



**RUTGERS**

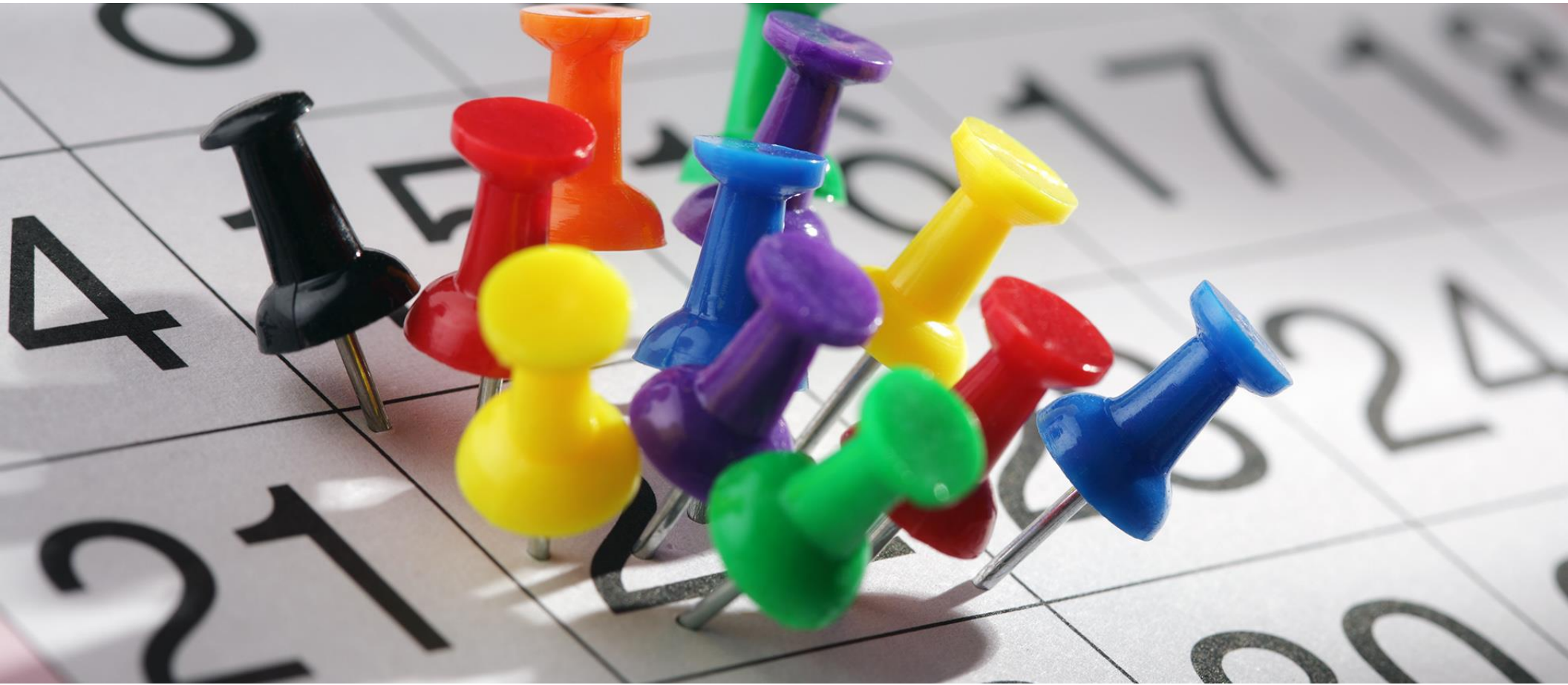
New Jersey Agricultural  
Experiment Station

# **Planning Your Business Plan**

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***What did you need to do be able to be here today?????***



***Chances are  
you had do  
some  
planning!!***



***What are some things you will need to think about for planning your farm business?***



## What is a business plan used for?

- **Communicate ideas to lenders, business partners and family**
- **Evaluate production alternatives**
- **Identify new market opportunities**

# The Business Plan

How should I organize my business plan?

- **There are many formats**
- **Be realistic**
- **Avoid technical jargon, too many acronyms!**



# The Business Plan

- **The Executive Summary**
  - Appears in the beginning of the report
  - but write it last – it's overview of your plan
- **Objectives and Goals**
- **Table of Contents**



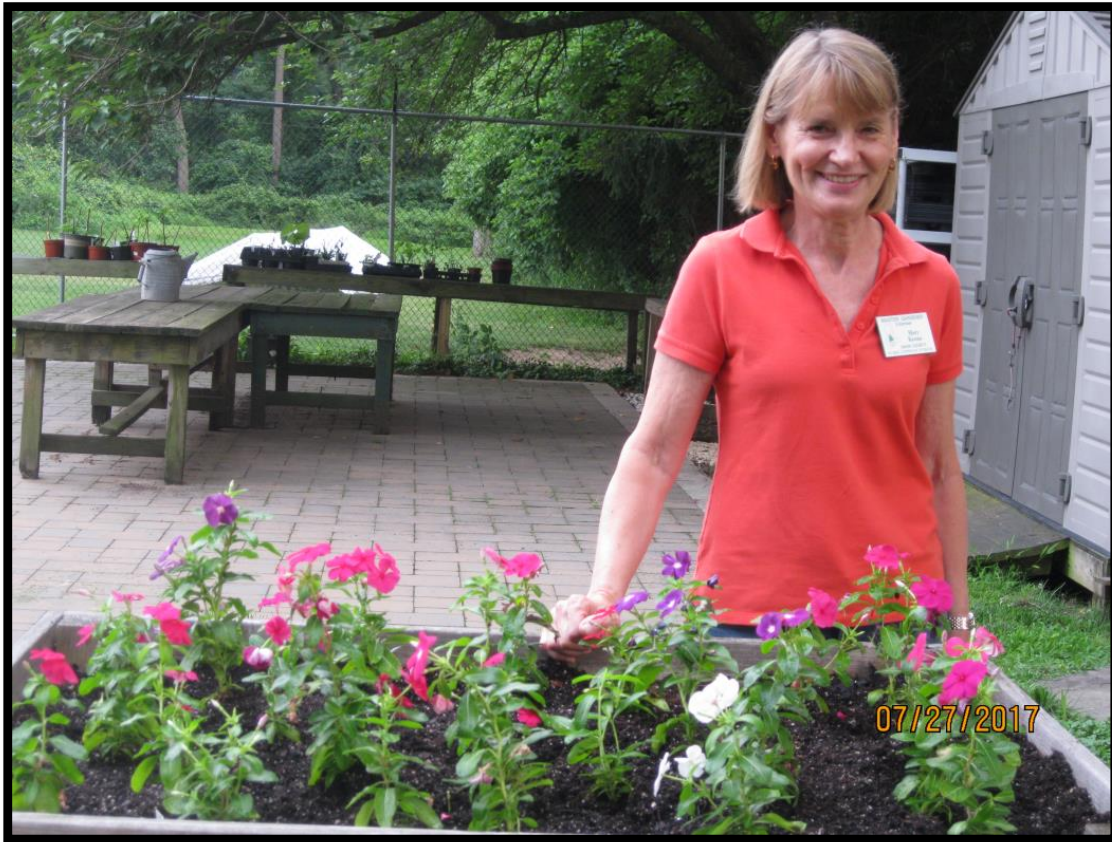
- **Vision and Mission Statement**
  - **Vision is where your business is going**
  - **Mission is who you are, your values, your products and *WHY YOU ARE IN BUSINESS !***



- **Business Background**
- **Marketing Strategy**
- **Production/Operation Strategy**
- **Management and Human Resources**
- **Financial**

# The Business Plan

## A Brief History of Your Business



- How you are legally organized
- Names and titles of all firm managers / Board of Directors
- Location

## **A Brief History of Your Business**

**For a new business you can write about.....**

- **What is your motivation to start this business venture?**
- **History of the land you will be farming**
- **Viable markets you will be targeting**

- **Marketing Strategy**
  - **Product or service you offer**
  - **Differentiating your product**
  - **Describe the industry and how your business fits in**
  - **Who are your competitors?**

- **Marketing Strategy**
  - **Advertising and promotions**
  - **Distribution**
  - **Pricing strategies**
  - **Sales goals - % of market you plan to capture**

## Operations / Production Strategy

- **Give an overview of what you have available or need to produce your product.**

- Land

- Equipment

- Materials

- Buildings

- Machinery

-Supplies

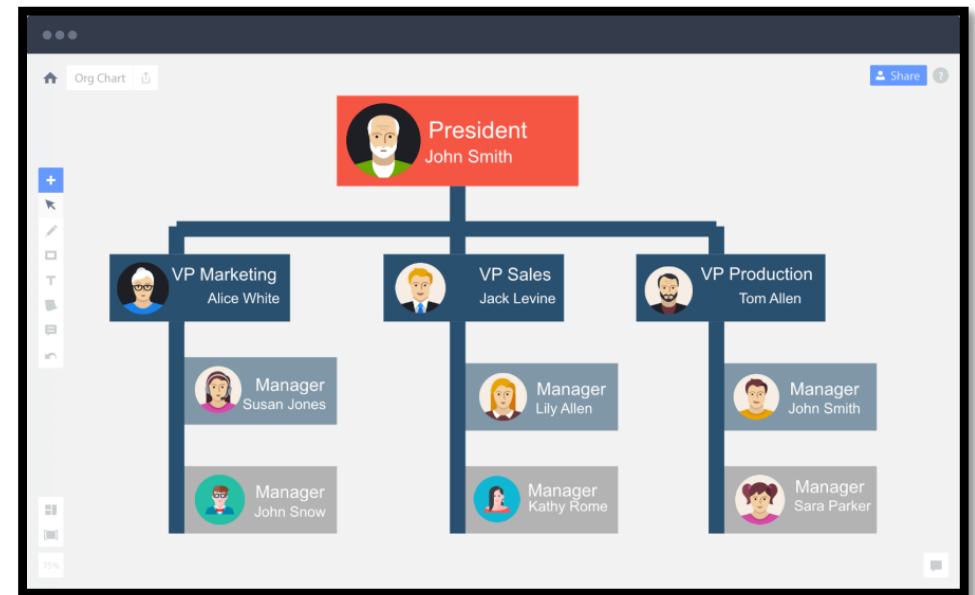
## Operations / Production Strategy

- **Describe production practices**
  - **Flow chart or timeline would be a good visual**
  - **Costs of production**

# The Business Plan

## Management and Human Resources Strategy

- **Areas of expertise of your business team**
  - Finance
  - Marketing
  - Production
  - Labor Management
- **Education and Experience**





## Management and Human Resources Strategy

- **An organizational chart with names, titles and responsibilities**
  - The chart shows supervisory roles
- **Compensation and benefits**
- **Job descriptions and recruiting**
- **Training and operating procedures**
- **Performance evaluations**

## Management and Human Resources Strategy

- **Other professional resources available such as your accountant, attorney, consultants**
- **Plans for unexpected loss of a key management team member**

## Financial Strategy

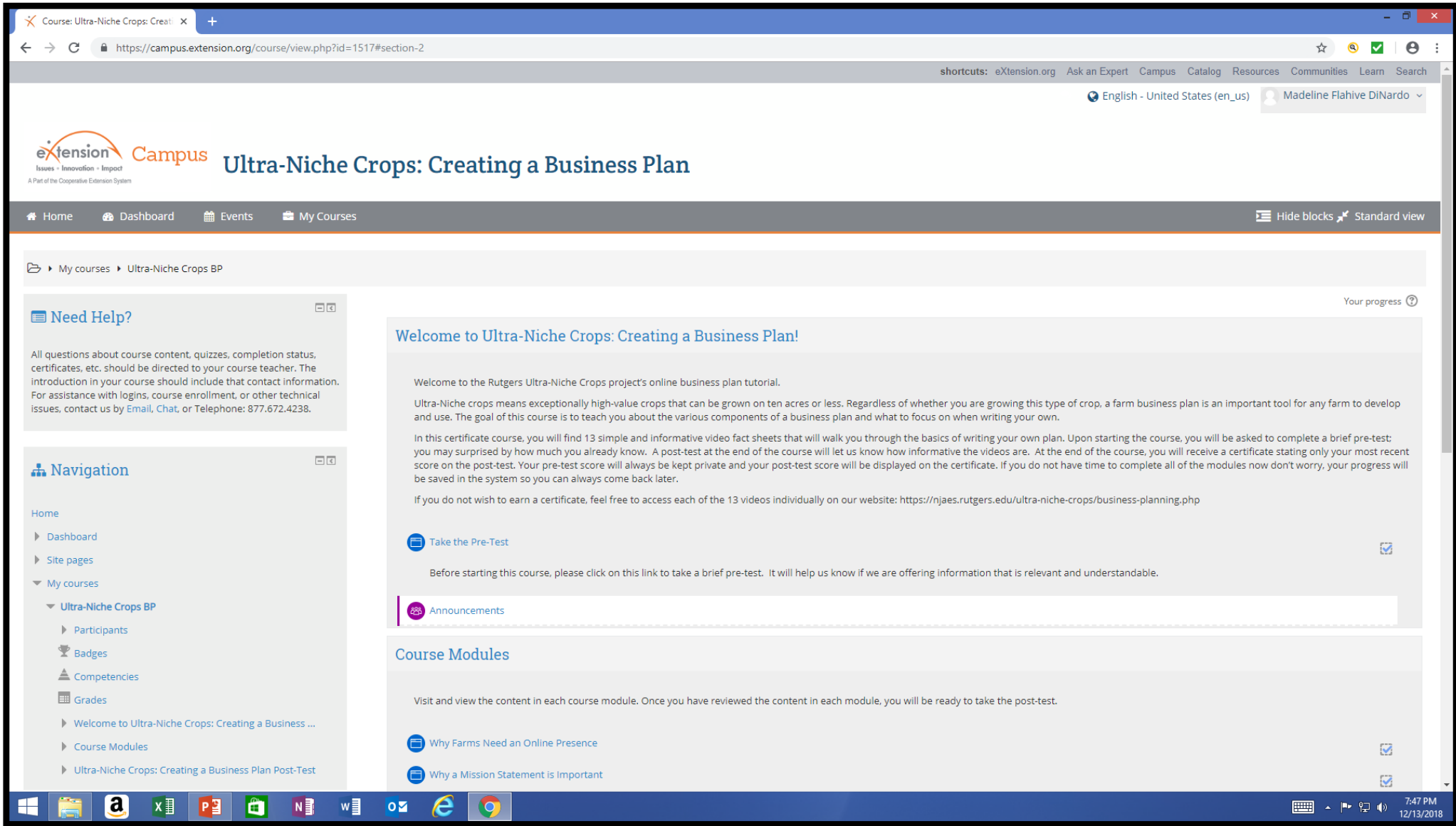
- **Discuss projected income and cash flow**
- **Financial goals, such a % of growth in income**

## Financial Strategy

- **Total Capital Requirements**
  - **Short term**
  - **Long term**
- **Collateral**
- **Financial ratios and break-even analysis**

## *Other Items*

- **Appendices with supporting documents such as resumes, brochures, tax returns, market research, balance sheets, cash flow**
- **Glossary for technical terms**



The screenshot shows a web browser window with the following elements:

- Browser Tab:** Course: Ultra-Niche Crops: Creat...
- Address Bar:** <https://campus.extension.org/course/view.php?id=1517#section-2>
- Page Header:** Rutgers eXtension Campus logo with the tagline "Issues - Innovation - Impact" and "A Part of the Cooperative Extension System". The course title "Ultra-Niche Crops: Creating a Business Plan" is prominently displayed.
- Navigation Bar:** Home, Dashboard, Events, My Courses. Utility links: Hide blocks, Standard view.
- Breadcrumbs:** My courses > Ultra-Niche Crops BP
- Left Sidebar:**
  - Need Help?** All questions about course content, quizzes, completion status, certificates, etc. should be directed to your course teacher. The introduction in your course should include that contact information. For assistance with logins, course enrollment, or other technical issues, contact us by [Email](#), [Chat](#), or Telephone: 877.672.4238.
  - Navigation:**
    - Home
    - Dashboard
    - Site pages
    - My courses
      - Ultra-Niche Crops BP
        - Participants
        - Badges
        - Competencies
        - Grades
        - Welcome to Ultra-Niche Crops: Creating a Business ...
        - Course Modules
        - Ultra-Niche Crops: Creating a Business Plan Post-Test

- Main Content Area:**
- Welcome to Ultra-Niche Crops: Creating a Business Plan!**

Welcome to the Rutgers Ultra-Niche Crops project's online business plan tutorial.

Ultra-Niche crops means exceptionally high-value crops that can be grown on ten acres or less. Regardless of whether you are growing this type of crop, a farm business plan is an important tool for any farm to develop and use. The goal of this course is to teach you about the various components of a business plan and what to focus on when writing your own.

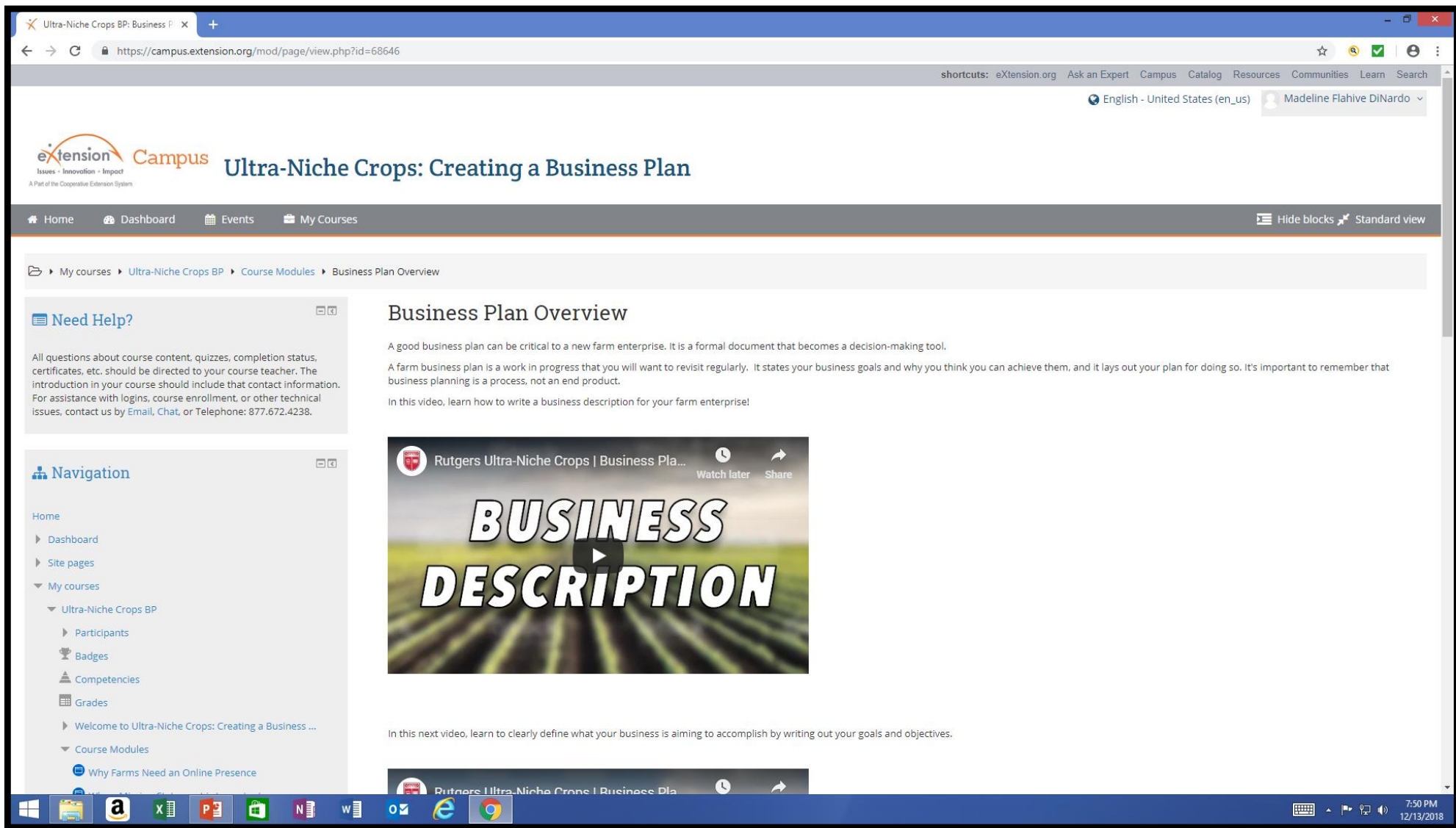
In this certificate course, you will find 13 simple and informative video fact sheets that will walk you through the basics of writing your own plan. Upon starting the course, you will be asked to complete a brief pre-test: you may be surprised by how much you already know. A post-test at the end of the course will let us know how informative the videos are. At the end of the course, you will receive a certificate stating only your most recent score on the post-test. Your pre-test score will always be kept private and your post-test score will be displayed on the certificate. If you do not have time to complete all of the modules now don't worry, your progress will be saved in the system so you can always come back later.

If you do not wish to earn a certificate, feel free to access each of the 13 videos individually on our website: <https://njaes.rutgers.edu/ultra-niche-crops/business-planning.php>

  - Take the Pre-Test** (with a checkmark icon)
  - Before starting this course, please click on this link to take a brief pre-test. It will help us know if we are offering information that is relevant and understandable.
- Announcements** (empty section)
- Course Modules**

Visit and view the content in each course module. Once you have reviewed the content in each module, you will be ready to take the post-test.

  - Why Farms Need an Online Presence** (with a checkmark icon)
  - Why a Mission Statement is Important** (with a checkmark icon)
- Right Sidebar:** Your progress (with a question mark icon)



The screenshot shows a web browser window with the address bar displaying <https://campus.extension.org/mod/page/view.php?id=68646>. The page header includes the eXtension Campus logo and the course title "Ultra-Niche Crops: Creating a Business Plan". The navigation menu includes Home, Dashboard, Events, and My Courses. The breadcrumb trail is: My courses > Ultra-Niche Crops BP > Course Modules > Business Plan Overview.

**Need Help?**  
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**Navigation**

- Home
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    - Welcome to Ultra-Niche Crops: Creating a Business ...
  - Course Modules
    - Why Farms Need an Online Presence

**Business Plan Overview**

A good business plan can be critical to a new farm enterprise. It is a formal document that becomes a decision-making tool.

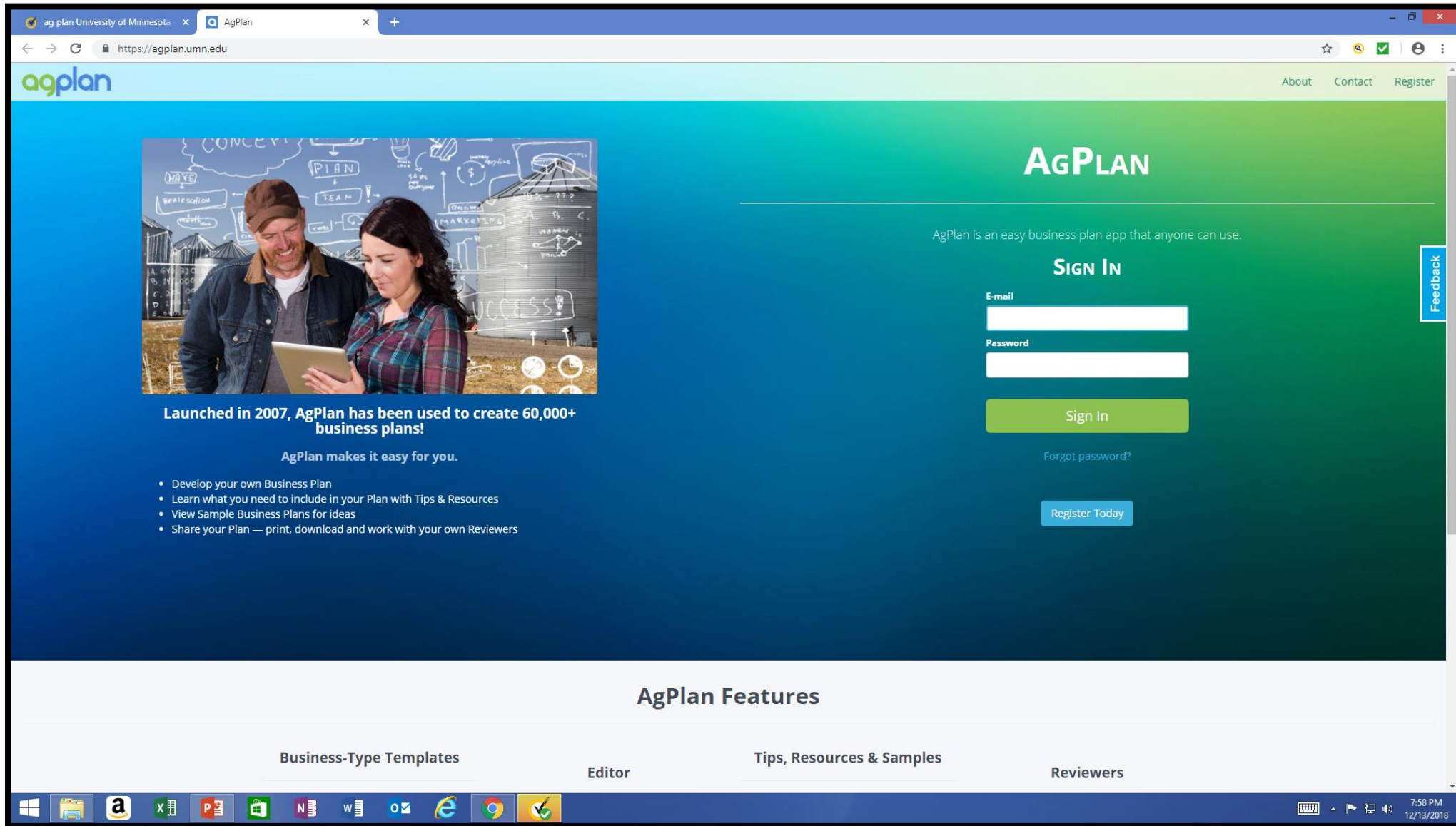
A farm business plan is a work in progress that you will want to revisit regularly. It states your business goals and why you think you can achieve them, and it lays out your plan for doing so. It's important to remember that business planning is a process, not an end product.

In this video, learn how to write a business description for your farm enterprise!

**BUSINESS DESCRIPTION**

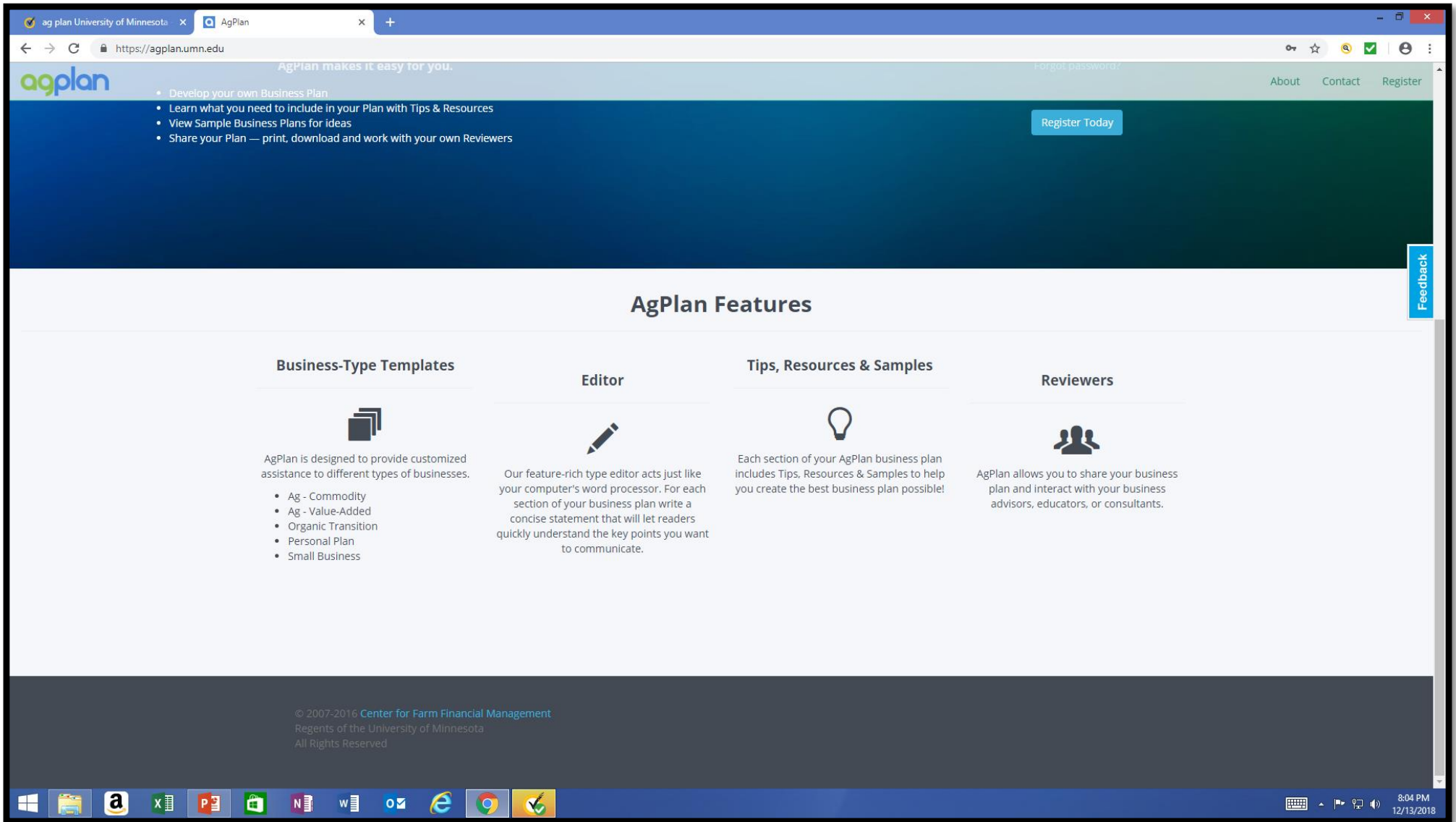
In this next video, learn to clearly define what your business is aiming to accomplish by writing out your goals and objectives.

The bottom of the screenshot shows a Windows taskbar with various application icons and a system tray displaying the time as 7:50 PM on 12/13/2018.



The screenshot shows a web browser window displaying the AgPlan website. The browser's address bar shows the URL <https://agplan.umn.edu>. The website has a blue and green color scheme. At the top left is the 'agplan' logo, and at the top right are links for 'About', 'Contact', and 'Register'. The main content area features a large image of a man and a woman looking at a tablet, with a background of a chalkboard filled with business plan diagrams and terms like 'CONCEPT', 'PLAN', 'TEAM', 'MARKETING', and 'SUCCESS!'. Below the image, the text reads: 'Launched in 2007, AgPlan has been used to create 60,000+ business plans!' and 'AgPlan makes it easy for you.' A list of features follows: 'Develop your own Business Plan', 'Learn what you need to include in your Plan with Tips & Resources', 'View Sample Business Plans for ideas', and 'Share your Plan — print, download and work with your own Reviewers'. To the right of the main content is a 'SIGN IN' section with input fields for 'E-mail' and 'Password', a 'Sign In' button, a 'Forgot password?' link, and a 'Register Today' button. A vertical 'Feedback' button is on the far right. Below the main content is a section titled 'AgPlan Features' with four sub-sections: 'Business-Types Templates', 'Editor', 'Tips, Resources & Samples', and 'Reviewers'. The Windows taskbar at the bottom shows various application icons and the system clock indicating 7:58 PM on 12/13/2018.





The screenshot shows a web browser window with the URL <https://agplan.umn.edu/>. The page features a dark blue header with the AgPlan logo and navigation links for 'About', 'Contact', and 'Register'. A 'Register Today' button is prominently displayed. Below the header, the main content area is titled 'AgPlan Features' and is divided into four columns, each with an icon and descriptive text:

- Business-Type Templates**: Represented by a stack of documents icon. Text: 'AgPlan is designed to provide customized assistance to different types of businesses.' List: Ag - Commodity, Ag - Value-Added, Organic Transition, Personal Plan, Small Business.
- Editor**: Represented by a pencil icon. Text: 'Our feature-rich type editor acts just like your computer's word processor. For each section of your business plan write a concise statement that will let readers quickly understand the key points you want to communicate.'
- Tips, Resources & Samples**: Represented by a lightbulb icon. Text: 'Each section of your AgPlan business plan includes Tips, Resources & Samples to help you create the best business plan possible!'
- Reviewers**: Represented by a group of people icon. Text: 'AgPlan allows you to share your business plan and interact with your business advisors, educators, or consultants.'

A vertical 'Feedback' button is located on the right side of the page. The footer contains copyright information: © 2007-2016 Center for Farm Financial Management, Regents of the University of Minnesota, All Rights Reserved. The Windows taskbar at the bottom shows the time as 8:04 PM on 12/13/2018.

## ***Planning Your Business Plan***

- **P**romote your great business idea to potential partners, employees, vendors, customers and lenders with your well thought out plan.
- **L**earn about the many aspects of growing / raising your agricultural commodity
- **A**ccounting will be an essential part of your business plan
- **N**etwork with professionals who can provide you with coaching in the financial, marketing, production and human resource aspects of your business

**Wish You Success  
With Your Business Plan !**

# References

1. Agribusiness Planning, Providing Direction for Agricultural Firms, Penn State Agricultural Research and Cooperative Extension, 2002, available at: <https://extension.psu.edu/agribusiness-planning-providing-direction-for-agricultural-firms>
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3. Agricultural Finance 7<sup>th</sup> Edition, Lee, Boehlje, Nelson & Murray, Iowa State University Press, Ames Iowa, 1980 ISBN 0-8138-0050-1
4. Your Guide to FSA Farm Loans, United States Department of Agriculture, Farm Service Agency, June 2012, FSA-BR-01
5. Planning for On-Farm Success, A Workbook for Montana's Beginning Farmers and Ranchers, Module 6: Financing, Community Food and Agriculture Coalition, Montana State University Extension, 2015