**Scenario:**

Trudeau Organic Orchards (TOO) is a family-owned business that grows organic apples for the production of organic apple drinks. TOO manufactures apple cider and apple juice. The apples are harvested, brought to the juicing plant, and sorted by type and grade for further processing into apple juice and cider. TOO feels it has placed itself in a unique niche market catering to people who insist on organic foods and beverages. TOO has only a few competitors. Most large apple juice manufactures do not want to supply this relatively small market.

Trudeau Orchards has been in business for many years as an apple juice manufacturer. But the organic apple drink business, TOO, has only been in operation for the last 3 years. TOO is run as a completely separate business. Therefore, the apple drinks can be certified as organic, and profitability is tracked for the organic manufacturing business.

TOO has been operating based on an actual cost reporting system. It does not have a formal costing system.

You were recently hired as the cost accountant for Trudeau Organic Orchards. You have been asked by the owners to put together a costing system for the apple drink manufacturing process and an operating budget for 2006. The purpose of this is to track the actual cost against an established budget and costing system, which will allow for performance tracking.

TOO has grown to $2.5 million in net sales in 2005. Click [here](https://campus.ctuonline.edu/courses/ACC445/Assignment_Assets/1_scenario_a.gif) to view the financial reports for the past 3 years.

Click [here](https://campus.ctuonline.edu/courses/ACC445/Assignment_Assets/1_scenario_b.gif) to view TOO's actual activity for the past 3 years and budget for 2005.

Click [here](https://campus.ctuonline.edu/courses/ACC445/Assignment_Assets/1_scenario_c.gif) to view the TOO's process flow chart.





