

# COST ESTIMATES FOR REPLACING DAMAGED VINES Thompson Seedless Grown for Raisin or Wine Estimates for Loss of 10 Vines September 2009



This cost analysis was developed to aid growers, insurance adjusters, and allied industry to arrive at an equitable value for the loss of destroyed or damaged vines. It includes examples for costs incurred in replacing vines and compensation for crop loss during reestablishment. It is <u>not</u> intended to establish firm, uncompromising values and should be used as an example, recognizing that each individual situation is different, including vineyard age and productivity, time and nuisances related to trellis systems, number of rows and vines involved, vineyard management and market outlets. These and other variables must be worked out individually. For losses less or more than ten, the costs will be proportionately higher or lower on a per vine basis. As an example, it requires the same amount of time and mileage to purchase five rootings as compared to ten rootings but the cost to plant ten is greater. Since the full value of the loss of production is included in our examples, only special costs above normal operating expenses can be deducted, i.e. the normal operating costs other than harvesting, such as pruning, cultivating, pest control, water, taxes, etc. are costs that come out of the money received for crop loss.

## **Replacement Cost**

| Single Grapevine Costs                        | (A)                               | \$51.97/vine |
|---|-----------------------------------|--------------|
| Total for 10 Grapevines                       |                                   | \$519.65     |
| Tractor expenses                              | 5 hrs. @ \$13.40*                 | 67.00        |
| insurance report                              |                                   |              |
| Time and labor: Material ordering and         | 4 hrs. @ \$11.05                  | 44.20        |
| Vehicle expenses: pick up/delivery            | 40 mi. @ 55¢                      | 22.00        |
| Phone expenses                                |                                   | 2.75         |
| Materials (twine, staples, etc.)              |                                   | 2.90         |
| Rabbit protection                             | 10 @15¢ + labor 1 hr. @ \$11.05   | 12.55        |
| Miscellaneous                                 |                                   |              |
| Total   | 22 hrs.@ \$11.05                  | 243.10       |
| Special watering mainly 1st and 2nd yrs.      | 15 hrs.                           |              |
| Training mainly 2nd and 3rd yrs.              | 4 hrs.                            |              |
| Hand weeding mainly 1st and 2nd yrs.          | 3 hrs.                            |              |
| Special care of vines for 4 yrs.              |                                   |              |
| Staking and wiring labor –                    | 2 hrs. @ \$11.05                  | 22.10        |
| 100' No. 12 galv., high tinsel wire (3 wires) | 9 lbs. @ 65¢                      | 5.85         |
| Stakes, 8' treated                            | 10 @ \$2.49                       | 24.90        |
| Planting labor                                | 2 hrs. @ \$11.05                  | 22.10        |
| Rootings or grafted vines                     | 10 @ 60¢ (Grafted vines 10 @3.40) | 6.00 (34.00) |
| Removal of damaged vines and stakes           | 4 hrs. @ \$11.05*                 | \$44.20      |

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### **Crop Loss**

In the wine grape example, we assume the annual green tonnage yield to be an average 11 tons per acre for the vineyard. This is equal to about 50 lbs. per vine annually. Therefore, three years with a total loss of crop plus two years with one half crop loss will equal a sum total crop loss for these ten vines over a five-year period equal to one green ton. In the raisin example, we assume a 4.25:1 green weight to dry weight ratio equaling 470 lbs. of raisins.

| Price/Ton | - | Harvest Cost/Ton | = | Estimated Fruit<br>Value for 10 Vines<br>(5-year period) | Croj | stimated<br>p Loss/Vine<br>ear period) |
|-----------|---|------------------|---|--|------|--|
| \$160     | - | 55               | = | 105  | (B)  | 10.50                                  |
| 175       | - | 55               | = | 120  |      | 12.00                                  |
| 200       | - | 55               | = | 145  |      | 14.50                                  |

#### **\*\*Wine Grape Example:**

#### **\*\***Raisin Example: 4.25:1 green wt. to dry wt. ratio = 470 lbs. or 0.24 tons

| Price/Ton | _ | Harvest Cost/Ton | = | Estimated Fruit Value for 10<br>Vines<br>(5-year period) | Estimated Crop<br>Loss/Vine<br>(5-year period)(B) |
|-----------|---|------------------|---|--|---|
| \$900     | - | 270              | = | $(630 \times 0.24 \text{ ton}) = 151.20$                 | \$15.12   |
| 1100      | - | 270              | = | $(830 \times 0.24 \text{ ton}) = 199.20$                 | 19.92   |
| 1300      | - | 270              | = | $(1030 \ge 0.24 \text{ ton}) = 247.20$                   | 24.72   |

#### Formula

| Estimated total value | Replacement Cost |   | Crop Loss |   | Additional Expenses |
|-----------------------|------------------|---|-----------|---|---------------------|
| Value per vine =      | (A)              | + | (B)       | + | (C)                 |

## **Additional Expenses (C)**

The following items are often required to repair a damaged vineyard to its former state. Therefore, their estimated cost should be added where applicable. End Post – treated – 8' \$12.00Removal and installation of damaged end post – 2 hrs. @ \$11.05 22.10 Crossarm – 2' – material + installation 2.50 each Pumps, stand pipes, valves, etc. – It is suggested that you contact an irrigation repair company and bill the insurance for actual costs.

\*Non-machine (\$11.05/hr.) and machine labor (\$13.40/hr.) includes FICA, Workman's Compensation and Unemployment Insurance.

\*\* See UC Cost Studies for Wine and Raisin Grape Production

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