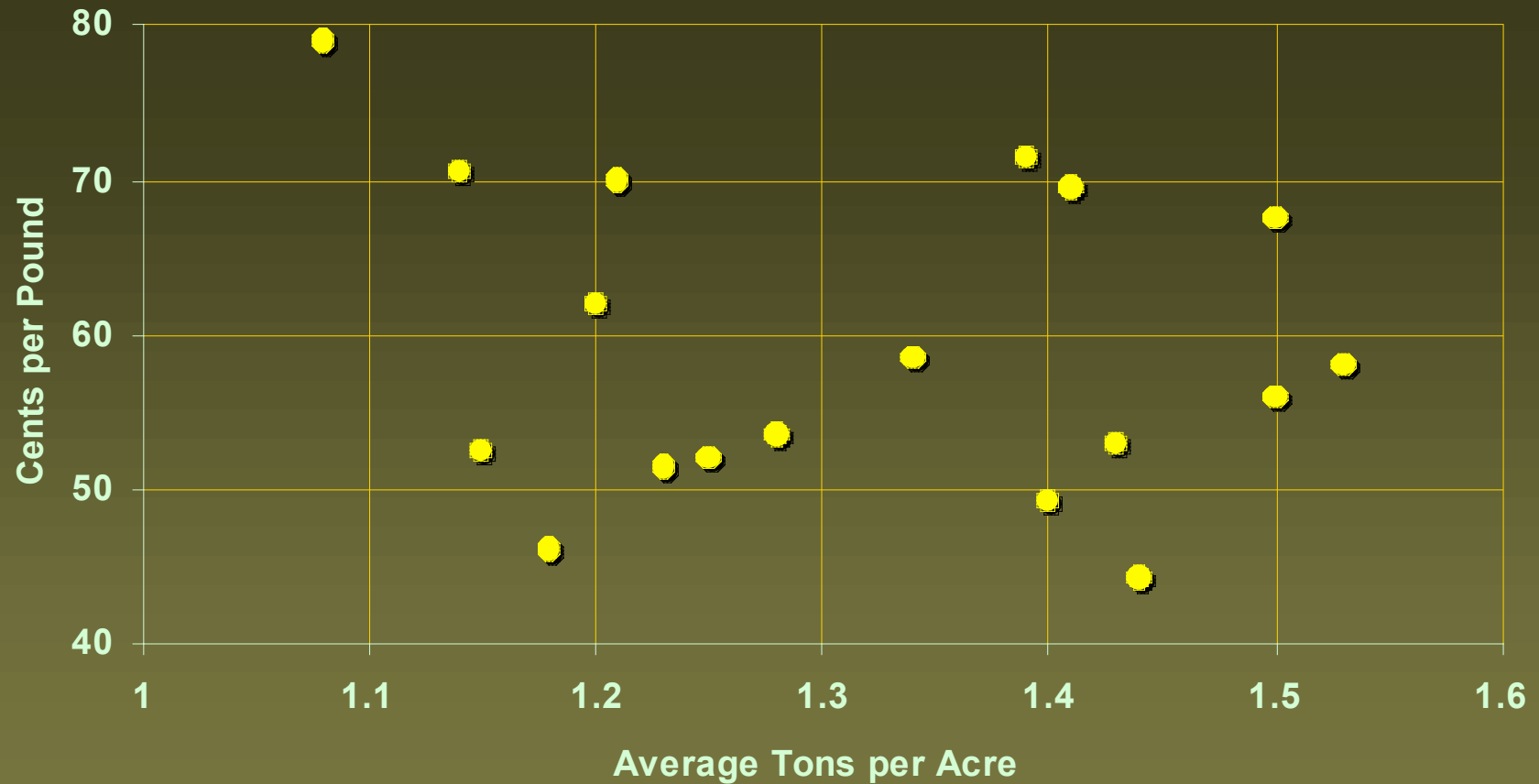
## 1987 - 2004



Source: NASS

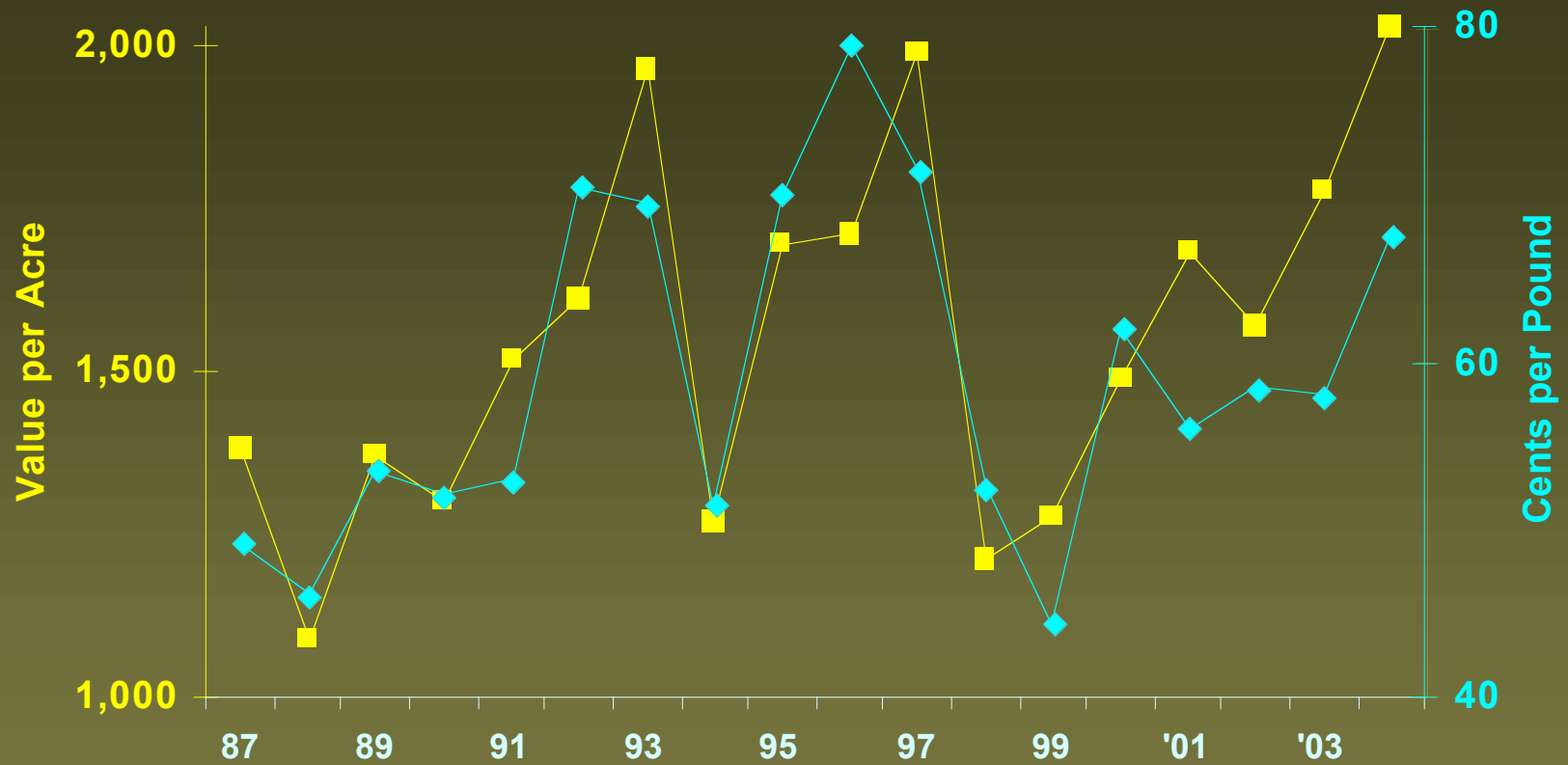
# CA WALNUT PRICE VS. YIELD

## 1987 - 2004



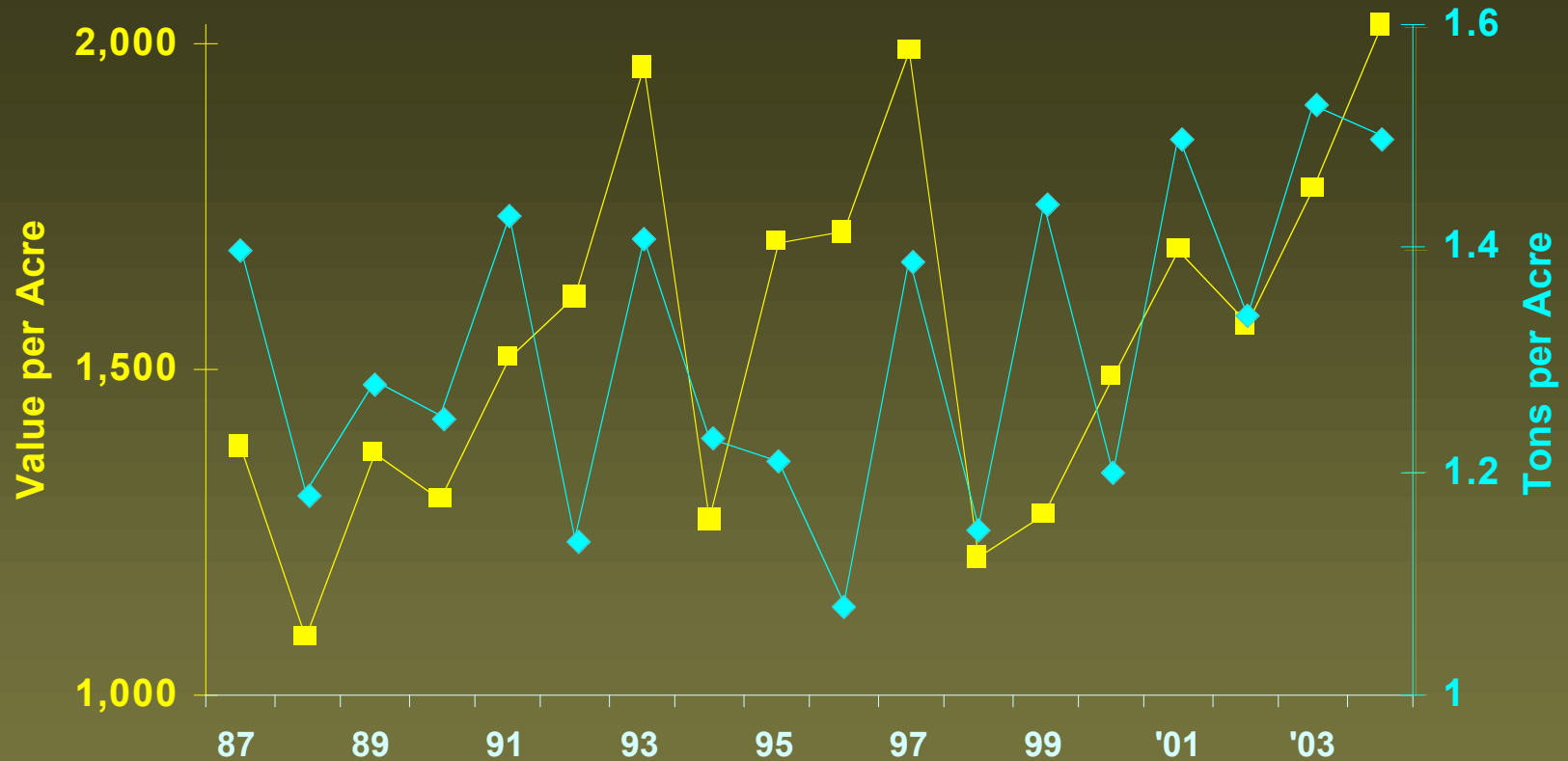
Source: NASS

# CA WALNUTS VALUE AND PRICE PER ACRE

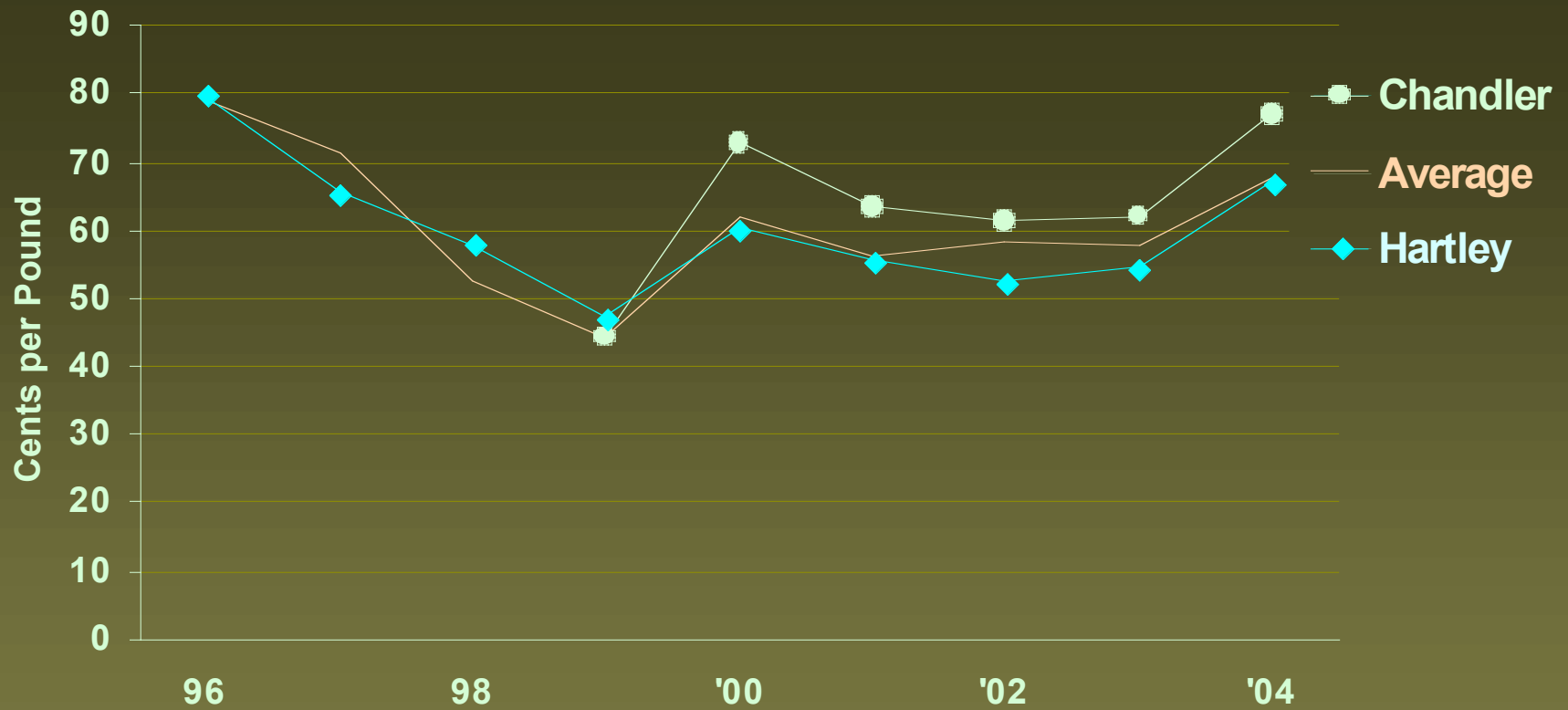


# CA WALNUTS

## VALUE AND YIELD PER ACRE



# CA WALNUT AVERAGE PRICE *PER* POUND 1996 - 2004



Source: NASS

# LAKE COUNTY WALNUTS

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- Cost of establishment
- Cost of production

# COSTS *of* PRODUCTION

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

# COSTS *of* PRODUCTION

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- Cultural costs
  - Pruning, and brush removal
  - Pest control (disease, insects, vertebrates)
  - Weed control  
(disk middles, strip and spot sprays)
  - Fertilization
  - Irrigation
  - Leaf sampling
  - PCA

# COSTS *of* PRODUCTION

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

# COST *of* PRODUCTION

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

# COST *of* PRODUCTION

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

# ASSUMPTIONS

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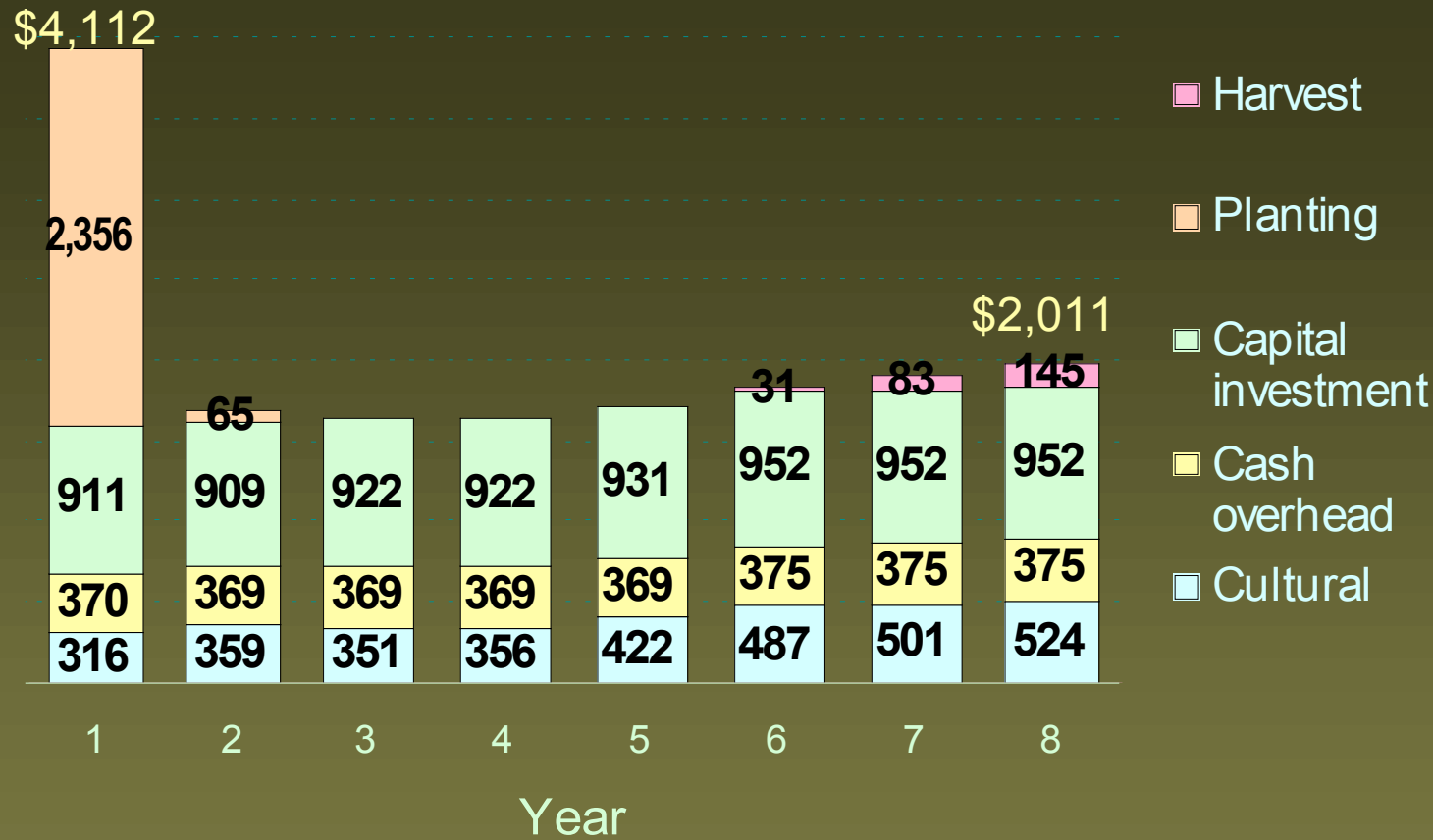
- Chandler variety, 97 trees per acre
- 35 year orchard life
- 20 acres of land, \$160,000
- Water \$45 per acre foot
- \$14.30/hr. machine labor
- \$10.72/hr. irrigator labor and pruning

# YIELD *and* PRICE

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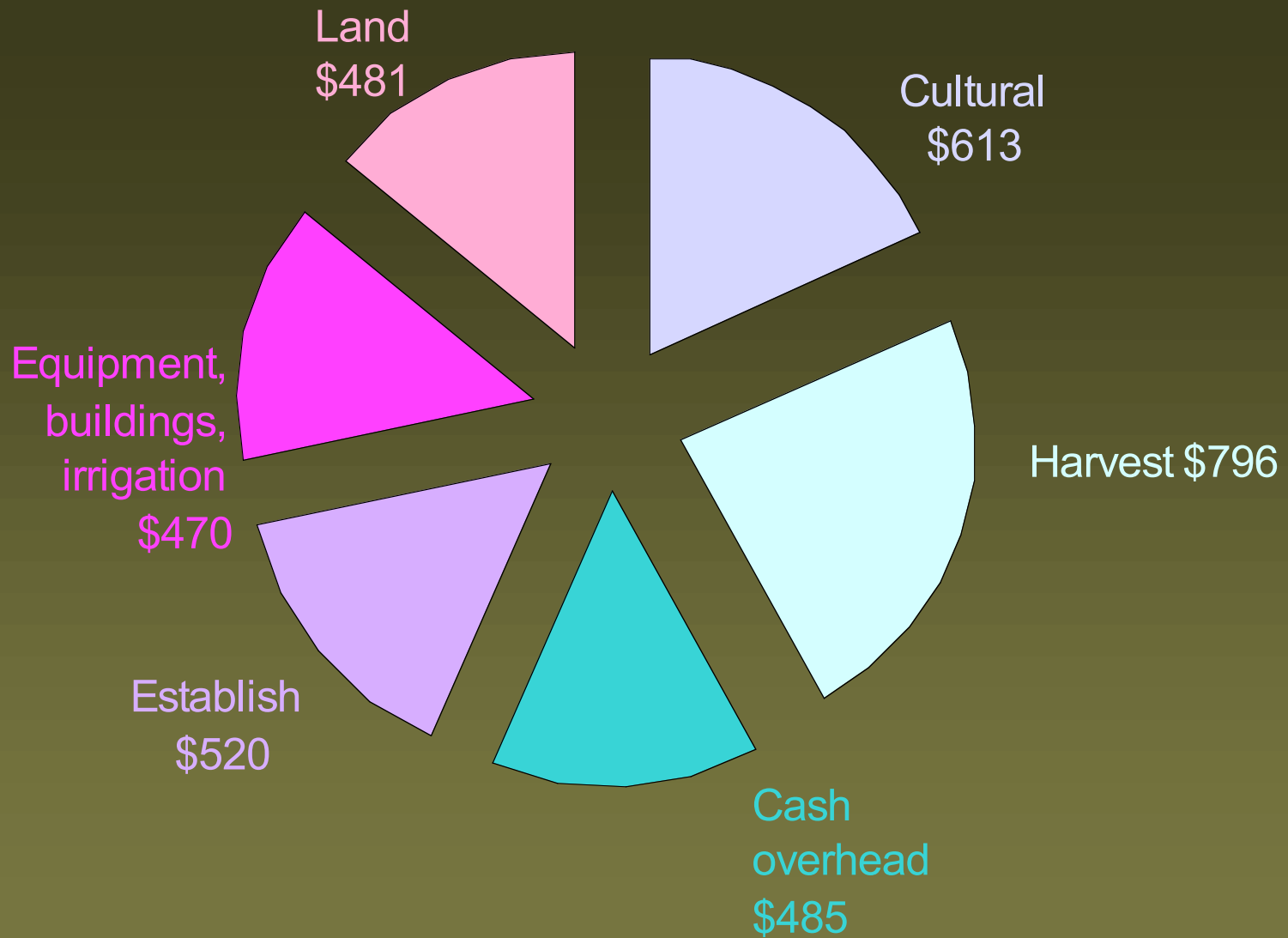
- 5,000 dry inshell pounds per acre by the 11<sup>th</sup> year
- \$.62 per pound

# TOTAL COSTS *per* ACRE to ESTABLISH WALNUTS



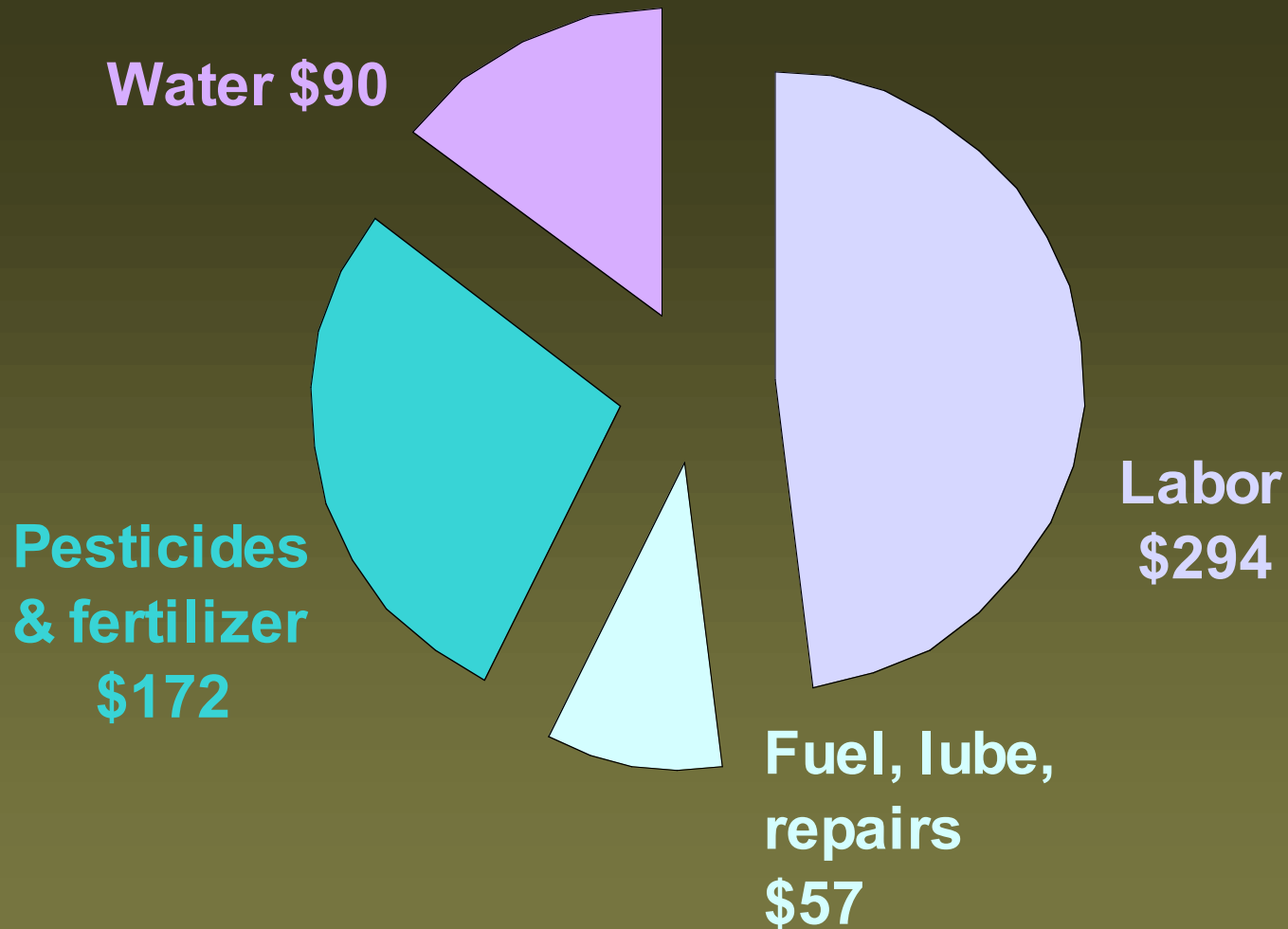
# COSTS *to* PRODUCE WALNUTS

## \$ 3,377 per Acre

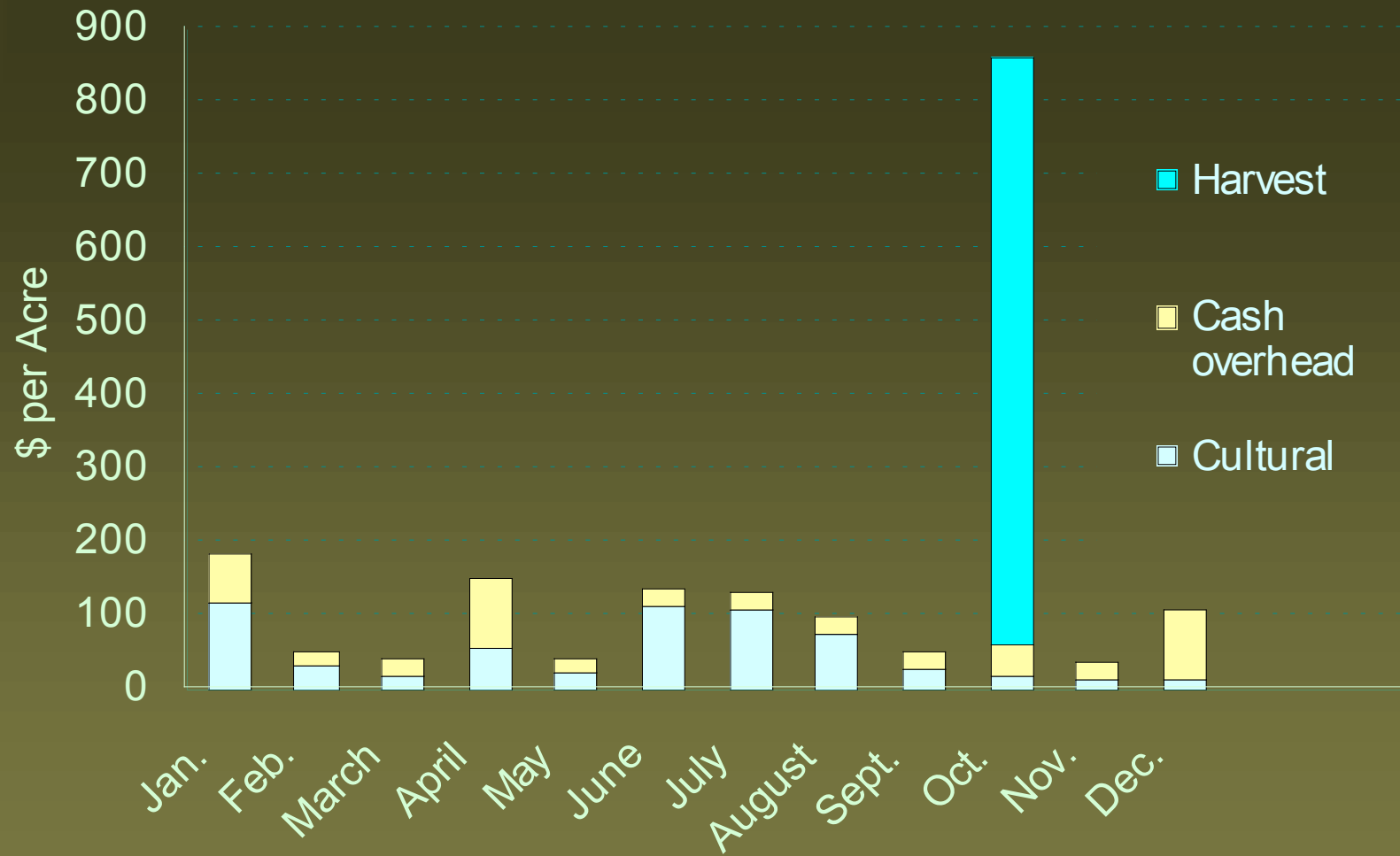


# CULTURAL COSTS *FOR* WALNUTS

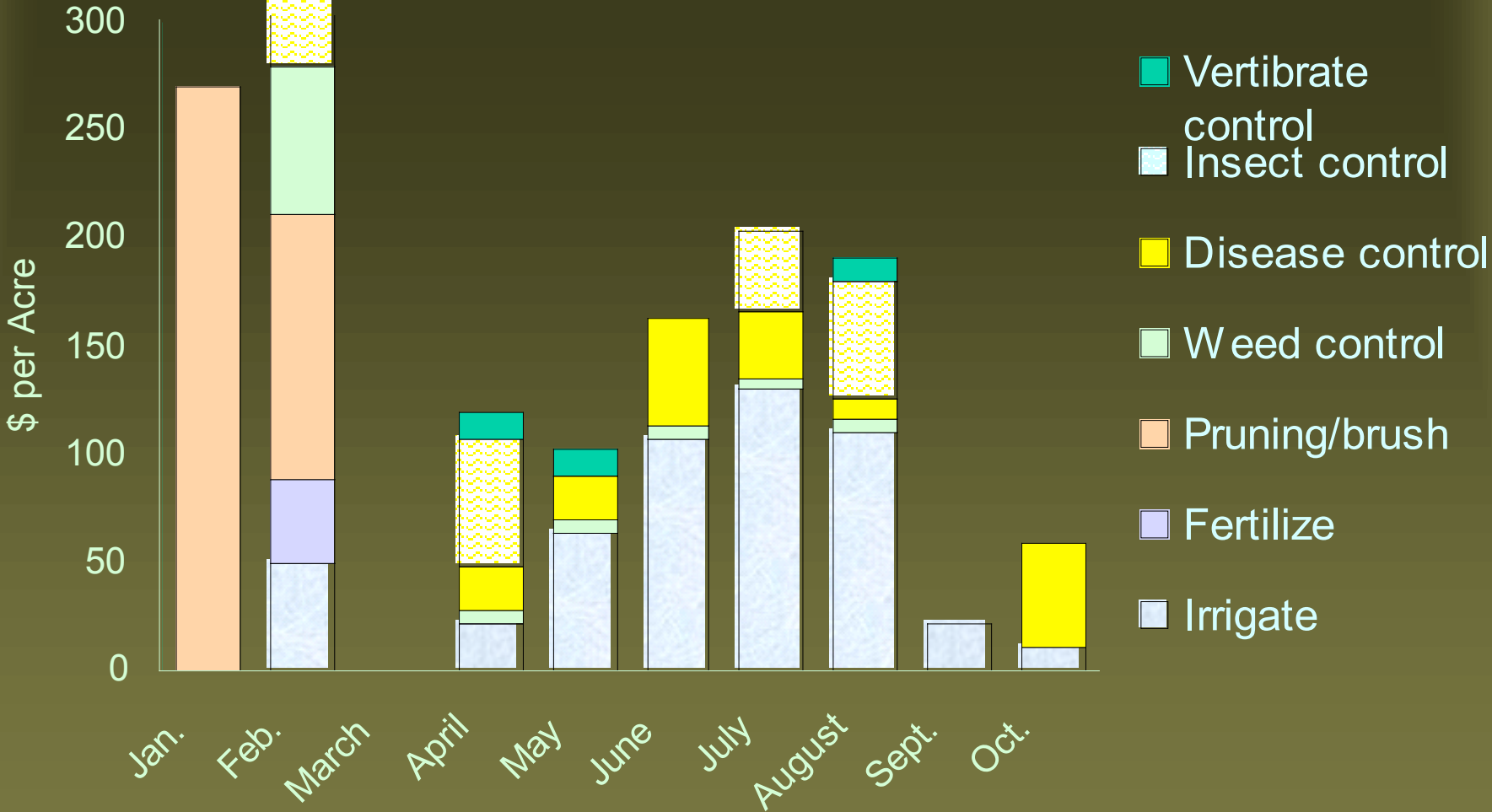
\$ 613 per Acre



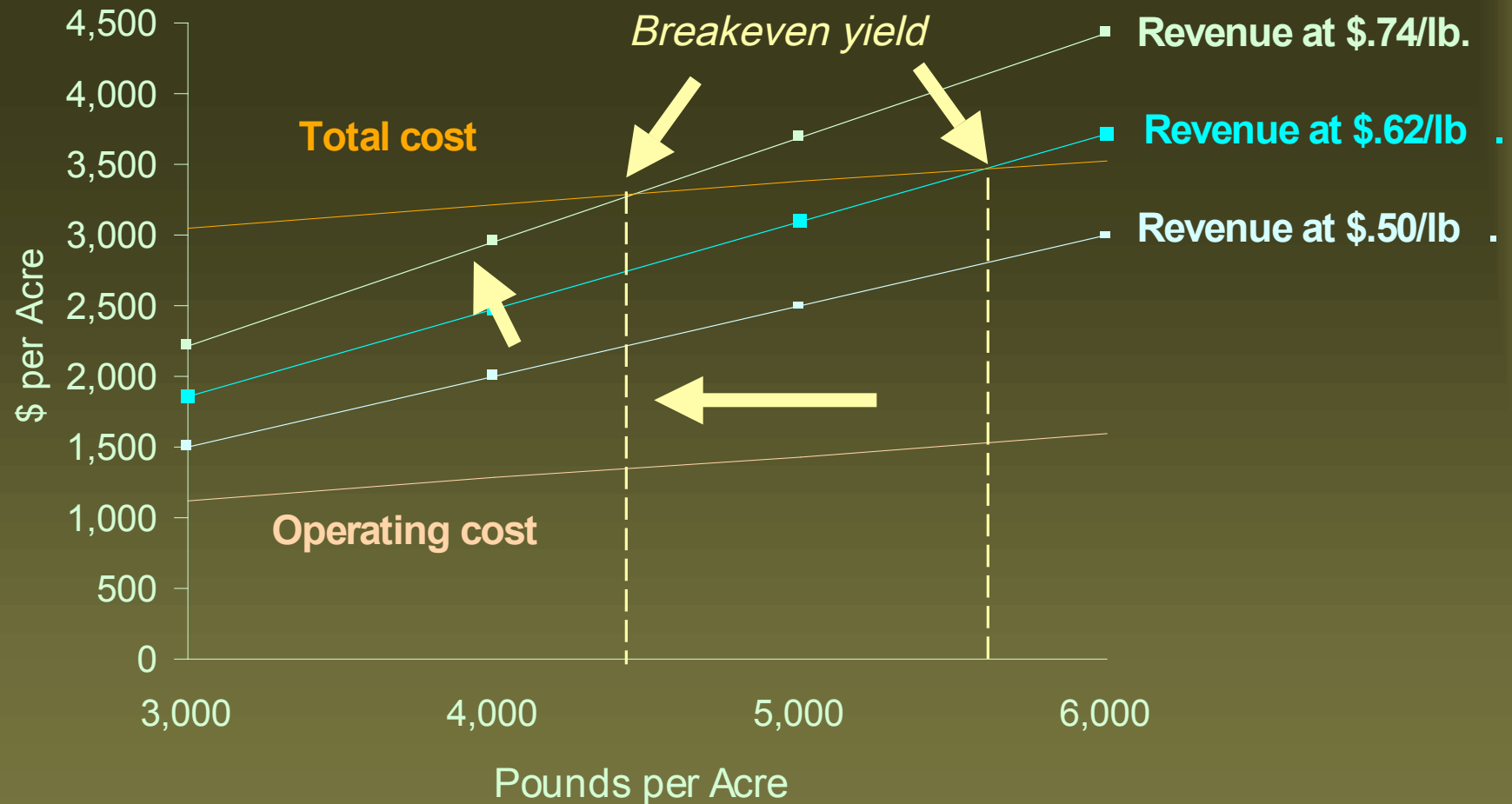
# MONTHLY CASH COSTS *per* ACRE



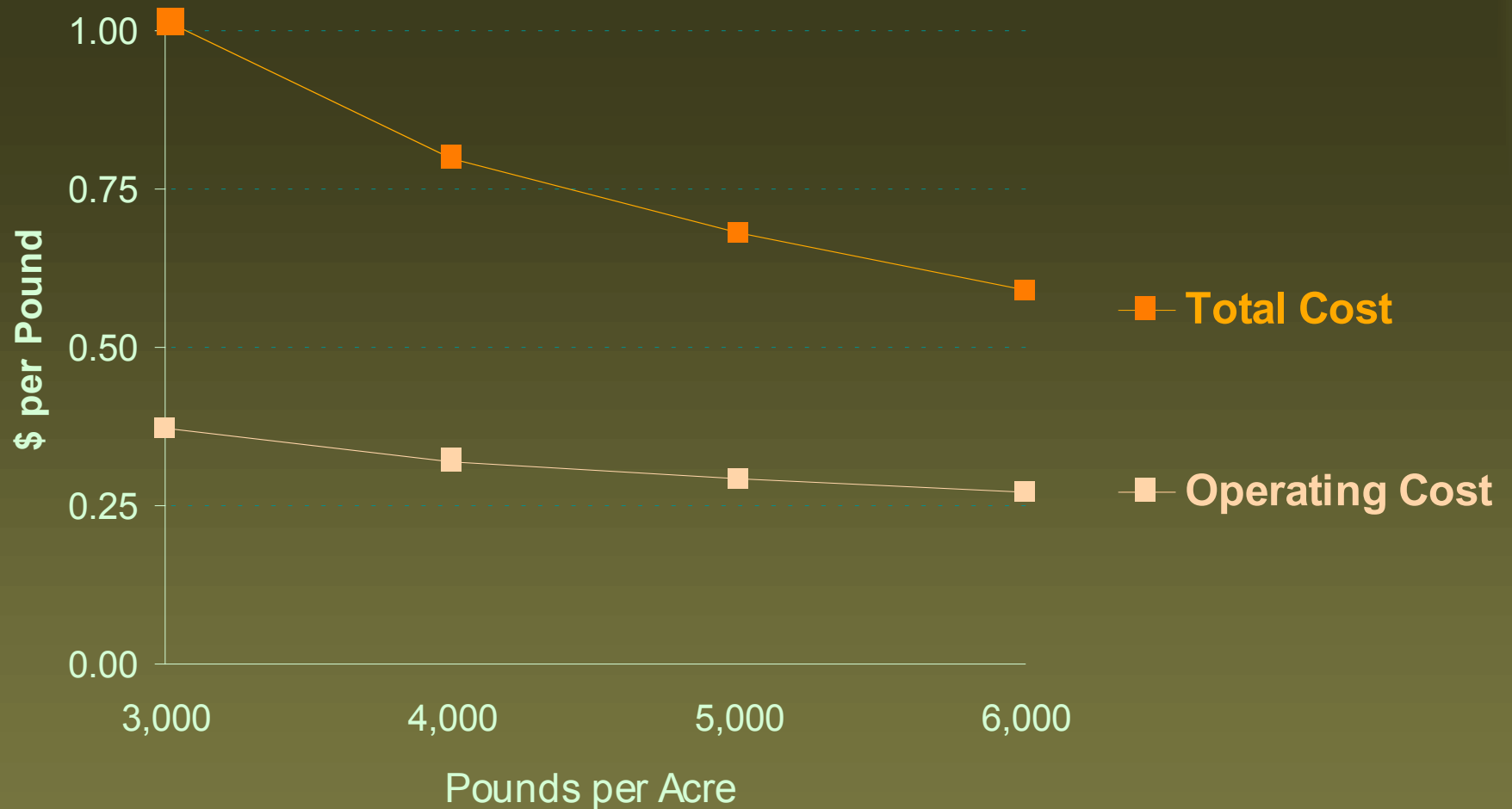
# MONTHLY CULTURAL COSTS *per ACRE*



# REVENUE, COSTS, & BREAK EVEN



# WALNUT PRODUCTION COSTS *PER POUND* AT VARYING YIELDS



# ADVERTISEMENT

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