**Carolina Farm Stewardship Association, 2015**

**Organic Leaf Lettuce – Irrigated – Wholesale Market – 24 Count Case**

**Budget based on 1 acre of lettuce on a 10 acre mixed organic vegetable farm.**

**Estimated Costs and Returns Per Acre.**

 UNIT QUANTITY $/UNIT TOTAL $/AC YOUR FARM $/AC

**RECEIPTS**

1. Leaf Lettuce Case 370 25 9,250 \_\_\_\_\_\_\_\_\_\_

**2. VARIABLE COSTS**

1. Organic Certification Acre 1 80 80 \_\_\_\_\_\_\_\_\_\_
2. Transplants Thou. 25 80 2000 \_\_\_\_\_\_\_\_\_\_
3. Compost/Manure Ton 2 40 80 \_\_\_\_\_\_\_\_\_\_
4. Cover Crop Acre 1 80 80 \_\_\_\_\_\_\_\_\_\_
5. Lime (prorated) Ton 0.33 40 13 \_\_\_\_\_\_\_\_\_\_
6. Organic Pest. Sprays Oz. 288 0.29 84 \_\_\_\_\_\_\_\_\_\_
7. Fuel Gal. 26 2.50 65 \_\_\_\_\_\_\_\_\_\_
8. 24 Count Case Each 370 1.30 481 \_\_\_\_\_\_\_\_\_\_
9. Labor Hrs. 220 10 2200 \_\_\_\_\_\_\_\_\_\_
10. Irrigation Supplies Acre 1 1000 1000 \_\_\_\_\_\_\_\_\_\_
11. Plastic Mulch Acre 1 200 200 \_\_\_\_\_\_\_\_\_\_
12. Other \_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Total Variable Costs 6,283

1. **FIXED COSTS**
2. Machine & Equip. Acre 1 211 211 \_\_\_\_\_\_\_\_\_\_
3. Irrigation Acre 1 80 80 \_\_\_\_\_\_\_\_\_\_
4. Land Charge Acre 1 50 50

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Total Fixed Costs 341 \_\_\_\_\_\_\_\_\_\_

**TOTAL COSTS** **6,624** \_\_\_\_\_\_\_\_\_\_

**RETURN ABOVE VARIABLE COSTS 2,967** \_\_\_\_\_\_\_\_\_\_\_

**RETURN ABOVE TOTAL COSTS 2,626** \_\_\_\_\_\_\_\_\_\_

**Notes – Budget estimates for planning only.**

1. Yield and price extrapolated from Carolina Farm Stewardship Assoc. Organic Produce Marketing Survey, 2013.
2. Variable costs are those costs that a farmer incurs because he/she decided to grow this specific crop.
3. Average organic certification cost from USDA Farm Services Administration.
4. Extrapolated from University of Maryland enterprise budget, 2008 and North Carolina State University enterprise budget, 2002.
5. Average price of 1 ton of compost, chicken litter, or manure found in Internet search.
6. Average of various cover crop seed and planting cost. Estimated from farmer interviews, and Mississippi State University enterprise budgets, 2013.
7. Equals 1 ton of lime per acre every 3 years. Price from Internet search.
8. Used only when mechanical and physical control methods are ineffective. Application rate and price for Trilogy taken from 2013 CFSA pest control worksheet.
9. Extrapolated from similar crops in Mississippi State University, Traditional Vegetables 2013 Planning Budgets, and farmer reviews.
10. Cost estimate from Internet search of various suppliers.
11. Labor estimates vary widely. This estimate is extrapolated from enterprise budgets developed by University of Massachusetts, University of Maryland and North Carolina State University.
12. Irrigation supplies include 1.5 rolls of drip tape and 6 acre inches of rural water cost. Derived from the Mississippi State University 2013 enterprise budgets.
13. Price from Internet search.
14. Purposely left blank for other unspecified farm costs.
15. Fixed costs are costs that a farmer incurs whether or not a crop is grown.
16. See table below.
17. Annual fixed cost for irrigation setup.
18. Average of farm rental values for North and South Carolina. Estimated from USDA National Agricultural Statistics Service 2010 published cropland rents.

Machinery and Equipment Costs\*

 Useful

 Purchase Salvage Life Acres Repair & Maint. Total\*\*

Item Price $ Value $ Yrs. Used/Yr. $/Ac. $/Ac.

Tractor 17,000 4,000 20 10 3.00 68

Chisel Plow 2,500 600 15 10 0.30 13

Transplanter 2,600 600 20 4 0.20 25

Pest. Sprayer 9,400 1,900 20 10 9.50 47

Trailer 1,100 200 20 10 0.10 5

Disk 4,450 900 15 10 0.20 24

Manure Spreader 3,000 1,500 20 10 0.20 8

Bed Shaper 2,500 600 20 5 1.50 21

 Total $/ Acre = 211

\*Estimates derived from Mississippi State University, Traditional Vegetable 2013 Planning Budgets; Why Cows Need Names, and More Secrets of Amish Farms, Randy James, Kent State University Press, 2013 and Internet search of various machinery suppliers.

\*\*Total $/Ac. = Purchase Price – Salvage Value/Useful Life/ Acres Used + Repair & Maintenance.

Prepared and updated by: Randy James, PhD, Professor Emeritus, The Ohio State University; Karen RM McSwain, MS, Farm Services Director, Carolina Farm Stewardship Association; and farmers who attended the *Developing Enterprise Budget* workshop at CFSA’s Organic Commodities and Livestock Conference, 2015.