



2000 APPLE PRODUCTION BUDGET
Establishment (Year 1) ¹
1 Acre

ITEM	EXPLANATION	PRICE PER UNIT	YOUR BUDGET
VARIABLE COSTS			
Apple Trees	300 trees	\$6.00 /tree	\$1,800
Fertilizer ²			
N	20 lb	0.23 /lb	5
P ₂ O ₅	30 lb	0.28 /lb	8
K ₂ O	30 lb	0.13 /lb	4
Pesticides ³			60
Fuel, Oil, Grease			18
Repairs			15
Miscellaneous ⁴			15
Hired Labor ⁵	30 hours	7.50 /hr	225
Int. on Oper. Cap. ⁶	6 mo.	9.0%	16
TOTAL VARIABLE COSTS	-Per Acre		2166
FIXED COSTS			
Operator Labor Charge ⁵	10 hours	7.50 /hr	75
Mach. And Equip. Charge			38
Land Charge	Rent		85
Facilities and Equipment ⁷	\$ 30,000	15%	225
Management Charge			140
TOTAL FIXED COSTS			563
TOTAL COSTS	-Per Acre		2729

¹ Planting trees is the second step in establishing an orchard and is typically performed the second year of the enterprise.

No crop or revenue is realized until the 4th year or later.

² Consult OSU Bulletin 458 "Fertilizing Fruit Crops" for specific recommendations

³ Consult OSU Bulletin 506A2 "Commercial Tree Fruit Spray Guide" for specific recommendations

⁴ Includes soil tests, small tools, utilities, etc...

⁵ Hired and seasonal labor is considered a variable costs, salaried and operator/unpaid family labor is considered a fixed cost.

⁶ Interest on all variable costs for 6 months at 9% interest rate

⁷ Facilities and equipment valued at \$30,000 expensed at 15% annually for 20 acres.

Example: \$30,000 x 15 / 20 acres = \$225

Includes depreciation, interest, insurance, and repairs.