

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 2007.

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>\$1,350.00</u>
Total Establishment Cost	\$1,940.00

	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	\$43.86	\$40.00	\$24.48	\$27.54	\$43.86	\$40.00	\$50.00	\$40.00
Lime	\$51.00	\$20.00	\$20.00	\$0.00	\$51.00	\$20.00	\$20.00	\$20.00
Pesticides	\$186.66	\$371.28	\$556.92	\$556.92	\$186.66	\$472.26	\$699.72	\$699.72
Bee Rental	\$3.00	\$12.00	\$20.00	\$20.00	\$3.00	\$12.00	\$20.00	\$20.00
Pest Control	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Mulch	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pruning	\$75.00	\$300.00	\$400.00	\$400.00	\$150.00	\$300.00	\$500.00	\$400.00
Hand Thinning	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00	\$400.00	\$300.00
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	\$190.00	\$386.00	\$578.00	\$474.00	\$190.00	\$386.00	\$578.00	\$474.00
Annual Harvest Cost								
Harvest Labor	\$0.00	\$406.25	\$937.50	\$656.25	\$0.00	\$406.25	\$937.50	\$750.00
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, Transportation, 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>\$299.59</u>	<u>\$674.04</u>	<u>\$564.29</u>	<u>\$185.46</u>	<u>\$311.69</u>	<u>\$945.07</u>	<u>\$2,077.03</u>	<u>\$2,477.29</u>
Total Annual Production, Harvesting and Overhead Costs	\$1,545.61	\$2,607.07	\$3,497.69	\$2,715.67	\$1,632.71	\$4,641.58	\$9,053.75	\$8,276.51
Yield	0	325	750	525	0	325	750	600
Price Received	<u>\$5.49</u>	<u>\$5.49</u>	<u>\$5.49</u>	<u>\$5.49</u>	<u>\$9.45</u>	<u>\$9.45</u>	<u>\$9.45</u>	<u>\$9.45</u>
Total Revenue	\$0.00	\$1,784.25	\$4,117.50	\$2,882.25	\$0.00	\$3,071.25	\$7,087.50	\$5,670.00
ANNUAL NET INCOME (LOSS)	(\$1,545.61)	(\$822.82)	\$619.81	\$166.58	(\$1,632.71)	(\$1,570.33)	(\$1,966.25)	(\$2,606.51)

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