

Enterprise Budgets

Sustainable Small Farming & Ranching



Skagit
County

WASHINGTON STATE UNIVERSITY
EXTENSION



CULTIVATING SUCCESS™
sustainable small farms education

PRODUCER PROFILE

Discussion Questions

- What are the parts of your whole farm plan you feel most confident in?
- What parts of your whole farm plan still need work?
- How will you continue to develop your plan or gain experience in the coming year?
- What part of your farm plan do you plan to present on?

Whole Farm Plan Presentations

Overview of each section of the Whole Farm Plan

1. Whole Farm Goals
2. Evaluation of Current Resources
3. Marketing Outlets
4. General Farm Requirements
5. Crop Production Plan
6. Livestock Production Plan
7. Financial Plan

- 5-8 Minutes
- 5 Slides if using PPT



Enterprise Budgets:

Financial management tool used to project costs and returns for an activity (livestock, grain, vegetable production, etc.)

Variable Costs – Out of pocket costs for inputs:

- Seed
- Fertilizer
- Fuel
- Labor

Fixed Costs – Costs associated with building and equipment investment

- Equipment Depreciation
- Land Rent
- Utilities

Table 1. Enterprise Budget for Tribbles

Item	Unit	Price or Cost Per Unit (\$)	Quantity	Value or Cost (\$)	Your Farm
Variable Costs					
Bacillus thuringensis	lb	0.75	13.33	10.00	
Compost	yd	12.00	15	180.00	
Containers	ea	2.00	50	100.00	
Custom hire (tilling, compost spreading)	acre	350.00	10	350.00	
Fuel and lubrication	acre	25.00	1.0	25.00	
Harvest labor	hr	7.50	10	75.00	
Insecticidal soap	qt	13.00	3	39.00	
Interest on operating capital	\$	10%	550.00*	55.00	
Lime	ton	120.00	0.5	60.00	
Pre- harvest hand labor	hr	7.50	30	225.00	
Seed	lb	18.00	2	36.00	
Total Variable Costs				1,155.00	
Break-even variable cost				0.38	
* Total variable costs ÷ 2 at 10% (assumed costs outstanding for 6 months)					
Fixed Costs					
Equipment interest and depreciation	acre	20.00	1.0	20.00	
Land rent	acre	320.00	1.0	320.00	
Machinery interest and depreciation	acre	25.00	1.0	18.00	
Utilities	acre	1.00	1.0	100.00	
Total Fixed Costs				458.00	
Break-even total cost				0.54	
Total Cost				1,613.00	

Enterprise Budget Activity

1. Select one crop to analyze
2. Choose a sales outlet for that crop
3. Compile a list of costs associated with that crop
4. Create a list of labor tasks associated with that crop
5. Categorize costs as either Variable or Fixed
6. For those factors that are unknown, brainstorm resources for finding that information

Enterprise Budget Resources

- British Columbia Enterprise Budgets
- WSU Enterprise budgets
- Oregon State University Enterprise Budgets
- Penn State Enterprise Budgets
- Oregon Tilth Costing Tool
- Oregon Tilth Know your Cost to Grow Pilot Project

Field Trip #2

10am: Meet at Tulip Town

15002 Bradshaw Rd. Mt Vernon

11:30am The Schleh Farm

Bring boots and raincoats to walk in wet fields

Reminder NO CLASS ON THANKSGIVING!!

Tilth Alliance and Humanlinks
WA Sustainable Farm Fund

Bellingham Community Food Coop
Next Step Grants

NRCS and USDA Programs

Agricultural Entrepreneurship and Business Planning

Developing a Business Plan based off your Whole Farm Plan

- Industry and Market Analysis
- Zoning and Regulations
- Financial Planning
- Cash Flow Budgets

January 9th – March 12th

WSU CULTIVATING SUCCESS PRESENTS:

AGRICULTURAL ENTREPRENUERSHIP & Business Planning

Licensing and Permitting * Market Analysis and Trends * Marketing
Branding * Operations * Personnel Planning
Accounting and Bookkeeping * Finances and Taxes * Insurance



THURSDAYS 6pm-9pm January 5 -March 16th
WSU Skagit County Extension Office
11768 Westar Lane, Suite A Burlington, WA 98233

For MORE INFO & to REGISTER
360.428.4270 ext. 223
<http://extension.wsu.edu/skagit/agriculture/cultivating>