
The Production Plan

1. Land, Buildings and Facilities

The sample form describes the production facilities at Central Valley Greenhouses. The buildings and improvements are detailed to illustrate the kind of thinking you will first need to do when planning your facility. In the case of Central Valley Greenhouses, a greenhouse and packing area are needed. Although not shown, a key part of your facility planning should be a layout, drawn to scale. This will help ensure that you have chosen the right facility and will help you to estimate any facility improvements that may be required.

2. Equipment

The next sample form describes the equipment purchases carried out by Central Valley Greenhouses. To prepare your equipment requirements you will need to think carefully about how you plan to grow your products. If possible talk with people already in the same business to see what equipment they use. Or talk to suppliers of equipment and get their feedback on what you will require. When obtaining cost information, be sure that freight, installation, warranty services and taxes are included or excluded from the prices you are quoted. Also check on lead times for delivery once you have placed your order. Start researching your equipment well in advance of the time you will need it to allow enough time to select equipment and suppliers and to place orders.

Land, Buildings and Facilities Example

Location:	Aldergrove	
Description:	Greenhouse Vegetable Production Facility	
Size:	10000 square metres	
Owned or leased:	Owned	
Buildings and improvements:	Greenhouse	\$560,000
	Packing area/Boiler room	\$ 60,000
	Land (incl. servicing)	\$225,000
	TOTAL	\$845,000

Equipment Example

	Description	Cost
1.	Heating and climate control	\$265,000
2.	Irrigation system	40,000
3.	Recycling system	7,000
4.	CO ₂ distribution system	10,000
5.	Auxiliary power	25,000
6.	Spray equipment	3,500
7.	Scales, meters and tools	4,500
8.	Pallet jacks	1,500
9.	Electric Carts (4)	16,000
10.	Truck	20,000
	Total	\$392,000
	Total Capital Purchases	\$1,237,000

3. Materials and Supplies

You will need to research your material requirements in much the same way as you have your equipment need. To do this properly you'll likely need to prepare detailed lists for the product you plan to grow or produce, and then calculate the input you will need. Keep your supporting data on how you calculate this information on file in the informal business plan for future use. The sample form illustrate some of the materials required for Central Valley Greenhouses. You'll also need to know which suppliers you plan to order from, the typical order and delivery cycle, terms and conditions of sale and policies about returned or damaged goods.

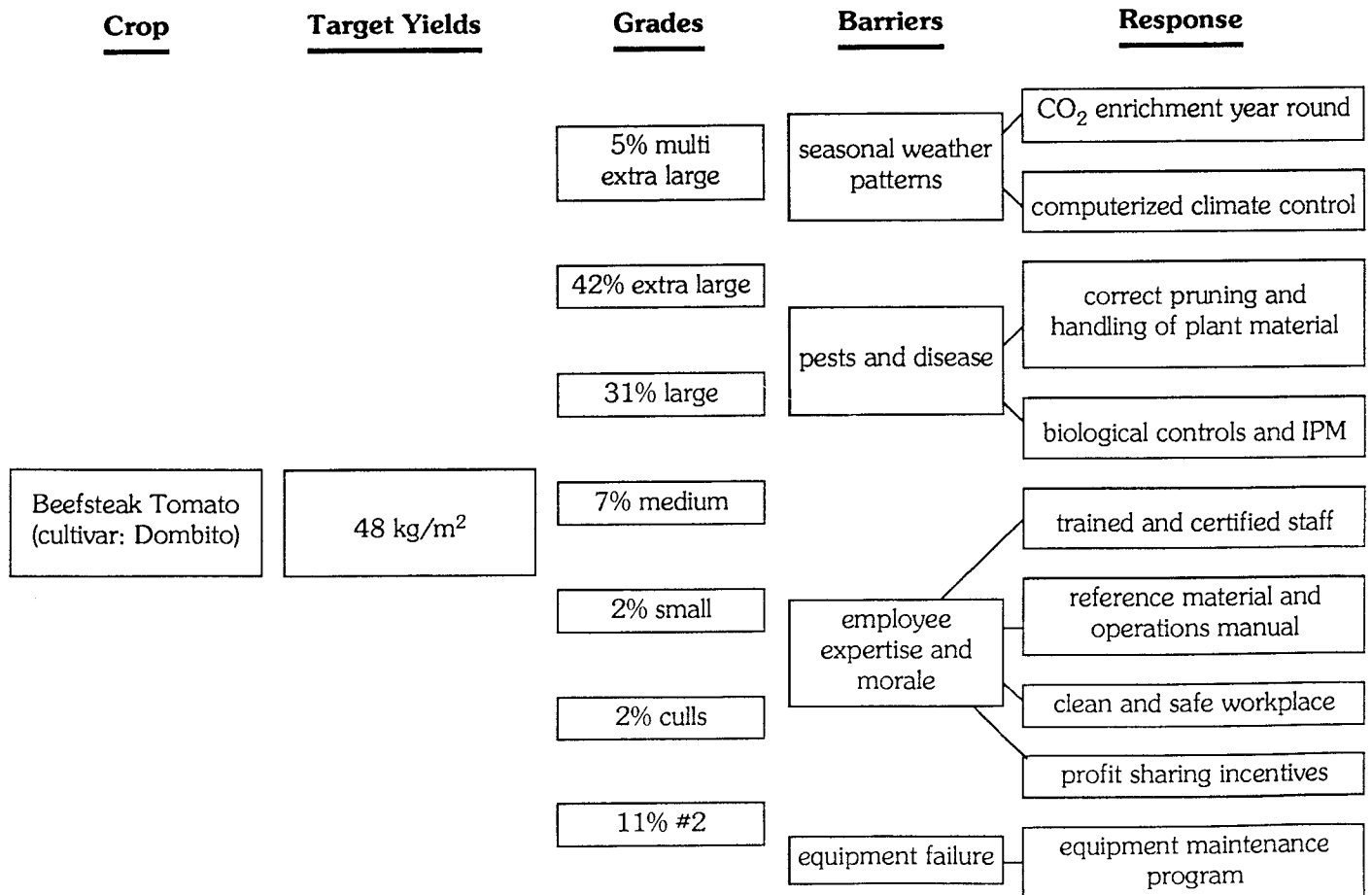
4. Production Strategies

You will need to carefully research and thoroughly understand the crop which you are planning to grow, the production system you will be using as well as how avoid potential problems. This information then can be used to develop plans to optimize yield, fruit sizes and quality through the appropriate production and labour management activities.

Materials and Supplies Example

Description	Annual Requirement	Total Cost (\$)	Supplier	Order Lead Time
sawdust bags	12,500	4,000	WT Wood Products, AG Plastics	26 weeks
biological pest control agents	26 shipments	15,000	Western Bio-Tech	standing order
grafted tomato plants 5 weeks old	25,000	52,000	G. and C. Propagators	26 weeks

Production Strategies Example





5. Construction/Production Schedule

When new construction or major changes are planned, a construction schedule outlining the necessary steps as well as expected starting and completing dates are useful. Attention should be given to permits and licensing and contracts, as well as delivery and equipment manufacturing schedules. Schedules for when raw material will have to be ordered plus when production and sales are expected to start should be developed.

In our example, Central Valley Greenhouses have charted a schedule spanning a 33-week period.

