



FACT SHEET # 8

Constructing Your Small Farm Business Plan

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You can think of building your small farm business plan like constructing a building. Any good builder will tell you that you need knowledge of the land on which you are building, a solid foundation, a sturdy framework, the right tools, and a plan for maintenance. You will incorporate each of these elements into the construction of your business plan. This fact sheet is an outline of the purpose and elements of your small farm business plan.

What is a business plan?

“A business plan is a detailed written document that will help you manage your farm in the short term and the long term. It is an organized collection of all the important ideas you have for running your farm” (Maryland Cooperative Extension, n.d.).

Why construct a business plan?

- A plan will help to evaluate operations and production methods and opportunities on your small farm.
- A plan will also help you identify your current market as well as future opportunities.
- A written plan will help you to communicate your ideas and goals to employees, stakeholders, your family, and business partners (Minnesota Institute for Sustainable Agriculture [MISA], 2003).
- Finally, a business plan will help you develop and pursue both short and long term goals (Wysocki, 2006).

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What are the components of a small farm business plan?

1. The Foundation: Identifying Your Values
 - a. Your values are the foundation for the decisions, mission, and goals for your small farm. Once you have identified your values, you can construct your business plan, your business mission, and your short and long term goals according to what is most important to you.
2. Surveying the Land: Assessing Your Current Situation
 - a. You must base your goals and plans on the history and current situation of your small farm. Your ultimate goals must have a starting point that is based on fact and the reality of your current situation.
3. Building Your Framework: Your Mission, and Goals
 - a. Your mission and goals act as the framework for your small farm and your business plan. These components of your business plan will help you to determine the purpose of your farm, and your vision for your farm, both in the immediate future and long term.
4. Gathering the Right Tools: Strategic Planning and Evaluation
 - a. In order to determine which tools are right for the job, you must develop specific strategies for marketing, operations, human resources, and finances. In addition, you should be prepared to evaluate each of these strategies.
5. Planning for Maintenance: Presenting, Implementing, and Monitoring
 - a. At this point, you have examined the land, built your foundation and framework, and identified the needed tools. Now, you can put it all together in a way that is future-focused. You will pull together all of these resources to write up your business plan in one document. After you begin implementing your plan, you must constantly re-visit and maintain your document.

References

Maryland Cooperative Extension. (n.d.). *Small farm business plan*. College Park, MD: University of Maryland.

Minnesota Institute for Sustainable Agriculture. (2003). *Building a sustainable business: A guide to developing a business plan for farms and rural businesses*. Beltsville, MD: The Sustainable Agriculture Network.

***Wysocki, A. F. (2006, May). *Helping your small farmers develop a business plan*. Small Farms In-Service Training, delivered May 18, 2006.