
ELEMENTS OF A FARM BUSINESS PLAN

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Understanding that farming is a business is the first step on the path to success. A business plan is the next step. What goes into a business plan:

1. **Executive Summary:** a 1-2 paragraph summary of what your business is
2. **Mission Statement:** brief statement of what your business does, its purpose, values
3. **Vision Statement:** Where is your business going? Business goals? Where do you want your business to be in 5 years? 10? What your world will look like when you've accomplished your mission
4. **Business Concept:** your product, its uniqueness, your target market, how you fit into the markets in the area
5. **Operational Characteristics & Plan**
 - Physical Resource Inventory & Plan, including a map
 - Human Resource Inventory & Plan
 - Potential crops & Production Plan
 - Timeline for farm development
 - Agencies, references, resources consulted or to consult
 - Transition Plan
 - Emergency Plan
6. **Goals and Objectives:** a realistic list of tasks, decisions to be made, actions
7. **Background Information:** summarize market

research and analysis, trends in the larger ag industry.

8. **Management and Organizational Structure:** how you run your business; management, staff, legal structure, insurance.
9. **Sales & Marketing Plan:** how do you plan to market your product?

Product or service marketing plan

Plan for marketing "the business"

10. **Financial Plan:**

Current Financial Assessment

Strategic Analysis and Proposed Alternatives

Existing debt & repayment schedules

Financing needs: projections for proposed alternatives

Fixed assets, start-up costs

Risk management plan

Financial monitoring and control plan: cash flow forecast

Financial documents to include: 1) profit and loss statement 2) balance sheet including assets, liabilities and net worth 3) cash flow projections including sales projections and assumptions.

11. **Appendix:** supporting documents



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