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.

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**
  - 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](https://www.agdecisionmaker.iowa.edu) 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?