



Christmas Tree Farm 2026: Operating Costs & Financial Plan

Capital Requirements, Burn Rate Analysis,
and Liquidity Strategy

The Baseline Requirement is \$203,400

\$203,400

DEFINITION Loam Brown

Total pre-revenue funding gap for 2026.

THE REALITY Loam Brown

Cost of keeping the lights on and paying essential staff before sales begin.

URGENCY Loam Brown

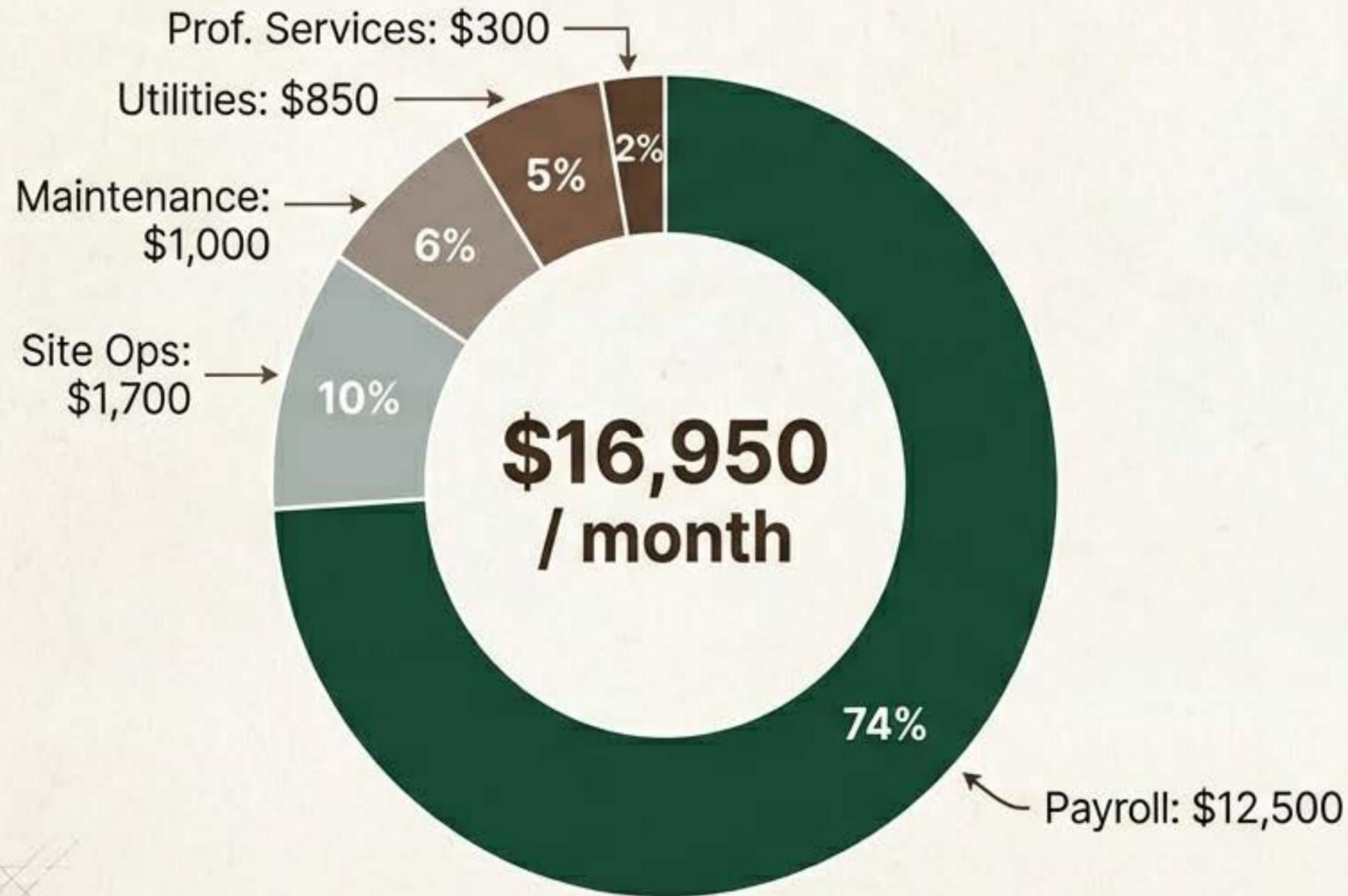
Capital must be secured before harvest season begins.

Runway

2026 Timeline



The Monthly Burn Rate is \$16,950



Key Insight: Fixed costs are dominated by human capital. 74% of funding goes to people, not land.

This is the 'heartbeat' cost—it does not change if we sell 10 trees or 100 trees.

Staffing the Core: 25 FTE at \$12,500 Monthly

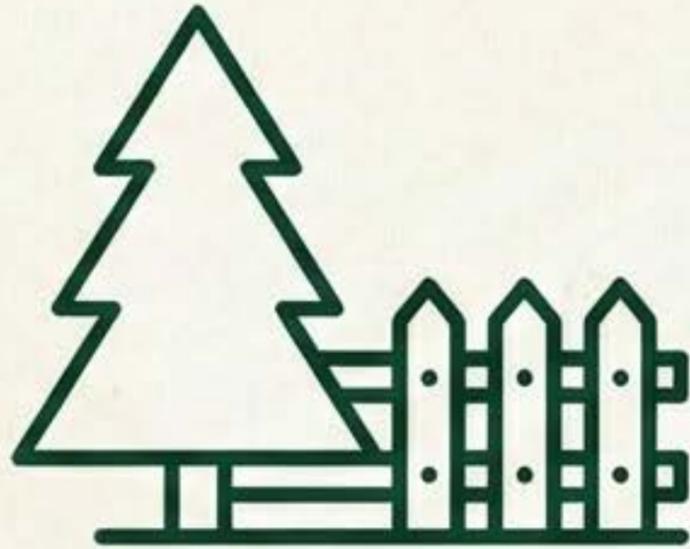


Optimization Strategy: Roles must be tied to critical path tasks to avoid paying for idle time. Delay non-essential hires (Marketing Coordinator) until Q3.

Role Type	Year-Round Core
Key Positions	Farm Manager, Farm Hand, Admin Support
Annual Cost	\$150,000 (\$12,500/mo)

Maintaining the Physical Asset

The Site (\$1,700/mo)



Taxes & Insurance: **\$1,500**
Land Lease: **\$200**

Action: Negotiate multi-year lease terms now to lock in the base rate.

The Machines (\$1,000/mo)



Fuel, Preventative Maintenance, Parts

Risk: Reactive repairs cost more than planned upkeep. Cutting this budget risks catastrophic failure during the November harvest window.

Operational Support & Compliance



1. Utilities & Security

\$850/mo

Power (\$500), Security Monitoring (\$250), Office Supplies (\$100).

Security contracts often have long lock-ins.

2. Professional Services

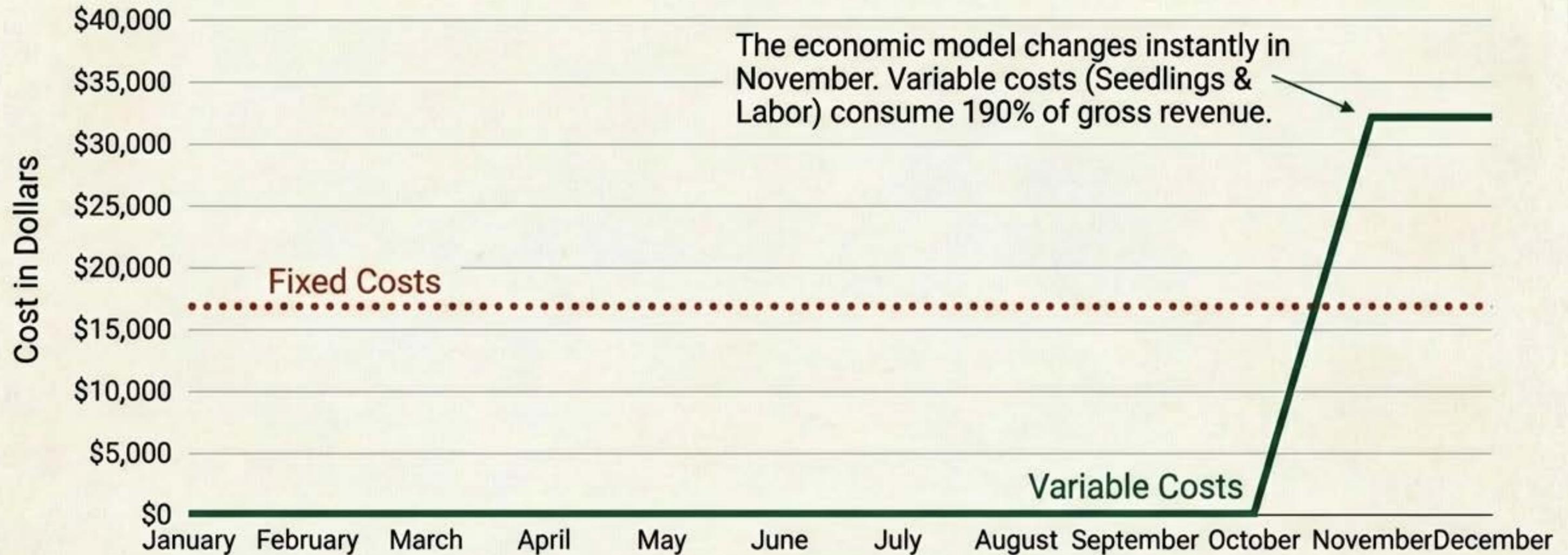
\$300/mo

Accounting & Legal retainers.

Fixed compliance cost. Not a variable consulting gig.

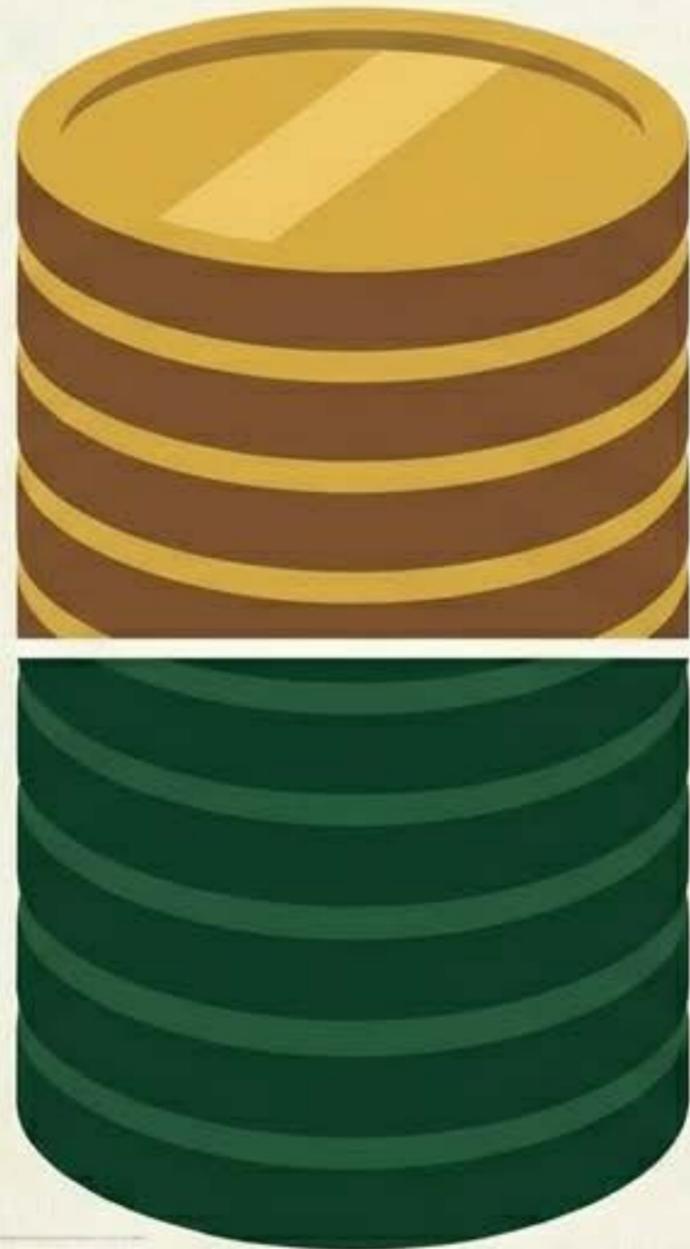
These represent roughly 5.5% of total overhead but ensure the business remains legal and physically secure.

The Q4 Economic Shift: Fixed vs. Variable



The steady state is about survival; the harvest state is about liquidity management.

Input Costs: 50% of Revenue Goes Back into the Ground



**50%
Seedlings &
Fertilizer
(COGS)**

**Margin
(Before Labor)**

Drivers:

- Seedling unit cost + Bulk fertilizer pricing.

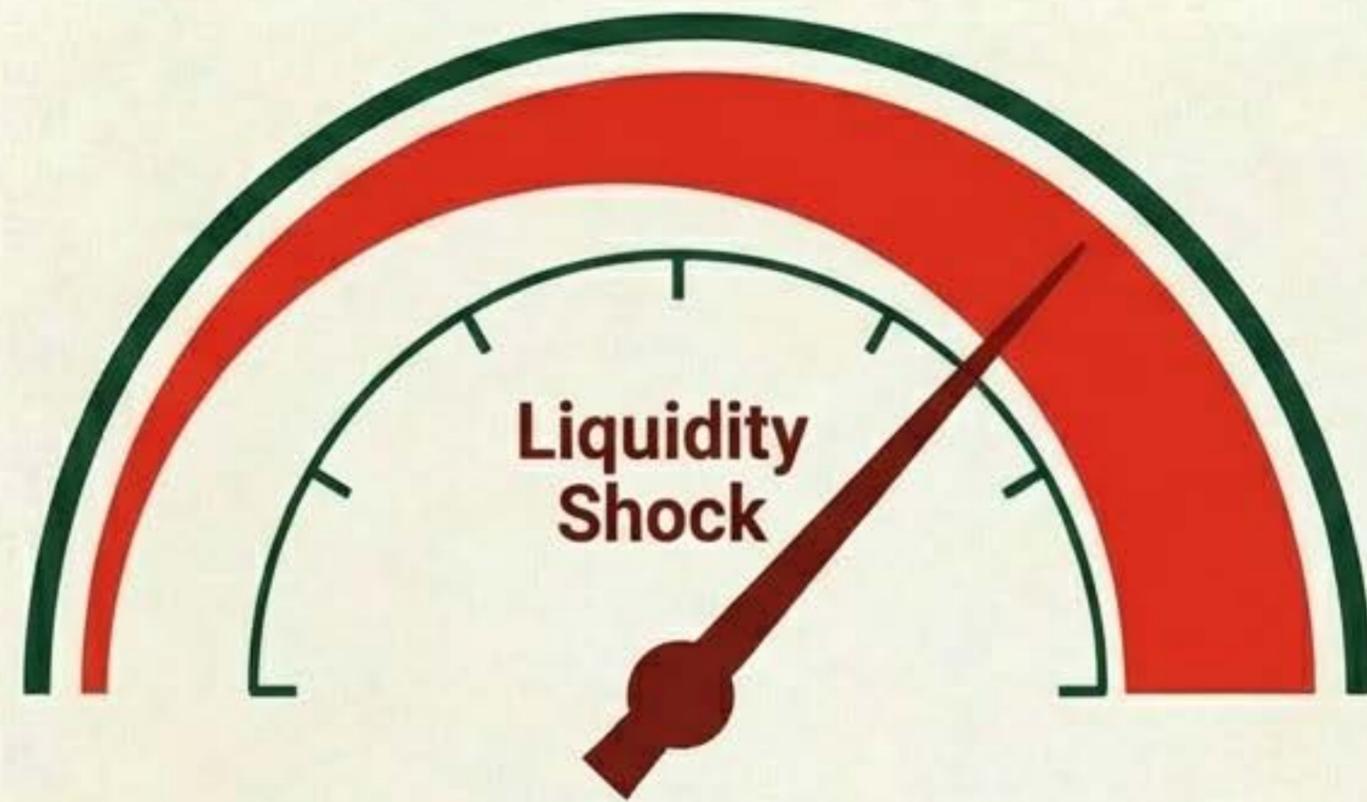
Tactics:

- Lock in supply contracts early.
- Multi-year agreements stabilize this baseline.

Risk:

- Rush orders for specialized seedlings carry premium pricing that destroys margin.

The Labor Surge: 70% of Revenue



70% of Revenue

Consumed by seasonal labor in Nov/Dec.

Seasonal labor for cutting, loading, and traffic management creates an immediate cash outflow.

Control Mechanism: Cross-train year-round staff to reduce reliance on temps. Use tiered bonus structures tied to volume rather than high flat hourly rates.

Surviving the 8-Month Valley



\$16,950 (Monthly Burn) x 8 Months = \$135,600 Required Buffer

Action Item: This capital buffer (\$135k+) must be secured before the harvest season ends in December to survive until the next cycle.

Emergency Protocol: Triage Strategy

CUT IMMEDIATELY (Discretionary)	PROTECT AT ALL COSTS (Core)
<ul style="list-style-type: none">● External Consulting (\$300/mo)● Marketing Content Creation (0.5 FTE)● Non-critical Capital Expenditures (Q1/Q2)	<ul style="list-style-type: none">● Farm Maintenance (Tree health checks)● Insurance (Liability coverage)● Customer Experience Inputs (Wreaths/Cocoa)

“Principle: Deferring maintenance destroys the asset; deferring marketing only delays growth.”

Strategic Key Takeaways



\$16,950 Baseline.
The monthly cost to keep the lights on and staff paid before seasonal inputs.



\$100k+ Buffer.
Required working capital to survive the 10-month off-season.



Labor Liquidity Risk.
Variable labor consumes 70% of revenue in Nov/Dec.



Staffing Impact.
Year-round payroll (\$150k/yr) is the single largest fixed expense.

Operational Dashboard: 2026 Run Rate

1	Land / Site (Fixed)	\$1,700
2	Staff (Fixed)	\$12,500
3	Maintenance (Fixed)	\$1,000
4	Utilities (Fixed)	\$850
5	Prof. Services (Fixed)	\$300
6	Total Fixed Monthly	\$16,950
7	Inputs (Variable)	50% of Revenue
8	Seasonal Labor (Variable)	70% of Revenue
9	Total Annual Pre-Revenue Burn	\$203,400