

From: Charley Wolk <bejoca@sbcglobal.net>
Sent: Monday, March 14, 2022 3:34 PM
To: Simonds,Keene <Keene.Simonds@sdcountry.ca.gov>
Cc: Jack Bebee <jackb@fpud.com>
Subject: Avocado growing cost

Keene,

At Monday's meeting I didn't finish the details about why the cost of water is forcing many small growers out of business. LAFCO staff's research as presented in the material verified this situation. SDCWA challenged the position. The reason I support the LAFCO position is to make money growing avocados you have to have the resources to farm it correctly. In today's economy you have to get your avocado operation to high density tree spacing.

The example I gave the totals for was for 10 acres. Here are the details. It cost about \$45,000 per acre to get the trees planted to high density spacing. This is for the clearing, irrigation installation/modification, trees, stakes and wraps, and the labor to do all of this. Then you have operating expenses for four years to get the trees to commercial production of about \$8,000 per acre. If you have the resources to do this, then you can have a conservative expectation of \$7000 per acre net. That is a very attractive return for an ag investment.

The reality is most existing growers don't have access to that kind of capital.

If you have any questions, let me know. You can share this with the Commissioners
Thanks,
Charley Wolk