APPENDIX 1-19 BUDGETS AND VARIANCES

Dudget for

A budget shows you the costs of production and the expected revenue. Through the budgeting process, farm businesses can evaluate variable and fixed costs as they relate to the profitability of planned production systems. Farmers can apply this information to create projections and plans for income and expenses before the season starts and to track variations from these budget projections through the year.

Using the template below, prepare a whole farm budget for your business. Remember to clearly define the parameters and goals of your budget (type of farm, product, acreage, start-up, seasonal, expansion, and so on). If you are in the very beginning stages and are not yet operating a farm business, create a hypothetical budget based on your current plans and projections.

EXPENSES	AMOUNT (\$)	INCOME	AMOUNT (\$)
Variable			
		• • • • • • • • • • • • • • • • • • • •	
		• • • • • • • • • • • • • • • • • • • •	
Fixed			
		• • • • • • • • • • • • • • • • • • • •	
		• • • • • • • • • • • • • • • • • • • •	
		TOTAL INCOME	
,			
TOTAL EXPENSES		Profit/loss = Total income - Total	
IVIAL EXPENSES		expenses	