

Farm Smarter, Not Harder:

Discovering Profit Centers



by
Tom Buller

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Crop Budget

| Crop Budgets: | Net Profit per 1/10 Acre | Extrapolated to Net Profit/Acre |
|-------------------|--------------------------|---------------------------------|
| Basil: bunches | \$3,560 | \$35,603 |
| Beans: bush | -272 | -2,720 |
| Beets: roots | 825 | 8,253 |
| Broccoli | 116 | 1,157 |
| Cabbage | 581 | 5,806 |
| Carrots: roots | 1,405 | 14,046 |
| Celery/c | 1,366 | 13,659 |
| Cilantro: bunches | 1,656 | 16,561 |
| Com: sweet | -150 | -1,922 |
| Cucumbers | 153 | 1,531 |
| Dill: bunches | 1,623 | 16,232 |
| Kale: bunches | 2,468 | 24,630 |
| Lettuce: heads | 791 | 7,905 |
| Onions | 611 | 6,110 |
| Parsley: bunches | 4,742 | 47,425 |
| Parsnips | 1,394 | 13,844 |
| Peas: snap | -217 | -2,165 |
| Peppers: bell | 1,556 | 15,556 |
| Potatoes | 261 | 2,610 |
| Spinach | 1,015 | 10,147 |
| Squash: summer | 767 | 7,667 |
| Squash: winter | 87 | 869 |
| Tomatoes: field | 1,872 | 18,724 |

Profit= Income-Expenses

Tracking Income/Sales

Be Crop Specific

Example pg 23

| | Farmers' Market | Grocery Store | CSA | Other | Total |
|----------|-----------------|---------------|---------|---------|----------|
| Beets | \$480 | \$650 | \$400 | \$150 | \$1,680 |
| Carrots | \$890 | \$2,100 | \$1,000 | \$600 | \$4,590 |
| Lettuce | \$1,310 | \$1,140 | \$1,400 | \$960 | 4,810 |
| Potatoes | \$1,100 | \$3,250 | \$980 | \$850 | \$6,180 |
| Total | \$3,780 | \$7,140 | \$3,780 | \$2,560 | \$17,260 |

Crop Enterprise Budget

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Crop Year: **Cabbage** Crop Area: **Two 200 beds, 100' x 100'** Note: Twenty 200' beds x 1 acre

Yield: 100,000 lbs/acre
 Total yield: 20,000,000 lbs
 Total hours to harvest two 200' beds: 780 hours

Prepare Soil:
 Disk 1x: 2.00 @ 1.00 = 2.00
 Chisel 1x: 2.00 @ 1.00 = 2.00
 Round 1x: 2.00 @ 1.00 = 2.00
 Fieldstone 1x: 2.00 @ 1.00 = 2.00
 Muck, compost: 2.00 @ 1.00 = 2.00
 Plant match: 2.00 @ 1.00 = 2.00

Seed/Transplant:
 Seeding in field: 2.00 @ 1.00 = 2.00
 Cost of transplants: 2.00 @ 1.00 = 2.00
 Transplanting labor: 2.00 @ 1.00 = 2.00

Cultivation:
 Hoeing 1st: 2.00 @ 1.00 = 2.00
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 Hoeing 3rd: 2.00 @ 1.00 = 2.00
 Hoeing 4th: 2.00 @ 1.00 = 2.00
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Harvest:
 Field to pack house: 2.00 @ 1.00 = 2.00
 Pack house to cooler: 2.00 @ 1.00 = 2.00
 Exp. labor, labor: 2.00 @ 1.00 = 2.00
 Delivery: 2.00 @ 1.00 = 2.00

Post Harvest:
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 Disk: 2.00 @ 1.00 = 2.00
 Cover crop planter: 2.00 @ 1.00 = 2.00
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 Other: 2.00 @ 1.00 = 2.00

Marketing Costs:
 Labor: 2.00 @ 1.00 = 2.00
 Commissions: 2.00 @ 1.00 = 2.00
 Farmers' market expense: 2.00 @ 1.00 = 2.00

Total Crop Costs: 200.00
 Overhead Costs: 200.00
 Total Costs: 400.00
 Crop & Overhead Total: 400.00

Crop Budget Part 1

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Expenses- Labor and Delivery

Worksheet 1
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Labor, Delivery, Farmers' Market, and Overhead Costs to Use in Calculating Crop Budgets

Labor Costs:
 Average hourly rate: 12.00
 Employee taxes: 7.51%
 Workers' comp: 0.50
 Nonassigned time: 10%
 SBA-RSA: 20%
 Labor cost/hour: 12.56

Delivery Costs:
 Labor (load truck) and travel: 25.00
 Vehicle(s) cost at .40/mile: 8.00
 Cost for one delivery: 33.00
 % of crop to total load: 10%
 a number of trips: 3
 Delivery cost for crop per season: 99.72

Market Costs:
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 Farmers' market expense: 2.00 @ 1.00 = 2.00

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Market Costs

Farmers' Market Costs:
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 Farmers' market expense: 2.00 @ 1.00 = 2.00

Calculate for ONE market:
 1 hr (2 people @ 5 hr each)
 4 hrs (2 people)
 8 hrs (2 people)
 3 hrs (2 people)
 20 miles round trip
 per market
 scales \$1500, umbrellas \$400, tables \$200, signs \$200 = \$2300/15 year used for 20 markets per season = \$7.67 per market

Total Crop Costs: 200.00
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 Total Costs: 400.00
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Wow, that seems like a lot of work

It is..... But

It will get easier over time- you can refine it to meet your needs

It can save you time if you apply for loans or need to generate the details for a new version of a business plan.

Implementing a Record Keeping System

Now is the time

If you have a computer use it.

CD included in book has templates for Crop Enterprise Budgets, Payroll Calculators and more.

Accessing- MS OFFICE or Open Office
(www.openoffice.org)

Commercial Services?

<http://www.agsquared.com/en/product/demo>

