Farm Budgets

New Farms for New Americans 2010

Understanding Profit

You earned $3 at the farmers' market.

(Gross Income)
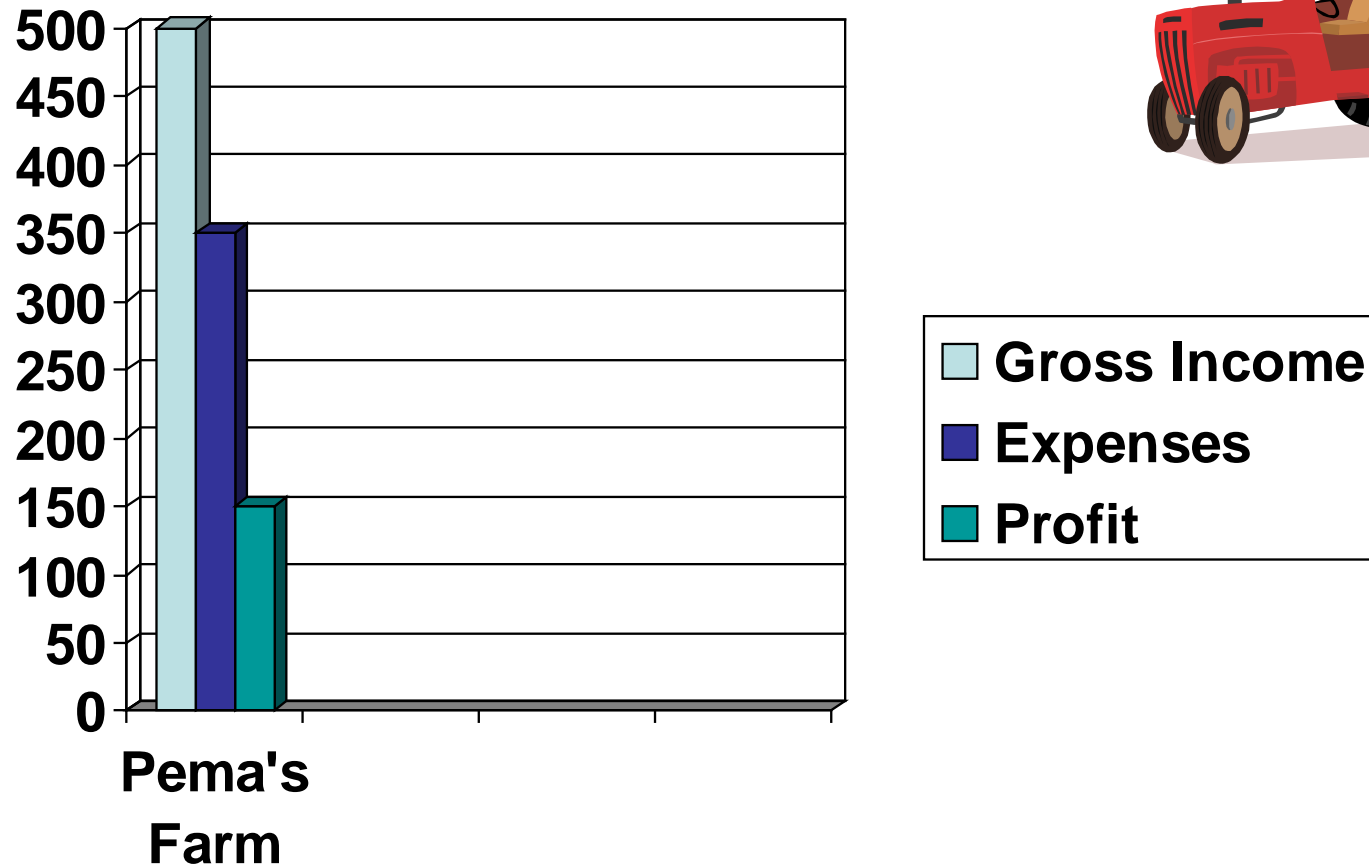
You bought supplies that cost $2.

(Expenses)

You earned $1.

(Profit)

Budgeting: Basic Concepts

Remember Pema?

She's a farmer who wants to grow eggplants.

Pema makes an agreement with her markets

- She talks to the produce buyer at City Market and they plan to purchase 500-1,000 pounds of eggplant from her.

- Pema signs up for a farmers market where she plans to sell 400-800lb of eggplant during the year.

Budgeting Expenses!

MY BUDGET SHEET　　　　　**WEEK:** September 1 – 7, 2004

INCOME:　　　　　　　　　　　　　　**AMOUNT:**
Allowance:　　　　　　　　　　　　　　　　$15.00
Earnings: babysitting, weeding the lawn　　$13.00
Gifts: from Nana　　　　　　　　　　　　$20.00
Other:

　　　　　　　　　　　INCOME TOTAL: $48.00

FIXED EXPENSES:　　　　　　　　**AMOUNT:**
After-school snacks　　　　　　　　　　$11.00
Cell phone minutes　　　　　　　　　　$10.00
Savings　　　　　　　　　　　　　　　$5.00

　　　　　FIXED EXPENSES TOTAL: $26.00

INCOME TOTAL - FIXED EXPENSES TOTAL=: $22.00

OTHER/UNEXPECTED EXPENSES:　　　**AMOUNT:**
Movies　　　　　　　　　　　　　　　$8.00
Arcade　　　　　　　　　　　　　　　$3.00
Miscellaneous　　　　　　　　　　　$11.00

　　　　　OTHER EXPENSES TOTAL: $22.00

Business Plan Budget

1st Year

	½ acre	1 acre
Harvest Yield , Eggplant	1,000lb	2,000lb
Unsellable	100lb	200lb
Total lb sold to City Market	500lb	1,000lb
Price per pound sale to City Market	$1.50	$1.50
Total lb sold at farmers market	400	800
Price per pound at Farmers market	$2.50	$2.50
Gross Income	**$1,750**	**$3,500.00**
Expenses	**-$1,050**	**- $1,800**

| **PROFIT:** | **$700.00** | **$1,700.00** |

Question

- Would you be happy with this profit?
Would you a start the business?

Staying on Budget

- If you do start your business, you'll need to stay on budget
- You'll also need to keep track of your expenses for your own, as well as tax records.

Expenses Budget to Actual

	Date Spending	Budgeted	Amount Left
Water	$(125.80)	$160.00	$34.20
Compost	$(39.26)	$140.00	$100.74
Hay	$-	$10.00	$10.00
Pest control	$(30.26)	$50.00	$19.74
Twine	$(36.43)	$20.00	$(16.43)
Stakes	$(69.40)	$50.00	$(19.40)
Lock	$-	$16.00	$16.00
Seeds	$(973.88)	$1,065.00	$91.12
Packaging	$(169.75)	$285.84	$116.09
Farmers market fees	$(288.66)	$286.66	$-
	$47.88		
	$(47.88)		
Totals	**$(1,713.44)**	**$2,083.50**	**$370.06**

Keeping records of your expenses

- Enter expense amounts into your budget to actual table.

- Keep receipts