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Worksheet 4T.22: Projected Farm Expenses (<http://misadocuments.info/4T.22ProjectedFarmExpenses.pdf>)

PROJECTED FARM EXPENSES

Estimate direct and overhead expenses for transition and the first two years after certification. If you are considering more than one whole-farm strategy, copy this worksheet or download a blank copy from the MISA website. Be sure to estimate and include: 1) annual ownership costs of machinery, equipment and buildings (i.e., depreciation, interest, repairs, taxes and insurance); and 2) start-up costs as either one-time cash expenses or as part of annual debt or lease payments (depending on how you decide to finance these costs). Note that we have included a line for “chemicals” to be consistent with other worksheets, but this expense item will likely remain empty during transition and upon certification. If you prefer, an electronic spreadsheet is available to help you with these calculations at http://misadocuments.info/OrganicTransitionPlanner_spreadsheets.xlsx.

| DIRECT EXPENSES | ← TRANSITION → | | | ← CERTIFIED → | |
|----------------------------------|----------------|--------|--------|---------------|--------|
| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| Seed | _____ | _____ | _____ | _____ | _____ |
| Fertilization | _____ | _____ | _____ | _____ | _____ |
| Chemicals | _____ | _____ | _____ | _____ | _____ |
| Irrigation energy | _____ | _____ | _____ | _____ | _____ |
| Other direct crop expenses | _____ | _____ | _____ | _____ | _____ |
| Feeder livestock expenses | _____ | _____ | _____ | _____ | _____ |
| Feed and forages | _____ | _____ | _____ | _____ | _____ |
| Pasture | _____ | _____ | _____ | _____ | _____ |
| Breeding | _____ | _____ | _____ | _____ | _____ |
| Veterinary | _____ | _____ | _____ | _____ | _____ |
| Other direct livestock expenses | _____ | _____ | _____ | _____ | _____ |
| Crop insurance | _____ | _____ | _____ | _____ | _____ |
| Custom hire | _____ | _____ | _____ | _____ | _____ |
| Fuel and oil | _____ | _____ | _____ | _____ | _____ |
| Repairs and maintenance | _____ | _____ | _____ | _____ | _____ |
| Storage | _____ | _____ | _____ | _____ | _____ |
| Processing | _____ | _____ | _____ | _____ | _____ |
| Certification fees | _____ | _____ | _____ | _____ | _____ |
| Professional fees | _____ | _____ | _____ | _____ | _____ |
| Education | _____ | _____ | _____ | _____ | _____ |
| Office supplies | _____ | _____ | _____ | _____ | _____ |
| Marketing | _____ | _____ | _____ | _____ | _____ |
| Seasonal labor | _____ | _____ | _____ | _____ | _____ |
| Interest on operating loan(s) | _____ | _____ | _____ | _____ | _____ |
| Sales taxes | _____ | _____ | _____ | _____ | _____ |
| Other operating expenses | _____ | _____ | _____ | _____ | _____ |
| Total Direct Expenses (a) | _____ | _____ | _____ | _____ | _____ |

continued →

TASK 4

| | ← TRANSITION → | | | ← CERTIFIED → | |
|------------------------------------|----------------|--------|--------|---------------|--------|
| OVERHEAD EXPENSES | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| Utilities | _____ | _____ | _____ | _____ | _____ |
| Rent and leases | _____ | _____ | _____ | _____ | _____ |
| Hired labor | _____ | _____ | _____ | _____ | _____ |
| Owner wages | _____ | _____ | _____ | _____ | _____ |
| Depreciation | _____ | _____ | _____ | _____ | _____ |
| Farm insurance | _____ | _____ | _____ | _____ | _____ |
| Taxes (property, payroll taxes) | _____ | _____ | _____ | _____ | _____ |
| Interest on intermediate loan(s) | _____ | _____ | _____ | _____ | _____ |
| Interest on long-term debt | _____ | _____ | _____ | _____ | _____ |
| Other overhead expenses | _____ | _____ | _____ | _____ | _____ |
| Total Overhead Expenses (b) | _____ | _____ | _____ | _____ | _____ |
| Total Farm Expenses = (a+b) | _____ | _____ | _____ | _____ | _____ |