



# Enterprise Budget for a Family Firewood Operation

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**Enterprise budget: Firewood, 1 tri-axle load of logs cut and split to cords**

Item	Unit	Quantity	Price	Total
<b>Income</b>				
Delivered wood (2)	Cord	7	\$ 200.00	\$ 1,400.00
<b>Expenses</b>				
Logs (3)	Truck load	1	\$ 650.00	\$ 650.00
Blocking labor (4)	Hour	5	\$ 15.00	\$ 75.00
Splitting labor (5)	Hour	14	\$ 15.00	\$ 210.00
Delivery labor (6)	Hour	10.5	\$ 15.00	\$ 157.50
Fuel & oil - chainsaw and splitter (7)	Cord	7	\$ 0.25	\$ 1.75
Repairs - chainsaw and splitter (8)	Cord	7	\$ 0.25	\$ 1.75
Transportation mileage (9)	Mile	175	\$ 0.75	\$ 131.25
				\$ -
Chainsaw and protective gear depreciation (10)	Cord	7	\$ 1.20	\$ 8.40
Splitter depreciation (11)	Cord	7	\$ 4.00	\$ 28.00
				\$ -
<b>Total Expenses</b>				<b>\$ 1,263.65</b>
<b>Profit per tri-axle load</b>				<b>\$ 136.35</b>
<b>Profit per cord</b>				<b>\$ 19.48</b>

Notes:

(1) Buy logs, cut and split, deliver in cord quantities primarily as ambiance wood or fireplace wood.

(2) Price charged to customer for delivered wood.

(3) Tri-axle load of logs delivered, 6-8 cords per triaxle, average 7.

(4) Blocking a truck load takes about 5 hours.

(5) 2 hour per cord to split

(6) Loading, transporting, unloading, 1.5 hours per cord

(7) Fuel for chainsaw and splitter, 2 cycle oil and bar oil for chainsaw, oil changes for splitter.

(8) Normal maintenance repairs.

(9) 1 ton truck cost per mile, depreciation, repairs, fuel & oil, insurance - 25 miles per cord round trip average

Additional mileage charges are suggested for longer distances

	Purchase price	cords/lifetime	Cost/cord
(10) Chain saw and protective clothing	\$ 600.00	500	\$ 1.20
(11) Splitter depreciation (34 ton commercial) *	\$ 2,000.00	500	\$ 4.00

\* Assume still have half original value if sold, use half of purchase price for depreciation

### Enterprise budget: Firewood, 1 tri-axle load of logs cut and split to cords

Item	Unit	Quantity	Price	Total
<b>Income</b>				
Delivered wood (2)	Cord	7	\$ 200.00	\$ 1,400.00
<b>Expenses</b>				
Logs (3)	Truck load	1	\$ 650.00	\$ 650.00
Blocking labor (4)	Hour	5	\$ 15.00	\$ 75.00
Splitting labor (5)	Hour	14	\$ 15.00	\$ 210.00
Delivery labor (6)	Hour	10.5	\$ 15.00	\$ 157.50
Fuel & oil - chainsaw and splitter (7)	Cord	7	\$ 0.25	\$ 1.75
Repairs - chainsaw and splitter (8)	Cord	7	\$ 0.25	\$ 1.75
Transportation mileage (9)	Mile	175	\$ 0.75	\$ 131.25
				\$ -
Chainsaw and protective gear depreciation (10)	Cord	7	\$ 1.20	\$ 8.40
Splitter depreciation (11)	Cord	7	\$ 4.00	\$ 28.00
				\$ -
Total Expenses				\$ 1,263.65
Profit per tri-axle load				\$ 136.35
Profit per cord				\$ 19.48

**Enterprise budget: Firewood, 1 tri-axle load of logs cut and split to cords**

Item	Unit	Quantity	Price	Total
<b>Income</b>				
Delivered wood (2)	Cord	7	\$ 225.00	\$ 1,575.00
<b>Expenses</b>				
Logs (3)	Truck load	1	\$ 650.00	\$ 650.00
Blocking labor (4)	Hour	5	\$ 15.00	\$ 75.00
Splitting labor (5)	Hour	14	\$ 15.00	\$ 210.00
Delivery labor (6)	Hour	10.5	\$ 15.00	\$ 157.50
Fuel & oil - chainsaw and splitter (7)	Cord	7	\$ 0.25	\$ 1.75
Repairs - chainsaw and splitter (8)	Cord	7	\$ 0.25	\$ 1.75
Transportation mileage (9)	Mile	175	\$ 0.75	\$ 131.25
				\$ -
Chainsaw and protective gear depreciation (10)	Cord	7	\$ 1.20	\$ 8.40
Splitter depreciation (11)	Cord	7	\$ 4.00	\$ 28.00
				\$ -
Total Expenses				\$ 1,263.65
Profit per tri-axle load				\$ 311.35
Profit per cord				\$ 44.48

## Enterprise budget: Firewood, 1 tri-axle load of logs cut and split to cords (1)

Item	Unit	Quantity	Price	Total
<b>Income</b>				
Delivered wood (2)	Cord	7	\$ 150.00	\$ 1,050.00
<b>Expenses</b>				
Logs (3)	Truck load	1	\$ 650.00	\$ 650.00
Blocking labor (4)	Hour	5	\$ 15.00	\$ 75.00
Splitting labor (5)	Hour	14	\$ 15.00	\$ 210.00
Delivery labor (6)	Hour	10.5	\$ 15.00	\$ 157.50
Fuel & oil - chainsaw and splitter (7)	Cord	7	\$ 0.25	\$ 1.75
Repairs - chainsaw and splitter (8)	Cord	7	\$ 0.25	\$ 1.75
Transportation mileage (9)	Mile	175	\$ 0.75	\$ 131.25
				\$ -
Chainsaw and protective gear depreciation (10)	Cord	7	\$ 1.20	\$ 8.40
Splitter depreciation (11)	Cord	7	\$ 4.00	\$ 28.00
				\$ -
Total Expenses				\$ 1,263.65
Profit per tri-axle load				\$ (213.65)
Profit per cord				\$ (30.52)



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<b>Expenses</b>				
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				\$ -
<b>Total Expenses</b>				<b>\$ 1,263.65</b>
<b>Profit per tri-axle load</b>				<b>\$ 136.35</b>
<b>Profit per cord</b>				<b>\$ 19.48</b>

Notes:

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- (2) Price charged to customer for delivered wood.
- (3) Tri-axle load of logs delivered, 6-8 cords per triaxle, average 7.
- (4) Blocking a truck load takes about 5 hours.
- (5) 2 hour per cord to split
- (6) Loading, transporting, unloading, 1.5 hours per cord
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- (9) 1 ton truck cost per mile, depreciation, repairs, fuel & oil, insurance - 25 miles per cord round trip average.  
Additional mileage charges are suggested for longer distances

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# Considerations:

- ▶ The majority of your expense is labor
- ▶ If you can reduce cost of delivered wood your profit will increase considerably
- ▶ Firewood can become a profitable enterprise when it is combined with a logging or other operation that has equipment and wood supply (for example, logging or tree care businesses).
- ▶ Time and mileage for delivery can eat up a lot of your profits if customer is not charged accordingly.
- ▶ Properly seasoning wood (20%) is very important for customer satisfaction. It takes 6-9 months after wood is split to properly season. This must be considered in the production timeline.
- ▶ Developing a base of annual customers will decrease your marketing costs and provide predictable sources of income.