

How to Complete the Budget Spreadsheet

Revenue	
<i>Revenue Category</i>	<i>Items Included</i>
<p>Product Sales <i>In order to properly modify the benchmark costs for your scale of production, please complete this section first.</i></p>	<ul style="list-style-type: none"> • Determine an easy-to-track production plot, then insert the annual number of these production plots. If there are multiple annual plantings on a single plot, count these as additional plots. • Determine an easy-to-track selling unit. If there are multiple selling units, convert these into a single average selling unit. • Insert the yield (in selling units) per production plot along with the average price per selling unit. • Assuming that everything produced is sold, total Annual Sales equals yield x production plots x price per selling unit. If not all harvested crops are expected to be sold, reduce the yield.
<p>Additional Revenue</p>	<ul style="list-style-type: none"> • Add in any other expected income supports for the portion attributable for salad greens, such as crop insurance, AgriInvest, SDRM, or CAP cost-share grants.
Expenses	
<i>Expense Category</i>	<i>Items Included</i>
<p>Capital Equipment</p>	<p>These costs represent an investment in equipment that lasts more than a single year which increases production efficiency and quality.</p> <ul style="list-style-type: none"> • For each category, insert the total original costs (new or used) for the equipment. • For each category, insert the average years of actual expected life for this equipment. (Note that this is usually longer than the minimum expected life permitted by CRA for depreciation.) • Since much of the equipment is used in other garden enterprises, enter the percentage of time the equipment is specifically used for salad green production. • Note that Soil Remediation is an investment for multi-year improvement of general fertility, soil health, and weed prevention. This would be the cost of the input divided by the years of return.

<p>Variable Costs</p>	<p>These are expenses that can be specifically attributable to salad green production:</p> <ul style="list-style-type: none"> ● Put in the total annual cost for each of these Expense Categories. ● Shipping is for courier service directly to customers. (Shipping charges for purchases should be incorporated into purchase prices.) ● Distributor Discounts are only for non-direct sales. ● Note that if production expenses during summer, spring/fall hoop-houses, and winter greenhouses differ greatly, a separate analysis could be prepared for each of these enterprises.
<p>Labour</p>	<p><i>This is the primary variable cost, so it requires the most careful attention.</i></p> <ul style="list-style-type: none"> ● To the nominal pay rate, the percentage of benefits needs to be added to determine the actual hourly labour rate. ● For each Activity, carefully determine the average weekly minutes per plot per week used for one production unit. Also, remember to include management hours typically contributing to this labour work. <i>A simple (reasonably accurate) method to determine weekly labour hours for each activity is to periodically have all the staff track their time of every activity for a one-week period.</i> ● Then determine how many weeks this activity is done each year. ● Deliveries are the time a staff person is driving to and from customers and distributors.
<p>Fixed Costs</p>	<p>These are expenses that remain relatively constant no matter what the scale of production.</p> <ul style="list-style-type: none"> ● Fill in the Total Cost per Year for each category. ● Then insert the percent of each of these costs that is attributable to the production of salad greens. ● Land cost can be either the actual rental cost; or it can be the presumed local land rental price for a similar property. ● Interest (and opportunity cost) and Depreciation are calculated from data in the Capital Equipment section of this spreadsheet.