



Farm Viability Training

Case Study: Getting Financially Naked Peer Group Financial & Ratio Benchmarks

Kitchen Table Consultants

www.kitchentableconsultants.com

	Hands to Earth Farm		Old Oak Grove Farm		Stone Brook Farm		East Bend Farm	
PROFIT AND LOSS	2018 Farm 1	2017 Farm 1	2018 Farm 2	2017 Farm 2	2018 Farm 3	2017 Farm 3	2018 Farm 4	2017 Farm 4
Sales	\$ 121,522	\$ 228,945	\$ 197,537	\$ 167,364	\$ 612,531	\$ 555,983	\$ 83,573	\$ 98,105
- COGS	\$ 45,901	\$ 92,498	\$ 24,464	\$ 10,783	\$ 63,147	\$ 57,876	\$ 13,403	\$ 17,004
Gross Profit	\$ 75,621	\$ 136,447	\$ 173,073	\$ 156,581	\$ 549,384	\$ 498,107	\$ 70,170	\$ 81,101
	62%	60%	88%	94%	90%	90%	84%	83%
- Opex	\$ 23,648	\$ 44,856	\$ 21,040	\$ 33,505	\$ 87,779	\$ 71,336	\$ 6,939	\$ 9,658
----Repairs & Maintenance	\$ 12,277	\$ 12,527	\$ 4,568	\$ 6,290	\$ 8,975	\$ 10,887	\$ 2,384	\$ 3,457
- G & A	\$ 9,449	\$ 25,872	\$ 20,642	\$ 38,640	\$ 12,270	\$ 25,502	\$ 14,449	\$ 23,863
----Marketing	\$ 733	\$ 1,935	\$ 8,443	\$ 14,246	\$ 5,674	\$ 2,434	\$ 2,748	\$ 7,749
- Fixed	\$ 23,789	\$ 21,331	\$ 6,750	\$ 12,992	\$ 16,971	\$ 18,604	\$ 19,320	\$ 20,383
- Labor	\$ 8,091	\$ 41,798	\$ 103,596	\$ 42,715	\$ 252,641	\$ 229,436	\$ 44,236	\$ 43,679
- One Time	\$ 5,428	0	\$ 32,659	\$ 5,330	\$ 30,320	\$ 21,550	0	0
Net Profit	\$ 5,216	\$ 2,590	\$ (11,614)	\$ 23,399	\$ 149,403	\$ 131,679	\$ (14,774)	\$ (16,482)
Net Profit as % of Sales	4.3%	1.1%	-5.9%	14.0%	24.4%	23.7%	-17.7%	-16.8%

OPERATIONAL DATA	Farm 1	Farm 2	Farm 3	Farm 4
Years in Business	9	5	25	10
Total Acres	50	15	20	15
Vegetable Acres Farmed	15	5	15	7
Sales Channels/Customers	200 CSA, 3 Markets, 10 Whls	75 CSA, Farm Stand, 3 Markets	150 CSA, 3 Markets, 45 Whls	100 CSA, 1 Market, 5 Whls
Number Seasonal Employees	4	3	20	4
Number Non-Seasonal	2	1	3	1
Land owned or rented?	Owned	Owned	Owned	Rented
Initial Financing	FSA Loan	Mortgage	self	Self
Growth Financing	Family	VAPG	self & mortgage	FSA Loans
Ownership Structure	S corp	Sole Prop	LLC	LLC

BALANCE SHEET	2018 Farm 1	2017 Farm 1	2018 Farm 2	2017 Farm 2	2018 Farm 3	2017 Farm 3	2018 Farm 4	2017 Farm 4
Total Long Term Debt	\$ 55,110	\$ 36,125	\$ 309,360	0	34,408	15,344	\$ 54,180	\$ 61,163

Assets: Long Term (land and	\$ 15,218	\$ 14,968	\$ 470,000	0	\$ 147,379	\$ 145,135	0	0
Assets: Short Term (equipment,	\$ 4,843	\$ 4,843	\$ 25,472	\$ 25,472	\$ 39,497	\$ 6,587	\$ 55,068	\$ 65,169
A/P	0	0	0	0	\$ 2,432	\$ 6,188	\$ 1,166	\$ 560
A/R	\$ 6,052	\$ 1,438	\$ 1,230	\$ 895	\$ 5,800	0	\$ 4,269	\$ 2,138
Equity	\$ (111,159)	\$ (89,521)	\$ 182,643	\$ 54,183	\$ 155,836	\$ 130,190	\$ (7,417)	\$ 3,253

KEY RATIOS	2018	2017	2018	2017	2018	2017	2018	2017
	Farm 1	Farm 1	Farm 2	Farm 2	Farm 3	Farm 3	Farm 4	Farm 4
Sales per employee	\$ 20,254	\$ 38,158	\$ 49,384	\$ 41,841	\$ 26,632	\$ 24,173	\$ 16,715	\$ 19,621
Sales per total acres	\$ 2,430	\$ 4,579	\$ 13,169	\$ 11,158	\$ 30,627	\$ 27,799	\$ 5,572	\$ 6,540
Sales per acre farmed	\$ 8,101	\$ 15,263	\$ 39,507	\$ 33,473	\$ 40,835	\$ 37,066	\$ 11,939	\$ 14,015
COGS as % of sales	38%	40%	12%	6%	10%	10%	16%	17%
Gross Margin	62%	60%	88%	94%	90%	90%	84%	83%
OpEx as % of sales	19%	20%	11%	20%	14%	13%	8%	10%
Labor as % of sales	7%	18%	52%	26%	41%	41%	53%	45%
Marketing as % of sales	1%	1%	4%	9%	1%	0.4%	3%	8%
Repair/Maintenance as % of	15%	8%	2%	4%	2%	3%	3%	3%
\$ of Sales per \$1 of Fixed Assets	\$ 6.06	\$ 11.56	\$ 0.40	\$ 6.57	\$ 3.28	\$ 3.66	\$ 1.52	\$ 1.51

Definitions	
Sales per employee	Total Sales \$ divided by number of seasonal and year-round employees
Sales per total acres	Sales \$ divided by total farm acres
Sales per acre farmed	Sales \$ divided by acres actively farmed
COGS as % of sales	Cost of Goods Sold divided by Total Sales
Labor as % of sales	Total Labor \$ divided by Total Sales
Gross Margin	Gross Profit / Total Sales
Marketing as % of sales	Reporting marketing spend (what's included likely varies by farm) divided by Total Sales
Repair/Maintenance as % of	\$ spent on repair/maint. of vehicles, equipment and structures divided by total expenses (not incl. COGS)
\$ of Sales per \$1 of Fixed Assets	Sales \$ divided by recorded worth of land, buildings and equipment/vehicles
Net Worth/Owners Equity	Total Assets minus Total Liabilities
COGS	Costs that can be directly traced to produce sold - ie seeds, fertilizer, etc. Labor was excluded.
Opex	Operating Expenses--expenses that generally go up and down with sales, but aren't resold: Vehicles, repairs, etc.
G & A	Marketing, Advertising, Office Supplies, Technology, Etc.
Fixed	Rent, Business Insurance, Depreciation, Interest
Labor	Employee expenses including management and direct labor, workers comp, benefits and taxes.