

Chapter:

Business Planning



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SECTIONS

Section 1: Writing a Business Plan

Section 2: Common Questions

Section 3: From Business Plan to Reality

Section 4: Resources & Partners

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BUSINESS PLANNING

INTRODUCTION

A business plan is a document that explains a business's goals and action steps to achieve those goals. It is a living document that requires continuous review and updates to ensure the business remains on track with its goals. A business plan is a critical tool to launch a business as well as prepare for investment or financing.

Use the information in this resource to develop a business plan of your own.

What is included in this guide -

1. Introduction
2. How to Get Started
3. Section 1: Writing a Business Plan
 - a. Executive Summary
 - b. Overview and History
 - c. Market Analysis
 - d. Marketing Plan
 - e. Operations
 - f. Financial Statements
4. Section 2: Common Questions
5. Section 3: From Business Plan to Reality

*"A business plan is a way to **narrate your numbers**: how you will grow and sell farm goods and manage a business."* Sarah Longstreth, Good Stead Farm

How To Get Started

Primary Considerations

Establish your business values, vision, and mission statement

Values

Thinking about your farm as a business is a new concept for many farmers. Considering what values you hold can provide you with your north star to guide your business as you launch, grow and scale.

Values in business are what you believe in and how you operate your farm. Consider what is important to you as you build your farm business. Are you passionate about feeding your neighbors or getting healthy food into your local schools? Ask yourself what you believe in and write down what you value to help you plan for the future.

Vision Statement

Having a vision statement can help drive your business's success. Your vision should be used to set long term goals for your farm. It is a broad reaching goal – where you want your farm to be in 5, 10, or 50 years. Find an example of a vision statement for a farm below:

At Midwest Acres, we envision a vibrant, health-driven food landscape rooted in the rich agricultural heritage of the Midwest. Our farm strives to be a beacon of regenerative practices, community resilience, and regional pride—where healthy, sustainably grown foods nourish both people and place.

Mission Statement

A mission statement is where you demonstrate your purpose. It highlights the reason you farm – why and how you farm. A mission statement will give you the clear goals for decision making. Find an example of a mission statement for a farm below.

At Midwest Acres our mission is to cultivate healthy, sustainably grown foods that nourish our community and respect the earth. We are committed to fostering a deeper connection between people and the sources of their nourishment.



Mission Statement worksheet from SARE [Building a Sustainable Business](#) book:

Worksheet **3.2** Creating My Business Mission Statement

Use the questions below to begin sketching a brief mission statement that communicates your values, management philosophy, and future vision. Remember to have each one of your planning team members complete this Worksheet. Then share your statements, discuss your similarities and differences, and draft a final mission statement. Going through this process as a team will generate more ideas and will result in a common mission statement that every one of your planning team members support. Try to limit your response to each of the questions so that, once combined, your mission statement does not exceed five to six sentences. Remember, write in the present tense and keep it positive.

I would like our business to be known for the following in the future:

The internal and external purpose of my business is to:

Our business mission statement will communicate to:

Based on your answers above, write internal and external mission statements that communicate your business' purpose and the qualities for which you would like your business to be known:

Internal mission:

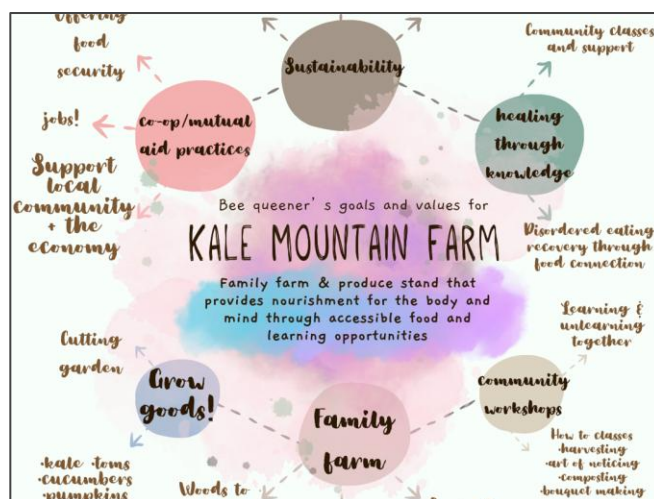
External mission:

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Centering Values in your farm goals and mission statement

It can be a real inspiration to be reminded WHY you're farming. Take time to make a list and think through how to live up to each of your values as a central part of your farm venture.

Example: If your three central values are *Family, Health and Sustainability*, you'll want to post that somewhere that you'll see it regularly. When asked to make a new commitment, you can check in: Does this align with my values or will it prevent me from spending time with my family?



An example of Values & Goals that could be proudly posted as a reminder to keep you on track with your farm vision. This was created by Bee Queener as part of the MSU Organic Farmer Training Program.

Goal-setting

Brainstorm goals for the next few years and the long-term.

Your goals may change over time, so you'll want to return to your goals regularly to see which goals you've met, which need to be changed or removed and which new goals might need to be added. Be patient! Farm goals often take a few years longer than you would expect!

- **Values** – What values do you want to follow and uplift as part of this farm venture?
- **Goals** – Think through your goals for year 1, 2, 3, as well as long-term goals and plans for farm succession. It's also helpful to analyze a few of these goals:
 - [Goals Worksheet with SMART goals, HEART goals and a timeline](#) from MSU Organic Farmer Training Program
 - [HRM Goal Analysis](#) from MSU Organic Farmer Training Program and an [In-depth HRM Goal Analysis](#) by Atina Diffley
- **Mission Statement** – defines a company or non-profit through its purpose (the 'why'), strategy (the 'how'), and guiding values
- **SWOT** – Strengths, Weaknesses, Opportunities and Threats
 - [SWOT Analysis Worksheet](#) from SCORE
 - [SWOT Worksheet](#) from MSU Organic Farmer Training Program

[Goals Worksheet](#) from the MSU Organic Farmer Training Program:

Overall Goals	
Year 1 Goals	
Year 2 Goals	
Year 3 Goals	
Long-Term Goals	
Succession Plan (family transfer, sale, worker purchase or builds sweat equity, etc.)	
What questions would you like to answer to inform your goals?	



SECTION 1

Writing a Farm Business Plan

A business plan helps a farmer tell their business story in a way that can drive important decisions such as marketing strategies or which crop to grow, as well as attract investors.

This chapter of the Beginning Farmer Resource and Decision-Making Guide is one of the resources available as you write your plan. There are many resources available to assist with writing a business plan, including:

- [AgPlan](#) from the University of Minnesota
- SARE [Building a Sustainable Business](#) book
- MSU Center for Regional Food Systems – Loan Readiness Toolbox for Food and Farm Businesses [Business Plan Template](#)
- Organic Farmer Training Program – [Farm Plan Template](#)
- Brenda Mae Sharpe of The Foster Patch Farm in Detroit created this [Farm Plan Template](#) and shared her completed [Farm Plan](#)
- [SCORE Business Plan Template for a Startup Business](#)
- Small Business Development Center [Traditional business plan format](#) or [Lean startup format](#)
- Canva – search “business plan” in the [Templates](#) section to choose from many customizable templates
- Artificial Intelligence – Use AI by prompting it to “Write a business plan for a farm in (place) that grows (product mix). Be certain to read and then prompt with new features or edit!”

Writing an Executive Summary

The Executive Summary is a brief overview of your business plan. It highlights the various sections of the plan, e.g., ownership, sales data, and purpose of the plan, e.g., a loan request. **This section should be written last**, allowing you to fill in the information you have developed throughout your plan.

The example below is from the MSU Center for Regional Food Systems [Loan Readiness Toolbox for Food and Farm Businesses](#).

Executive Summary: *[1 – 2 pages - this section should be written last. Include the following details in your summary. Delete the table when you are finished.]*

The Product or Service	The What
The Leadership	<i>The Who</i>
Overall Industry	
Competitors	
Collaborators	
Target Market (customers)	
Future Plans <i>(seeking financing, investment, goal setting)</i>	

Overview and History

In the overview section of your plan, describe your business story. Share information here about why you started your farm, how it is structured, its location, and history.

Business Structure is important to include the legal structure of your business in your plan. State if you operate as a Limited Licensed Corporation, non-profit, or other type of entity. In this section you can also include ownership structure, mentioning if there are more than one owner or any investors.

Location should be included in the Overview section as well. Describe where you are farming and any key attributes to the region, e.g., proximity to a city where you sell your products. A detailed site map can be very helpful as well.

History provides background information that will help readers understand why the farm business exists. Include a description of the owner(s)' background including work experience, especially any experience working on a farm, sales, marketing, and financing. Add details about key accomplishments and any skill sets that make you an effective business owner.

If you started your business to address a certain issue such as improve health, consider including a link to a website that supports your interest, e.g., the reason you farm is to bring healthy foods to your community. You may choose to include a link to "The Center for Good Food Purchasing" to reinforce your reason for farming.

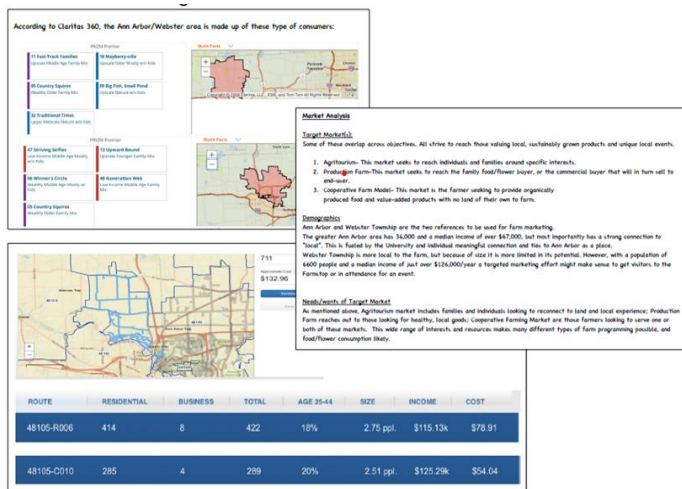


The view from above Green Wagon Farm in Ada, Michigan. Think of your overview as the big picture view of your farm or future farm..

Market Analysis

The Market Analysis section of your plan is especially important to outline how you will learn about your target customer, create a sales strategy, and allocate resources. It usually includes demographic and economic data from the areas where you're selling. But it may focus on commodities price trends if you're a row crop or dairy farmer selling into local, national or global markets. Be sure to commit a good amount of time to develop this section.

Getting to know your markets



Example market research by Carole Caplan at The Farm on Jennings

Doing your own Market Analysis

Listening to your customers is the best market research! Think of feedback as a gift and opportunity, rather than just a complaint or compliment. Now that you know there is a problem, how can you solve it? Now that you know something is appreciated, how can you build on it?

You can use casual conversation, online surveys, a white board with a question, focus groups or dot surveys to get the very best information about your customers and how best to meet their needs.

Online Resources for Market Analysis


- **US Census:** [Quick facts](#)
- [2022 Ag Census County Profiles](#)
- [USDA Food Access Research Atlas](#)
- [USPS Every Door Direct Mail](#)
- **Research your competition and potential collaborators**
 - What is your real competition (Fast food? Busy lives? Farms?)
 - www.localharvest.org
 - [Organic Integrity Database](#)
 - [Taste the Local Difference](#)
 - Visit farmers' markets, co-ops, health food stores, grocers, etc!
 - Google!
- [Michigan Farm to School Map](#) (School food incentive program example)
- Facebook Audience Insights

SWOT Analysis = Strengths, Weaknesses, Opportunities and Threats

Strengths and Weaknesses are internal features of your team, skills, experience, location, land, soils, money, resources, tools, practices, infrastructure, products, etc. **Be sure to list a solution for each weakness.** How can you maximize strengths?

Opportunities and Threats are external factors not fully in your control, like markets, customers, trends, economy, regulations, weather, climate, spray drift, competitors, allies, networks, lenders, etc. **How can you minimize or prepare for each threat?**

The example below is the [SWOT Analysis Worksheet](#) from SCORE.

SCORE

FOR THE LIFE OF YOUR BUSINESS

www.score.org

SWOT Analysis Worksheet

Fill out the fields below and review with a mentor. This information can help you outline goals and strategies for your business and marketing efforts.

	Strengths	Weaknesses	Opportunities	Threats
Product/ Service Offering				
Brand/ Marketing				
Staff/ HR				
Finance				
Operations/ Management				
Market				

Writing a Marketing Plan

Choose your Market Channels – Will you sell through a farmers market, CSA or on-farm store? Or do you prefer wholesale orders with restaurants, grocers or institutions like schools or hospitals? It’s smart to start with one or two market channels in your first season and expand to more channels over time as your capacity grows. The [Market Channel Selector Tool](#) can help you decide what markets to start selling into. Refer to section 1 of the “[Marketing and Selling Your Farm Products](#)” chapter for more information and resources for choosing market channels for your farm products.

Create Marketing Materials – To get the word out about your farm, you’ll probably want a logo, website, social media page and some printed materials like signs or pamphlets. You may also want a newsletter, videos or online store. It’s good if these can tell a story about you and your farm.

Plan for Promotions – It can be helpful to have a plan for marketing each month of the year. Then you’ll start marketing your CSA shares or featured seasonal crops at just the right time.

Remember the 4 P’s of Marketing: 1. Product 2. Price 3. Place 4. Promotion. Ref(some lists also include People and Process). The 4 P’s below are from [Canva](#).

THE 4PS OF MARKETING

Use this table to map out your marketing mix

<div>Product</div> <div>the brand, its features, its packaging</div> <div></div>	<div>Price</div> <div>discounts, bundles, credit terms</div> <div></div>
<div>Promotion</div> <div>print & broadcast ads, social media, email, search engine, video</div> <div></div>	<div>Place</div> <div>physical stores, website, online marketplace</div> <div></div>

Operations

The operations section of a farm business plan might include:

- ☐ Details on the day-to-day management of the farm, e.g., which employee is responsible for each task
- ☐ Inventory management and logistics
- ☐ Site Plan
- ☐ Soil Management Plan
- ☐ Crop and Production Plan
- ☐ Labor Plan

Day-to-Day Operations should be spelled out in your business plan. It helps paint the picture of how your business operates.

Inventory Management and Logistics – Include what inventory you have on-hand, details on your storage capacity, how you fulfill orders, and delivery systems. Mention the equipment you use and land ownership or leases. List barns or other infrastructure, or map them out in your site plan.

Production Plan – Explain in detail how you manage soils, planting, harvesting, seeds, and how you keep track of these details. Explain if you use a computer with Excel spreadsheets or online farm management software. Link to these or attach the Production Plan in the Appendix at the end of your farm business plan.

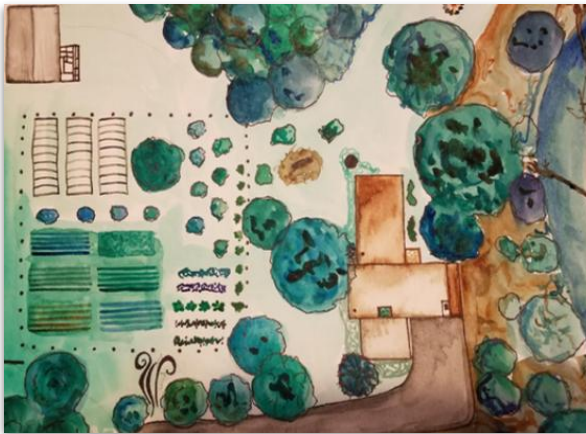
Labor Plan – It is also good to include labor, by listing your employees and their responsibilities. Staffing should also include any consultants you hire, e.g., bookkeepers, marketing firms, etc.



Operations

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- ☐ Soil Management Plan
- ☐ Crop and Production Plan
- ☐ Labor Plan



Example site plan from Pete Imlay of
Rebellious Roots Farm

Site Planning involves learning about your land and then deciding where to place infrastructure, fields, water lines, fences, etc. You can sketch the plan, use a google map or use an online tool. Here are some links to help you learn about your site:

- [Soil Survey Map](#)
- [Topography Map](#)
- [Flood Map](#)
- [Wetland Map](#)

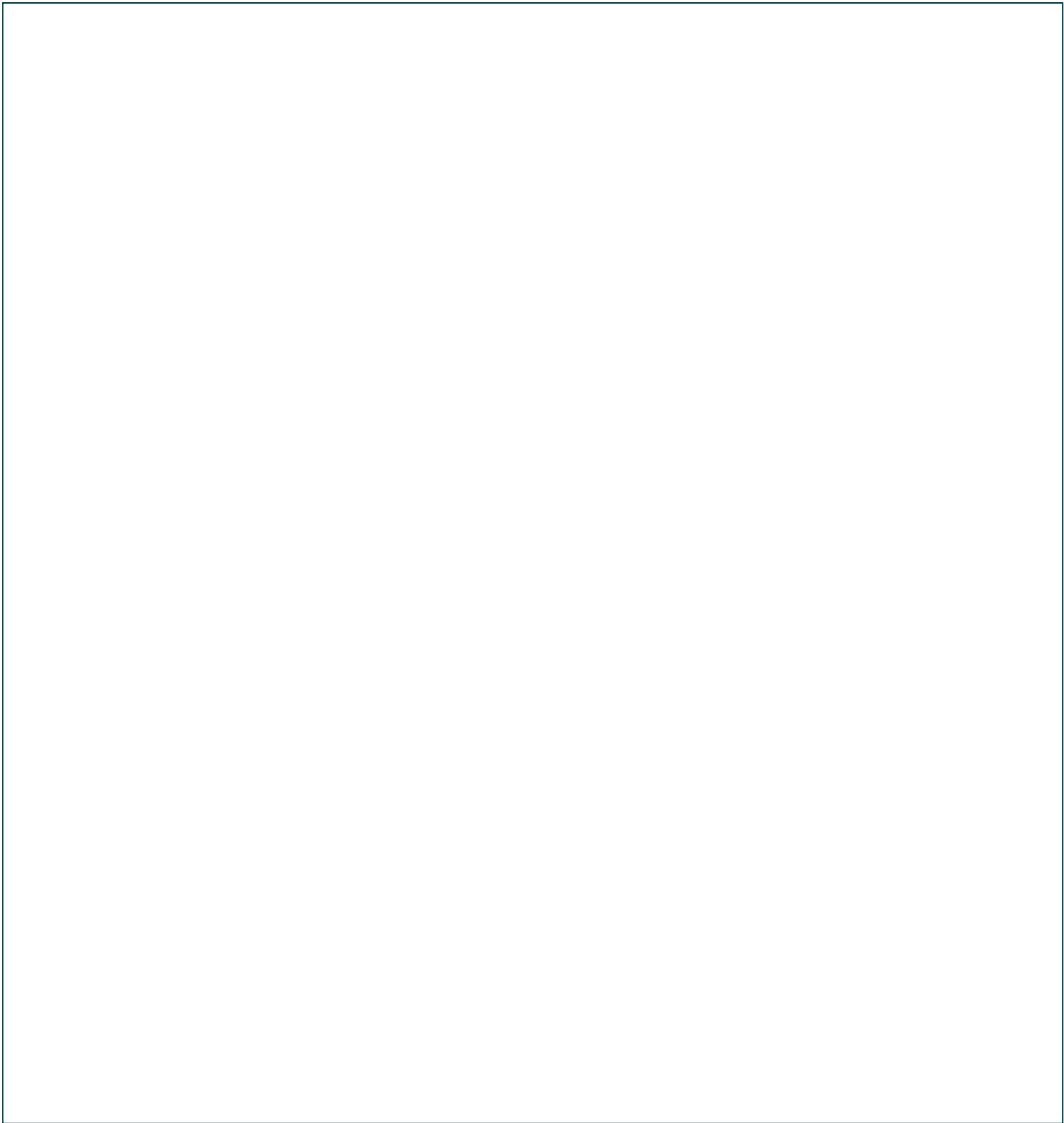
Soil Management Plan includes soil test results as well as plans and records for tillage, fertility, cover crops and soil health. You may also include a soil scorecard, soil survey map or observations about your soil.

Crop and Production Planning varies based on farm type. Livestock farms will have health records for each animal or flock, as well as feed and grazing records. Crop farms will have plans and records for seeds, planting, fertilizers, and pest control, to name a few.

Labor Plans are important to ensure the work of the farm is done well. They can include job descriptions, resumes from the farm team and plans or records for work hours, payroll costs, benefits and payroll. It is also important to include labor values and plans to ensure mental and physical health for farm owners.

Operations: Site Plan

Sketch a site plan below or use a soil map, google map, drone photo, drawing, painting or blank sheet of paper and add fields, barns, hoophouses and other infrastructure by hand or digitally.



Operations: Soil Management

Example soil plan from the MSU Organic Farmer Training Program [Farm Plan template](#)

Soil Improvement & Fertility Plan	
What are soil challenges at this site (lead contamination, erosion, compaction, etc.)	
What Soil improvement techniques would you use?	
What are some advantages and drawbacks of your tillage and soil improvement strategies?	
What cover crops will you grow? When, how and why?	
What is your plan for fertility and amendments?	
Do you need to adjust the pH? How will you do so?	
No-Till Bed Prep Plan –OR– Tillage Plan	
Winter Cover Crop or winter mulch?	
Mow?	
Tillage Step #1	
Tillage Step #2	
Tillage Step #3	
Tillage Step #4	
End of season cover crop?	

Operations: Labor

Example labor planning worksheet from SARE [Building a Sustainable Business](#) book:

Worksheet 4.21 Human Resources Expense Estimates

Use the space below to estimate and record your human resources input expenses for all family members and hired labor. Make these estimates as realistic as possible—use your research about industry standards and tax rates as well as your own compensation goals.

	Position/Job 1	Position/Job 2	Position/Job 3	Position/Job 4
Job title/description				
Name				
Wages/salary/fees (\$/hour)				
Benefits (health care, retirement)				
Taxes				
Insurance (workers compensation)				
Other				
Total labor expenses (a)				
Total hours worked (b)				
Total labor expenses/hour (a) / (b)				

Financial Statements

The financials section of a farm business plan might include:

- ☐ Startup Budget
- ☐ 3-Year Projected Income Statement (aka Profit & Loss)
- ☐ Cash Flow Statement
- ☐ Balance Sheet
- ☐ Enterprise Budgets
- ☐ Resource List
- ☐ Other financial statements as needed, such as loan documents



FAMILY ROOTS FARM

Estimated Start Up Budget Summary

Line Item	Total Estimated Cost
Tillage and Cultivation	\$11,155.00
Propagation and Transplant Production	\$5,378.20
Infrastructure	\$10,500.00
Hoop House and Heating	\$5,586.13
Harvest and Pest Management	\$2,225.18
Irrigation	\$609.00
Marketing and Outreach	\$2,800.00
Staffing and Labor	\$189,587.00
Operations	\$3,750.00
Grand Estimated Total	\$231,590.51

One Time vs. Recurring Cost
Budget Summary Breakdown

Line Items	One Time Cost Estimate	Recurring Cost Estimate
Tillage and Cultivation	\$11,155.00	\$0.00
Propagation and Transplant Production	\$4,131.20	\$1,247.00
Infrastructure	\$2,100.00	\$8,400.00
Hoop House and Heating	\$5,086.13	\$500.00
Harvest and Pest Management	\$1,601.20	\$623.98
Irrigation	\$100.00	\$509.00
Marketing and Outreach	\$0.00	\$2,800.00
Staffing and Labor	\$0.00	\$189,587.00
Operations	\$950.00	\$2,800.00
Total One Time Cost	\$25,123.53	\$206,466.98

Example startup budget from Heidi Bombrisk. Each line links to a detailed expense list by category.

Startup Budget

For new farms or new enterprises, the start-up costs can be high! If your costs exceed your income or savings, you may need to seek more funding and to cut costs. One smart way to reduce expenses in the early years, is to add infrastructure and enterprises over several years.

The startup budget is essential to make certain that you have the needed funds to meet your goals. It can be hard work, but it is much better to see a cash shortfall on a spreadsheet when you still have time to fix the problem.

Here are some useful tools for creating your startup budget:

- MSU Beginning Farmer [Scale of Production Matrix](#)
- MSU Organic Farmer Training Program [Start-up Budget Template](#)
- [Resource Assessment](#) from Michigan Farm Mentors

Income Statements (aka Profit and Loss Statements) add up a year of income, then subtract out annual expenses to show your profit or loss. If you don't have income or expenses yet, you can estimate, look at example Income Statements or wait for more information.

- [MSU Income Statement Template](#)
- [MSU Center for Regional Food Systems](#) Loan Readiness Toolbox for Food and Farm Businesses
- [AgPlan](#)
- Iowa State University Ag Decision Maker [Comprehensive Financial Statements](#)

This Projected Income Statement from SARE [Building a Sustainable Business](#) lets you compare 3 strategies with different income and expenses:

Worksheet

4.33

Long-Range Projected Income Statement

Use the space below to record average income and expenses (variable and fixed costs) for your present business (base plan) and the whole farm strategy alternative you are considering. The base plan should project the average expected future results for your current farm operation. Do this column first based on past history (Worksheet 2.12) and then build on it for each of your alternative strategies using information from your gross sales revenue projections (Worksheet 4.9) and the whole farm cost analysis (Worksheet 4.30). Then, calculate the net farm income for each alternative by subtracting total expenses from total revenue. How do your proposed alternatives compare to your present business income? Remember, when projecting the income for each strategy alternative, assume that your strategy has been fully implemented.

Revenues:		Base Plan	Strategy #1	Strategy #2
Gross product sales				
Cull breeding livestock				
Other income				
Total revenue	(a)			
Expenses:				
Annual variable expenses				
Annual fixed expenses				
Other farm expenses				
Total expenses	(b)			
Net farm income (a - b)				

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- [AgPlan](#) from the University of Minnesota
- [MSU Center for Regional Food Systems](#) Loan Readiness Toolbox for Food and Farm Businesses
- Iowa State University Ag Decision Maker (See Below)
 - [Comprehensive Financial Statements](#)
 - [Cash Flow Statement](#)

[illegible]

Balance Sheets show the value of your farm business. This can be helpful to watch your farm assets grow. It is essential if you're considering selling your farm or on the verge of a farm transition to the next generation.

- [MSU Farm Balance Sheet Template](#)
- [AgPlan](#) from University of Minnesota
- Iowa State University Ag Decision Maker (See Below)
 - [Comprehensive Financial Statements](#)
 - [Balance Sheet](#)

Balance Sheet -- Short Form				Ag Decision Maker File C3-19	
Ag Decision Maker -- Iowa State University Extension and Outreach Information File, C3-19, Understanding Net Worth is available for more information on creating a balance sheet.					
Enter your input values in shaded cells.					
Name			Date		
Assets	Cost Value	Market Value	Liabilities	Market Value	
Current Assets			Current Liabilities		
	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
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	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
Total Current Assets	\$0	\$0	Total Current Liabilities	\$0	
Fixed Assets			Fixed Liabilities		
	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
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	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
	\$0	\$0		\$0	
Total Fixed Assets	\$0	\$0	Total Fixed Liabilities	\$0	
Total Assets	\$0	\$0	Total Liabilities	\$0	
	Cost Value	Market Value			
Net Worth	\$0	\$0	Working Capital	\$0	
Net Worth Last Year	\$0	\$0	Current Ratio	0.00	
Change in Net Worth	\$0	\$0	Debt-to-Asset Ratio	0%	
Version 1.2_22025 Contact: Ann Johanss Original Author: Don Hofstrand Date Printed: 9/20/2025					
			IOWA STATE UNIVERSITY Extension and Outreach		
This institution is an equal opportunity provider. For the full non-discrimination statement or accommodation inquiries, go to www.extension.iastate.edu/legal.					

Enterprise Budgets help you to see whether or not a crop, livestock type or other income stream is profitable or to figure out if a crop you want to try might be profitable. Once you know, you can raise prices, lower costs or drop the crops that lose you money. And you can grow and sell more of the profitable ones.

It sounds complicated, but really you are just **TRACKING EVERY STEP & COST to grow a crop and subtracting it from the sales numbers for that crop.** You can start by writing down all the steps in growing, harvesting, washing, storing and selling a crop. Then you add the costs for supplies and labor hours. Positive numbers are profitable and a negative number shows you are losing money.

If you grow many crops or have many enterprises, you might want to create two new enterprise budgets each year to help you decide which crops to drop and which to expand to more acreage. It can be too much to try to track every crop at once.

There are many excellent examples and templates for enterprise budgets. Note that enterprise budgets differ greatly from farm to farm and depend on the tools you use, your soil type and yields and your unique farm expenses. Richard Wiswall's [Enterprise Budgets from The Organic Farmers Business Handbook](#) is a great place to start, but take time to compare the format and choose a template that works for you:

- [Beekeeping Enterprise Budgets](#)
- [CSA Farm Economic Analysis](#)
- [Cut Flower Enterprise Budgets](#)
- [Grains](#)
- [Livestock](#)
- [Medicinal Herbs](#)
- [Transplants](#)
- [Vegetables and Fruit](#)

See the next page for one example of an enterprise budget.

Enterprise Budgets – Here is an example from the Iowa Fruit and Vegetable Production Budgets, which are available as spreadsheets or PDFs to print and fill in. <https://www.extension.iastate.edu/agdm/crops/html/a1-17.html>

Greens, Salad: 100' x 4' bed						
	QUANTITY	COST PER UNIT	TOTAL	YOUR QUANTITY	YOUR COST PER UNIT	YOUR TOTAL
RECEIPTS						
Greens sales	50 pounds	\$6.00	\$300.00			
TOTAL RECEIPTS			\$300.00			
PLANTING YEAR						
SUPPLIES						
Seed – cover crop	0.75 pounds	\$0.75	\$0.56			
Seed	5 packets	4.50	22.50			
Fertilization	10 pounds	0.35	3.50			
LABOR						
Pre-plant	0.75 hours	14.75	11.06			
Plant/transplant	0.20 hours	14.75	2.95			
Weed/pest management	2.00 hours	14.75	29.50			
Interest on pre-harvest costs (6 months)	\$70.07	5.8%	2.03			
TOTAL PRE-HARVEST COSTS			\$72.10			
HARVEST						
LABOR						
Bags (1 pound)	50 bags	\$0.04	\$2.00			
Harvest labor/packaging	1.50 hours	14.75	22.13			
TOTAL HARVEST COSTS			\$24.13			
TOTAL VARIABLE COSTS						
Per bed			\$96.23			
Per pound			1.92			
OWNERSHIP COSTS (ANNUAL)						
Irrigation system			\$2.38			
Machinery			11.90			
Land			3.13			
TOTAL OWNERSHIP COSTS			\$17.41			
TOTAL COSTS (ANNUAL)						
Per bed			\$113.64			
Per pound			2.27			
ANNUAL RETURNS OVER VARIABLE COSTS			\$203.77			
ANNUAL RETURNS OVER TOTAL COSTS			\$186.36			
Pre-plant labor includes cover crop planting, bed preparation, fertilizer spreading, and irrigation set-up.						
Plant/transplant labor includes planting or transplanting, mulching, trellis or cage set-up if needed.						
Weed/pest management labor includes weeding, applying pest management materials, and pruning if needed.						
Harvest labor includes harvesting, packaging and removal of vines, cages, trellises or other materials from the bed if needed.						

Resource List makes it clear what you have now and what you can access in the future. This might include [money, loans](#), infrastructure, markets, etc. This is helpful when your startup costs are too high. It reminds you that you can rent, borrow or do without some tools for now and that you have a network to answer your questions and help when needed.

Resource List	Farm Name:	
	Resources I have now	Resources I can leverage in the future
Money		
Loans and/or Grants		
Land & Soils		
Infrastructure, buildings, hoop houses		
Wells and Water		
Tools & Equipment		
Skills & Training - Person 1		
Skills & Training - Person 2		
Professional and Social Networks		



SECTION 2

COMMON QUESTIONS

01

Why should I write a farm business plan?

A business plan can be very helpful! **For new farmers**, it can help to make the farm vision more clear and attainable. **For farmers founding a new farm**, it can help you to prioritize phases of the farm build out that you can afford, and help to find markets for selling what you raise. **For farmers seeking loans**, a farm business plan is often required as part of the application process and will need to show that the farmer can make loan payments from farm income or off-farm income. **For multi-generational farms and farm partnerships**, a business plan helps to ensure that everyone is on the same page and can help with farm succession. **For established farms**, a business plan can help to ensure that the farm is financially stable, fits the values and goals of the farmers, and is meeting community needs. For farmers starting a new farm enterprise, the business plan can ensure the stability of current farm operations and increase the chances of success with the new venture.

02

Where can I find examples and templates?

Many organizations offer business plan templates online. Click the links to see the examples below.



- [AgPlan](#) from University of Minnesota
- SARE [Building a Sustainable Business](#) book
- MSU Center for Regional Food Systems – Loan Readiness Toolbox for Food and Farm Businesses [Business Plan Template](#)
- Organic Farmer Training Program – [Farm Plan Template](#)
- SCORE [Business Plan Template for a Startup Business](#)
- Small Business Development Center [Traditional business plan format](#) or [Lean startup format](#)
- Canva
- Artificial Intelligence – Use AI by prompting it to “Write a business plan for a farm in (place) that grows (product mix). Be certain to read and then prompt with new features or edit!”

03

What is important for a business plan when I apply for funding?



An investor or lender typically requires a business plan that includes at least three years of financial projections. The information you share with them helps them understand who you are as a business owner, your farm’s history, and ultimately your ability to repay the loan. When reviewing your plan, a lender will look to understand how you plan to use the funds, market your products, and operate a sustainable business.

04

What are the sections in a farm business plan?



It is important to write each section of your business plan to ensure you consider the concepts needed to run a farm business. The sections to include are:

1. Executive Summary*
2. Overview and History
3. Market Analysis
4. Marketing Plan
5. Operations
6. Financial Statements
7. Other

*People typically write the Executive Summary last, once the other sections are complete. Other than that you can write the other sections in order from two to six, or can write them in the order that makes the most sense to you.



SECTION 3

From Business Plan to Reality

Building farming skills – Hands-on is the best way to learn to farm. Here are some resources, farms and classes where you can build farming skills:

- [MSU Organic Farmer Training Program](#) – Detroit, Lansing, Grand Rapids
- [Michigan Sustainable Farm Jobs & Opportunities](#) listserv
- [Map of Michigan Beginning Farmer Resources](#)
- [Worldwide Opportunities on Organic Farms](#) (WWOOF)
- [MSU Detroit Partnership for Food, Learning and Innovation](#) (DP-FLI)
- [MSU Student Organic Farm](#) – East Lansing
- [MSU Tollgate Farm](#) – Novi
- [Keep Growing Detroit](#) – Flint
- [Growing Hope](#) – Ypsilanti
- [Edible Flint](#) – Flint
- [Allen Neighborhood Center Hunter Park GardenHouse](#) – Lansing
- [MSU Institute for Agricultural Technology \(IAT\)](#) – [11 locations](#) and [15 degrees](#)
- [Beginning Farmer Curriculum](#)

Who can help with the business skills I need?

- [MSU DEMaND](#) videos, bulletins and webinars
- [MSU Farm Business Management team](#)
- [Greenstone CultivateGrowth program](#)
- [SBA – Small Business Administration](#)
- [Small Business Development Center \(SBDC\)](#)
- [GROW – Grand Rapids Opportunities for Women](#)
- [Michigan Good Food Fund](#)

From Business Plan to Reality

Loans help farmers – Applying for financing can be intimidating! But there are lending programs set up specifically to support farm businesses start or expand your business.

Most loans require a farm business plan and/or off-farm income to ensure loan payments can be paid. Using the Business Planning Chapter of the Beginning Farmer Decision Guide can help you create a vision and goals for your farm and help you be ready if the time comes to apply for financing. Find a list of lenders under **Resources** on the next page.



Keep Growing Detroit helps farmers in Detroit to access NRCS-EQIP funding to build high tunnels. They also provide transplants to over 2,200 farms, gardens and community gardens in the city.

Grants fund projects on farms.... ... It's not free money for farms!

Most grants are very competitive! Grants usually require you to create something useful for the community, beyond your farm..

- [Greenstone Cultivate Growth Grants](#)
- Natural Resource Conservation Service (NRCS) [EQIP](#) and [CSP](#) programs fund on-farm conservation – [Find your local office](#)
- [Detroit Black Farmer Land Fund](#)
- MSU Center for Regional Food Systems [Funding Sources for Food Related Businesses](#)

Mentors advise farmers

- [Transition to Organic Partnership Program](#) – For farmers transitioning to organic
- [Cultivate Growth Mentorship Program](#) – For Michigan farmers
- [SCORE business mentor matching](#) – For all business types
- [Begin Farming Mentorship Program](#) – For Midwest farmers with less than 10 years farming experience
- [Farmer-to-Farmer Mentoring Program](#) – For Midwest farmers with at least one year of farming experience
- [Michigan Sheep Breeders Association Mentor](#) – For farmers raising sheep
- [Michigan Beekeeping Clubs](#) – Find a mentor through your local beekeeping club



RESOURCES & PARTNERS

Loans & Grants for Farmers

MSU Center for Regional Food Systems [Loan Readiness Toolbox for Food and Farm Businesses](#) resources

- o [Business plan template](#)
- o Business plan [example](#)
- o Financial document [templates and examples](#)
- [NSAC Farm Bill Programs and Grants](#)
- Grants for Farmers – [list](#) and [article](#)

Lenders

USDA Farm Service Agency (FSA)

- [Loan Assistance Tool](#) and [FSA Loan Interest Rates](#)
- FSA micro-loans under \$50,000 require 1 year of farm or leadership experience
- FSA Direct Farm Ownership loans over \$50,000 require 3 years of farm management experience including financial, production and marketing decisions
- [Greenstone Farm Credit Services](#)
- [Michigan Good Food Fund](#)
- [Kiva US Loans](#) – 0% interest, crowdfunding loans up to \$15,000
- Personal loans – be sure to get this in writing!

Also see the [Financing](#) section of the General Chapter of this guide.

Farm Plan Templates

Many organizations offer business plan templates online. Click the links to see the examples below.

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- Artificial Intelligence – Use AI by prompting it to “Write a business plan for a farm in (place) that grows (product mix). Be certain to read and then prompt with new features or edit!

Goal-Setting Resources

- [Goals Worksheet with SMART goals, HEART goals and a timeline](#) from MSU Organic Farmer Training Program
- [HRM Goal Analysis](#) from MSU Organic Farmer Training Program
- [In-depth HRM Goal Analysis](#) by Atina Diffley

SWOT Analysis

- [SWOT Analysis Worksheet](#) from SCORE
- [SWOT Worksheet](#) from MSU Organic Farmer Training Program

Online Resources for Market Analysis

- **US Census:** [Quick facts](#)
- [2022 Ag Census County Profiles](#)
- [USDA Food Access Research Atlas](#)
- [USPS Every Door Direct Mail](#)
- **Research your competition and potential collaborators**
 - What is your real competition (fast food? Busy lives? Farms?)
 - www.localharvest.org
 - [Organic Integrity Database](#)
 - [Taste the Local Difference](#)
 - Visit farmers' markets, co-ops, health food stores, grocers, etc!
 - Google!
- [Michigan Farm to School Map](#) (10 cents a meal)
- Facebook Audience Insights

Site Planning

- [Soil Survey Map](#)
- [Topography Map](#)
- [Flood Map](#)
- [Wetland Map](#)

Crop Planning Tools

- [Crop Template](#) from the MSU Upper Peninsula Research and Extension Center.
- [Seedtime](#)
- [Tend](#)
- **For vegetables**
 - [Northeast Crop Production Manual](#)
 - [Northeast Harvest Manual](#)
- **For row crops**
 - [OGrain Compass](#)
 - [MSU Grain Marketing Plan Template](#)
 - [U of Minnesota Grain Marketing Plans](#)
 - [Kentucky Grain Marketing Plans](#)
- **For livestock**, try the
- **For beekeeping**, planning tools might be

Start-up Budgets

- MSU Beginning Farmer [Scale of Production Matrix](#)
- MSU Organic Farmer Training Program [Start-up Budget Template](#)
- [Resource Assessment](#) from Michigan Farm Mentors

Income Statements

- [MSU Income Statement Template](#)
- [MSU Center for Regional Food Systems](#) Loan Readiness Toolbox for Food and Farm Businesses
- [AgPlan](#)
- Iowa State University Ag Decision Maker [Comprehensive Financial Statements](#)
- Projected Income Statement on page 223 of the SARE [Building a Sustainable Business](#) book

Cash Flow Statements

- [AgPlan](#) from the University of Minnesota
- [MSU Center for Regional Food Systems](#) Loan Readiness Toolbox for Food and Farm Businesses
- Iowa State University Ag Decision Maker
 - [Comprehensive Financial Statements](#)
 - [Cash Flow Statement](#)

Balance Sheets

- [MSU Farm Balance Sheet Template](#)
- [AgPlan](#) from University of Minnesota
- Iowa State University Ag Decision Maker
 - [Comprehensive Financial Statements](#)
 - [Balance Sheet](#)

Enterprise Budgets

- [Enterprise Budgets from The Organic Farmers Business Handbook](#)
- [Iowa Fruit and Vegetable Production Budgets](#)
- [Beekeeping Enterprise Budgets](#)
- [CSA Farm Economic Analysis](#)
- [Cut Flower Enterprise Budgets](#)
- [Grains](#)
- [Livestock](#)
- [Medicinal Herbs](#)
- [Transplants](#)
- [Vegetables and Fruit](#)

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