

Great Lakes CSA Conference 2008 Budgeting Part 2: BYOB (Bring Your Own Budget)

*Session Presentation by
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1. Why have a budget?

It is imperative that you have a sense of how much money you need to make and where it is going. It is not enough to just have a projection, either. You need to know where your money actually went.

2. How much money do you need to make?

This question is the beginning to mapping out a budget.

- Annual Costs
- Durable Costs (items lasting >1 year)
- Personal Expenses

Farm Expenses	Estimated
Annual	
truck (insurance, repairs)	\$ 4,000.00
fuel	\$ 4,000.00
tiller maint.	\$ 500.00
administration	\$ 700.00
Phone/Long Distance	\$ 1,000.00
seeds	\$ 1,000.00
marketing	\$ 200.00
hay (@\$3/ea)	\$ 200.00
straw mulch (@\$4/ea)	\$ 400.00
intern stipend	\$ 4,300.00
rental machinery	\$ 200.00
horses maint.	\$ 500.00
packaging	\$ 200.00
soil amendment/potting	\$ 800.00
bank charges	\$ 100.00
taxes	\$ 2,000.00
resale items	\$ 3,500.00
other (incld conferences/massage)	\$ 300.00
	\$23,900.00
Durable*	
greenhouse	\$ -
remay/plastic	\$ 400.00
tractor	\$ 8,000.00
forecart	\$ 300.00

Farm Expenses	Estimated
irrigation	\$ 200.00
tools	\$ 300.00
tiller 2 engine	\$ -
harness	\$ 700.00
bldg/fence	\$ 400.00
	\$ 10,300.00
Personal	Not included here.

3. **How are you going to make that money? Do you have enough land base to produce what you need to, to earn? What kind of crops do you want to grow?**

A half acre of melons or greens may make you more than a half acre of onions. This requires some contemplation of price. I have been taught that one ought to aim towards grossing \$1/sq. ft. That turns into grossing \$43 000/acre.

Are there other sources of income, beyond the farm or market garden?

73 Shares @ \$575 ea.	\$41,975.00
Delivery @ \$100 x 50	\$ 5,000.00
Winter share @ \$100 x 25	\$ 2,500.00
Urban Pear	\$ 6,000.00
Good Food Box	\$ 1,000.00
Rainbow Foods	\$ 800.00
Almonte Farmers Mkt	\$ 800.00
Total Income	\$58,075.00

4. **Long-term investments.**

Acquiring slowly is a healthy way to avoid debt, or to get oneself out of debt. Count of the strength of your body or the bodies of others! There is something said for doing thing the long way 'round and saving up for a tool that will make life easier. Frugality and imagination are two things that are essential to farming. My 6 years of acquisition have been:

Year 1 (2001): Invested in: BCS rototiller & sicklebar (gift), truck (gift), 1 roll of remay, 1 roll pea trellis, some hardware and lumber, wheelhoe, seeder, 2 cases of trays, harvest knives & pruners, hose
 Borrowed: greenhouse space, horse, harness & horse cultivator, land, tractor, disc & mower, tomato stakes, sprinkler for irrigating

- Year 2 (2002): Invested in: tomato stakes
Borrowed: greenhouse space, land, tillage of land performed by landowner, drip irrigation
- Year 3 (2003): Invested in: greenhouse (wood stove gifted), horse cultivator, more hose, drip irrigation, remay, more tomato stakes, MF 135 tractor (took our family loan, purchased at end of season)
Borrowed: horse, large tillage equipment (i.e. plow), land, storage space for equipment
- Year 4 (2004): Invested in: 6' disc, S-tine cultivator, more trays
Borrowed: land, horse, harness, space for equipment, large tillage equipment (i.e. spreader, large cultivator)
- Year 5 (2006): Invested in: drip irrigation again, remay and trellis again, tomato stakes again, 6' disc again**, 2 workhorses (1 was a gift from a CSA family) lumber for apprentice kitchen & outhouse, potting shed, more hand hoes, a second digging fork, moveable electric fence
Borrowed: money!, trailer (apprentice housing), tractor, land, harness, space for equipment, lg. tillage equipment
- Year 6 (2007): Invested in: MF 135 tractor again + a 6' Farm King rototiller***, S-tine cultivator again, single horse riding cultivator, forecart
Borrowed: land, trailer, horse harness, space for equipment, lg. tillage equipment

Notice:

1. Tools are not mentioned. I have invested in some essential tools, but borrow most.
2. I was able to pay off the debt that occurred in year 5 in a lump sum after making payments for 1 year.
3. There are no expenses for wash and packing station or vessels to deliver the city shares in. The processing and distribution of my vegetables cost the value of twisty ties and plastic bags.