Beginning Farmer and Rancher

11:00-12:00  Building a Business and Marketing Plan
1:30-3:00    Healthy Soils Healthy Farms
4:30-5:30    Selecting Crops to Fit a Cash Flow Plan
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For more information on Small Farms, visit our website at: http://smallfarms.ifas.ufl.edu or contact your local County Extension Agent.

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Suggested Citation: Author Full Name. Title of Presentation or Handout. 2012 University of Florida-IFAS and Florida Agricultural and Mechanical University-CAFS Florida Small Farms and Alternative Enterprises Conference. July 27-29, Kissimmee, FL.
Developing a Business Plan for Your Small Farm Operation

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Florida West Coast Resource Conservation & Development (RC&D) Council, Inc.
The Center for Integrated Agriculture – Building an Entrepreneurial Beginning Farmer Resource

- A project of Florida West Coast RC&D Council, Inc.
- Serving the counties of Hillsborough, Manatee, Pinellas, and Sarasota
- Providing resources to beginning farmers through the following:
  1. Group Training Sessions
  2. One-on-one Technical Assistance
  3. Mentorship through Apprenticeship Program at Geraldson Community Farm and Gamble Creek Farm
- This project was supported by the Beginning Farmer and Rancher Development Program of the National Institute of Food and Agriculture, USDA, Grant # 2010-49400-21800.
Why Develop a Business Plan?

- To help guide the business owner/manager in making decisions that help to achieve the goals and objectives of the business
- Demonstrate the feasibility of the business to lenders
  - Talk to your potential lenders!
- Communicate business ideas and concepts to other parties
- Evaluate production alternatives
- Identify and assess new opportunities
- Make your business profitable!
- Remember that a business plan is a living document!
Where do I start?

- Values – providing direction for your business
  - Personal
  - Economic
  - Environmental
  - Community-based

- Vision – where is your business going?

- Mission Statement
  - Should reflect your values
  - Keep your vision for your business in mind
  - Can reflect the product
  - Customers will see this, can be used on your labeling or marketing materials
Goals and Priorities

- Goals outline the “what” and “who” of your vision and mission
- Keep your goals measurable
- Use your goals to track what you accomplish and what you need to improve
- Don’t be afraid to aim high, but be realistic and make your goals achievable
- Think about priorities for the next 3-5 years
Current Situation

- Legal Structure (corporation, nonprofit, LLC, etc.)
- Location and Size of Property
- Existing infrastructure
  - Buildings
  - Electrical Supply
  - Water Supply
- Equipment
  - Farm machinery
  - Irrigation equipment
Current Situation

- Current Products
  - Seasons
  - Raw products
  - Value-added

- Markets for Products

- Staff
  - Who do you have?
  - What are their skills?
  - What are your current costs for staff?
Selling Your Product

- **Target Market**
  - Who are your customers?
  - Demographics (age, gender, etc.)
  - Why do they buy YOUR product?

- **Distribution**
  - Where/how do your customers get the product?
  - Remember to consider the role of diversity in your distribution.

- **Product Branding**
  - Logo development
  - How do customers recognize and distinguish your product?
  - Who are your competitors and how can you stand out?

- **Advertising**
  - Where do your customers gather? (physical locations, online, etc.)
  - Think about who your customers are, why they buy from you, and how to best reach them (how can you reach the most customers with the least effort?)

- **What are the associated costs of selling your product?**
Getting the Work Done

- Will you incorporate other staff or partners?
  - Depending on the scale of production and diversity of distribution, you can’t always plan on doing everything yourself.
  - Is your family involved in production, sales?
  - What local businesses compliment your product and how can you partner?
  - Where can you find help?

- How will you compensate for labor?
  - How much will you have to pay for labor?
    - Wages, benefits, taxes, insurance
  - Does the skill of the laborer match your needs?
  - Non-monetary compensation
    - Volunteers, interns, school programs, etc.
    - Can you contribute to your community in some way that makes people want to participate? Can that help your branding?
Risk Management

- Production Risk
  - Crop Failure
  - Pests, Diseases
  - Weather-related Risk

- Market Risk
  - Food Safety
  - Pricing

- Financial Risk
  - Plan for the unknown
  - Lack of sales

- Personal Risk
  - Injury
  - Illness
  - Change in family situation or goals
Financial Planning

There are a large number of financial considerations involved in business planning, and fortunately there are a ton of resources available to help! Start by asking yourself a few questions:

- What do you need to succeed?
- How can you pay for it?
- How do you manage cash flow?
- What existing assets do you have?
What documentation should your business plan include?

- Profit and loss statements for 3 years (or 2 years projected if it is a startup)
- Balance sheet (shows assets and liabilities)
- Cash flow statement (shows income and expenses on monthly or quarterly basis) for past 3 years if applicable
- List of collateral or debts
- Capital equipment on hand or improvements (date purchased or improved, show dollar amounts)
- Capital equipment needed (estimated cost and timelines)
- Historical data (tax returns for 3 years if applicable)
- Contact RC&D for examples (941)723-3252 or leech@fwcrccd.org
- Remember to talk to potential lenders for guidance if you will be looking for financial assistance!
Supporting Documents

- Resumes or skills of principals
- Personal financial statements
- Letters of reference

Credit Reports
- Don’t hesitate to seek credit counseling
- Building good credit is essential

Anything else that can strengthen your plan
- Leases, contracts, letters of intent
- Photographs of property, assets
Additional Assistance and References

- **AgPlan**
  - University of Minnesota, Center for Farm Financial Management
  - [https://www.agplan.umn.edu/](https://www.agplan.umn.edu/)
  - Register for free, build your business plan and receive feedback

- **Building a Sustainable Business; A Guide to Developing a Business Plan for Farms and Rural Businesses**
  - Minnesota Institute for Sustainable Agriculture
  - [http://www.misa.umn.edu/Publications/index.htm](http://www.misa.umn.edu/Publications/index.htm)

- E-mail list being circulated for 11-pages of Business Plan creation worksheets we will send you.
Contact Florida West Coast RC&D Council

- (941) 723-3252
- leech@fwcrccd.org

We can provide you with templates, resources, and feedback on your business plan as well as other technical assistance upon request.