

WHY HAVE A BUSINESS PLAN FOR YOUR FARM ?

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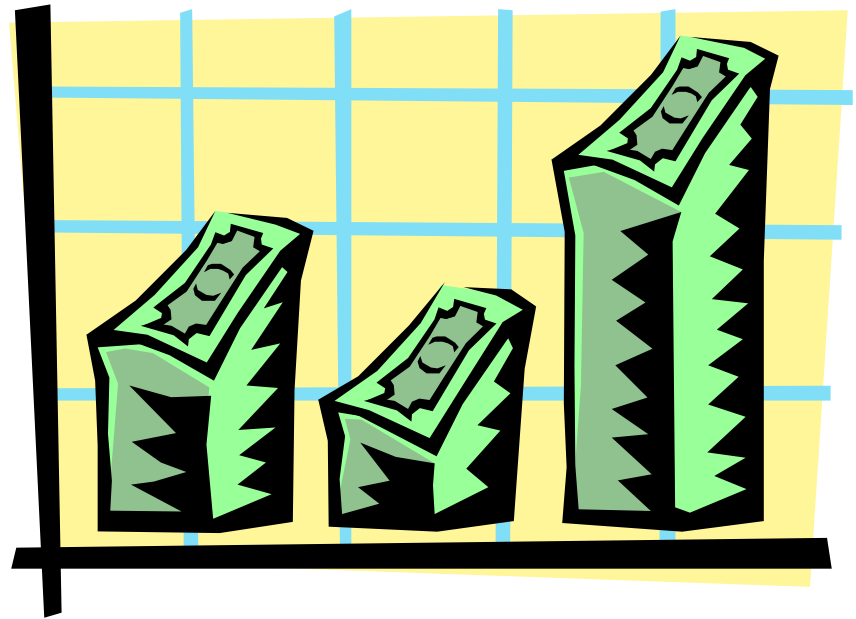
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Questions for Discussion

Do you have a business plan for your farm?

- **Yes – why?**
- **No – why not?**



Questions for Discussion

Why should you have a farm business plan?

- What are the benefits?
- What does a business plan do?
- What should be in a business plan?



Top 5 reasons to have a business plan for your farm.....

#1 Writing stuff down forces you to define/refine your farm business.

- Assess your current situation - Where are you now?
- Helps you to set objectives for your business – Where are you going?
- Establishes your farm’ s “Mission statement”

#2 A business plan allows you to set goals for your farm.

- Short and long term planning
- Evaluate the market conditions
- Determine the history and direction of your farm
- Determine the key players in your operation
- Evaluate your skills, talents, resources, etc

#3 Allows you to effectively share and explain your goals and vision with others.

- Bankers and investors may require a business plan before lending or investing.
- Before community leaders can help promote and support your farm they have to understand what you are trying to do.
- Non profits/granting agencies may require a business plan.
- Prove to anyone/yourself that your vision is realistic

“If I grow it, they will come.” just does not happen!

#4 A business plan can help you identify potential issues/pitfalls before you begin

- Competition
- Legal concerns
- Liability issues
- Labor needs

A business plan can protect you from proceeding with an idea that doesn't make good "business sense"

Understanding the potential issues beforehand can allow for proper planning! !

#5 Provides the tools to quantify the success of your business

- Target sales
- Growth and expansion
- Market share
- Profits ??

What should be in a Business Plan?

- A Description and Definition of :
 - Who is involved.
 - What consumer need will be met.
 - What the saleable product/service is.
 - The market environment.
- A Plan for producing and marketing the product/service
- A list of resources needed to achieve the plan and when they are needed.
- A summary of anticipated results.

Most Business Plans Contain the Following Sections



- Executive Summary
- Mission Statement
- Business Description
- Management Plan
- Production Plan
- Marketing Plan
- Financial Plan

Include:

- Information that is important in taking the business where you want to go.
- Do not include things that will not help you go where you want to go with the business.



Every plan is unique!

- Your farm plan should relate to and be steered by your mission statement!
- Keep your goals realistic.
 - *Is my farm a business or a hobby?*
 - *Do I really want to make money or is it a way of life?*
- *The real value is in the process of creating it.*
 - *A business plan should serve as a roadmap for your farm business.*

Useful Links:

- Center for Farm Financial Management, University of Minnesota AgPlan: <https://www.agplan.umn.edu/>
- New users need to "Register" (under the Login button).
- Also see: Rutgers Farm Management Website To Market, To Market <http://aesop.rutgers.edu/~farmmgmt>
- Annie's New Jersey Website: <http://aesop.rutgers.edu/~farmmgmt/anniesproject.html>
- Annie's New Jersey Facebook Page: <http://www.facebook.com/#!/pages/Annies-Project-NJ/147083285347913>