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# ELEMENTS OF A FARM BUSINESS PLAN

**Publication  
Number  
31-143C**  
(June 2009)

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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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