

Table 4: Input costs, revenues, and net income (loss) for processed and fresh market apple production.

Per acre costs, revenues, and net income assuming a planting density of 135 trees per acre using semi-dwarf rootstock.

Estimates apply to tax-year 2002.

Establishment Costs (applicable to both processed market and fresh market orchards)

Land Clearing	\$75.00
Land Preparation (labor, machinery, material)	\$515.00
Planting (labor, machinery, trees)	<u>\$915.00</u>
Total Establishment Cost	\$1,505.00

	Processed Market Apple Production				Fresh Market Apple Production			
	Pre Production (1-4 Years)	Early Production (5-10 years)	Full Production (11-25 years)	Late Production (26-30 years)	Pre Production (1-4 Years)	Early Production (5-10 years)	Full Production (11-25 years)	Late Production (26-30 years)
Annual Production Costs								
Fertilizer	\$43.00	\$24.00	\$24.00	\$27.00	\$43.00	\$24.00	\$24.00	\$27.00
Lime	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Pesticides	\$183.00	\$364.00	\$546.00	\$546.00	\$183.00	\$463.00	\$686.00	\$686.00
Bee Rental	\$1.00	\$6.00	\$10.00	\$8.00	\$1.00	\$6.00	\$10.00	\$8.00
Pest Control	\$8.00	\$9.00	\$11.00	\$10.00	\$8.00	\$9.00	\$11.00	\$10.00
Mulch	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pruning	\$5.00	\$35.00	\$100.00	\$150.00	\$75.00	\$130.00	\$160.00	\$200.00
Hand Thinning	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25.00	\$50.00	\$50.00
Supplies (replace lost wrenches, etc.)	\$8.00	\$7.00	\$6.00	\$5.00	\$8.00	\$7.00	\$6.00	\$5.00
Miscellaneous (telephone, etc.)	\$54.00	\$11.00	\$11.00	\$11.00	\$54.00	\$11.00	\$11.00	\$11.00
Fixed Machinery Cost (interest & depreciation)	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00
Variable Machinery Cost (fuel, oil, & maintenance)	\$62.00	\$235.00	\$235.00	\$235.00	\$62.00	\$235.00	\$235.00	\$235.00
Permanent Labor	\$186.00	\$378.00	\$567.00	\$465.00	\$186.00	\$378.00	\$567.00	\$465.00
Annual Harvest Cost								
Harvest Labor	\$0.00	\$426.56	\$984.38	\$656.25	\$0.00	\$426.56	\$984.38	\$787.50
Fixed Machinery Cost (interest & depreciation)	\$11.50	\$11.50	\$11.50	\$11.50	\$11.50	\$11.50	\$11.50	\$11.50
Variable Machinery Cost (fuel, oil, & maintenance)	\$23.00	\$80.00	\$80.00	\$80.00	\$23.00	\$80.00	\$80.00	\$80.00
Storage, Packing, Transportaion, and Brokerage Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,462.50	\$3,375.00	\$2,700.00
Annual Overhead								
Insurance	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Average Interest (paid on operating capital and debt) /1/	<u>\$306.57</u>	<u>\$713.56</u>	<u>\$583.65</u>	<u>\$205.11</u>	<u>\$321.82</u>	<u>\$949.14</u>	<u>\$1,305.41</u>	<u>\$875.82</u>
Total Annual Production, Harvesting and Overhead Costs	\$1,350.32	\$2,383.62	\$3,252.53	\$2,492.86	\$1,435.57	\$4,300.70	\$7,599.29	\$6,234.82
Yield	0	325	750	525	0	325	750	600
Price Received	<u>\$5.04</u>	<u>\$5.04</u>	<u>\$5.04</u>	<u>\$5.04</u>	<u>\$9.94</u>	<u>\$9.94</u>	<u>\$9.94</u>	<u>\$9.94</u>
Total Revenue	\$0.00	\$1,638.00	\$3,780.00	\$2,646.00	\$0.00	\$3,230.50	\$7,455.00	\$5,964.00
ANNUAL NET INCOME (LOSS)	(\$1,350.32)	(\$745.62)	\$527.47	\$153.14	(\$1,435.57)	(\$1,070.20)	(\$144.29)	(\$270.82)

1/ Annual interest expenses vary depending upon debt accumulation. The figure listed represents the average annual interest paid over the specified time period.