BUSINESS PLAN GUIDE

Your First Step To Success





AgriFinancial
A CBH Company

THIS PLAN HAS BEEN CREATED FOR:

Name: _____

Farm Name: _____

Date: _____

Important Notes: _____

_____

_____

_____

_____

_____

_____

THE PURPOSE OF YOUR BUSINESS PLAN:

Developing a business plan is an important first step to success for any size business - no matter how simple or complex. A comprehensive business plan is your operation's roadmap from where you are to where you want to be. This guide will help direct you as you identify financial and operational goals, and measures of success along the way.

WHAT YOUR PLAN MAY INCLUDE:

- Operation Mission, Vision and Goals
- Expected Income and Business and Family Expenses
- Current Assets and Liabilities
- Production Expectations and Marketing Plan

WHY YOU NEED A FARM BUSINESS PLAN

- **Organization** - A structured plan can help you prioritize tasks, allocate resources efficiently, and anticipate challenges before they arise.
- **Guidance** - Understand where you've been and where you'd like to go. Completing a business plan, and keeping it updated, can help you see progress from year-to-year.
- **Growth** - A business plan is an important element of applying for a loan from the Farm Service Agency (FSA).

BUILDING A FARM BUSINESS PLAN:

There are many different styles and ways to create a business plan. This guide was created to help simplify the process. As you begin to answer the following questions, keep in mind that you can submit this as your business plan when applying for an FSA loan; however, additional information or detail may be necessary.

LET'S GET STARTED:

Section 1 - Business Background

1. Are you starting a new farm or ranch, or are you already in business?
   - ☐ Beginning Farmer or Rancher (≤10 years in operation)
   - ☐ ≥ 10 years in operation

2. What do you produce?
   - ☐ Corn ☐ Alfalfa ☐ Dairy Cattle & Calves ☐ Hay
   - ☐ Soybeans ☐ Almonds ☐ Feedlot Cattle & Calves
   - ☐ Grapes ☐ Horses ☐ Ranch Cattle & Calves
   - ☐ Timber ☐ Wheat ☐ Other: _____

3. What is the size of your operation?
   - ☐ ≤ 100 Acres
   - ☐ 100-500 Acres
   - ☐ 500-1,000 Acres
   - ☐ 1,000-2,500 Acres
   - ☐ 2,500-5,000 Acres
   - ☐ 5,000-10,000 Acres
   - ☐ ≥ 10,000 Acres

4. What is the ownership structure of your business?
   - ☐ Sole Proprietorship
   - ☐ Partnership
   - ☐ Corporation
   - ☐ Trust
   - ☐ Limited Liability Company
   - ☐ Other: _____

5. If your business is an entity, are any of its members an entity?

   ☐ Yes ☐ No

   If yes, please explain: _____

   _____

6. What agricultural production and financial management training or experience do you, your family members, or your business partners have?

   _____

   _____

   _____

7. How long have you been in business? _____



TIPS ON GOAL SETTING:

Goals address the who & what of your vision for your operation - not the how.

- **Short-term Goal Example:** Generate enough farm profit to cover feed and labor costs for the year.
- **Long-term Goal Example:** Operation expansion of 1,000 head of cattle by year five (5).

Section 2 - Business Goals

1. How do you plan to start, expand, or change your operation?

   _____

   _____

   _____

2. What plans do you have to make your operation more efficient or profitable?

   _____

   _____

   _____

3. What type of farm or ranch model (conventional, sustainable, organic, or alternative agricultural practices) do you plan to use?

   _____

   _____

   _____

   Other notes:

   _____

   _____

4. What short and long-term goals do you have for your operation?

Short-term goals (1-5 years)

1 _____

_____

_____

2 _____

_____

_____

3 _____

_____

_____

Long- term goals (5-10+ years)

1 _____

_____

_____

2 _____

_____

_____

3 _____

_____

_____



Section 3 - Operation

1. What resources do you have, or will you need, for your business?

   _____

   _____

   _____

2. Is the equipment and real estate that you own or rent adequate to conduct your operation? If not, how do you plan to address these needs?

   _____

   _____

   _____

3. What additional resources do you need?

   _____

   _____

   _____

AVAILABLE RESOURCES:



Customer Events: AgFi, and its sister companies and partners, frequently offer free online resources, events, and tools to farmers to stay connected to what's happening in the market.

www.cgb-agfi.com/eventsandtools/



Local Extension: Educational classes and materials may be offered to producers through local extension offices. A simple web search can help you get started.



4. What help will you have operating and managing your farm or ranch?

_____

_____

_____

5. What other resources (i.e. mentor, community-based organization, etc.) do you plan to use?

_____

_____

_____

6. Will the income you generate be sufficient to pay your operating expenses, living expenses, and loan payments?

_____

_____

_____

7. What crops, livestock, or other products do you plan to sell?

_____

_____

_____

8. How will you market your products?

_____

_____

_____



9. What resources do you plan to use to help estimate yields and prices for your income?

_____

_____

_____

10. What other sources of income are available to supplement your business income?

_____

_____

_____

11. What business expenses will you incur?

_____

_____

_____

12. What family living expenses do you pay?

_____

_____

_____

13. Is your existing equipment and machinery sufficient for your operation, or will you need to upgrade?

_____

_____

_____

Section 4 - Measuring Success

1. What specific improvements would you like to see within the next year?

   _____

   _____

   _____

2. How will you know you are moving in the right direction?

   _____

   _____

   _____

3. What actions need to happen first?

   _____

   _____

   _____

4. Are there seasonal factors that affect timing?

   _____

   _____

   _____

5. What resources are needed to stay on schedule?

   _____

   _____

   _____

   _____

6. How often will you review your business plan?

_____

_____

_____

7. What records or reports will help measure progress?

_____

_____

_____

8. Who should be involved in reviewing results?

_____

_____

_____

9. How will success be documented and communicated?

_____

_____

_____

DEFINING SUCCESS

Remember: Success is not only achieving a final goal. Success can also include steady progress, improved decision-making, stronger financial health, better resource stewardship, and creating an operation that supports the values and priorities of your family and business.

CREATING YOUR OPERATION'S MISSION STATEMENT AND VISION:

What is a Mission Statement?

A mission statement combines your business values, vision, and goals into a statement to describe why your business exists.

Examples of a Mission Statement:

- *"_____ farms is a fourth generation, family-owned farm, dedicated to producing the highest quality grain. We strive to efficiently produce high yields by using sustainable practices and managing revenue to ensure the future succession of our family operation."*

- *"Our family farm exists to sustainably cultivate the land, providing nourishing high-quality produce to our community, while fostering a sense of connection and stewardship for the environment."*

Questions to Help You Build Your Mission Statement:

1. Why does your farm/business exist?

   _____

   _____

   _____

2. What is the purpose of this farm/business?

   _____

   _____

   _____

3. Who do you serve/sell products to?

   _____

   _____

   _____

4. Describe the quality of the service you want to provide.

_____

_____

_____

5. How do you differ from your competitors?

_____

_____

_____

Example Answers:

1. Why does your farm/business exist?
   Our farm exists to practice sustainable agriculture and provide fresh, nutritious food to our community.

2. What is the purpose of this farm/business?
   Our farm's purpose is to model sustainable farming practices while supplying wholesome produce.

3. Who do you serve/sell products to?
   We serve individuals, families, restaurants, and local businesses who value fresh, organic produce.

4. Describe the quality of the service you want to provide.
   We prioritize organic methods, sustainability, and freshness in every crop we grow.

5. How do you differ from your competitors?
   We stand out with our commitment to sustainability, community engagement, and unique produce varieties.

Build Your Mission Statement:



Farm/Business Vision:

Take some time to establish the vision of your farm/business. This vision should describe what you desire to see on your farm in one, five, ten (or more) years. Use the following questions to help craft your vision.

Questions to Help You Build Your Mission Statement:

In one, five, ten, or more years...

1. What do we want our farm/business to look like?

   _____

   _____

   _____

2. Who are our customers and where are we marketing our products?

   _____

   _____

   _____

3. What does growth look like for the operation?

   _____

   _____

   _____

4. How will we meet the goals we have set for our operation?

   _____

   _____

   _____

Example Answers:

1. What do we want our farm/business to look like?
   We want our farm to last, supporting generations for as long as our family is able.

2. Who are our customers and where are we marketing our products?
   Our customers are local families who appreciate locally-grown produce and meat and have the ability to pay a premium for organic, locally-sourced food.

3. What does growth look like for the operation?
   Our gross revenue goal is to exceed $1,000,000 in sales through our farm shop in five years.

4. How will we meet the goals we have set for our operation?
   We will do quarterly reviews of financial statements, subscribe to local auction/sale periodicals, and obtain approval for a line of credit to be able to move quickly on acquisitions.

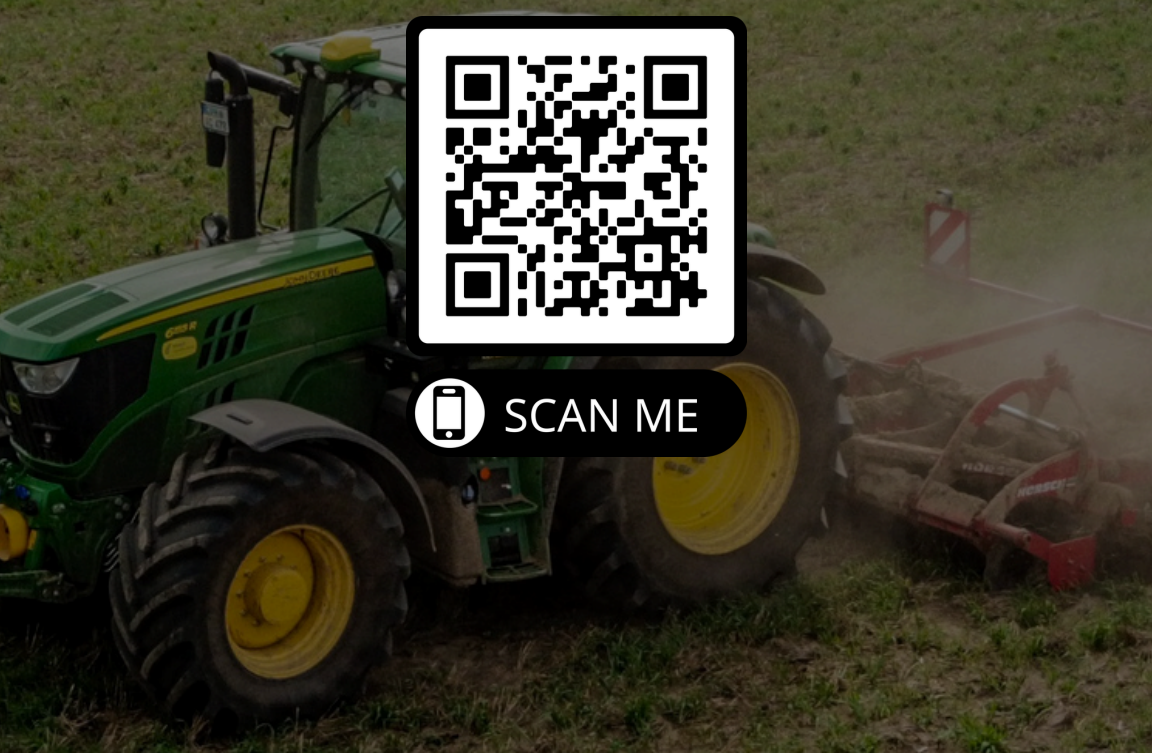
Build Your Farm/Business Vision Statement:

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As always, your AgFi Regional Sales Officer is happy to assist in building out your farming operation's business plan. If you aren't yet connected with your local ag finance expert, scan the QR code or visit us at:

https://www.cgb-agfi.com/Get-Started-Now

SCAN ME



CGB Agri Financial Services, Inc.
All offers to lend are subject to approval. NMLS #1472
The completion of this Business Plan Guide does not guarantee approval of any financial offering.

EQUAL HOUSING LENDER



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