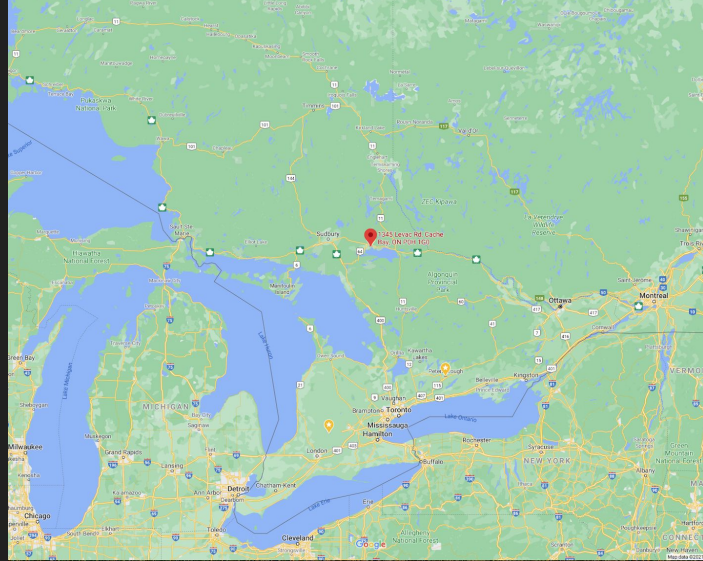


Field Good Farms



Land Acknowledgement:

We currently farm on the traditional territories of the Anishnabewaki

Field Good Finances

at Field Good Farms

My Goal Today

To provide an example of a small-scale agro-ecological farm's finances as they developed over time with hopes of helping and inspiring participants

Outline

- 1) The Field Good Story (and its finances)
- 2) Budgeting
- 3) Capital Assets
- 4) Financial Tracking and the Government
- 5) Cash Flow
- 6) Cost of Production
- 7) Wrap-up
- 8) Questions



Money....

- The farm puzzle: the three pillars of sustainable development
- Not the sexy topic
- For many, it's a necessary consideration
- It is a “language” that much of the world speaks
- Context dependent



Field Good's Beginning

2009 - An interest in food and food production develops

2010 - 6-month internship on mixed farm

2011 - Business Plan, Ontario Self-Employment Benefit Program (OSEB), Government Registrations, Grants/Loans, Equity Building, Infrastructure, Establishment

2012 - Diving Into Our Own Farm (on 5 leased acres)



Field Good's Beginning

2012: Enterprises

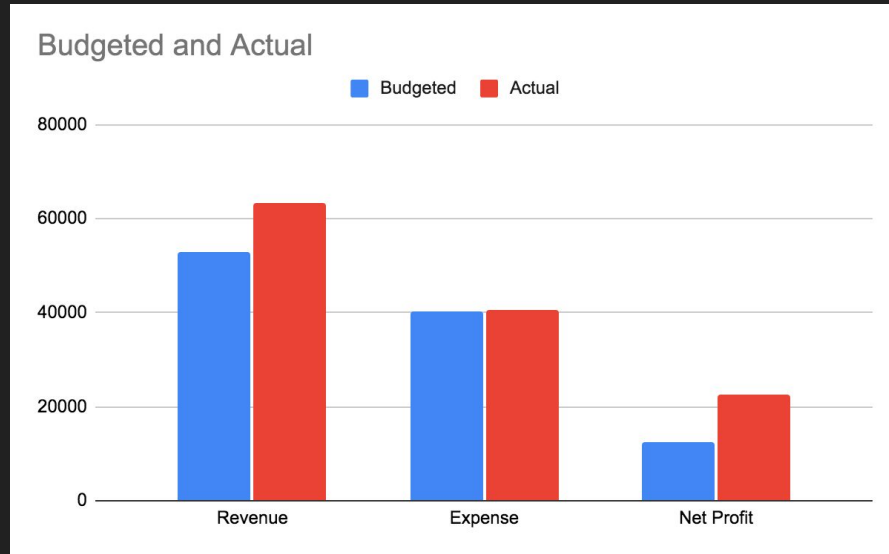
- 40 share CSA with both “Full” and “Half” shares (with drop offs in 3 locations). mid-June to late October
- North Bay Farmers' Market (May to Thanksgiving)
- Broiler chickens (150)
- Laying hens (100)
- 1 x full-time summer student employee

2012: Context

- Leased land from family
- Written rental agreement
- Help with infrastructure
- Both employed full-time by the farm



Field Good's Beginning: The Finances



2012: Financial Systems in Place

- Farm Budget
- Quickbooks Bookkeeping
- We did our own taxes

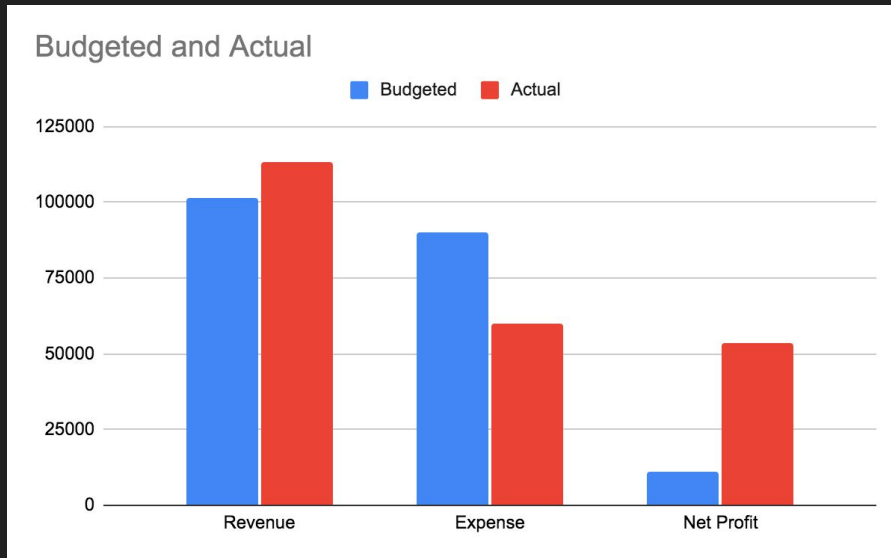
Field Good's Middle: Growth

2015 Enterprises

- 140 Summer CSAs (weekly Mid-June to Thanksgiving)
- 25 Fall CSAs (bi-weekly Thanksgiving to Christmas)
- Wholesale (restos, small-scale grocery stores)
- North Bay Farmers' Market (May to Thanksgiving)
- Broiler chickens (270)
- 3 Full-time summer employees/interns, harvesters



Field Good's Middle: The Finances



2015: Financial Systems in Place

- Farm Budget
- First year of Cost of Production Tracking
- Quickbooks Bookkeeping
- Hired Accountant
- Bought a tiny house off-farm: equity building and credit track record

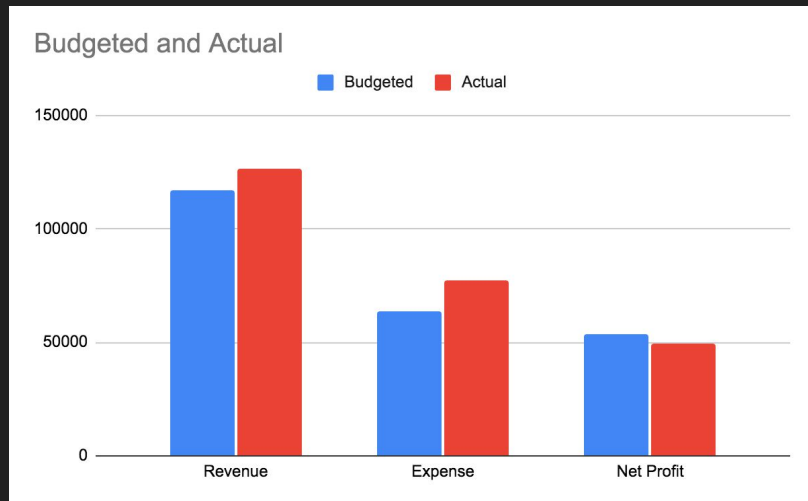
Field Good's Middle - The Social Swing

2018 Enterprises

- 120 Summer CSA Shares
- 50 Fall CSA Shares
- North Bay Farmers' Market (summer and fall)
- Restaurant sales
- Launch of an Online Collaborative Store, "Click Fork"
- Laying Hens (30)
- 1 Full-time employee (6 months), harvesters
- Planting Perennials



Field Good's Middle: The Finances



2018 Financial Systems in Place

- Farm Budget
- Capital Records (CCAs and depreciation)
- Cost of Production Tracking (last year)
- Quickbooks Bookkeeping
- Hired Accountant
- Participation in Agricorp Programs
- Sold the tiny house, bought the farm

Field Good's Present

2021: Enterprises

- 38 member winter CSA
- 30 member spring CSA
- 85 member summer CSA
- 75 member fall CSA
- “Click Fork” online sales
- 45 Laying Hens (+breeding)
- Potted Plant Sales



Field Good's Present: The Finances

2021: By the Numbers

- Budgeted Revenue: \$108,000
- Budgeted Expense: \$67,000
- Net Profit: \$41,000

2021 Financial Systems in Place

- Annual Farm Budget with integrated Personal and Capital Depreciation budget
- Cost of Production (as needed)
- Quickbooks Bookkeeping
- Hired Accountant

Budgeting

- Done in November (about 3 days total)
- Easy beginning point for planning the following year
- Social and environmental pillars help inform decisions (eg. family time, biodiversity)
- Process starts with our family's needs



Budgeting

Three Important Pieces to our
Annual Budget:

- 1) Farm Budget
- 2) Personal Budget
- 3) Capital Depreciation Budget

[CLICK HERE](#)

Farm Capital Assets

When considering capital assets, we think of the following:

- a. Will it pay for itself within 5 years (usually labour reduction therefore more production per labour unit)
- b. If it won't pay for itself within 5 years, is it absolutely necessary?
- c. Does it align with our long-term environmental and social goals?
- d. Do we already have an asset that we could maximize instead?
- e. Could we contract someone who already has the asset?



Farm Capital Assets

When considering capital assets, we think of the following:

- a. Will it pay for itself within 5 years (usually labour reduction therefore? more production per labour unit)
- b. If it won't pay for itself within 5 years, is it absolutely necessary?
- c. Does it align with our long-term environmental and social goals?
- d. Do we already have an asset that we could maximize instead?
- e. Could we contract someone who already has the asset?

Current Example: 10kW Solar System (\$55,000)

- a. 10-12 year payback (@ 5% interest, no downpayment)
- b. Not necessary (but we do need to replace our geothermal system)
- c. Yes!
- d. Maybe. Repair the geothermal system but it may fail again soon.
- e. No.

Financial Tracking

- Quickbooks
- HST Filed Quarterly (takes about 1.5 days / quarter (6 days total))
- Employee Remittances
- Set up to aligned with tax categories for easy grouping sheets
- Our budget is aligned to taxes as well
- Accountant for Taxes (worth it!)
 - Agricorp forms, etc.



Cash Flow

- CSA model takes care of cash flow (we bill quarterly)
- Click Fork is year-round
- We have about \$25,000 available in credit if need be



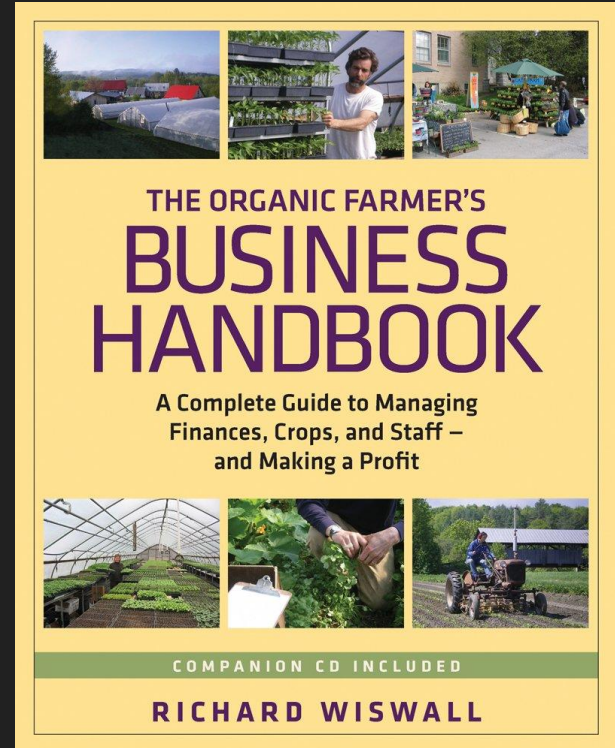
Check-ins

- Mid-October (just before budgeting for following year)
- Allows for unbudgeted spending prior to taxes

Cost of Production

- Our Method is derived from Richard Wiswall's spreadsheets in "The Organic Farmer's Business Handbook"
- Requires good record keeping during growing season and about 5 days of Excel/Sheets time in the off-season
- We divide overhead among enterprises by percentage of total acreage used with a few exceptions

[Click Here](#)



Cost of Production: Enterprises and Secondary Enterprises

- Vegetables are our main enterprise
- Cost of production and the overhead therein have always been totally attributed to fruits and vegetables
- “Secondary enterprises” must be a good fit with vegetables in terms of:
 - Asset maximization
 - Available markets
 - Residual benefits



Cost of Production: Secondary Enterprises

Example: Plant Sales

- 1) Maximize current assets: seedling greenhouse, watering tools
- 2) Marketed through existing customers (or former CSA customers)
- 3) Social benefit: connect with a community of gardeners
- 4) Environmental benefit: Maximize heat expenditures in seedling GH, people growing their own food, not buying transplants from Canadian Tire



A Field Good Future

- Family and friend time throughout the year
- Perennials - berries! medicinals!
- Teas
- Sheep...?
- Biodiversity
- Soil and Water Health
- Market Garden (no-till, reduced till)
- Laying Hens (and a rooster or two)
- Integrated and effective systems



If I could start from scratch

Changes in Retrospect

- 1) Smaller to begin or do another internship/work experience maybe in a more managerial role
- 2) Fewer enterprises and distribution outlets if possible (more focused)
- 3) No wholesale

Keeps in Retrospect

- 1) Capital Investments (especially walk-in cooler, seedling greenhouse, irrigation, delivery vehicle)
- 2) Cost of production analysis
- 3) Renting to begin

Questions?



Thank-you
and Good
Luck!

