

Budget: Mixed vegetable production, Northern Front Range of Colorado

The following budget is based on financial information from four, intensively managed, mixed vegetable farms along Colorado's Northern Front Range. Three years of self-reported cost data for each grower were incorporated into eight input expenditure categories that were common to all growers. Although some growers provided very detailed cost information, others provided their expenditures in broad categories, thus allowing the calculation of summary costs by general category only. For interpretation purposes please note the following:

- Median costs per acre were calculated for each input category, and are presented with the lowest and the highest reported costs per acre for each category.¹ These median costs can be considered a representative baseline for each expenditure category.
- No one grower consistently had the lowest (or highest) cost structure across all cost categories, due to differing input usage (for example, types and application rates of soil amendments, using transplants versus direct seeding for some crops, or sources of on-farm labor), as well as the growers' individual management skills.² However, this shows that growers make individual management decisions to invest time and resources in the activities they believe are important for their specific production and marketing strategies. Also, understanding an individual grower's cost structure may be as informative as knowing average costs per acre when evaluating an enterprise.
- Therefore, this budget may best be used by new growers to understand the range of potential costs and returns on similar production units, and by more experienced growers to compare their current farm budgets to those of their peers.

The production years upon which this budget is based range from 2005 to 2011 (depending on the data provided by each grower); however, only three years of information for each grower were used to create the budget summary. All costs and revenues are presented in 2011 dollars, and reported per acre cultivated. For these production years, acreage under cultivation ranged from 0.8 acres to 7.0 acres, with all growers increasing their total cultivated acreage over the study period, so standardizing to the acre partially controls for reported growth.

The typical crop production season runs from February/March to October/November, depending on the grower and the market into which s/he sells. Each grower uses a combination of wholesale restaurant accounts and direct-to-consumer market outlets that include selling their products at farmers' markets, through a community supported agriculture program, and other on-farm outlets such as a farm stand or farm event.

¹ The median represents the cost per acre above which 50% of the growers' incurred their input costs (or generated their returns), and below which the other 50% incurred costs (or returns).

² Therefore, the ranges reported in this summary budget cannot be expected from any one grower; rather they should be used only to compare individual costs and not summed to calculate total costs in order to determine either a low-cost grower or a high-cost grower. Likewise, the total costs cannot be subtracted from the total revenues to calculate net revenues. Rather median values are presented for the summary cost and return information calculated across all growers in this study.

All growers in this study produce some crops under cover in order to extend the market season during which they have produce available for sale (thus they start some crops in small greenhouses or high tunnels in February or March, and replant in these structures to extend production into October/November). This longer production period is particularly important for those who maintain high-value wholesale accounts such as restaurants, or those who seek to be early-season entrants in other markets where there is frequently a 70-100% price premium on fresh produce such as greens and tomatoes. Each grower cultivates multiple varieties of lettuce and greens, broccoli, cabbage, brussel sprouts, and root crops (beets, carrots, turnips, radishes, potato, onions, garlic), and warm season crops of cucumber, zucchini, eggplant, leeks, summer squash, winter squash, tomatoes, peppers, okra, peppers, and herbs. The total number of individual varieties planted may range from 50 to 100, over all acreage planted, throughout the production season.

The summary budget below presents median costs and returns from four Northern Colorado mixed vegetable production enterprises:

Mixed vegetable production, median farm size= 4 acres	Median value per acre	Per acre ranges	
		Low	High
Fertilizer/amendments (compost, manure, cover crop incorporation, other amendments)	393.81	102.46	1,340.63
Seed	1,647.07	792.76	2,231.30
Hired labor (field, mechanical)	7,464.36	2,028.13	14,829.97
Supplies & other expenses	3,976.81	1,681.43	9,554.75
Utilities	716.04	68.75	1,034.58
Vehicle: gas/fuel/oil	426.07	128.44	1,545.87
Marketing costs (packaging, stall fees)	983.51	220.30	1,661.89
Repairs & maintenance	629.88	455.67	3,092.38
Total variable costs	\$ 15,079.92	\$ 10,435.53	\$ 24,291.53
Insurance/taxes/licenses	691.25	45.57	2,963.39
Rental payments for land	2,844.00	172.64	4,550.00
Irrigation	378.52	247.87	2,923.25
Car & truck	623.68	106.00	2,913.68
Office/administrative	320.29	129.32	2,551.37
Equipment	1,138.03	429.72	2,430.27
Other fixed expenses	481.54	36.86	929.49
Depreciation charges, interest, capital investments	407.37	68.80	1,147.63
Total fixed costs	\$ 6,073.90	\$ 2,949.70	\$ 9,622.96
Total variable & fixed costs	\$ 22,309.13	\$ 14,926.27	\$ 27,397.72
Gross farm income	\$ 33,369.94	\$ 18,546.00	\$ 51,417.37
Net farm income	\$ 12,548.65	\$ 576.96	\$ 30,249.46