



## Business Plan Checklist

### Notes on Completing the Business Plan:

- This is a 5-Year Business Plan with 3-year financial projections.
- Tailor the plan to the farm for which you are applying. *If you are applying as a general applicant and not for a particular property, you will be given the opportunity to revise your application later.*)
- The business plan must include all the sections in the checklist below. If sections do not seem applicable to your proposal, explain why they are not applicable. **Incomplete business plans will not be reviewed and the application will be considered incomplete.**
- Our checklist is compatible with the Practical Farmers of Iowa Savings Incentives Program (SIP) but includes additional categories. **Items highlighted in gray are required by SILT but not included in the SIP checklist.**
- Helpful resources:
  - **Practical Farmers of Iowa's Savings Incentive Program [Business Plan Checklist](#)** refers to helpful worksheets from [Building a Sustainable Business](#), a SARE publication available for free download. The SIP Business Plan checklist is at [silt.org](#)
  - [Fearless Farm Finances](#), a MOSES publication for understanding financials.
  - [Iowa State University Ag Decision Maker](#) has enterprise budgets and helpful information.
  - [Monthly Cash-Flow Template](#) by Paul Dietmann of Badgerland Financial. Available at [silt.org](#).

### THE BUSINESS PLAN CHECKLIST:

- Cover page** - Include contact information and farm name, date submitted and any logos, or images.
- Table of Contents**
- Executive Summary**- Provide a quick overview of the entire business plan.
- Advisory team** - List and briefly describe your business' strategic partners and mentors and what they bring to your farm business development.
- Farm background**
  - i. **Brief history** of your related farm experience

ii. **Brief SWOT (Strengths, Weaknesses Opportunities and Threats) analysis** of your current farm situation

- Mission-** In a few sentences, explain the purpose of your business.
- Vision-** Describe your farm 20 years from now.
- Goals-** Share your “SMART” (Specific, Measurable, Achievable, Results-focused, and Time-Bound) business goals for years 1, 2, and 5. .
- Markets-**
  - i. **Market assessment-** Explain the existing market landscape for your product. Who buys it? Who are your competitors? Where is your product or products like it sold and purchased?
  - ii. **Sales plan-** How will you sell your products? How will differentiate your products from competitors? Who are your customers? Where will you sell your products and how will you price them?
  - iii. **Promotion-** What creative measures will you take to reach your potential customers?
- Operations-**
  - i. **Production systems-** How would you produce your products? What will your production schedule be?
  - ii. **Handling systems-** How will you clean, process, and store your products?
  - iii. **Personnel-** Who will be involved in your business operations and what roles will they play?  
**Resources-** What physical resources do you have, (including what the farm provides) and what do you still need?
- Risk Management**
  - i. **Regulations and Certifications** What regulations must your business meet? What voluntary certifications will you participate in? How will you meet standards or requirements?
  - ii. **Business Structure-** What legal business structure will you choose for your farm? (i.e. a sole-proprietorship, partnership, LLC, cooperative etc.)
  - iii. **Liability-** What types of liability will you have on your farm? How will you mitigate those?
- Personal Finances**
  - i. **Current Balance Sheet-** What assets and liabilities (debts) do you currently have?
  - ii. **Annual Household Living Expenses-** What are your annual living expenses? Project your living expenses while farming.
- Farm Finances**
  - i. **Start-up/Transition Costs-** What resources and infrastructure will you need to start, move, or expand a business to this farm. What funding or financing sources do you plan to use?

- ii. **Enterprise Budget(s)**- - Breakdown the production costs and returns for your enterprise (or enterprises). You may use any source; [Iowa State University's Ag Decision Maker](#) is a good resource.
  - iii. **Projected Annual Whole Farm Operating Expenses** for first 3 years.
  - iv. **Projected Annual Farm Income Statements** for first 3 years.
  - v. **Projected Balance Sheet** for first 3 years. Include non-farm income and liabilities (and designate it as such) and household living withdrawals, to calculate your total household earned net worth change. Include any equity.
  - vi. **Monthly Cash Flow Statement** for first 3 years. See resources listed above.
  - vii. **Financial Synopsis** Share your observations about the financial statements you've provided. What are their strengths and weaknesses? Will your farm cash-flow? Will it be profitable?
- Exit Strategy**- How will you exit this business if your plans fail or life circumstances change?