Developing a Business Plan for Farms and Rural Businesses: Training for New and Beginning Farmers and Entrepreneurs

MODULE 2.3: WHAT RESOURCES DO YOU HAVE? Current Situation – Operations

Online Training Program for New & Beginning Farmers and Agricultural Entrepreneurs

Cooperative Extension Programs Florida A&M University

New & Beginning Farmers Training Program
Funded by Beginning Farmers & Ranchers Development Grant Program (USDA NIFA)
*Adapted from Building a Sustainable Business: A Planning Guide for Farmers and Rural Business Owners (MN Institute for Sustainable Agriculture & The Sustainable Agriculture Network)
MODULE 2.3: Farm History and Current Situation

What Resources Do You Have?

✔ Prepare a brief history of your family, farm and business.

✔ Conduct a SWOT analysis.

✔ Assess your current situation in:
  ✔ **Marketing** – product, customers, unique features, distribution, pricing, promotion, anticipated changes
  
  ✔ **Operations** – physical resources, production systems, management systems
    ▪ **Human Resources** – work force, unique skills, anticipated changes
    ▪ **Finances** – needs, performance, risk, financial environment and anticipated changes

☐ Conduct a whole farm SWOT analysis.

☐ Prepare the History and Current Situation section of your Business Plan.
Assess the resources available to farm business operation and the enterprises using those resources.

- **Resources**: What physical resources are available?
- **Production**: What production systems are being (will be) used?
- **Management**: What management system is (will need to be) in place to support the farm business?
What physical resources are available?

- Physical resources include:
  - Land
  - Buildings and other structures
  - Machinery and equipment
  - Breeding livestock & poultry

- Physical resources are tangible assets you use to produce the products.

- The quantity and quality of physical resources affect the current operation and influence future opportunities.

- It is also important to acknowledge any institutional restrictions on the use of physical resources, such as:
  - Long-term leases
  - Easements
  - Conservation agreements or other arrangements

Use Worksheets 6 & 7 below to list and describe the physical assets and institutional considerations of the farm operation.
What production systems are being (will be) used?

- Describe the current production systems that are (will) use the resources in order to produce the product.

- Production systems include:
  - Enterprise rotations
  - Timing of operations
  - Machinery and inputs used
  - Quantity of production
  - How products are stored, processed and delivered to market

CROP AND LIVESTOCK PRODUCTION
- Think through the sequence of activities involved, noting the machinery used, inputs used and labor requirements.
- Describe activities that take place by period of the year

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Production Systems (cont.)

- Some enterprises may complement other parts of the operation, such as:
  - Feed crops produced for livestock
  - Use of manure from livestock as an input for crop enterprise(s)

- Think about individual enterprises and the annual calendar of activities

- Consider whether you are using physical resources efficiently.

- Sound management practices and information contained in good production records are important resources for the farm operation.

- Reviewing production records can help identify problems before they come become serious (controlling costs and increasing production).