

SAMPLE COST AND INCOME PROJECTION

40 ACRE IRRIGATED VARIETAL GRAPE FARM

INVESTMENT

Land	\$600/acre	\$24,000.00
Residence		20,000.00
Irrigation system (40 acres)		9,600.00
Equipment		9,200.00
Vines		24,000.00
		<u>\$86,800.00</u>

ANNUAL COSTS

Pre-harvest cash costs	\$ 5,416.40
Harvest	4,800.00
Total Cash Costs	<u>\$10,216.40</u>

INTEREST ON INVESTMENT at 7% \$ 3,878.00

Depreciation expense	3,080.00
Total Costs	<u>\$17,174.40</u>

GROSS INCOME

4 tons @ \$200/ton \$32,000.00

MANAGEMENT INCOME \$14,825.60

TAX REVENUE GENERATED BY THE 40 ACRE GRAPE FARM AND BY THE GRAPE CROP

County Taxes	\$ 1,940.00
Federal taxes generated by the conversion of the crop (160 tons) to dry table wine. 40 x \$200	8,000.00

LABOR

Hours per 40 acres approximately 2,460.00

VALUES OF AN AGRICULTURAL INDUSTRY TO A COMMUNITY

Stability -- a continuing activity  
Requires fewer tax supported <sup>SERVICES</sup> sources than many industries  
Relies heavily on local suppliers  
Usually relies on local processing and distribution  
Usually relies on local financing