



2010 Cost Estimates of Producing Bartlett Pears in the Yakima Valley, Washington

WASHINGTON STATE UNIVERSITY EXTENSION FACT SHEET • FS034E

Preface

Production costs and returns vary greatly for any particular orchard operation due to case-specific:

- Capital, labor, and natural resources
- Crop yields
- Type and size of machinery implements
- Input prices
- Cultural practices
- Commodity prices
- Operation size
- Management skills

have been attributed to winter injury, spring frosts, and other environmental factors.

Study Objectives

The study estimates: (1) the costs of the equipment, buildings, materials, supplies, and labor required to establish and produce Bartlett Pears; and (2) price and yield ranges at which Bartlett Pear production would be profitable.

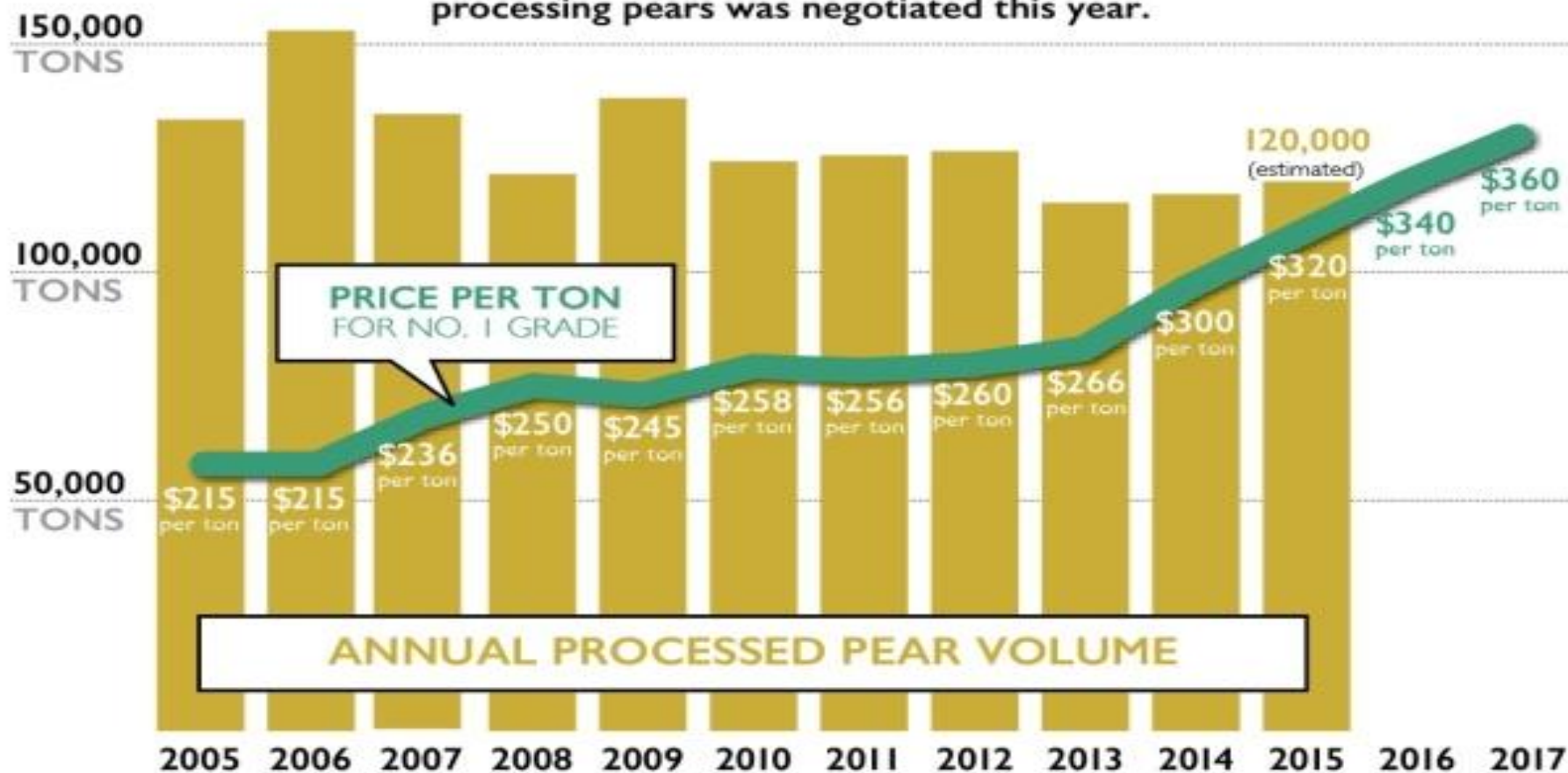
The data used in this study were gathered from a group of experienced pear growers in the Yakima Valley. Their



Figure 1

Processed pear prices strengthen

A three-year contract offering growers record prices for processing pears was negotiated this year.



Source: Washington-Oregon Canning Pear Association.

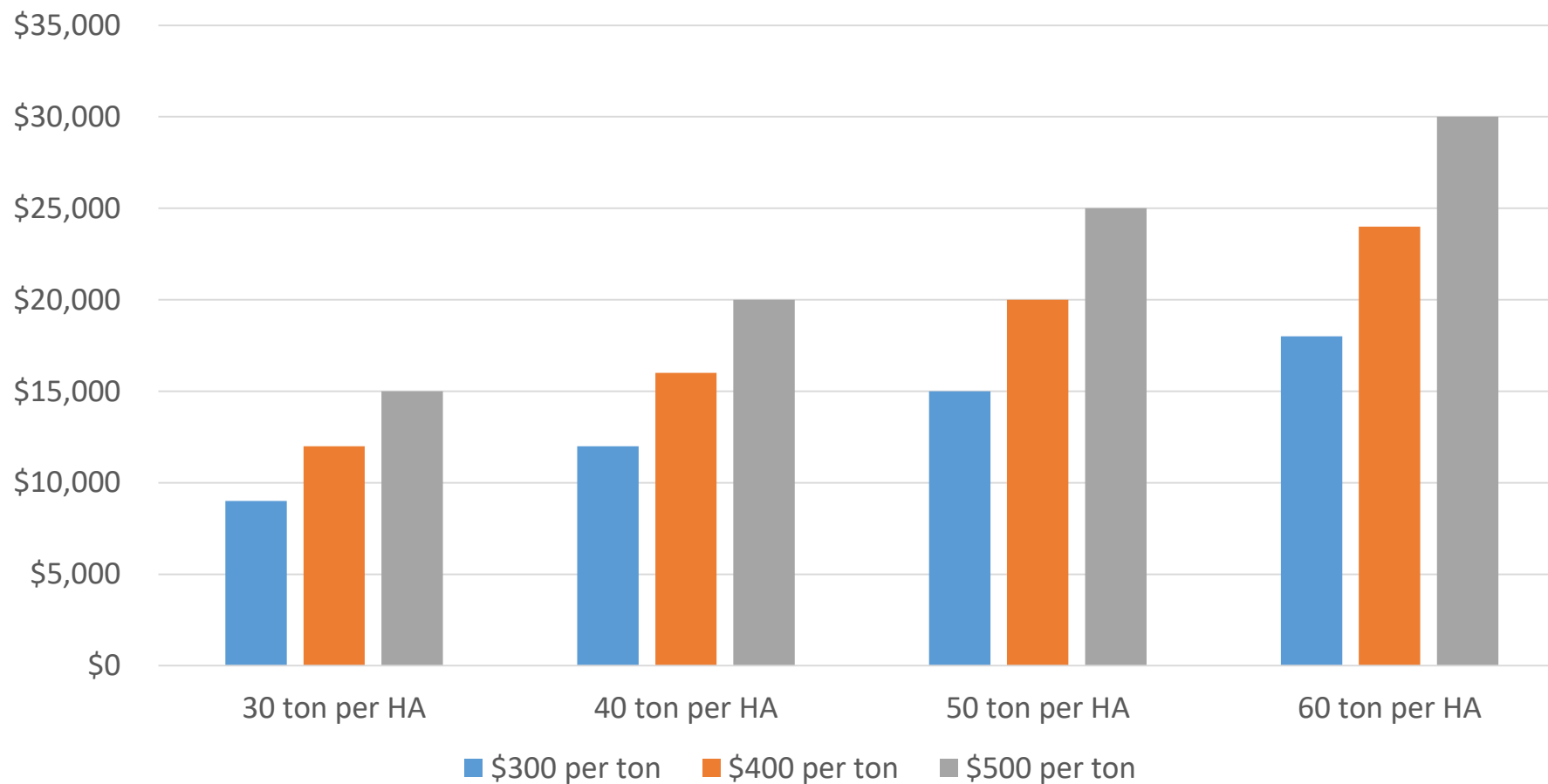
Estimated Costs to Grow Bartlett Pear 2016



- Breakeven return over variable cost: Costs of producing the crop are greater than the return. Estimated at \$5,000/acre or \$11,000/ha
- Adding Breakeven over total cash costs: this would include land and property taxes, insurance, assessments, and other services
- Adding depreciation of machinery ,equipment, and buildings.
- Adding a competitive return on investment (what it would take for this investment to compare to alternate investments of time and money. Estimated at \$9,000/acre or \$19,800/ha



PRODUCTION VOLUME AND RETURN





Labor represents about 1/3 of production and packaging costs.

Labor costs have increased 20% over the last 5-7 years

At 44 ton per Hectare our picking cost is estimated at or above \$2,400 hectare

Labor costs have increased due to shortages in available help and added costs associated with bringing in guest workers



2010 Cost Estimates of Producing Pears in North Central Washington

WASHINGTON STATE UNIVERSITY EXTENSION FACT SHEET • FS031E

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are harvested in the early fall and stored either in regular refrigerated storage areas for early season marketing or under controlled atmospheric conditions for the winter and spring markets. Bartlett Pears, on the other hand, are harvested in late summer and early fall and marketed for processing and for the fresh market. In this study, we assume that Bartlett Pear trees are planted as pollinating trees among Anjou Pear trees in north central Washington (Hinman et al. 1998).

Study Objectives



The last few years have been very good for Pacific Northwest Fresh Pear Producers

Over the last 5 years the USA Dollar has been weak and export strong. This export has helped hold strong pricing on the domestic market.

This has allowed the delicate supply and demand to stay in balance and generate some solid grower returns.



West Coast & PNW Pear Industry Strengths

Climate:

Other good investment Options:

Strong Competition:

Nursery Trees in short supply:

People:

Skilled labor force, High Quality Tech support,
and Research Talent

Allied with Large Apple Industry:

Orchard Supplies/Equipment

Technology overlap between Apples and Pears
excellent

When the US Dollar is weak exports are strong

**Infrastructure: Quality Roads, Stable Economy, Healthy
Industry**



West Coast and PNW Pear Industry Weaknesses

Labor: Availability and cost

Large tree size: Propagation issues, Insect IPM challenges

Lack of a dwarfing rootstock that is winter hardy and productive

Farming smaller blocks of land: High land values

Heavy competition for shelf space at the retail level:

A fruit that needs to ripen to be eaten

Handling issues with pears in processing and retail

Strong Dollar: Inelastic market

Food Safety Modernization Act:

Expensive to implement with many risk assumptions



Information sources:

From Washington State University

[2010 Cost estimates of producing Bartlett pears in the Yakima Valley](#)

[2010 Cost Estimates of Producing Pears in North Central Washington](#)

From Oregon State University

[Enterprise Budget - Oregon State University 2012](#)

Standard Density

[Enterprise Budget - Oregon State University 2012 Medium Density](#)

Establishing and Producing Medium-Density Pears in Hood River

From California

2012 Sample Costs to Establish and Produce Pears, Green Bartlett

[2012 Sample Costs to Produce Organic Pears \(Golden Russet Bosc\).](#)