



2000 APPLE PRODUCTION BUDGET
Land Preparation (Year 0) ¹
1 Acre

ITEM	EXPLANATION	PRICE PER UNIT	YOUR BUDGET
VARIABLE COSTS			
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 _____
Lime	1000 lb	14 /ton	7 _____
Pesticides ³			15 _____
Cover Crop (Fescue)	12 pounds	1.50 /lb	18 _____
Fuel, Oil, Grease			18 _____
Repairs			15 _____
Miscellaneous ⁴			12 _____
Hired Labor ⁵	30 hours	7.50 /hr	225 _____
Int. on Oper. Cap. ⁶	6 mo.	9.0%	15 _____
TOTAL VARIABLE COSTS	-Per Acre		342 _____
FIXED COSTS			
Operator Labor Charge ⁵	6 hours	7.50 /hr	45 _____
Mach. And Equip. Charge			38 _____
Land Charge	Rent		85 _____
Facilities and Equipment ⁷	\$ 30,000	15%	225 _____
Management Charge			130 _____
TOTAL FIXED COSTS			523 _____
TOTAL COSTS	-Per Acre		865 _____

¹ Land preparation is the first step in establishing an orchard. 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.