

Projected Establishment and Production Costs and Returns for Lychees  
Coastal Regions of California, 2002  
Planting Space of 16'x20' or 136 plants/acre, Labor Wages @ \$12/hr  
6 establishment and 30 production years

[illegible]

| Lychees establishment and production costs and returns cont. (page 2) |       |          |              |               |              |               |              |               |              |               |              |               |              |               |                 |              |
|-----------------------------------------------------------------------|-------|----------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|-----------------|--------------|
|                                                                       |       |          | Year 1       |               | Year 2       |               | Year 3       |               | Year 4       |               | Year 5       |               | Year 6       |               | Production Year |              |
| Operation                                                             | Unit  | \$/ Unit | Quant. /Acre | \$/Acre       | Quant. /Acre | \$/Acre       | Quant. /Acre | \$/Acre       | Quant. /Acre | \$/Acre       | Quant. /Acre | \$/Acre       | Quant. /Acre | \$/Acre       | Quant. /Acre    | \$/Acre      |
| <b>Fertilization</b>                                                  |       |          |              |               |              |               |              |               |              |               |              |               |              |               |                 |              |
| Zinc sulfate (as for lemon trees)                                     | lb    | 0.35     | 8            | 2.80          | 8            | 2.80          | 8            | 2.80          | 8            | 2.80          | 8            | 2.80          | 8            | 2.80          | 8               | 2.80         |
| Manganese Sulfate (as for lemon trees)                                | qt    | 0.38     | 8            | 3.04          | 8            | 3.04          | 8            | 3.04          | 8            | 3.04          | 8            | 3.04          | 8            | 3.04          | 8               | 3.04         |
| N (1/2 as lemons)---urea                                              | lb    | 0.17     | 13.08        | 2.22          | 26.15        | 4.45          | 39.23        | 6.67          | 52.31        | 8.89          | 88.92        | 15.12         | 88.92        | 15.12         | 88.92           | 15.12        |
| Labor - micro nutrients spray                                         | hr    | 12       | 0.55         | 6.60          | 0.55         | 6.60          | 0.55         | 6.60          | 0.55         | 6.60          | 0.55         | 6.60          | 0.55         | 6.60          | 0.55            | 6.60         |
| Machine (fuel, lube, & repair)                                        | hr    | 14       | 0.50         | 7             | 0.50         | 7             | 0.50         | 7             | 0.50         | 7             | 0.50         | 7             | 0.50         | 7             | 0.50            | 7            |
| <b>Top, Hedge, &amp; Prune (1/2 Lemon hr)</b>                         | hr    | 12       |              |               | 5            | 60            | 5            | 60            | 9            | 108           | 9            | 108           | 9            | 108           | 21              | 252          |
| <b>Irrigation</b>                                                     |       |          |              |               |              |               |              |               |              |               |              |               |              |               |                 |              |
| Water (as for lemon trees)                                            | ac in | 17.00    | 3            | 51.00         | 9            | 153.00        | 18           | 306           | 20           | 340           | 24           | 408           | 30           | 510           | 30              | 510          |
| Manual labor (frequency of irrig.?)                                   | hr    | 12       | 2            | 24            | 2            | 24            | 2            | 24            | 2            | 24            | 2            | 24            | 2            | 24            | 2               | 24           |
| <b>Total Cultural Costs</b>                                           |       |          |              | <b>4,355</b>  |              | <b>518</b>    |              | <b>494</b>    |              | <b>578</b>    |              | <b>652</b>    |              | <b>754</b>    |                 | <b>898</b>   |
| <b>Harvest</b>                                                        |       |          |              |               |              |               |              |               |              |               |              |               |              |               |                 |              |
| Picking & packing                                                     | lb    | 0.25     |              |               |              |               |              |               | 2,040        | 510           | 3,400        | 850           | 4,080        | 1,020         | 5,440           | 1,360        |
| Containers (5 lb flat) 80% pack out                                   | flat  | 0.75     |              |               |              |               |              |               | 326.40       | 244.80        | 544          | 408           | 652.80       | 489.60        | 870.40          | 652.80       |
| Load & haul                                                           | lb    | 0.01     |              |               |              |               |              |               | 2,040        | 15.97         | 3,400        | 26.61         | 4,080        | 31.93         | 5,440           | 42.57        |
| Sell fresh (?)                                                        | lb    | 0.05     |              |               |              |               |              |               | 2,040        | 102           | 3,400        | 170           | 4,080        | 204           | 5,440           | 272          |
| Machine labor                                                         | hr    | 12       |              |               |              |               |              |               | 0.55         | 6.60          | 0.55         | 6.60          | 0.55         | 6.60          | 0.55            | 6.60         |
| Machine (fuel, lube, & repair)                                        | hr    | 14       |              |               |              |               |              |               | 0.50         | 7             | 0.50         | 7             | 0.50         | 7             | 0.50            | 7            |
| <b>Total Harvest Costs</b>                                            |       |          |              |               |              |               |              |               | <b>886</b>   |               | <b>1,468</b> |               | <b>1,759</b> |               |                 | <b>2,341</b> |
| <b>CASH OVERHEAD COSTS</b>                                            |       |          |              |               |              |               |              |               |              |               |              |               |              |               |                 |              |
| Interest on investment @ 8.5%                                         | ac    |          |              |               |              | 528           |              | 765           |              | 1,022         |              | 1,169         |              | 1,240         |                 |              |
| Property taxes & insurance                                            | ac    |          |              | 181           |              | 227           |              | 241           |              | 256           |              | 265           |              | 261           |                 | 308          |
| Investment repairs                                                    | ac    |          |              | 75            |              | 78            |              | 84            |              | 84            |              | 84            |              | 84            |                 | 84           |
| Office expense                                                        | ac    |          |              | 180           |              | 180           |              | 180           |              | 180           |              | 180           |              | 180           |                 | 180          |
| Interest on operating capital                                         | ac    |          |              | 203.62        |              | 42.64         |              | 42.44         | 0.00         | 46.66         |              | 50.19         |              | 54.36         |                 | 62.48        |
| <b>Total Cash Overhead Costs</b>                                      |       |          |              | <b>640</b>    |              | <b>1,056</b>  |              | <b>1,313</b>  |              | <b>1,589</b>  |              | <b>1,748</b>  |              | <b>1,819</b>  |                 | <b>634</b>   |
| <b>NON-CASH OVERHEAD/OWNERSHIP COSTS</b>                              |       |          |              |               |              |               |              |               |              |               |              |               |              |               |                 |              |
| Land rent                                                             | ac    |          |              | 1,053         |              | 1,053         |              | 1,053         |              | 1,053         |              | 1,053         |              | 1,053         |                 | 1,053        |
| Depr. & int. on mach., equip., build.                                 | ac    |          |              | 78            |              | 78            |              | 78            |              | 78            |              | 78            |              | 78            |                 | 78           |
| Depr. & int. irrig. system                                            | ac    |          |              | 67            |              | 67            |              | 67            |              | 67            |              | 67            |              | 67            |                 | 67           |
| Miscellaneous (tools etc.)                                            | ac    |          |              | 20            |              | 20            |              | 20            |              | 20            |              | 20            |              | 20            |                 | 20           |
| Amortized establishment (30 years)                                    | ac    |          |              |               |              |               |              |               |              |               |              |               |              |               |                 | 1,152        |
| <b>Total Non-Cash Overhead Costs</b>                                  |       |          |              | <b>1,218</b>  |              | <b>1,218</b>  |              | <b>1,218</b>  |              | <b>1,218</b>  |              | <b>1,218</b>  |              | <b>1,218</b>  |                 | <b>2,370</b> |
| <b>Total of all Costs</b>                                             |       |          |              | <b>6,213</b>  |              | <b>2,792</b>  |              | <b>3,024</b>  |              | <b>4,271</b>  |              | <b>5,086</b>  |              | <b>5,550</b>  |                 | <b>6,243</b> |
| <b>Returns to Management</b>                                          |       |          |              | <b>-6,213</b> |              | <b>-2,792</b> |              | <b>-3,024</b> |              | <b>-1,721</b> |              | <b>-836</b>   |              | <b>-450</b>   |                 | <b>557</b>   |
| <b>Accumulated Establishment Cost</b>                                 |       |          |              | <b>6,213</b>  |              | <b>9,005</b>  |              | <b>12,029</b> |              | <b>13,750</b> |              | <b>14,587</b> |              | <b>15,037</b> |                 |              |