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## *Farm Business Planning*

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Planning is essential to any business, no matter how large or small its inventory, payroll, and bank account. To be successful, farm operators must know their current position and future plans. Thinking about your plans is not enough! Taking time to formulate ideas, evaluate your business, devise a strategy, and anticipate possible problems will help your business be successful. Write it down.

### *Parts of a Business Plan*

- Executive Summary - a one page summary of the business including pieces of each section below. It goes first in the plan but should be written when all of the other parts are complete.
- Mission and Goals - a clear mission to why the business exists and a listing of short term and long term goals of the business.
- Background Information - a summary of your history and farm history and how the business was created.
- Farm Strategy - this is a process to make decisions on what your enterprise is and how you will reach your customer.
- Marketing Strategy and Plan - the marketing plan will detail your product mix and how you will get that product in the hands of the consumer.
- Enterprise Budgeting - this is a listing of the expected income and expenses per enterprise.
- Financial Plan - provides a detailed listing of the balance sheet (assets and liabilities), cash flow (income and expenses) and income statement (income, depreciation, inventory and expenses).
- Management Plan - includes details of how the work will get done and responsibilities within the business.
- Implementation Strategy - creates a plan on how the business will start and operate.
- Exit Strategy - this is a strategy that can be used if the business is not performing as expected.
- Resource Inventory - a detailed listing for equipment and resources used by the farm.
- Appendix - a place to attach contracts, lease agreements and other documents that may support the business plan.

For details and examples on writing a business plan check out the Farm Business Plan Workbook and Case Studies <https://extension.umd.edu//mredc/business-modules/farm-business-planning-workbook>.