

**This example beginning farmer business plan is written by staff from the Intervale Center with funding from the USDA Beginning Farmer and Rancher Development grant in partnership with Vermont Land Trust and the Vermont Farm and Forest Viability Program.**



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**Written October 2019  
Revised April 2020**



# Example Beginning Farmer Business Plan

The goal of this document is to serve as a sample business plan for an early stage farm business.

In this example, the farmers are preparing to finance a new farm purchase. After leasing land and growing their markets for three years they are ready to start building equity through ownership and continue growing their diversified business on a larger property. They describe their expansion plans, new and existing market opportunities, and financial projections and strategies.

As is common for a new farm operation this plan reflects a couple of distinct challenges faced by beginning farmers. The land purchase would be quite challenging and require a very flexible lender due to relatively small amount of equity the couple has to secure their loans. Their post-purchase balance sheet indicates that with the land purchase they would have no remaining capacity to access additional funds. This is paired with somewhat optimistic projections which result in a very risky position for any farmer to be in.

Notice that this plan is clear and concise. Try to limit the plan to tangible, actionable ideas with concrete implementation steps and clear metrics of success. If you do include concepts or values make sure they are directly relevant to the core concepts of the plan. Your goal with a business plan is to demonstrate to yourself and others that you have a clear path to meeting your farm's financial and production goals.

You should also take into account the intended audience of the plan. If the plan is intended for use in applying for financing it may be very different from a plan for internal strategic planning. If a lender is the intended audience, then more emphasis would be put on the financials demonstrating capacity and credibility. An internal plan may be more focused on detailed analyses and establishing a plan to meet long-term goals.



# DOWN IN THE DIRT FARM



Written by: Phoebe and Taylor Dirt  
Date: January 2019



## **Business Plan Summary**

Down in the Dirt Farm is a small-scale, diversified vegetable and livestock farm owned and operated by Phoebe and Taylor Dirt. They have operated the farm on leased land in central Vermont for the past three years. This business plan will serve as an operating guide for Down in the Dirt Farm as they purchase a new farm and grow their farm business.

In this document Taylor and Phoebe will address the following goals:

- Purchasing the new farm property in January 2019.
- Developing a plan for farm transition to the new property including: capital investments, fertility and production improvements, and exploring new market opportunities.
- Growing the business to the point that they can both work full-time on-farm.

Key business strategies include: expanding their CSA, developing new and larger wholesale market streams for their vegetables and eggs, expanding their layer operation, and exploring value-added product potential with their peppers and tomatoes.

## **Farm Description**

Phoebe and Taylor Dirt have been growing diversified vegetables on 3.5 acres of rented land in central Vermont since 2016. They are preparing to purchase a farm in the same region to move and expand their current farm operation. The new farm will provide opportunity for important business growth while allowing them to maintain their existing markets and core customer base in the area.

The new farm is 150 acres, formerly managed for dairy. The property is comprised of 50 acres of forested land, 60 acres of marginal pasture, and 40 tillable acres (20 acres of which are considered prime agricultural soils). The tillable soils are a mix of statewide Vershire Dummerston and Cabot Silt Loam. The property also boasts a farmhouse in moderate condition, a 2,000 square foot dairy barn originally built in the 1800's and expanded and renovated in the 1970s, an equipment shed, and a high tunnel in moderate condition. During the 2019 season, Phoebe and Taylor will install a new greenhouse and retrofit part of the dairy barn with wash-pack infrastructure.

Organic diversified vegetables have been the foundation of their farm business. In the 2018 season, Phoebe and Taylor also started managing a flock of 100 layers and raising a few heritage hogs primarily for family, friends and personal consumption.

The farm is structured as a LLC with Phoebe and Taylor as equal owners. Phoebe is a full-time farmer and manages the day-to-day operations on the farm. Taylor works part-time in town and manages the bookkeeping and marketing. For the last two growing seasons, an apprentice has joined the farm team from May through the end of October.

## **Products and Operations**

Down in the Dirt Farm produces diversified vegetables, eggs, and heritage pork. They are certified organic and plan to continue farming organically on their new farm.

Beyond the standard suite of vegetables, Down in the Dirt grows a niche mix of specialty greens, varieties of hot and sweet peppers, and tomatoes uncommon in Vermont. Phoebe and Taylor grow quality produce and have been steadily expanding their markets the last three years. Substantial personal investment has been made to build a loyal customer base and a recognizable name in the local market. The largest market streams for their vegetables are a 40-member CSA (expanding to 50+ members in the 2019 season) and the local farmers market. In the 2018 season they also sold vegetables through three small wholesale accounts (a local inn and two restaurants). Phoebe and Taylor have talked with their current wholesale accounts about expanding sales into 2019. They are actively looking to make new wholesale market connections.

Layers are managed on pasture with a mobile coop system. In 2018, eggs were primarily sold through the farmers market, with a small amount sold through their CSA and wholesale accounts. They plan to push more eggs through their CSA in 2019, and have secured two additional wholesale outlets. An extensive enterprise analysis has been completed showing the potential for profitable growth as they increase flock size and invest in an additional mobile coop.

In 2018, Phoebe and Taylor began raising heritage pork. Ten feeder piglets were bought in March, raised through the season, and processed through a slaughter and pack facility in November. Whole and half shares were sold over winter in 2018, with the remaining inventory now positioned for sale in 2019. To date, this has been a net-negative enterprise and Phoebe and Taylor do not plan to raise pigs in 2019.

## **Market Analysis**

### **Market Demand & Trends: CSA Expansion**

The interest in CSAs by producers and consumers continues to grow with the demand for fresh and local food. CSAs are often used in concert with their other marketing channels such as farmers markets or on-farm retail markets.

### **Growth Potential**

Different market demands of uniform quality, delivery schedules and packaging standards associated with different markets can be a challenge. Phoebe and Taylor's strategy is to limit one or more specialty cash crops for niche markets (specialty greens for wholesale and hot peppers and tomatoes for value-added) while growing a range of other crops for CSA members on a larger scale. Phoebe and Taylor considered several factors when deciding whether a CSA was a good marketing channel option for them. Their production experience, market potential and marketing skills all align with the goal to expand their already established CSA membership.

#### *Production Experience*

Down in the Dirt customers expect a consistent quality, variety and quantity of product throughout the season, and failure to deliver could create a barrier for repeat business. With three seasons of crop planning, production timing and experience with season extension, Phoebe and Taylor have the skills and resources to continue meeting the production demand of growing their membership base. They project a 25% member increase in 2019 and 10% annual growth in Years 2-5.

#### *Market Potential*

Down in the Dirt has an existing loyal customer base built from three years of consistent growth of CSA farm subscriptions. Transitioning to the new farm property could lose some customers to logistical hardship, miscommunication or the unknown. Phoebe and Taylor have a goal to retain 75% membership



through the transition. They have dedicated time and resources to providing updates about what is happening with the farm and the new location. They will maintain such communication consistently throughout the upcoming CSA season to lessen any confusion and appease concern.

To answer the questions of need in the marketplace for another CSA or whether new customers can be identified and reached, Phoebe and Taylor conducted surveys at the winter farmers market and local food co-op. The new farm property is within ten miles of the land Phoebe and Taylor leased in 2018, so already Down in the Dirt Farm has established a presence in the marketplace with proximity and name recognition. They are confident they can sign on 24 more full shares for 2019.

*Marketing Skills*

Phoebe and Taylor are willing to provide information about their farm and production methods with customers keenly interested in where and how their food is grown. They have the aptitude and desire to create content for electronic newsletters and email updates, maintain the website and social networking accounts, and design printed flyers and brochures. They are personable, enjoy talking to customers and can provide excellent customer service.

**Competition & Pricing**

Down in the Dirt’s highest grossing market revenue is the CSA (48% of projected sales in 2019).

Phoebe and Taylor assessed the characteristics, strengths and weaknesses of their direct CSA competitors. They identified that Down in the Dirt will be the only organic produce CSA subscription offered in the 10-mile radius of their new farm. Their CSA is also the longest running subscription offered in the area with a 22-week season. CSA competitor pricing ranges from \$30/week to \$38/week.

Phoebe and Taylor determined full and half share prices that cover the costs of production and provide for a positive net return. They considered the prices of other comparable CSAs in their area, and determined what members are willing to pay based on their last three CSA seasons. They calculated the actual cost of inputs and hired labor to estimate the minimum price to charge per share. Calculated costs include overhead expenses – land, equipment, buildings and other assets that are used in the process of growing for the CSA market.

*Down in the Dirt CSA Pricing Breakdown:*

- Operating cost of CSA market: \$36,222
- # of full shares in 2019 season: 54
- Operating cost per full share: \$670
- Price of full share: \$725
- Profit margin: 7.5% (\$55)

	<b>Attributes</b>	<b>Pros/Cons</b>	<b>Full Share Price</b>
Down in the Dirt	22-week subscription	Organic; egg share add-on	\$725 (\$33 value/week)

<b>Competition</b>	<b>Attributes</b>	<b>Pros/Cons</b>	<b>Full Share Price</b>
Over the Rainbow	18-week subscription	Non-organic	\$575 (\$32 value/week)

Rocky Hills Farm	21-week subscription	Offers egg share; pick-your-own flowers	\$800 (\$38 value/week)
Sunny Valley Farms	20-week subscription	Well established farm; waiting list	\$600 (\$30 value/week)

**Distribution**

Share distribution will occur weekly at the farm, farmers’ market or at one of two centralized drop-off locations. Members will be required to be at the location within the designated times for share pickup. A description of the amount and frequency of share delivery and instructions for when and where the CSA member will pick up or receive his or her share will be detailed in the member agreement signed at time of annual payment.

The farm truck will be used to distribute midweek shares to designated locations in town. Delivery routes to the two centralized drop-off sites will be efficient and will be managed by either Phoebe or Taylor. The other will manage the on-site farm stand pick-up. Weekend farmers’ market pick-up will be managed by who is staffing the market that day.

**Promotion**

Promotional efforts will target new customers interested in establishing a relationship with the farmer who is growing their food. Proximity is a critical factor for marketing a CSA in a rural community, and although there is less in-season time required to market their CSA to new members, it does require intensive marketing time out-of-season. Phoebe and Taylor have already established local key partnerships from the previous three growing seasons who can continue to help promote, such as local cafes and restaurants, the food co-op, and area businesses that support local farms and economies. Strategies of posting printed flyers and brochures to local community boards, maintaining an online presence through the Down in the Dirt website and social media accounts, attending local events and fairs, and word-of-mouth will all be employed to attract new members.

Phoebe and Taylor find value in building relationships and loyalty with their members not only to maintain high retention rates, but also as an opportunity to build community connection. They wish to establish these relationships through personal or face-to-face customer channels. In season, Phoebe and Taylor will continue to leverage marketing time by having customers pick up shares at the farmers market and farm stand where they will already be marketing additional products. They will host member appreciation events to help build a committed membership and direct connection to the farm. Already, the farm has core members who renew their CSA shares every year, can be called on to help, and are in a good position to tell other potential members about their positive experience.

In addition to acquiring new customers and retaining membership, a third driver of building customer relationships is to boost sales. Phoebe and Taylor are expanding the farm’s layer operation to offer an egg share add-on. This option creates an opportunity to add variety to the base produce share and to sell the eggs above wholesale price. The plan to develop a permanent CSA pick-up/farm stand venue will also offer opportunity for additional sales of a variety of products – not to mention market promotion crossover.

## Management

Collectively, Phoebe and Taylor have many years of experience in farm business management and diversified, organic vegetable production.

Phoebe has been farming for 6 years, having worked as a farm manager on a small, diversified farm in Massachusetts before moving to Vermont and starting Down in the Dirt Farm. Phoebe has extensive experience with crop planning, field and greenhouse production, tractor and farm equipment operation, cultivation, harvest, and processing. With this experience, Phoebe manages all day-to-day tasks on the farm. Phoebe also manages farmers market sales.

Taylor works off-farm part-time as a produce buyer with the local co-op in town. Taylor manages farm bookkeeping and has taken the lead on customer communications, wholesale account management, and CSA management. Having grown up on a farm in Vermont, Taylor is also a seasoned farmer who contributes to all aspects of farm operation. Through the co-op, Taylor has also made important connections with numerous local producers and farm businesses in the area.

The last two seasons, Down in the Dirt Farm has hired a seasonal apprentice from May through October. In the 2019 season, they plan to hire another seasonal apprentice. Phoebe and Taylor will collectively manage any additional employees or apprentices they hire as the farm business grows. Taylor will continue working part-time off the farm to maintain a steady cash flow to the household and retain healthcare benefits. The long term goal is to grow the business to the point that they can both work full-time on-farm.

## “SWOT” Analysis

### Strengths

- 9+ collective years experience growing high-quality, organic vegetables
- Skilled at networking and making personal connections
- Prime location near population centers
- Security with off-farm income and benefits

### Weaknesses

- Phoebe and Taylor are both reaching capacity with current workloads
- Need to better evaluate farm enterprises to highlight profit centers
- Relatively new to layer operation management

### Opportunities

- Expanded land-base will allow for increased production and better land management
- Niche crops and value-added potential
- Exploring new wholesale markets
- Diversification with eggs

### Threats

- Impending debt-load with new farm purchase
- Ability to manage diverse array of farm enterprises

- Navigating the farm transition
- Potential market saturation

## Financial Summary

Down in the Dirt Farm grossed \$66,370 in sales from the 2018 season (\$28,675 through their CSA offering whole and half shares, \$25,800 through farmers market sales, \$8,645 through wholesale, and \$3,250 from on-farm pork share sales).

The agreed-upon sale price for the new farm is \$315,000. Phoebe and Taylor propose to put down 5% from savings, and are pursuing 45/50 financing through FSA and Yankee Farm Credit.

An operating loan (5-year term) of \$9,825 is being secured through FSA to cover necessary equipment and infrastructure moving onto the new farm. Phoebe and Taylor will pay this monthly with a minimal interest payment.

Total annual debt service (including interest) for their 2019 capital budget is: \$18,955.

Based on changes proposed in *Business Ideas and Strategies*, Phoebe and Taylor will see a gross sales increase of 24% (+\$16,080) in 2019 and a steady 14% increase (+\$11,450) in 2020. The 2019 transition year positions Phoebe and Taylor with a net retained cash earnings of (-\$4,911) due to 18% of farm and capital expenses servicing debt and 19% of cash expenses allocated to the down payment and closing costs. Based on the 2019 cash flow projection, Phoebe and Taylor will have cash on hand each month to service loan payments, cover operating costs, provide for their household, and contribute to their personal savings due to careful planning, off-farm income and capital contributions.

## Proposed Business Ideas and Strategies

### Short Term

#### *Purchase the farm*

Taylor and Phoebe will work with the Vermont Farm and Forest Viability Program to model financial projections and finalize mortgage and operating loan packages. They have begun the application process and are working with the Vermont Land Trust to understand the conservation easements on the farm. They are also working to secure an operating loan to cover infrastructural improvements, equipment and livestock purchases outlined in the capital budget.

#### *Transition farm operations*

The process of transitioning the farm operations will require a number of steps including the following:

- Work with a technical assistance provider to develop a soil amendment plan and budget. Begin field renovations as soon as they have access to the land base.
- Purchase and erect a 30x70 high-tunnel for increased season extension.
- Develop a pasture system for layers and increase the flock size to 200 birds.
- Beginning targeted marketing effort to grow CSA membership.
- Move existing wash-pack infrastructure from leased land for use during the 2019 season.

- Develop temporary CSA pick-up and farmstand area.
- Engage NRCS to determine program eligibility. Potentially enroll in high tunnel program.
- Target specific areas of production that will need improvements either through technical assistance or the purchase of new equipment.
- Develop a short-term plan for the utilization of the land they will not be using for farm operations including renting hay land to another local farmer and working with a forester on a forestry management plan.

#### *Develop new and existing markets*

The transition to the new farm will require increased efforts around marketing and sales. Taylor and Phoebe will conduct a comprehensive marketing analysis and develop a marketing plan. This will include retail sales strategies, new wholesale markets, and developing an online presence including website and social media plan.

#### *Improve business management skills*

Taylor and Phoebe will work to improve their business management skills. They will work with a technical assistance provider to get their bookkeeping transferred into QuickBooks as Taylor will manage bookkeeping and payroll through the software. They will attend workshops to improve production, marketing and recordkeeping.

### **Intermediate**

#### *Expand and stabilize farm operations*

In years 2-5 Taylor and Phoebe will expand farm operations to meet the demands of their marketing efforts. This will include potentially adding more high tunnels, increased mechanization, and continuing to improve soil quality. The expansion of vegetable and layer operations will be based on enterprise analyses.

#### *Improve farm infrastructure*

After a year using a temporary pack shed and CSA pick-up, Taylor and Phoebe will evaluate all existing infrastructure and develop a long-term capital improvement budget. They plan to build a permanent wash-pack facility with adequate storage. This facility will focus on efficiency and meeting food safety regulations. They also plan to develop a permanent CSA pick-up/farm stand venue.

#### *Explore value-added production*

Taylor and Phoebe will explore the potential of developing value-added products. Initially, they will upgrade and certify the farmhouse kitchen to produce small trial batches. Based on demand for these products they will proceed with exploring potential options for production of the products on a larger scale. They will also do careful financial analysis to determine the potential profitability of these products.

### **Long Term**

#### *Scale to the level that they can both work full time on-farm*

Taylor and Phoebe will work to grow the farm to an appropriate scale to meet their income requirements. They plan to grow to a level that they can generate enough income that they can both work full-time on-farm, with minimal additional hired labor. They will do this through financial analysis and assessment, production and market streamlining, and limiting debt.

## Implementation Plan

### Year 1 (seasonally)

- Purchase the farm. Working on 5/45/50 financing through FSA and Yankee Farm Credit
- Secure operating loan for farm start-up expenses (wash-pack upgrades, mobile chicken coop, greenhouse, and cultivating tractor)
- Work with UVM Extension to conduct a thorough soil assessment and develop a fertility management plan
- Hire additional seasonal apprentice
- Establish pasture infrastructure for 200-layer flock
- Tend to all current wholesale relationships, maintaining trust and respect
- Build egg share into CSA option
- Create outreach strategy to new wholesale clients (create farm marketing materials, increase social media presence, visit restaurants and markets with crop samples during the season, etc.)

### Year 2

- Work with NRCS to build new hoop house(s) for greens, peppers, tomatoes
- Evaluate profit centers across farm enterprises, continue work with Farm Viability program
- Grow layer operation and scale vegetable enterprises commensurate with new market potential

### Year 3-5

- Continue investing in soil fertility and executing three-field rotation system with fallow periods and cover cropping
- Electrify farmstand to add cold and freezer storage with potential to offer local meat and cheese products from other farms
- Develop plans and secure financing to add second walk-in cooler in dairy barn
- Research market potential for possible overwinter enterprises:
  - Fall/Winter CSA share - implement storage crops in planting schedule
  - Winter greens in high tunnels - determine high tunnel capacity for snow load and ice
  - Microgreens and specialty greenhouse products - conduct feasibility analysis for winter heating requirements
  - Realize the winter rest for farmers is more beneficial than the added income - budget for the time off
- Strengthen existing relationships with CSA membership, restaurants and other wholesale buyers while outreaching to new farm clients. Happy returning customers is key. Offer appreciation events on farm
- Track labor efficiencies and implement work systems (from planting to harvest to selling product) for all employees
- Apply for USDA Value-added Producer Planning Grant/Working Capital Grant
- Work with copack/value-added producer to test hot sauce recipes and develop production schedule
- Continue evaluating profit centers and profit losses in crops and markets

## Appendices

- Historical Profit + Loss Statements
- Income Projections

- Cash Flow Analyses
- Asset Inventory
- Current Balance Sheet

**2018 ASSET INVENTORY (Pre-Farm Purchase)**

**Down In The Dirt Farm**

**As of Date: 12/31/2018**

Current Assets (0-12 months)	
	Fair Market Value
<b>Crop inventory (growing and stored)</b>	
Seed	\$ 300
	\$ -
	\$ -
<b>Total</b>	<b>\$ 300</b>
<b>Feed inventory (growing and stored)</b>	
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ -</b>
<b>Market livestock inventory</b>	
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ -</b>
<b>Product inventory</b>	
Pork	\$ 2,100
	\$ -
	\$ -
<b>Total</b>	<b>\$ 2,100</b>
<b>Farm supplies on hand</b>	
Marketing supplies	\$ 500
Irrigation equip	\$ 100
Hoops + row cover	\$ 350
Shop tools	\$ 400
T-posts	\$ 700
Greenhouse supplies	\$ 300
	\$ -
<b>Total</b>	<b>\$ 2,350</b>
<b>Prepaid expenses</b>	
Fuel + oil	\$ 275
	\$ -
	\$ -
<b>Total</b>	<b>\$ 275</b>
<b>Other</b>	
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ -</b>
<b>Total Current Assets</b>	<b>\$ 5,025</b>

Intermediate Assets (1-10 years)	
	Fair Market Value
<b>Raised breeding livestock</b>	
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ -</b>
<b>Purchased breeding livestock</b>	
Laying hens	\$ 300
	\$ -
	\$ -
<b>Total</b>	<b>\$ 300</b>
<b>Farm machinery</b>	
40 HP Tractor	\$ 17,000
	\$ -
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ 17,000</b>
<b>Farm equipment</b>	
Rototiller	\$ 1,100
S-tine Cultivator	\$ 500
Tine weeder	\$ 900
Flail mower	\$ 1,100
Bed shaper with mulch layer	\$ 1,500
Coolbot	\$ 330
18K BTU A/C	\$ 200
Poultry fencing + solar charge	\$ 1,000
Hog panels and single-strand fencing	\$ 700
	\$ -
	\$ -
<b>Total</b>	<b>\$ 7,330</b>
<b>Farm vehicle</b>	
Farm truck	\$ 2,500
	\$ -
<b>Total</b>	<b>\$ 2,500</b>
<b>Other</b>	
High tunnel	\$ 1,200
Mobile coop	\$ 1,100
<b>Total</b>	<b>\$ 2,300</b>
<b>Total Intermediate Assets</b>	<b>\$ 29,430</b>



**2018 BALANCE SHEET (Pre-Farm Purchase)**

**Down In The Dirt Farm**

**As of Date: 12/1/2018**

Assets		Liabilities	
<b>Current assets</b>		<b>Current Liabilities (due in less than 12 months)</b>	
Farm checking	\$ 2,053	Farm credit card balance	\$ 245
Farm savings account	\$ 12,500	Accrued interest due within 12 mos.	\$ 1
Accounts receivable	\$ -	Accounts payable	\$ -
Crop and feed inventory	\$ 300	Principal due within 12 mos. on intermediate debt	\$ 285
Market livestock inventory	\$ -	Principal due within 12 mos. on long term debt	\$ -
Product inventory	\$ 2,100		
Farm supplies on hand	\$ 2,350		
Prepaid expenses	\$ 275		
Other current assets	\$ -		
<b>Total Current Assets</b>	<b>\$ 19,578</b>	<b>Total Current Liabilities</b>	<b>\$ 531</b>
<b>Intermediate Assets</b>		<b>Intermediate Liabilities</b>	
Raised breeding livestock on hand	\$ -	Tractor loan principal balance	\$ -
Purchased breeding livestock	\$ 300	Other	\$ -
Farm machinery	\$ 17,000		
Farm equipment	\$ 7,330		
Farm vehicle	\$ 2,500		
Other intermediate assets	\$ 2,300		
<b>Total Intermediate Assets</b>	<b>\$ 24,630</b>	<b>Total Intermediate Liabilities</b>	<b>\$ -</b>
<b>Long Term Assets</b>		<b>Long Term Liabilities</b>	
Farm land	\$ -	Mortgage loan principal balance	\$ -
Farm buildings	\$ -	Other	\$ -
Farm house	\$ -		
<b>Total Long Term Assets</b>	<b>\$ -</b>	<b>Total Long Term Liabilities</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 44,208</b>	<b>Total Liabilities</b>	<b>\$ 531</b>
		<b>FARM NET WORTH</b>	<b>\$ 43,677</b>

<b>Nonfarm Assets</b>		<b>Nonfarm Liabilities</b>	
Savings	\$ 8,400	Credit card balance(s)	\$ 1,250
Checking	\$ 1,000	Car loan balance	\$ 2,000
Retirement account	\$ 3,800	Student loan balance	\$ 18,500
Personal vehicles	\$ 6,000	Other	\$ -
Personal property	\$ -		
<b>Total Nonfarm Assets</b>	<b>\$ 19,200</b>	<b>Total Nonfarm Liabilities</b>	<b>\$ 21,750</b>
<b>Total Assets Adjusted for Nonfarm</b>	<b>\$ 63,408</b>	<b>Total Liabilities Adjusted for Nonfarm</b>	<b>\$ 22,281</b>
		<b>CONSOLIDATED NET WORTH: ADJUSTED ASSETS MINUS ADJUSTED LIABILITIES</b>	<b>\$ 41,127</b>

**PROFIT AND LOSS STATEMENT -- Year-end Actuals  
Down In The Dirt Farm**

	2016	2017	2018
<b>CASH INCOME</b>			
CSA	\$ 19,000	\$ 21,375	\$ 28,675
Farmers Market	\$ 22,545	\$ 30,375	\$ 25,800
Wholesale	\$ -	\$ 4,960	\$ 8,645
On Farm - Retail	\$ -	\$ -	\$ 3,250
<b>TOTAL CASH INCOME</b>	<b>\$ 41,545</b>	<b>\$ 56,710</b>	<b>\$ 66,370</b>

**FARM CASH EXPENSES**

**Variable Expenses**

**PRODUCE**

Field supplies	\$ 4,100	\$ 3,400	\$ 5,525
Harvest and pack supplies	\$ 2,700	\$ 1,300	\$ 3,200
Fertilizers + amendments	\$ 1,850	\$ 1,500	\$ 1,700
Greenhouse supplies	\$ 6,840	\$ 4,250	\$ 5,400
Seeds + plants	\$ 430	\$ 500	\$ 500

**LAYERS**

Chicks	\$ -	\$ -	\$ 345
Poultry feed + supplements	\$ -	\$ -	\$ 3,000
Mobile coop supplies	\$ -	\$ -	\$ 200
Pasture/fencing supplies	\$ -	\$ -	\$ 200

**PIGS**

Feeder piglets	\$ -	\$ -	\$ 750
Feed	\$ -	\$ -	\$ 1,125
Slaughter + processing	\$ -	\$ -	\$ 2,270
Veterinary + medical	\$ -	\$ -	\$ 240

**WHOLE FARM**

Farmers market supplies	\$ 1,950	\$ 850	\$ 1,270
Fuel + oil	\$ 2,365	\$ 2,140	\$ 2,650
Payroll Expenses - Seasonal wages	\$ -	\$ 6,400	\$ 6,400
Payroll FICA/Medicare Taxes	\$ -	\$ 490	\$ 490
Advertising + marketing	\$ 375	\$ 210	\$ 400
Office supplies	\$ 75	\$ 100	\$ 50
Tax preparation or legal expense	\$ 400	\$ 400	\$ 400
Repairs + maintenance	\$ 1,700	\$ 690	\$ 900
Custom hire	\$ -	\$ -	\$ -
<b>Total Variable Expenses</b>	<b>\$ 22,785</b>	<b>\$ 22,230</b>	<b>\$ 37,015</b>

**Fixed Expenses**

Farm truck (insurance, inspections)	\$ 400	\$ 350	\$ 350
Farmers market fees	\$ 300	\$ 300	\$ 340
Licenses, certifications	\$ 1,100	\$ 1,100	\$ 1,100
Insurance: Farm share	\$ 550	\$ 550	\$ 600
Interest: Farm loans	\$ 159	\$ 110	\$ 42
Rent	\$ 1,800	\$ 1,800	\$ 1,800
Utilities: Farm share	\$ 1,060	\$ 1,020	\$ 1,300
Phone	\$ 480	\$ 480	\$ 480
Website hosting + maintenance	\$ 350	\$ 200	\$ 200
<b>Total Fixed Expenses</b>	<b>\$ 6,199</b>	<b>\$ 5,910</b>	<b>\$ 6,212</b>

<b>TOTAL CASH EXPENSES</b>	<b>\$ 28,984</b>	<b>\$ 28,140</b>	<b>\$ 43,227</b>
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<b>NET FARM INCOME</b>	<b>\$ 12,561</b>	<b>\$ 28,570</b>	<b>\$ 23,143</b>
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**ACCRUAL ADJUSTMENTS**

**Income Net Adjustments**

*Accounts receivable carried over to next year	\$ -	\$ -	\$ -
*Crop and feed inventory carried over to next year	\$ -	\$ -	\$ 300
*Market livestock inventory on hand carried over to next year	\$ -	\$ -	\$ -
*Raised breeding livestock on hand carried over to next year	\$ -	\$ -	\$ -
*Product inventory carried over to next year	\$ -	\$ -	\$ 2,100
*Farm supplies on hand carried over to next year	\$ -	\$ -	\$ 2,350
*Prepaid expenses carried over to next year	\$ -	\$ -	\$ 275
*Other current assets on hand carried over to next year	\$ -	\$ -	\$ -
<b>Total Accrued Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,025</b>

**Expense Net Adjustments**

*Accrued interest carried over to next year	\$ -	\$ -	\$ 1
*Accounts payable carried over to next year	\$ -	\$ -	\$ -
<b>Total Accrued Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>

**Other Expense Adjustments**

Depreciation	\$ 2,840	\$ 3,240	\$ 3,780
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<b>NET FARM INCOME FROM OPERATIONS</b>	<b>\$ 9,721</b>	<b>\$ 25,330</b>	<b>\$ 24,387</b>
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**CAPITAL ADJUSTMENTS: Other Income/Expense****Capital Contributions**

+ Capital contributions (loans, gifts, grants)	\$ 5,000	\$ -	\$ -
+ Owner injection	\$ 5,000	\$ -	\$ -
+ Capital sales (purchased livestock, equipment)	\$ -	\$ -	\$ -
<b>Total Capital Contributions</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ -</b>

**Capital Expenditures**

- Capital expenditures: Equipment	\$ 1,000	\$ -	\$ 1,700
- Capital expenditures: Infrastructure	\$ -	\$ -	\$ -
- Owner withdrawal	\$ 5,000	\$ 10,000	\$ 5,000
- Capital reserve	\$ 1,000	\$ 1,000	\$ 1,000
<b>Total Capital Expenses</b>	<b>\$ 7,000</b>	<b>\$ 11,000</b>	<b>\$ 7,700</b>

<b>NET RETAINED CASH EARNINGS</b>	<b>\$ 16,561</b>	<b>\$ 18,570</b>	<b>\$ 16,443</b>
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**NONFARM ADJUSTMENTS**

+ Nonfarm Income	\$ 25,000	\$ 27,500	\$ 27,500
- Family Living Allocation	\$ 28,000	\$ 28,000	\$ 28,000
- Insurance: Household share	\$ 400	\$ 400	\$ 400
- Taxes: Household share	\$ -	\$ -	\$ -
- Utilities: Household share	\$ 1,600	\$ 1,600	\$ 1,600
<b>NET EARNINGS AFTER NONFARM ADJUSTMENTS</b>	<b>\$ 11,561</b>	<b>\$ 16,070</b>	<b>\$ 13,943</b>

**2018 MONTHLY CASH FLOW**  
**Down In The Dirt Farm**  
**January 1, 2018 to December 31, 2018**

GENERAL INFORMATION	Total 2018	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Full CSA Shares	34	8	15	10	1	0	0	0	0	0	0	0	0
Price	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700
Half CSA Shares	13	4	6	2	1	0	0	0	0	0	0	0	0
Price	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375
Number of Layers	100	100	95	95	95	95	90	90	90	90	90	90	90
Number of Pigs	10	0	0	10	10	10	10	10	10	10	10	10	10

**CASH INCOME**

CSA	\$ 28,675	\$ 7,100	\$ 12,750	\$ 7,750	\$ 1,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Farmers Market	\$ 25,800	\$ -	\$ -	\$ -	\$ -	\$ 2,300	\$ 3,100	\$ 4,900	\$ 5,600	\$ 5,300	\$ 4,600	\$ -	\$ -
Wholesale	\$ 8,645	\$ -	\$ -	\$ -	\$ 320	\$ 650	\$ 975	\$ 1,500	\$ 1,700	\$ 1,400	\$ 1,250	\$ 850	\$ -
On Farm - Retail	\$ 3,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,150	\$ 1,100
<b>TOTAL CASH INCOME</b>	<b>\$ 66,370</b>	<b>\$ 7,100</b>	<b>\$ 12,750</b>	<b>\$ 7,750</b>	<b>\$ 1,395</b>	<b>\$ 2,950</b>	<b>\$ 4,075</b>	<b>\$ 6,400</b>	<b>\$ 7,300</b>	<b>\$ 6,700</b>	<b>\$ 5,850</b>	<b>\$ 3,000</b>	<b>\$ 1,100</b>

**FARM CASH EXPENSES**

**Variable Expenses**

<b>PRODUCE</b>													
Field supplies	\$ 5,525	\$ -	\$ 3,825	\$ -	\$ -	\$ 975	\$ -	\$ 300	\$ 300	\$ 125	\$ -	\$ -	\$ -
Harvest + pack supplies	\$ 3,200	\$ -	\$ -	\$ 1,600	\$ -	\$ 800	\$ 400	\$ -	\$ 400	\$ -	\$ -	\$ -	\$ -
Fertilizers + amendments	\$ 1,700	\$ -	\$ -	\$ 1,200	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Greenhouse supplies	\$ 5,400	\$ 2,000	\$ 2,600	\$ 500	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seeds + plants	\$ 500	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>LAYERS</b>													
Chicks	\$ 345	\$ 345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Poultry feed + supplements	\$ 3,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Mobile coop supplies	\$ 200	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pasture/fencing supplies	\$ 200	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PIGS</b>													
Feeder piglets	\$ 750	\$ -	\$ -	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Feed	\$ 1,125	\$ -	\$ -	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125
Slaughter + processing	\$ 2,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,270
Veterinary + medical	\$ 240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**WHOLE FARM**

Farmers market supplies	\$ 1,270	\$ -	\$ -	\$ -	\$ 850	\$ 100	\$ 100	\$ 170	\$ 50	\$ -	\$ -	\$ -	\$ -
Fuel + oil	\$ 2,650	\$ 50	\$ 50	\$ 200	\$ 400	\$ 100	\$ 350	\$ 450	\$ 400	\$ 300	\$ 200	\$ 100	\$ 50
Payroll Expenses - Seasonal wages	\$ 6,400	\$ -	\$ -	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ -
Payroll FICA/Medicare Taxes	\$ 490	\$ -	\$ -	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ 61	\$ -
Advertising + marketing	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office supplies	\$ 50	\$ 40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10
Tax preparation or legal expense	\$ 400	\$ -	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repairs + maintenance	\$ 900	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ 450	\$ 100	\$ -	\$ 150	\$ -
Custom hire	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Variable Expenses</b>	<b>\$ 37,015</b>	<b>\$ 3,185</b>	<b>\$ 7,125</b>	<b>\$ 5,686</b>	<b>\$ 2,886</b>	<b>\$ 4,011</b>	<b>\$ 2,726</b>	<b>\$ 2,156</b>	<b>\$ 2,836</b>	<b>\$ 1,761</b>	<b>\$ 1,436</b>	<b>\$ 2,895</b>	<b>\$ 310</b>

**Fixed Expenses**

Farm truck (insurance, inspections)	\$ 350	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Farmers market fees	\$ 340	\$ -	\$ 340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150	\$ -	\$ -
Licenses, certifications	\$ 1,100	\$ -	\$ 600	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance: Farm share	\$ 600	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent	\$ 1,800	\$ 450	\$ -	\$ -	\$ 450	\$ -	\$ -	\$ 450	\$ -	\$ -	\$ 450	\$ -	\$ -
Utilities: Farm share	\$ 1,300	\$ 30	\$ 500	\$ 500	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30
Phone	\$ 480	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40
Website hosting + maintenance	\$ 200	\$ 200	\$ -	\$ 1,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Fixed Expenses</b>	<b>\$ 6,170</b>	<b>\$ 1,320</b>	<b>\$ 1,480</b>	<b>\$ 1,040</b>	<b>\$ 520</b>	<b>\$ 270</b>	<b>\$ 70</b>	<b>\$ 520</b>	<b>\$ 70</b>	<b>\$ 70</b>	<b>\$ 670</b>	<b>\$ 70</b>	<b>\$ 70</b>
<b>TOTAL CASH EXPENSES</b>	<b>\$ 43,185</b>	<b>\$ 4,505</b>	<b>\$ 8,605</b>	<b>\$ 6,726</b>	<b>\$ 3,406</b>	<b>\$ 4,281</b>	<b>\$ 2,796</b>	<b>\$ 2,676</b>	<b>\$ 2,906</b>	<b>\$ 1,831</b>	<b>\$ 2,106</b>	<b>\$ 2,965</b>	<b>\$ 380</b>

**NET FARM INCOME**

	\$ 23,185	\$ 2,595	\$ 4,145	\$ 1,024	\$ (2,011)	\$ (1,331)	\$ 1,279	\$ 3,724	\$ 4,394	\$ 4,869	\$ 3,744	\$ 35	\$ 720
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**CAPITAL BUDGET**  
**Down In The Dirt Farm**

Land Purchase Price	\$	315,000
Closing Costs	\$	5,000
<b>Total</b>	<b>\$</b>	<b>320,000</b>

Livestock	# of units	Cost per unit	Total cost
Layers	150.0	\$ 3.50	\$ 525.00
		\$ -	\$ -
		\$ -	\$ -
<b>Total</b>		<b>\$</b>	<b>\$ 525.00</b>

Equipment	# of units	Cost per unit	Total cost
Cultivator	1.0	\$ 5,000.00	\$ 5,000.00
Greenhouse	1.0	\$ 3,900.00	\$ 3,900.00
Mobile Chicken Coop	1.0	\$ 1,200.00	\$ 1,200.00
		\$ -	\$ -
<b>Total</b>		<b>\$</b>	<b>\$ 10,100.00</b>

Infrastructure/Land Improvements	# of units	Cost per unit	Total cost
Wash + Pack Upgrades	1.0	\$ 3,700.00	\$ 3,700.00
		\$ -	\$ -
		\$ -	\$ -
<b>Total</b>		<b>\$</b>	<b>\$ 3,700.00</b>

Office/Website	# of units	Cost per unit	Total cost
Website Upgrade	1.0	\$ 500.00	\$ 500.00
		\$ -	\$ -
<b>Total</b>		<b>\$</b>	<b>\$ 500.00</b>

**TOTAL CAPITAL BUDGET \$ 334,825.00**

**CAPITAL FINANCING PLAN**

Sources of Funds	Term of Repayment (yrs)	Loan Amount	Uses of Funds	Payment Schedule	Monthly Payment	Annual Debt Service
FSA Purchase Loan	30	\$ 157,500.00	Land Purchase	Monthly	\$ 437.50	\$ 5,250.00
Traditional Lender (Yankee Farm Credit)	20	\$ 141,750.00	Land Purchase	Monthly	\$ 590.63	\$ 7,087.50
Personal Savings		\$ 15,750.00	Down Payment/Closing Costs	None	\$ -	\$ -
Gifts		\$ 10,000.00	Start Up	None	\$ -	\$ -
Line of Credit		\$ -	Operating	Annual	\$ -	\$ -
FSA Operating Loan	5	\$ 9,825.00	Operating	Monthly	\$ 163.75	\$ 1,965.00
<b>Capital Available</b>		<b>\$ 334,825.00</b>				
<b>Capital Required</b>		<b>\$ 334,825.00</b>				
<b>Capital to be Raised</b>		<b>\$ -</b>				
<b>TOTAL ANNUAL DEBT SERVICE (PRINCIPAL)</b>						<b>\$ 14,302.50</b>

**2019 ASSET INVENTORY (Post-Farm Purchase)**

**Down In The Dirt Farm**

**As of Date: 1/31/2019**

Current Assets (0-12 months)	
	Fair Market Value
<b>Crop inventory (growing and stored)</b>	
Seed	\$ 300
	\$ -
	\$ -
<b>Total</b>	<b>\$ 300</b>
<b>Feed inventory (growing and stored)</b>	
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ -</b>
<b>Market livestock inventory</b>	
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ -</b>
<b>Product inventory</b>	
Pork	\$ 2,100
	\$ -
	\$ -
<b>Total</b>	<b>\$ 2,100</b>
<b>Farm supplies on hand</b>	
Marketing supplies	\$ 500
Irrigation equip	\$ 100
Hoops + row cover	\$ 350
Shop tools	\$ 400
T-posts	\$ 700
Greenhouse supplies	\$ 300
<b>Total</b>	<b>\$ 2,350</b>
<b>Prepaid expenses</b>	
Fuel + oil	\$ 200
	\$ -
	\$ -
<b>Total</b>	<b>\$ 200</b>
<b>Other</b>	
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ -</b>
<b>Total Current Assets</b>	<b>\$ 4,950</b>

Intermediate Assets (1-10 years)	
	Fair Market Value
<b>Raised breeding livestock</b>	
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ -</b>
<b>Purchased breeding livestock</b>	
Laying hens	\$ 825
	\$ -
	\$ -
<b>Total</b>	<b>\$ 825</b>
<b>Farm machinery</b>	
40 HP Tractor	\$ 17,000
Cultivator	\$ 5,000
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ 22,000</b>
<b>Farm equipment</b>	
Rototiller	\$ 1,100
S-tine Cultivator	\$ 500
Tine weeder	\$ 900
Flail mower	\$ 1,100
Bed shaper with mulch layer	\$ 1,500
Coolbot	\$ 330
18K BTU A/C	\$ 200
Poultry fencing + solar charge	\$ 1,000
Hog panels and single-strand fencing	\$ 700
	\$ -
	\$ -
	\$ -
<b>Total</b>	<b>\$ 7,330</b>
<b>Farm vehicle</b>	
Farm truck	\$ 2,500
	\$ -
<b>Total</b>	<b>\$ 2,500</b>
<b>Other</b>	
High tunnel	\$ 1,200
Mobile coops (2)	\$ 2,300
Greenhouse	\$ 3,900
<b>Total</b>	<b>\$ 3,500</b>
<b>Total Intermediate Assets</b>	<b>\$ 36,155</b>

**2019 BALANCE SHEET (Post-Farm Purchase)**

**Down In The Dirt Farm**

**As of Date: 1/31/19**

Assets		Liabilities	
<b>Current assets</b>		<b>Current Liabilities (due in less than 12 months)</b>	
Farm checking	\$ 400	Farm credit card balance	\$ 50
Farm savings account	\$ 1,403	Accrued interest due within 12 mos.	\$ 12,907
Accounts receivable	\$ -	Accounts payable	\$ -
Crop and feed inventory	\$ 300	Principal due within 12 mos. on intermediate debt	\$ 2,059
Market livestock inventory	\$ -	Principal due within 12 mos. on long term debt	\$ 7,258
Product inventory	\$ 2,100		
Farm supplies on hand	\$ 2,350		
Prepaid expenses	\$ 200		
Other current assets	\$ -		
<b>Total Current Assets</b>	<b>\$ 6,753</b>	<b>Total Current Liabilities</b>	<b>\$ 22,274</b>
<b>Intermediate Assets</b>		<b>Intermediate Liabilities</b>	
Raised breeding livestock on hand	\$ -	Tractor loan principal balance	\$ -
Purchased breeding livestock	\$ 825	FSA Operating loan principal balance	\$ 8,051
Farm machinery	\$ 22,000		
Farm equipment	\$ 7,330		
Farm vehicle	\$ 2,500		
Other intermediate assets	\$ 3,500		
<b>Total Intermediate Assets</b>	<b>\$ 30,155</b>	<b>Total Intermediate Liabilities</b>	<b>\$ 8,051</b>
<b>Long Term Assets</b>		<b>Long Term Liabilities</b>	
Farm land	\$ 150,000	FSA Purchase loan principal balance	\$ 154,477.00
Farm buildings	\$ 53,700	Yankee Farm Credit Purchase loan principal balance	\$ 137,515.00
Farm house	\$ 115,000		
<b>Total Long Term Assets</b>	<b>\$ 318,700</b>	<b>Total Long Term Liabilities</b>	<b>\$ 291,992</b>
<b>Total Assets</b>	<b>\$ 355,608</b>	<b>Total Liabilities</b>	<b>\$ 322,317</b>

**FARM NET WORTH \$ 33,291**

Nonfarm Assets		Nonfarm Liabilities	
Savings	\$ 5,400	Credit card balance(s)	\$ 975
Checking	\$ 1,110	Car loan balance	\$ 1,100
Retirement account	\$ 3,800	Student loan balance	\$ 18,025
Personal vehicles	\$ 6,000	Other	\$ -
Personal property	\$ -		
<b>Total Nonfarm Assets</b>	<b>\$ 16,310</b>	<b>Total Nonfarm Liabilities</b>	<b>\$ 20,100</b>

**Total Assets Adjusted for Nonfarm \$ 371,918 Total Liabilities Adjusted for Nonfarm \$ 342,417**

**CONSOLIDATED NET WORTH: ADJUSTED ASSETS MINUS ADJUSTED LIABILITIES \$ 29,501**



**CASH FLOW PROJECTIONS****Down In The Dirt Farm**

	2019	2020	2021
<b>CASH INCOME</b>			
CSA	\$ 39,750	\$ 44,100	\$ 48,510
Farmers Market	\$ 25,000	\$ 27,500	\$ 30,500
Wholesale	\$ 16,500	\$ 22,300	\$ 32,000
On Farm - Retail	\$ 1,200	\$ -	\$ 4,400
<b>TOTAL CASH INCOME</b>	<b>\$ 82,450</b>	<b>\$ 93,900</b>	<b>\$ 115,410</b>

**FARM CASH EXPENSES****Variable Expenses****PRODUCE**

Field supplies	\$ 4,350	\$ 5,525	\$ 6,000
Harvest and pack supplies	\$ 3,800	\$ 4,400	\$ 3,800
Fertilizers + amendments	\$ 2,400	\$ 2,600	\$ 3,000
Greenhouse supplies	\$ 6,000	\$ 6,500	\$ 6,500
Seeds + plants	\$ 700	\$ 1,300	\$ 1,400

**LAYERS**

Chicks	\$ 525	\$ 345	\$ 500
Poultry feed + supplements	\$ 6,000	\$ 7,500	\$ 8,500
Mobile coop supplies	\$ 400	\$ 700	\$ 700
Pasture/fencing supplies	\$ 700	\$ 500	\$ 500

**VALUE-ADDED**

Processing supplies	\$ -	\$ -	\$ 600
Packaging + labels	\$ -	\$ -	\$ 400

**WHOLE FARM**

Farmers market supplies	\$ 870	\$ 900	\$ 500
Fuel + oil	\$ 3,000	\$ 3,125	\$ 4,000
Payroll Expenses - Seasonal wages	\$ 12,800	\$ 13,000	\$ 13,200
Payroll FICA/Medicare taxes	\$ 980	\$ 988	\$ 1,003
Advertising + marketing	\$ 100	\$ 500	\$ 250
Office supplies	\$ 100	\$ 100	\$ 100
Tax preparation or legal expense	\$ 400	\$ 400	\$ 400
Repairs + maintenance	\$ 500	\$ 500	\$ 500
Custom hire	\$ 600	\$ -	\$ -
<b>Total Variable Expenses</b>	<b>\$ 44,225</b>	<b>\$ 48,883</b>	<b>\$ 51,853</b>

**Fixed Expenses**

Farm truck (insurance, inspections)	\$ 350	\$ 350	\$ 350
Farmers market fees	\$ 440	\$ 440	\$ 500
Licenses, certifications	\$ 1,200	\$ 1,200	\$ 1,400
Insurance: Farm share	\$ 1,000	\$ 1,000	\$ 1,200
Property taxes: Farm share	\$ 3,600	\$ 3,600	\$ 3,800
Utilities: Farm share	\$ 1,400	\$ 1,600	\$ 1,800
Phone	\$ 480	\$ 480	\$ 500
Website hosting + maintenance	\$ 700	\$ 200	\$ 300
<b>Total Fixed Expenses</b>	<b>\$ 9,170</b>	<b>\$ 8,870</b>	<b>\$ 9,850</b>

<b>TOTAL CASH EXPENSES</b>	<b>\$ 53,395</b>	<b>\$ 57,753</b>	<b>\$ 61,703</b>
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<b>NET FARM INCOME</b>	<b>\$ 29,055</b>	<b>\$ 36,147</b>	<b>\$ 53,707</b>
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**CAPITAL ADJUSTMENTS: Other Income/Expense****Capital Contributions**

+ Capital contributions (loans, gifts, grants)	\$ 19,825	\$ -	\$ 4,000
+ Owner injection	\$ -	\$ -	\$ -
+ Capital sales (purchased livestock, equipment)	\$ -	\$ -	\$ -
<b>Total Capital Contributions</b>	<b>\$ 19,825</b>	<b>\$ -</b>	<b>\$ 4,000</b>

**Capital Expenditures**

- Capital expenditures: Equipment	\$ 10,100	\$ -	\$ 4,000
- Capital expenditures: Infrastructure	\$ 3,700	\$ -	\$ -
- Tractor loan payments	\$ 286	\$ -	\$ -
- FSA Purchase loan payments	\$ 6,523	\$ 6,523	\$ 6,523
- Yankee Farm Credit Purchase loan payments	\$ 10,308	\$ 10,308	\$ 10,308
- FSA Operating loan payments	\$ 2,124	\$ 2,124	\$ 2,124
- Purchase loan down payment	\$ 15,750	\$ -	\$ -
- Closing costs and fees	\$ 5,000	\$ -	\$ -
- Owner withdrawal	\$ -	\$ 10,000	\$ 10,000
- Cash reserve	\$ -	\$ 1,000	\$ 1,000
<b>Total Capital Expenses</b>	<b>\$ 53,791</b>	<b>\$ 29,955</b>	<b>\$ 33,955</b>

<b>NET FARM EARNINGS</b>	<b>\$ (4,911)</b>	<b>\$ 6,192</b>	<b>\$ 23,752</b>
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**NONFARM ADJUSTMENTS**

+ Nonfarm Income	\$ 31,200	\$ 31,200	\$ 33,000
- Family Living Allocation	\$ 23,000	\$ 23,500	\$ 24,000
- Insurance: Household share	\$ 400	\$ 400	\$ 400
- Taxes: Household share	\$ -	\$ -	\$ -
- Utilities: Household share	\$ 1,600	\$ 1,800	\$ 2,000
<b>NET EARNINGS AFTER NONFARM ADJUSTMENTS</b>	<b>\$ 1,289</b>	<b>\$ 11,692</b>	<b>\$ 30,352</b>



**Capital Expenditures**

- Capital expenditures: Equipment	\$ 10,100	\$ 10,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Capital expenditures: Infrastructure	\$ 3,700	\$ 3,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Tractor loan payments	\$ 286	\$ 286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- FSA Purchase loan payments	\$ 6,523	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544	\$ 544
- Yankee Farm Credit Purchase loan payments	\$ 10,308	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859	\$ 859
- FSA Operating loan payments	\$ 2,124	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177
- Purchase loan down payment	\$ 15,750	\$ 15,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Closing costs and fees	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Owner withdrawal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Cash reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Expenses</b>	<b>\$ 53,791</b>	<b>\$ 36,416</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>	<b>\$ 1,580</b>

**NET FARM EARNINGS**

<b>NET FARM EARNINGS</b>	<b>\$ (4,911)</b>	<b>\$ (6,991)</b>	<b>\$ 7,295</b>	<b>\$ 1,783</b>	<b>\$ (5,367)</b>	<b>\$ (3,842)</b>	<b>\$ (752)</b>	<b>\$ 898</b>	<b>\$ 1,708</b>	<b>\$ 1,958</b>	<b>\$ 1,472</b>	<b>\$ (1,295)</b>	<b>\$ (1,780)</b>
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**NONFARM ADJUSTMENTS**

+ Nonfarm income	\$ 31,200	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600
- Family Living Allocation	\$ 23,000	\$ 1,917	\$ 1,917	\$ 1,917	\$ 1,917	\$ 1,917	\$ 1,917	\$ 1,917	\$ 1,917	\$ 1,917	\$ 1,917	\$ 1,917	\$ 1,916							
- Insurance: Household share	\$ 400	\$ 200	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
- Taxes: Household share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
- Utilities: Household share	\$ 1,600	\$ 133	\$ 133	\$ 133	\$ 133	\$ 133	\$ 133	\$ 133	\$ 133	\$ 133	\$ 134	\$ 134	\$ 134							
<b>NET EARNINGS AFTER NONFARM ADJUSTMENTS</b>	<b>\$ 1,289</b>	<b>\$ (6,641)</b>	<b>\$ 7,845</b>	<b>\$ 2,333</b>	<b>\$ (4,817)</b>	<b>\$ (3,292)</b>	<b>\$ (402)</b>	<b>\$ 1,448</b>	<b>\$ 2,258</b>	<b>\$ 2,508</b>	<b>\$ 2,022</b>	<b>\$ (745)</b>	<b>\$ (1,230)</b>							
<b>CASH ON HAND</b>	<b>\$ -</b>	<b>\$ (6,641)</b>	<b>\$ 1,205</b>	<b>\$ 3,538</b>	<b>\$ (1,279)</b>	<b>\$ (4,571)</b>	<b>\$ (4,973)</b>	<b>\$ (3,529)</b>	<b>\$ (1,267)</b>	<b>\$ 1,241</b>	<b>\$ 3,264</b>	<b>\$ 2,519</b>	<b>\$ 1,289</b>							

FSA Loan Repayment Calculator

Loan Principle Amount	\$	157,500.00
Annual Interest Rate		1.50%
Loan Period (in months)		360
Monthly Payment	\$	543.56
Loan Start Date		1/1/2019
Repayment Type (Beginning/End of month)		End

<b>Total loan repayment</b>	<b>\$</b>	<b>195,683.16</b>	<b>Total interest</b>	<b>\$</b>	<b>38,183.16</b>	<b>Monthly payment</b>	<b>\$</b>	<b>543.56</b>	<b>Annual payment</b>	<b>\$</b>	<b>6,522.77</b>
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Month	Opening Balance	Total Monthly Payment	Interest Charged	Principal Repaid	Closing Balance	% Capital Outstanding	Interest Rate
Jan-2019	157,500.00	543.56	196.88	346.69	157,153.31	99.8%	1.50%
Feb-2019	157,153.31	543.56	196.44	347.12	156,806.19	99.6%	1.50%
Mar-2019	156,806.19	543.56	196.01	347.56	156,458.63	99.3%	1.50%
Apr-2019	156,458.63	543.56	195.57	347.99	156,110.64	99.1%	1.50%
May-2019	156,110.64	543.56	195.14	348.43	155,762.21	98.9%	1.50%
Jun-2019	155,762.21	543.56	194.70	348.86	155,413.35	98.7%	1.50%
Jul-2019	155,413.35	543.56	194.27	349.30	155,064.06	98.5%	1.50%
Aug-2019	155,064.06	543.56	193.83	349.73	154,714.32	98.2%	1.50%
Sep-2019	154,714.32	543.56	193.39	350.17	154,364.15	98.0%	1.50%
Oct-2019	154,364.15	543.56	192.96	350.61	154,013.54	97.8%	1.50%
Nov-2019	154,013.54	543.56	192.52	351.05	153,662.49	97.6%	1.50%
Dec-2019	153,662.49	543.56	192.08	351.49	153,311.01	97.3%	1.50%
Jan-2020	153,311.01	543.56	191.64	351.93	152,959.08	97.1%	1.50%
Feb-2020	152,959.08	543.56	191.20	352.37	152,606.72	96.9%	1.50%
Mar-2020	152,606.72	543.56	190.76	352.81	152,253.91	96.7%	1.50%
Apr-2020	152,253.91	543.56	190.32	353.25	151,900.66	96.4%	1.50%
May-2020	151,900.66	543.56	189.88	353.69	151,546.97	96.2%	1.50%
Jun-2020	151,546.97	543.56	189.43	354.13	151,192.84	96.0%	1.50%
Jul-2020	151,192.84	543.56	188.99	354.57	150,838.27	95.8%	1.50%
Aug-2020	150,838.27	543.56	188.55	355.02	150,483.25	95.5%	1.50%
Sep-2020	150,483.25	543.56	188.10	355.46	150,127.79	95.3%	1.50%
Oct-2020	150,127.79	543.56	187.66	355.90	149,771.89	95.1%	1.50%
Nov-2020	149,771.89	543.56	187.21	356.35	149,415.54	94.9%	1.50%
Dec-2020	149,415.54	543.56	186.77	356.79	149,058.74	94.6%	1.50%

Yankee Farm Credit Loan Repayment Calculator

Loan Principle Amount	\$ 141,750.00
Annual Interest Rate	4.00%
Loan Period (in months)	240
Monthly Payment	\$ 858.98
Loan Start Date	1/1/2019
Repayment Type (Beginning/End of month)	End

<b>Total loan repayment</b>	<b>\$ 206,154.51</b>	<b>Total interest</b>	<b>\$ 64,404.51</b>	<b>Monthly payment</b>	<b>\$ 858.98</b>	<b>Annual payment</b>	<b>\$ 10,307.73</b>
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Month	Opening Balance	Total Monthly Payment	Interest Charged	Principal Repaid	Closing Balance	% Capital Outstanding	Interest Rate
Jan-2019	141,750.00	858.98	472.50	386.48	141,363.52	99.7%	4.00%
Feb-2019	141,363.52	858.98	471.21	387.77	140,975.76	99.5%	4.00%
Mar-2019	140,975.76	858.98	469.92	389.06	140,586.70	99.2%	4.00%
Apr-2019	140,586.70	858.98	468.62	390.35	140,196.34	98.9%	4.00%
May-2019	140,196.34	858.98	467.32	391.66	139,804.69	98.6%	4.00%
Jun-2019	139,804.69	858.98	466.02	392.96	139,411.73	98.4%	4.00%
Jul-2019	139,411.73	858.98	464.71	394.27	139,017.46	98.1%	4.00%
Aug-2019	139,017.46	858.98	463.39	395.59	138,621.87	97.8%	4.00%
Sep-2019	138,621.87	858.98	462.07	396.90	138,224.97	97.5%	4.00%
Oct-2019	138,224.97	858.98	460.75	398.23	137,826.74	97.2%	4.00%
Nov-2019	137,826.74	858.98	459.42	399.55	137,427.18	97.0%	4.00%
Dec-2019	137,427.18	858.98	458.09	400.89	137,026.30	96.7%	4.00%
Jan-2020	137,026.30	858.98	456.75	402.22	136,624.07	96.4%	4.00%
Feb-2020	136,624.07	858.98	455.41	403.56	136,220.51	96.1%	4.00%
Mar-2020	136,220.51	858.98	454.07	404.91	135,815.60	95.8%	4.00%
Apr-2020	135,815.60	858.98	452.72	406.26	135,409.34	95.5%	4.00%
May-2020	135,409.34	858.98	451.36	407.61	135,001.73	95.2%	4.00%
Jun-2020	135,001.73	858.98	450.01	408.97	134,592.76	95.0%	4.00%
Jul-2020	134,592.76	858.98	448.64	410.33	134,182.43	94.7%	4.00%
Aug-2020	134,182.43	858.98	447.27	411.70	133,770.72	94.4%	4.00%
Sep-2020	133,770.72	858.98	445.90	413.07	133,357.65	94.1%	4.00%
Oct-2020	133,357.65	858.98	444.53	414.45	132,943.20	93.8%	4.00%
Nov-2020	132,943.20	858.98	443.14	415.83	132,527.36	93.5%	4.00%
Dec-2020	132,527.36	858.98	441.76	417.22	132,110.14	93.2%	4.00%

### Operating Loan Repayment Calculator

Loan Principle Amount	\$ 9,825.00
Annual Interest Rate	3.00%
Loan Period (in months)	60
Monthly Payment	\$ 176.54
Loan Start Date	1/1/2019
Repayment Type (Beginning/End of month)	End

Total loan repayment	\$ 10,592.54	Total interest	\$ 767.54	Monthly payment	\$ 176.54	Annual payment	\$ 2,118.51
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Month	Opening Balance	Total Monthly Payment	Interest Charged	Principal Repaid	Closing Balance	% Capital Outstanding	Interest Rate
Jan-2019	9,825.00	176.54	24.56	151.98	9,673.02	98.5%	3.00%
Feb-2019	9,673.02	176.54	24.18	152.36	9,520.66	96.9%	3.00%
Mar-2019	9,520.66	176.54	23.80	152.74	9,367.92	95.3%	3.00%
Apr-2019	9,367.92	176.54	23.42	153.12	9,214.80	93.8%	3.00%
May-2019	9,214.80	176.54	23.04	153.51	9,061.29	92.2%	3.00%
Jun-2019	9,061.29	176.54	22.65	153.89	8,907.40	90.7%	3.00%
Jul-2019	8,907.40	176.54	22.27	154.27	8,753.13	89.1%	3.00%
Aug-2019	8,753.13	176.54	21.88	154.66	8,598.47	87.5%	3.00%
Sep-2019	8,598.47	176.54	21.50	155.05	8,443.42	85.9%	3.00%
Oct-2019	8,443.42	176.54	21.11	155.43	8,287.99	84.4%	3.00%
Nov-2019	8,287.99	176.54	20.72	155.82	8,132.17	82.8%	3.00%
Dec-2019	8,132.17	176.54	20.33	156.21	7,975.95	81.2%	3.00%
Jan-2020	7,975.95	176.54	19.94	156.60	7,819.35	79.6%	3.00%
Feb-2020	7,819.35	176.54	19.55	156.99	7,662.36	78.0%	3.00%
Mar-2020	7,662.36	176.54	19.16	157.39	7,504.97	76.4%	3.00%
Apr-2020	7,504.97	176.54	18.76	157.78	7,347.19	74.8%	3.00%
May-2020	7,347.19	176.54	18.37	158.17	7,189.02	73.2%	3.00%
Jun-2020	7,189.02	176.54	17.97	158.57	7,030.45	71.6%	3.00%
Jul-2020	7,030.45	176.54	17.58	158.97	6,871.48	69.9%	3.00%
Aug-2020	6,871.48	176.54	17.18	159.36	6,712.12	68.3%	3.00%
Sep-2020	6,712.12	176.54	16.78	159.76	6,552.36	66.7%	3.00%
Oct-2020	6,552.36	176.54	16.38	160.16	6,392.19	65.1%	3.00%
Nov-2020	6,392.19	176.54	15.98	160.56	6,231.63	63.4%	3.00%
Dec-2020	6,231.63	176.54	15.58	160.96	6,070.67	61.8%	3.00%