

A worksheet that allows a farm to test new debt vs opportunity.

NOTES FOR USER

Budgeted Annual Income	\$150,000	Pulled from annual budget
Budgeted COGS	\$65,000	Pulled from annual budget
Budgeted Expenses	\$57,000	Pulled from annual budget
Budgeted Net Profits	\$28,000	
Current debt payments, annual, principal only	\$9,024	Pulled from debt schedule
Budgeted Net Operating Cash	\$18,976	

This upper portion does NOT include income or expenses related to the opportunity in question.

Opportunity:	Equipment purchase for salad green sales to current customers, year round	
Projected Increase in Income	\$26,000	\$500/week in sales, year round
Projected Increase or Decrease in COGS		
Seeds, fertilizer, supplies	\$5,000	about \$90 per order
Packaging	\$2,000	\$40/order
Direct Labor	\$8,000	8-10 hours per week at \$15/hr
Projected Increase or Decrease in Expenses		
Operations: Logistics	\$1,200	\$20-25 / week in fuel
Operations: Repair & Maintenance	-\$3,000	Less maintenance cost on ...
Operations: Utilities	\$0	
G&A: Marketing	\$0	
G&A: Office related	\$500	Paperwork
G&A: permits / lic / cert	\$1,000	Some certification cost
Labor: Specific role	\$0	
Labor: General	\$500	Discretionary
Overhead: Insurance	\$500	Increase in liability
Overhead: Rent	\$0	
Projected Increase or Decrease Net Profits	\$10,300	



New Debt

Loan Amount	\$10,000
Annual Rate	5.8%
# of Monthly Payments	48
Monthly Payment	\$234
Annual Payment	\$2,807
Total Payments on Loan Projected	\$11,229
Projected Interest Paid over Loan Period	\$1,229

Projected Net Operating Cash	\$26,469
Change from Budgeted Net Operating Cash	\$7,493
Profit Margin as % of New Opportunity Revenue	29%

You've retained 29% of the revenue from the opportunity.