

# Putting Together a Business Plan for Your Organic Farm

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## Business Plan

- Identify your problems and outline your options
- Convince others to fund your business
- Serve as an operating guide



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# Business Plan Outline

- Coversheet
- Executive Summary
- Table of Contents
- Business Description
- Production
- Marketing
- Finance
- Management and Personnel
- Supporting Information



# Calculating Your Cost of Production

- Your cost of production is your minimum selling price



# Identifying Costs

- Variable costs
- Overhead / fixed costs



# Variable Costs

- Form 1 Pricing the Production Process I
- Form 2 Pricing the Production Process II



## Overhead / Fixed Costs

- Form 3 Overhead Cost
- Form 4 Schedule for an Average Week
- Form 5 Cost of Your “Unpaid” Labor
- Form 6 Cost of Others “Unpaid” Labor



## Cost of Production

- Form 7 Total Cost of Production



# Putting Together a Marketing Strategy

- Customer
- Competition
- Strategy



# Your Customer

- Describe them (quantitative)
- Learn why they buy your product (qualitative)



# Your Competition

- Strengths
- Weaknesses



# Your Strategy

- Price
- Place
- Promotion
- Product



# Managing Your Finances

- Financial Statements
- Analysis



# Financial Statement

- Balance Sheet
- Income Statement
- Cash Flow Budget



# Balance Sheet

Assets = Liabilities + Net Worth



# Assets

- Current
- Intermediate
- Long-term (Fixed)



# Liabilities

- Current
- Intermediate
- Long-term (Fixed)



# Income Statement

- Revenues and expenses that flow through the business are summarized



# Cash Flow Budget

Cash In  
Minus  
Cash Out



# Financial Analysis

- Break-even
- Ratio



## Break-even

- Cost of production figure calculated here is break-even cost per unit



## Ratios

- Liquidity
- Solvency
- Profitability
- Financial Efficiency

