



# Southwest British Columbia Small-Scale Farm Enterprise Budget: **Lettuce**



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This enterprise budget presents costs and returns for a 0.05 acre of lettuce grown on a small-scale mixed vegetable farm in southwest British Columbia, Canada. The sample values are typical of small-scale short season crop production using low-input growing methods and selling directly to consumers through venues such as farmers' markets. These values were derived from data gathering sessions with representative farmers from the region, but do not represent any particular farm, and should be used only as a guide. The actual costs of production may vary from farm to farm depending on production method and scale, machinery use and other input costs. This budget is also available as a dynamic MS Excel spreadsheet to facilitate more detailed planning for your own operation. Please refer to the "Institute for Sustainable Food Systems Enterprise Budget User Guide for assistance in tailoring the spreadsheet to your own farm.

## Assumptions:

- 1) The lettuce crop area is 0.05 acre, consisting of five beds, each measuring 4' x 100' (400 square feet per bed) grown on a small-scale mixed-vegetable farm.
- 2) Lettuce takes two months from seed to harvestable maturity.
- 3) An annual land rent of \$400 per acre is included in overhead charges.
- 4) Physical farm labourers (regular labour) are paid \$12 per hour.
- 5) Equipment operators (operator labour) are paid \$15 per hour.
- 6) The proportion of sales of lettuce to the total annual sales of 16 crops, grown on a 2-acre mixed vegetable farm, is used to allocate marketing costs to the lettuce enterprise.
- 7) The proportion of the farm's total cultivated acreage used to grow lettuce is used to allocate fixed costs to the lettuce enterprise.
- 8) Fuel cost is \$1.30 per liter.
- 9) The interest rate is fixed at 5%.
- 10) The annual fixed cost is estimated using the straight-line depreciation method.
- 11) Management time is not included as a cost. The net return over total cost may be considered as the return to management time.

REVENUE					
Item	Quantity per 0.05 Acre	Unit	\$ per unit	\$ per 0.05 Acre	\$ per 100' Bed
Lettuce	2,160.00	heads	\$2.50	\$5,400.00	\$1,080.00

ANNUAL VARIABLE COST					
Item	Quantity per 0.05 Acre	Unit	\$ per unit	\$ per 0.05 Acre	\$ per 100' Bed
<b>Seeds and Plants</b>					
Seed	3700.00	seeds	0.01	37.00	7.40
<b>Fertility and Nutrients</b>					
Compost (Chicken manure)	400.00	pounds	0.10	40.00	8.00
Lime	100.00	pounds	0.30	30.00	6.00
<b>Other Materials</b>					
Potting mix				17.50	3.50
Trays	40.00	trays	1.20	48.00	9.60
<b>Land Preparation</b>					
Custom plowing				12.00	2.40
Apply pre-plant amendments (lime, manure) – regular labour	2.5	hours	12.00	30.00	6.00
Apply pre-plant amendments (lime, manure) – operator labour	2.5	hours	15.00	37.50	7.50
Prepare for planting (form beds, lay row cover, irrigation set-up, etc) – regular labour	1	hours	12.00	12.00	2.40
Prepare for planting (form beds, lay row cover, irrigation set-up, etc) – operator labour	1	hours	15.00	15.00	3.00
<b>Planting</b>					
Transplanting ( potting up, moving, transplanting) – regular labour	5	hours	12.00	60.00	12.00
<b>Pest Management</b>					
Weeding – regular labour	12	hours	12.00	144.00	28.80
<b>Other Activities</b>					
Irrigating (manage drip or overhead) – regular labour	0.5	hours	12.00	6.00	1.20
<b>Post-Harvest Activities</b>					
Harvesting – regular labour	6	hours	12.00	72.00	14.40
Post-harvest handling (wash, sort, pack, store) – regular labour	6	hours	12.00	72.00	14.40
<b>Miscellaneous Expenses</b>					
Repair and maintenance				48.50	9.70
Fuel				23.09	4.62
Interest on working capital				5.87	1.17
Marketing				887.28	177.46

<b>TOTAL LABOUR COST</b>	<b>460.50</b>	<b>92.10</b>
<b>TOTAL MATERIAL COST</b>	<b>172.50</b>	<b>34.50</b>
<b>TOTAL MISCELLANEOUS COST</b>	<b>964.75</b>	<b>192.95</b>
<b>TOTAL VARIABLE COST</b>	<b>1,597.75</b>	<b>319.55</b>

<b>ANNUAL FIXED COST</b>		
<b>Item</b>	<b>\$ per 0.05 Acre</b>	<b>\$ per 100' Bed</b>
<b>Machinery</b>		
Tractor	29.06	5.81
Rototiller	7.60	1.52
Manure spreader	15.63	3.13
Pick-up truck	80.21	16.04
Trailer	1.88	0.38
<b>Equipment and tools</b>	14.26	2.85
<b>Irrigation</b>	27.29	5.46
<b>Building and shelter</b>	15.44	3.09
<b>Overhead charges</b>		
Land rent	21.00	4.20
Soil test	2.63	0.53
Farm liability insurance	22.05	4.41
Motor vehicle insurance	54.60	10.92
Office expenses	13.13	2.63
Electricity	25.20	5.04
Water	26.25	5.25
Telephone and internet	13.13	2.63
<b>TOTAL ANNUAL FIXED COST</b>	<b>369.34</b>	<b>73.87</b>

<b>TOTAL COST</b>	<b>\$ per 0.05 Acre</b>	<b>\$ per 100' Bed</b>
<b>TOTAL FIXED AND VARIABLE COST</b>	<b>1,967.09</b>	<b>393.42</b>

<b>NET RETURNS</b>		
<b>Item</b>	<b>\$ per 0.05 Acre</b>	<b>\$ per 100' Bed</b>
<b>Return Over Variable Cost</b>	<b>3,802.25</b>	<b>760.45</b>
<b>Return Over Fixed Cost</b>	<b>5,030.66</b>	<b>1,006.13</b>
<b>Return Over Total Cost</b>	<b>3,432.91</b>	<b>686.58</b>

<b>MACHINERY INFORMATION</b>				
<b>Item</b>	<b>Type</b>	<b>Purchase Price (\$)</b>	<b>Trade-in Value (\$)</b>	<b>Useful Life (Years)</b>
Tractor	23 HP	16,000.00	1500.00	20
Rototiller	48" (new)	4,000.00	1500.00	15
Manure spreader	used	5,000.00	0.00	10
Pick-up truck	new	35,000.00	0.00	15
Trailer	used	1,000.00	0.00	20

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