

Time Studies & Crop Specific Costing Resources

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Background

Questions about whether a certain crop is worth growing again or whether a certain sales channel is making you any money boil down to cost of production. Oftentimes, small vegetable growers set their prices based on what they see in the store or at farmers markets, but if they don't know exactly how much money they've sunk into a particular crop (including the effort to sell it), they can inadvertently find themselves losing money, even as they are making regular sales. Knowing your cost of production allows you to set appropriate prices, and it also informs decisions about when/whether to drop a crop from the plan, shift sales towards wholesale or retail, and even decide whether a new piece of equipment or additional employees will pencil out.

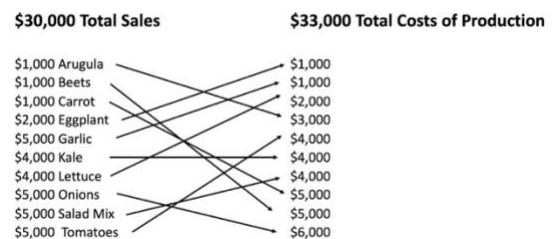
Tools like the [Know Your Cost to Grow Program](#) are designed to help farmers figure out their cost of production. The most crucial part of this work is figuring out the cost of your labor. For most farms, labor is the largest expense and can account for more than 30% of gross revenue. Knowing how much time goes into every crop is a great place to start in any effort to answer questions about profitability, pricing, and other strategic decisions.

Several farmers from the North Bay Area have taken the Know Your Cost to Grow course taught by Tanya Murray in collaboration with OSU and Oregon Tilth. Time studies are the foundation of

this training program and online platform which provides multi-crop vegetable farmers with a process to determine their crop-specific costs of production. This program offers a framework to use cost of production information for business decision-making. The goal is to support farmers in using their own farm-specific cost information to make more informed business decisions and help increase profitability and long-term sustainability.

A time study is a methodical approach to document labor time required to complete a task. Time studies are just one component (but an important one) of crop-specific production costs. Results from time studies can help inform farmer decisions about crop selection and setting appropriate prices.

Why Crop-Specific Costs Of Production?



(Diagram by Tanya Murray, KYCTG)

North Bay vegetable farmers reported that the main barrier to conducting time studies was the time required to collect data. They expressed interest in hearing success stories from other farmers and strategies to improve worker buy-in and participation in data collection. Farmers noted that crop-specific costing could

help them educate consumers about what it takes to produce local vegetables and change the conversation about the value of local produce.

Tips from Farmers & Technical Service Providers

The following quotes and anecdotes from farmers and technical service providers help provide examples, perspective, and inspiration. These are not meant to serve as instructions, but rather food for thought. All resources mentioned here are shared merely as examples to explore, not endorsements.

Time Studies Data Collection

You can use a google form to enter data easily in the field with specific fields and criteria. If you don't have service, or if you prefer writing things out, you can print out cards or a template to fill out in the field. There are lots of apps that help track productivity and hours. Some are free and user friendly. Most can export to a spreadsheet.

-paraphrased from Vince Trotter, Kibo Farm; Susannah Ashkenas, Front Porch Farm; Evie Smith, OSU Extension

It helps to take time to train crew members to use the time studies forms and think through efficiencies together. It can be a nice way to bring employees "behind the curtain" of farm economics. The manager can see what they can do to make their job easier, faster, safer, and smoother. You can explain that we're evaluating the crops' performance (not the crew's performance). You could

explain that ultimately, the goal is to use time studies data to improve economic sustainability and pay staff more. Specific staff can do specific time studies tasks that they already specialize in like the irrigation manager for irrigation, start house manager for start house activities, etc. It can be a good way to give people more leadership.

-paraphrased from Lennie Larkin, Flower Farming for Profit; Susannah Ashkenas, Front Porch Farm

"Choose just one or two crops to start with. Don't let getting it perfect stop you from doing it at all. You can use educated guesses if needed for time trials if you just want some quick estimates."

-Lily Schneider, Golden Poppy Solutions

You could start with just doing time studies for harvest and collect yield data. The biggest challenge for farmers was to take the time to do the time studies. So it can be helpful to delegate this to a manager or specific crew member. You could get a water resistant notebook, timers, etc. It's important to decide when you'll start and stop the clock. Time studies can help steer farmers towards helpful systems to see what works for them.

-paraphrased from Lennie Larkin, Flower Farming for Profit

Decision Support Tools

→ [Veggie Compass](#)

"This is a beast, but it has some good features, especially if you are

comfortable with excel.”

-Vince Trotter, Kibo Farm

→ [Farmer Spreadsheet Academy](#)

“The easier, less granular tool (which, you have to pay for) is the spreadsheet created by Dan Brisebois.”

-Vince Trotter, Kibo Farm

→ [The Organic Farmer’s Business Handbook](#) by Richard Wiswall

“His system of calculating costs/profit is also very intuitive and captures the ‘good enough’ approach ... more simplified, easy starting place to see how numbers add up for different crops, based on bed feet.”

-Vince Trotter, Kibo Farm

Resources for Time Studies

- Farmer Susannah Ashkenas created this [shared template](#) for time studies that growers can modify and adapt to their context
- [Analyzing crop profitability and financial metrics on flower farms: key takeaways and lessons learned](#) by Lennie Larkin, Flower Farming for Profit
- [Overview of Google Forms Blog Post](#) for growers who want to DIY their own time studies
- [Vegetable Cost of Production](#) by Northeast Organic Farming Association of Vermont

Related Resources

- [Farmer Spreadsheet Academy](#) and [Costs of Production Spreadsheet Template](#) by Dan Brisebois
- [Financial Benchmarks for Direct-Market Vegetable Farms 2021 Report](#) by Franklin Egan and Sarah Bay Nawa, PASA Sustainable Agriculture
- [Flower Farming Business Academy](#) by Lennie Larkin
- [Flower Farming for Profit: The Complete Guide to Growing a Successful Cut Flower Business](#) by Lennie Larkin
- [How to determine your cost of production](#) by Eta Takele, UCCE
- [Know Your Cost to Grow Flowers Case Studies](#) by Lennie Larkin
- [National Farm Viability Conference](#)
- [Price for Profit: Farmer’s Guide to Pricing Products](#) by Ellen Polishuk
- [Roxbury Farm Harvest Manual](#)
- [The Farmer’s Office 2nd Edition](#) and [The Farmers Office Courses](#) by Julia Shanks
- [The Organic Farmer’s Business Handbook](#) by Richard Wiswall
- [UCANR Financial Management Tools](#) by Eta Takele
- [UC Davis Cost & Return Studies](#)
- [USDA My Market News Database](#)
- [Veggie Compass](#) decision support tool from the University of Wisconsin-Madison