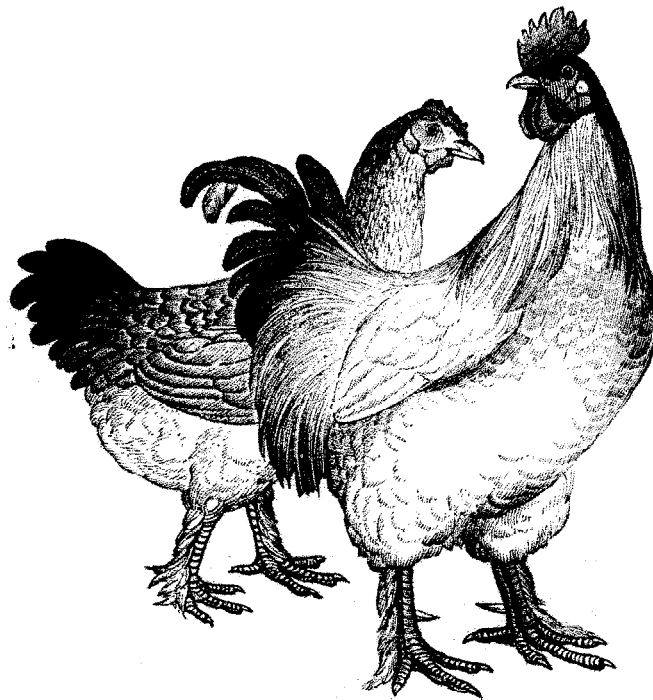


Preparing a Business Plan

A Guide for Agricultural Producers



Agriculture and
Agri-Food Canada
Agriculture et
Agro-alimentaire Canada



Province of
British Columbia
Ministry of Agriculture,
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Preface

Managing an agriculture business in the 1990's and beyond will be more complex with good planning skills becoming increasingly important. As farming becomes more capital intensive, margins narrow and the adoption of rapidly changing technology becomes the norm, planning techniques which are used in other businesses must be applied to agriculture. One of these planning techniques is preparing a formal business plan. A formal business plan integrates written goals with marketing, production and financial targets into a management strategy for the business along with identifying human resource requirements. Other factors such as increased environmental awareness and the globalization of agriculture emphasize the need for effective planning at the farm level.

The purpose of this publication is to provide farmers with business planning information and a format for developing a business plan for his or her farm business. While information and sample business plans are available for non-farm businesses, examples of business plans for farms are hard to find. Each farm business is unique in terms of physical characteristics, income level and people involved in owning and operating the farm. This publication will provide a good starting point to assist farm managers to prepare formal business plans for their own operation.

Terry Peterson, Director
Farm Management Branch
Ministry of Agriculture and Fisheries

INTRODUCTION



Preparing a Business Plan is a guide for producers in British Columbia. It will show you what a business plan looks like and be a guide for you in preparing one.

The importance of planning in business and agriculture cannot be overestimated. By developing a sound, carefully thought out business plan, you take the most important step toward reaching your goal — a business that's sustainable and profitable.

How to Use This Manual

The manual gives you the necessary information to prepare your own business plan. Expansion from a 20,000 bird to a 40,000 bird broiler farm, representative of commercial chicken production in BC, is used as an example. Throughout the manual, we describe what should go into each section of your business plan and this is followed immediately by an example. Working through the manual will aid you in completing your own business plan. A glossary is included to explain the financial terms in the manual.

In order to complete your own business plan, you will need to research and identify those factors, unique to your commodity, which you feel are critical to the success of your venture. This example gives you a framework; you must supply the details which apply to your own operation.

If You Need More Information

If you need more information, contact your nearest BC Ministry of Agriculture, Fisheries and Food (BCMAFF) district office, Ministry commodity specialists or the Farm Management Branch. BCMAFF provides a wide range of fact sheets and worksheets such as the *Planning For Profit* gross margin budgets and planning packages.

