What is business planning?

Is the action of documenting the potential sustainability of a business in the short or long term and the return of investment.

• Is a guide for the owner to implement a business idea.

What is a Business plan?

A Business document that helps producers demonstrate that they have fully researched a business idea.

If you borrow money

you have the ability to......

Pay....
Step 1. Values

**Identify your own values**
- Personal Values
- Economic Values
- Environmental Value
- Community Values

**Common Values**
- Human Health
- Animal Health
- Financial Stability

“**When your values are clear to you, making decisions make easier**”
Step 2. Brief History of your business

Understanding your farm operation’s history and current situation. Evaluate alternative strategies for your farm and your effort to persuade others:

• Business is sustainable
• Real

Step 2. Assess your current situation

Marketing Situation

Product
What is our product or service?
Customer
What Market do we serve?
Unique features
What are the unique feature that distinguish our product?
Distribution
Pricing
Promotion
Market and Industry

What is the actual Goat Operation Market?

• Other?
Primary Meat Goat Customers

Foreign-born U.S. citizens from:
The Middle East
Southeast Asia
Africa
Mexico
Western Europe
Caribbean (Spencer, 2008).
Current Market Assessment

1) Product/service: Meat, Milk, Education, Entertainment, Fiber
2) Market Served: Geographic/Customer Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>On-Farm</th>
<th>Farmer/Market</th>
<th>Special Events/Auction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Potential # of customers</td>
<td>?</td>
<td>?</td>
<td></td>
</tr>
<tr>
<td>2. Current # of customers</td>
<td>400</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>3. Current Sales</td>
<td>$43,600</td>
<td>$1500</td>
<td></td>
</tr>
<tr>
<td>4. Current sales per Customer (3/2)</td>
<td>$109</td>
<td>60/year</td>
<td></td>
</tr>
<tr>
<td>5. Potential Sales Volume (1*4)</td>
<td>?</td>
<td>?</td>
<td></td>
</tr>
</tbody>
</table>

Unique Characteristic

Characteristic: Milk quality (SCC), volumen, Fat, Grass Fed/organic/weight (>30<50>50)  
Segment: Both

Characteristic: Locally produced  
Segment: Both
Distribution Channels

Logistics: Customers come to farm; we deliver to farmer market once a week.

Market Location: On-Farm and in Tampa Bay Saturday Farmer Market

Market intermediaries: None

Marketing Cost (transportation, labor, spoilage, Price discount for intermediaries)
  - Farmer Market stall space fee = monthly payment
  - Labor for market related travel and staffing = hours/week
  - Labor for on-farm sales = hour/week

Pricing

Market Price and variation ranges
  - Price relative for competitor
  - Our Power to set Price: _____ low _____ some _____ high
  - Demand Sensitivity to Price Changes: ___ low ____ some _____ High

Promotions
  - Newspaper, Social Media (FB, INSTA, Snap), Brochures, Word of mouth, mailing brochure.

Changing market condition:
  - Regulations, Demand, catastrophic event, hear the business, Resources

Assess your current situation

<table>
<thead>
<tr>
<th>Building/ permanent structures</th>
<th>Size</th>
<th>Capacity</th>
<th>Condition</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milking Parlor</td>
<td>160</td>
<td>Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calving shed</td>
<td>80 goats</td>
<td>Fair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machine shed</td>
<td>Bad</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales shed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pen</td>
<td>50 goats</td>
<td>Bad</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Machinery and equipment</th>
<th>Size model</th>
<th>Capacity</th>
<th>Condition</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tractor</td>
<td>HP</td>
<td>Fair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swather</td>
<td>12 foot</td>
<td>Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spray</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooler</td>
<td></td>
<td>40 cub ft</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freezer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pick-up</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drill</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disc Mower</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Assess your current situation

<table>
<thead>
<tr>
<th>Livestock equipment</th>
<th>Size</th>
<th>Capacity</th>
<th>Condition</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trailer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manure Spreader</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skid Loader</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freezer truck</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Breeding Livestock (How much is your production yearly)

- **100 Dairy goat** in Good Condition. Average annual production is 4,313 pounds per goat, which is good for grass-based dairy production.
- **100 Meat goat** 5,000 pounds per acre

Working Capital

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Loans</td>
</tr>
<tr>
<td>Short term investments</td>
<td>Car</td>
</tr>
<tr>
<td>Inventory</td>
<td>Tractor</td>
</tr>
<tr>
<td>Insurance</td>
<td>Land</td>
</tr>
</tbody>
</table>

Whole Farm SWOT Analysis

- **Strengths**
- **Opportunities**
- **Weakness**
- **Threats**
Step 3. Where do you want to go?
- Vision
- Mission
- Goals

Step 4. What routes can you take to get where you want to go?
Strategic planning and evaluation
- Business Strategy
- Markets
- Product
- Competition
- Distribution

Step 5. Implementation and monitoring your business Plan
Organizing and writing your business plan
- Implementation and Monitoring
- Make a "TO DO LIST"
- Monitoring Checkpoints
- Maintain Records
- Review Progress

Fixed cost
- Rent
- Building
- Machinery
- Fences
- Pen

Variable cost
- Vary with the output
  - Materials in Production
  - Power
  - Water
  - Disinfectant
  - Towels
  - Teat seller
  - Feed and supplement
  - Hay, concentrate
  - Hay
  - Labor
Production costs – Factor in your efforts

<table>
<thead>
<tr>
<th>Labor description</th>
<th>Number of Goats</th>
<th>Number of employees</th>
<th>Hours</th>
<th>Estimate cost/ hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milking goats</td>
<td>25</td>
<td>?</td>
<td>1</td>
<td>7.25</td>
</tr>
<tr>
<td>Set-up clean-up</td>
<td>?</td>
<td>0.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manure handling and bedding</td>
<td>?</td>
<td>0.41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breeding 2 times</td>
<td>?</td>
<td>0.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feeding hay and grain</td>
<td>?</td>
<td>.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heat detection</td>
<td>?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>?</td>
<td>3.23</td>
<td></td>
<td>23.41</td>
</tr>
</tbody>
</table>

Summary

Business Plan
- Tangible internal document
- Is flexible guide to the owner
- Is a tool for make business decisions

Components of a Business Plan:
- Executive Summary
- Business Description
- Estimation of profit
- Assess current, mid and long term position
- Marketing strategies