

**Kansas Rural Center
Sustainable Agriculture
Management Guide**

Organic Crop Enterprise Budget

August 2003

MG8B.1

These budgets are based on the actual financial figures of two Kansas organic farms. These budgets are calculated on a land use value of \$50 per acre. This could be rent or land payments. These budgets also figure in a machinery use value of \$19.20 per acre (\$30,000 of machinery @ 8% interest for 7 years equals \$5,762 annually divided by 300 acres which is the average size of the two farms). While organic farmers often receive government payment income, that income is not included in these budgets. If you want to calculate these payments for your farm, a return of \$15 per acre is a good average to use.

Corn (per acre)	Farm A	Farm B	Your Farm
Income			
Yield (bushels)	70	90	_____
Price (\$/bushel)	\$ 3.50	\$ 3.75	_____
Total Income	\$245.00	\$337.50	_____
Variable expenses			
Seed	\$ 35.00	\$ 25.00	_____
Fertilizer (chicken litter compost)	\$ 40.00	0	_____
Fuel	\$ 7.00	\$ 7.00	_____
Repairs	\$ 14.00	\$ 14.00	_____
Marketing fee at 5% of sales	\$ 12.25	\$ 16.88	_____
Land use value	\$ 50.00	\$ 50.00	_____
Machinery use value	\$ 19.20	\$ 19.20	_____
Total Expense	\$137.45	\$172.08	_____
Net income toward labor	\$107.55	\$165.42	_____

Blue Corn (per acre)		Farm B	
Yield (bushels)		50	
Price (\$/bushel)		\$ 9.00	_____
Income		\$450.00	_____
Variable expenses			
Seed	\$ 25.00		_____
Fertilizer (chicken litter compost)	\$ 25.00		_____
Fuel	\$ 7.00		_____
Repairs	\$ 14.00		_____
Marketing fee at 5% of sales	\$ 22.50		_____
Land use value	\$ 50.00		_____
Machinery use value	\$ 19.20		_____
Total Expense	\$162.70		_____
Net toward labor	\$287.30		_____

This crop, which is not easily marketed, would be dependent on developing a market.

Sweet Corn (per acre)	Farm A	Your Farm
Yield (bushels)	120	_____
Price (per bushel)	\$ 12.00	_____
Income	\$1,440.00	_____
Variable expenses		
Seed	\$ 49.00	_____
Fuel	\$ 7.00	_____
Repairs	\$ 14.00	_____
Labor	\$ 45.00	_____
Marketing fee at 5% of sales	\$ 72.00	_____
Land use value	\$ 50.00	_____
Machinery use value	\$ 19.20	_____
Total Expense	\$ 256.20	_____
Net toward labor	\$1,183.80	

This crop would be dependent on developing a market.

Wheat (per acre)	Farm A	Farm B	Your Farm
Yield (bushels per acre)	30	40	_____
Price (per bushel)	\$ 4.50	\$ 6.10	_____
Income	\$135.00	\$244.00	
Variable expenses			
Seed	\$ 5.00	\$ 14.00	_____
Fertilizer (chicken litter compost)		\$ 20.00	_____
Fuel	\$ 7.00	\$ 7.00	_____
Repairs	\$ 14.00	\$ 14.00	_____
Crop Insurance	\$ 5.00		_____
Marketing fee at 5% of sales	\$ 6.75	\$ 12.20	_____
Land use value	\$ 50.00	\$ 50.00	_____
Machinery use value	\$ 19.20	\$ 19.20	_____
Total Expense	\$106.95	\$136.40	_____
Net toward labor	\$ 28.05	\$107.60	_____

Soybeans (per acre)	Farm A	Farm B	Your Farm
Yield (bushels)	25	40	_____
Price (per bushel)	\$ 9.00	\$ 14.75	_____
Income	\$225.00	\$590.00	_____
Variable expenses			
Seed	\$ 13.00	\$ 15.00	_____
Fertilizer (chicken compost)		\$ 20.00	_____
Innoculant		\$ 2.00	_____
Fuel	\$ 7.00	\$ 7.00	_____
Repairs	\$ 14.00	\$ 14.00	_____
Crop Insurance	\$ 6.00		_____
Marketing fee at 5% of sales	\$ 11.25	\$ 29.50	_____
Land use value	\$ 50.00	\$ 50.00	_____

Machinery use value	\$ 19.20	\$ 19.20	_____
Total Expense	\$120.45	\$156.70	_____
Net toward labor	\$104.55	\$433.30	_____

Austrian Winter Peas (Double crop for nitrogen plow-down)

	Farm A	Your Farm
Seed	\$15.33	_____
Fuel	\$7	_____
Repairs	\$14	_____
Mach use value	\$19.20	_____
Total expenses	\$55.53	_____

	Farm A	Your Farm
Alfalfa (per acre)		
Yield (tons)	4	_____
Price	\$ 80.00	_____
Income	\$320.00	_____
Variable expenses		_____
Seed	\$ 15.33	_____
Fuel	\$ 7.00	_____
Repairs	\$ 14.00	_____
Marketing fee at 5% of sales	\$ 16.00	_____
Land use value	\$ 50.00	_____
Machinery use value	\$ 19.20	_____
Total Expense	\$121.53	_____
Net toward labor	\$198.47	_____

	Farm B	Your Farm
Clover Seed (per acre)		
Yield (pounds)	120	_____
Price	\$ 1.00	_____
Income	\$120.00	_____
Variable expenses		_____
Seed	\$ 10.00	_____
Fertilizer (chicken litter compost)	\$ 20.00	_____
Innoculant	\$ 2.00	_____
Fuel	\$ 2.00	_____
Repairs	\$ 7.00	_____
Marketing fee at 5% of sales	\$ 6.00	_____
Land use value	\$ 10.00	_____
Machinery use value	\$ 10.00	_____
Total Expense	\$ 67.00	_____
Net toward labor	\$ 53.00	_____

This crop would normally be taken off after a hay crop was removed so it probably isn't fair to use the full machinery expenses and land use.

This enterprise budget was developed by Donn Teske. Donn is a farmer and FINPACK analyst. Funding for this management guide came from USDA's Sustainable Agriculture Research and Education program.