

Business Plan

This is a sample business plan that I have put together which can be adapted to suit most smallholding and farming enterprises that are start ups. The aim of this or any business plan is to convey to the reader all of the relevant information about the business in a simple form. It is meant as a template that can be modified to suit your requirements. If you require any additional help with a section of this template please visit www.fieldtofarm.com/forum.

Copy and paste the information below into your own plan and modify the text in-between the square brackets to suit your individual circumstances.

This business plan is for a smallholding which I am starting on land that I have purchased at the address / grid reference below.

[Name of person or persons]

[Present address if not living on the land]

[Address or grid reference of the land]

About Us

[In this part of the plan you will need to put in a brief CV for yourself and your partner if you have one. Any experience that either of you have or training you have undertaken or are likely to. Whether you or your partner is going to carry on working whilst you are building up the business and if so will it be fulltime or part time]

The Holding

The land is of sufficient size for the proposed enterprises and in a good position being [*south west facing well draining with passing traffic for retail sales*]

I have invested [*£000,000*] in the purchase of the land at the address above with the aim of creating an agricultural business [*keeping / breeding animals, growing vegetables and operating a touring caravan site*]. I propose to build a barn which will be used for storage of animal fodder and the machinery necessary for the business. I will also use some space for a farm shop and toilets and the infrastructure of roads yard etc to facilitate the operation of the various enterprises. This is an additional investment of [*£0,000*]

I propose to have an adequate electric supply connected to the barn and live off grid. The cost of this connection / installation will be [*£0,000*]

I propose to have a water supply to the land with a connection to the local utility company's mains supply / borehole. This will cost [*£0000*]

There will also be additional investment of [*£0,000*] required in fencing and gates to adapt the layout to facilitate the proposed enterprises.

The business

I am proposing to keep [*free range rare breed pigs as the main enterprise, as the meat from these animals sells at a premium compared to factory farmed pigs and there is a ready market. I am also going to keep free range chickens for the eggs and free range turkeys for the Christmas market. I am proposing to grow flowers and vegetables and keep bees for honey*]

Marketing

[The meat from the free range rare breed pigs will be either sold as sides of meat to local butchers or butchered and sold as freezer packs. These will be sold from the farm shop on the internet, farmers markets and through local restaurants and hotels.

The free range eggs will be sold through the farm shop using road side signage as an advertising medium, sold cheaply enough they should generate a flow of customers coming on to the holding which should create the opportunity to sell them other produce.

The free range turkeys will also be marketed through the farm shop and local butchers and any surplus at the farmers market]

Legislation

[Here we need a list of the various pieces of legislation that you will be required to operate under, your holding no, herd no etc. If you don't have this information then leave this section blank and remove the heading]

Financial details

CAPITAL COSTS

Land [x] acres (including all acquisition costs)	£0000
Building (including erection of frame and fitting of cladding) (You could include the manufacturers' details)	£0000
Cost of the blocks for the bottom of the building	£0000
The chicken house (materials for DIY or ready made) The turkeys will live in the barn.	£0000
Infrastructure (hire of machinery cost of concrete etc)	£0000
Water (cost of connection to main or borehole)	£0000
Electricity (cost of connection to grid or installation of solar)	£0000
Fencing (cost of fencing and gates)	£0000
	TOTAL

EQUIPMENT

Tractor	£0000
Trailer	£0000
Power washer	£0000
Bee hives	£0000
Arks (materials for diy or ready made)	£0000
Sundry items (tank, drinkers, storage bins, brooder etc)	£0000
	TOTAL

[In this list you must include all of the equipment large and small that you will require for the enterprises you wish to undertake]

LIVESTOCK

[Bought in sows (how many of each breeds)]	£0000
[Chickens (how many)]	£0000
[Turkeys (how many)]	£0000
[Bees]	£0000
[If you are collecting the animals then the fuel costs needs to be added to the overall costs.]	
	Total

RUNNING COSTS

<i>[Insurance for vehicles / public / third party / product liability / buildings and contents and equipment]</i>	£0000
Power (Estimate If you are on the grid)	£0000
Water (Estimate if you are on the mains supply)	£0000
Marketing budget (Computer hosting and pay per click)	£0000
Fuel (tractor, quad bike and 4x4 etc)	£0000
Service and maintenance of vehicles and machinery	£0000
	TOTAL

*Most of these costs are going to be estimates but should be as realistic as possible

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LIVESTOCK ENTERPRISES

[Rare breed pigs]

[The figures that you put here will depend on how you are going to establish your herd if you are going to buy in pregnant sows or buy in piglets and breed them over a couple of years. If you are buying in pregnant sows then you should establish a revenue stream once the farrowed pigs reach a slaughter weight. If you are going to buy in piglets and establish your own herd then of course you would just have expenditure until they have matured and then bred and the progeny go for slaughter

As all rare breeds are slightly different it is difficult to calculate precise food consumption levels. We need to look at averages. It costs roughly £1.07 to produce a kilo of live weight and support the breeding sow with litter sizes of six or above, and as we have very little other inputs, about £1.00 is propriety food. The best source of information so that you can analyse a particular breed is to contact the rare breed society for that particular breed and also ask the breeder where you are buying them from.]

The information required would be initial costs, how difficult to successfully mate, food consumption, what food they do best on, estimate of size of litters, best killing weight and how long to reach that weight, any particular health problems. From this information you should be able to do a profit and loss forecast and get some idea what should be happening over the coming year.

You will also need to investigate the slaughter costs at your local abattoir and add these into the costs.

You do not need to produce any clever figures you just need to lay out a simple way to read them e.g.

We have 50 breeding sows which produce 12 pigs per year (Two litters)	= 600 piglets
600 progeny at dead weight for pork 60 kilos	= 36,000 kilos
36000 kilos at input costs @ £1.07 per kilo	= £38,520.00
36000 kilos sold @ £2.00 per kilo	=£72,000.00
Profit	=£33,480.00

This is taken as a worse case scenario; I have only allowed for 6 piglets per litter and two litters a year and I have also put in a selling price for the meat as £2.00 per kilo. When you are doing a business plan regardless of how you are going to use it, whether to raise money or for planning purposes or even as a guide as to how you are performing over the period, it must be written pessimistically so it only shows 70% of any likely profits and this should be explained in any calculations that you make. This is so that interested parties can see that you have taken into account that things can and do go wrong and have made allowances at the outset.

[Free Range Chickens]

Once again the size of the flock is critical, you will need to decide whether to have one or two flocks the second staggered by three months so that the second flock can cover the moult down period of the first flock (when you do not get any eggs). You will need two flocks to get continuity of egg supply if you are going to keep the first flock of hens for a second laying season. Also, if you are going to use the eggs as a lost leader initially to draw customers to your holding this will need to be explained in the plan and how long you plan to do it for. Chickens are pretty simple when it comes to profit and loss as there really is only their feed, grit and the egg packaging costs

[Free Range Turkeys]

Turkeys are also very simple to work out a profit and loss account for; there are just brooding power costs, feed, slaughtering, waste management and packaging costs.

[Bees for Honey]

Once again the profit and loss account is simple as the inputs are very small and probably the biggest cost will be containers to sell the honey in.

All of the figures necessary to complete this business plan are in my book Real Smallholding (for more information visit www.realsmallholding.com).