Financial Tools for Beginning Farmers

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Financial Tools

- AgPlan
- Farm Answers
- FINPACK
Who Needs a Business Plan?

• Any business will benefit, but a business plan is particularly valuable for:
  – New or expanding businesses
  – Businesses making major changes
Purpose of a Business Plan

• Demonstrates that you have taken the time to objectively think through the details required to make the business succeed
Purpose for a Business Plan

• Effectively communicate your business

  – Externally to lenders, investors, partners
  – Internally to family members & employees
Purpose of a Business Plan

• Most importantly, will help you improve the management of your business
  – It is the blueprint for operating your business
  – Serves as your operational guide
Lessons Learned

• Business planning:
  – Is very time consuming
  – Is best done by the business owner/management
  – Can be very expensive

• Your business plan should be a living document
  – Revisited and revised at least annually
How to Develop a Business Plan

- Most people use business planning software
  - Provides
    - Outlines
    - Suggestions on content
    - Sample plans
Launched in 2007, AgPlan has been used to create 60,000+ business plans!

AgPlan makes it easy for you.

- Develop your own Business Plan
- Learn what you need to include in your Plan with Tips & Resources
- View Sample Business Plans for ideas
- Share your Plan — print, download and work with your own Reviewers
Welcome, Dale Nordquist!

- **Start a New Plan**
- **Help**

<table>
<thead>
<tr>
<th>Plan Name</th>
<th>Last Update</th>
<th>Updated By</th>
</tr>
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<tbody>
<tr>
<td>My Organic Transition Plan</td>
<td>2/23/2016, 10:35 AM</td>
<td>Dale Nordquist</td>
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<tr>
<td>Walter Dairy</td>
<td>9/21/2015, 9:43 AM</td>
<td>Gigi DiGiacomo</td>
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<td>Valley View Dairy</td>
<td>9/14/2015, 4:36 PM</td>
<td>Dale Nordquist</td>
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<td>Lakeshore Orchard demo</td>
<td>5/29/2013, 10:30 AM</td>
<td>Dale Nordquist</td>
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<tr>
<td>My Personal Plan</td>
<td>12/13/2011, 8:23 AM</td>
<td>Dale Nordquist</td>
</tr>
<tr>
<td>My Ag Commodity Business Plan</td>
<td>12/13/2011, 5:19 AM</td>
<td>Dale Nordquist</td>
</tr>
</tbody>
</table>
Start a New Plan

Select a Plan Type

Select **Ag - Commodity**
The Ag - Commodity business plan is designed for traditional farms and ranches that primarily produce commodities.

Select **Ag - Value-Added**
The Ag - Value-Added business plan is designed for farms and ranches who are focusing on at least one value-added activity.

Select **Organic Transition**
The Organic Transition plan is designed for farmers who are planning to transition to organic certification.

Select **Personal Plan**
The Personal Plan is designed to help people write a personal career plan.

Select **Small Business**
The Small Business plan is designed for any kind of small business.
This is the cover page for your business plan. You should include the name of your business and contact information, including address, email, fax, phone, website, and the date your plan was prepared. You may also want to include a graphic image or photo representing your business, such as a logo. Make the business name the most prominent feature, working to keep the page clean beyond that.

In addition to the information above, the page may also include a title. If used, the title should be separate from the business name itself and should briefly describe the purpose of your attached business plan.
Steve and Kelly Miller have made it their goal to increase sales and revenue by making Lakeshore the most unique and surprising entertainment and shopping venue. In 1998, the U-pick orchard opened. Soon, hay rides and corn mazes were added. By 2005, a retail store had been built. Now, in 2008, Steve and Kelly are looking toward the future by adding a production greenhouse. Specific goals that Steve and Kelly have are:

- Increase gross revenue to over $1,500,000 by 2012 through expansion and innovation
- Provide a safe, enjoyable environment to all who visit or work for Lakeshore orchard
- Keep Lakeshore a seasonal business so that Steve and Kelly can still have some personal time with their family
- Have the economic and management ability to pass the business down to the next generation by the time Steve and Kelly turn 65.
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**Developing your Vision, Mission, and Goals**
From Building a Sustainable Business, University of Minnesota Institute for Sustainable Agriculture

**Important First Steps**
Steps to setting vision, mission, and goals, Kansas State University
Lakeshore Orchard demo

Goals

Steve and Kelly Miller have made it their goal to increase sales and revenue by making Lakeshore the most unique and surprising entertainment and shopping venue. In 1998, the U-pick orchard opened. Soon, hay rides and corn mazes were added. By 2005, a retail store had been built. Now, in 2008, Steve and Kelly are looking toward the future by adding a production greenhouse. Specific goals that Steve and Kelly have are:

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Operations

Organic Vegetable Production

Our goals for 2004 include:

- Working no more than 60 hours/week during summer and fall
- Generating $10,000 from organic vegetable sales to cover living expenses
- Generating $15,000 to paydown the line of credit from carryover debt and start-up expenses
- Generating $5,000 from organic vegetable sales to begin financing improvements
- Exploring marketing opportunities

The on-going, long-term goals for Riverbend Farm are to:

- Produce authentic organic food and sell it locally
- Expand the outdoor operation to include family activities like picnics and workshops
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Lakeshore Orchard is a seasonal rural business in Hector, New York. Lakeshore orchard produces apples and pumpkins and provides entertainment, meals, and shopping during the autumn season. Lakeshore was started in 1998 by Kelly and Steve Miller, who have the vision of making lakeshore the best fall family experience in New York’s Finger Lake region.
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What is AgTransitions?

AgTransitions helps farmers & ranchers develop a plan to transition their business to the next generation.

- **Develop** your own transition plan
- **Learn** what you need to include in your plan with Tips & Resources
- **Stimulate** multi-generational discussions
- **Share** your plan with family members and your transition team
- **Interact** with Reviewers — your business advisors, educators, or consultants — for feedback and assistance

![Login and Register buttons]

"How do I get started using AgTransitions?"

Getting Started

We are committed to safeguarding your info

Private Security Statement

AgTransitions' User-oriented Features

**Editor**
Our feature-rich type editor acts just like your computer’s word processor. For each section of your transition plan write a concise statement that discusses the key points you want to communicate.

**Tips, Resources & Worksheets**
In each section of AgTransitions you will find specific Tips, Resources & Worksheets to help you create the best transition plan possible!

**Reviewers**
AgTransitions allows you to share your transition plan and interact with your business advisors, educators, or consultants.
**Your Family Information Worksheet**
from *A Lasting Legacy* by Rod Sharp, Jeffrey Tranel, Colorado State University and John Hewlett, University of Wyoming.

**Your Vital Statistics Worksheet**
from *A Lasting Legacy* by Rod Sharp, Jeffrey Tranel, Colorado State University and John Hewlett, University of Wyoming.

**Farm Family Contact Information**
from NY FarmLink Business Transfer Case Study Questions.

[Suggest a Worksheet](#)
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FarmAnswers.org

The Largest Source of Information for Beginning Farmers
FarmAnswers.org

USDA’s Official Clearinghouse for Beginning Farmers
Farm Answers—the Largest Source of Information for Beginning Farmers

Farm Answers is the USDA-NIFA beginning farmer and rancher (BFRDP) clearinghouse, providing resources to help you get started farming, as well as tools to help more seasoned producers succeed.
10 Principles of a Successful Farmers' Market
(2016)
Views: 392

6 Steps to Handwashing (11x17 Poster)
(2017)
Views: 89

A Characterization of Direct-Marketed Beef Production in Virginia
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Growing Warriors Training Farm
Growing Warriors Project
The Growing Warrior’s Training Farm is a private farm in Rockcastle County, KY which serves as a training grounds for our veterans. At the Training Farm we grow all assortments … Learn More

Hawaii New Farmer Loan
State of Hawaii Agricultural Loan Division
The Agricultural Loan Program helps promote agricultural and aquacultural development of Hawaii by providing credit at reasonable rates and terms to qualifying individuals or entities. Applicants must be citizens of … Learn More

Hawthorne Valley Farms Vocational Programs
Hawthorne Valley Farm
A vocation is more than a job. It implies an occupation as being particularly worthy and requiring great dedication. Farming is such a vocation. We hope these offerings are a … Learn More
Hoʻola Farms & Veteran Services
Hoʻola Farms
Hoʻola Farms was established to create a natural agriculture educational training center for veterans, caretakers and their families while providing an atmosphere that is safe and fun for all the ... Learn More

Horticulture Program - NC A&T
North Carolina A&T State University
Small-scale food production in North Carolina is a growing interest for both commercial producers, who sell their crops, and for consumers. The Horticulture Team at The Cooperative Extension Program at ... Learn More

Hudson Valley Farm Beginnings
Hawthorne Valley Farm
Hudson Valley Farm Beginnings® has been developed by farmers for farmers. Aspiring and current farmers, transitioning farmers, second career farm entrepreneurs, and landowners interested in developing farming enterprises on their ... Learn More

IFMAPS Intensive Financial Management & Planning Support
Oklahoma Cooperative Extension Service
Since 1985, IFMAPS has helped more than 5,500 Oklahoma farm families identify ways to improve their farm financial future. A call to IFMAPS leads to a meeting with a ... Learn More
FarmAnswers.org

The Largest Source of Information for Beginning Farmers
FINPACK®

A comprehensive farm financial planning and analysis system
Three Basic Questions

• The most used and most powerful farm financial planning and analysis tool available
  – It is not a record keeping system
  – It is not free
Three Basic Questions

• Where am I?

• Where do I want to be?

• How can I get there?
FINPACK Components

- FINAN  Annual Financial Analysis
- FINLRB  Financial Long Range Planning
- FINFLO  Cash Flow Planning
**Business Objectives**

- **Profitability**  
  Return to labor, management, and owner’s equity

- **Liquidity**  
  The ability to meet financial obligations as they come due

- **Solvency**  
  The relationship between assets owned, debt, and owners equity
FINPACK for Individuals

FINPACK provides more than just valuable tools for banking credit analysis. It also offers you tools to empower customers to make better business decisions.

FINPACK Lite

Lenders who use FINPACK have the option of giving a free version of FINPACK to their borrowers. This FINPACK Lite version includes a balance sheet, which allows your borrowers to better understand their finances and it. It also reduces data entry time by allowing borrowers to easily provide their lender with an electronic version of their balance sheet.

FINPACK Personal Version

For agricultural producers, there is a personal version of FINPACK available that will help producers understand and manage their finances. Thousands of producers throughout the country use FINPACK on their own farms and ranches to stay on top of their financial position and plan for the future. Click here to learn more.
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