



**2003 GRAPE PRODUCTION BUDGET**  
**1/2 Production - Year 3 <sup>1</sup>**  
**Table Grapes - 1 Acre**

ITEM	EXPLANATION	PRICE PER UNIT	YOUR BUDGET
<b>REVENUE</b>			
Grapes <sup>2</sup>	3000 lbs.	\$1.39 /lb	\$4,170
Culled Grapes	3000 lbs.	\$0.50 /lb	\$1,500
<b>VARIABLE COSTS</b>			
Fertilizer <sup>3</sup>		50	50
Lime <sup>3</sup>	0 tons	15 /ton	0
Pesticides <sup>4</sup>			825
Harvesting Costs			
Picking Costs		100.00 /ton	150
Grape Lugs	200 /acre	4.00 /lug	800
Quart Baskets	4000 baskets	0.15 /bskt.	600
Basket Carriers	200 carriers	1.25 /carr.	250
Machinery Costs <sup>5</sup>			179
Cooling Unit Utility Costs			250
Bird Netting			165
Miscellaneous <sup>6</sup>			75
Int. on Oper. Cap. <sup>7</sup>	6 mo.	9.0%	150
<b>TOTAL VARIABLE COSTS</b>	<b>-Per Acre</b>		<b>3494</b>
<b>FIXED COSTS</b>			
Operator Labor Charge <sup>8</sup>	140 hours	10.00 /hr	1400
Land Charge	Rent		100
Liability Insurance			50
Pickup Truck <sup>9</sup>	25000	20%	1250
Cooling Unit <sup>10</sup>	8000	20%	1600
Management Charge <sup>11</sup>			100
<b>TOTAL FIXED COSTS</b>			<b>4500</b>
<b>TOTAL COSTS</b>	<b>-Per Acre</b>		<b>7994</b>
<b>RETURN OVER TOTAL COSTS</b>			<b>2176</b>
<b>RETURN OVER FIXED COSTS</b>			<b>-2324</b>

- <sup>1</sup> Year 3 is the first year of production, however, production is limited to 1/2 of full production.
- <sup>2</sup> Price will vary according to quality and market fluctuations. Price and yield based on Reliance variety of grapes.
- <sup>3</sup> Fertilizer and lime should always be applied according to soil tests. Consult OSUE Bulletin 815 "Grapes: Production, Management, and Marketing" for further information
- <sup>4</sup> Consult OSUE Bulletin 506B2 "Ohio Commercial Small Fruit and Grape Spray Guide" for specific pesticide recommendations.
- <sup>5</sup> Machinery costs are based on custom rates:

	Number of Times	Cost per Acre	Total
Mowing	5	\$11	55
Spraying	14	\$7	98
Fertilizer	2	\$5	10
Hauling	1	\$20	<u>20</u>
			183

- <sup>6</sup> Miscellaneous costs include soil tests, small tools, supplies, etc...
- <sup>7</sup> Interest on operating costs is calculated at 9% interest for 6 months.
- <sup>8</sup> Operator labor is the labor that the owner/operator invests into the vineyard. A summary of typical hired labor operations are listed below:
- Pruning and brush pulling
  - Pre-emergent spraying
  - Post-emergent spot spraying
  - Mowing middle rows
  - Fertilizer application
  - Insect and disease control spraying
  - Shoot positioning
  - Harvesting (not included in hired labor costs)
- <sup>9</sup> Pickup Truck is used 1/4 time for vineyard. 20% annual expense rate includes depreciation, interest, insurance, taxes, repairs.
- <sup>10</sup> Cooling unit expensed at 20% annually which accounts for depreciation, interest, insurance, and repair costs.
- <sup>11</sup> Management charge is an opportunity cost for the operator's management skills. This is a charge above and beyond labor.