

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 2003.

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	\$43.86	\$24.48	\$24.48	\$27.54	\$43.86	\$24.48	\$24.48	\$27.54
Lime	\$51.00	\$51.00	\$51.00	\$51.00	\$51.00	\$51.00	\$51.00	\$51.00
Pesticides	\$186.66	\$371.28	\$556.92	\$556.92	\$186.66	\$472.26	\$699.72	\$699.72
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	\$190.00	\$386.00	\$578.00	\$474.00	\$190.00	\$386.00	\$578.00	\$474.00
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>\$286.95</u>	<u>\$664.48</u>	<u>\$533.86</u>	<u>\$194.52</u>	<u>\$303.84</u>	<u>\$887.43</u>	<u>\$1,175.36</u>	<u>\$680.92</u>
Total Annual Production, Harvesting and Overhead Costs	\$1,340.22	\$2,351.30	\$3,226.14	\$2,503.73	\$1,427.11	\$4,257.73	\$7,495.44	\$6,064.18
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)	(\$1,340.22)	(\$713.30)	\$553.86	\$142.27	(\$1,427.11)	(\$1,027.23)	(\$40.44)	(\$100.18)

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