



Headwaters Incubator Program Business Plan Template

A **Farm Business Plan** is a key component of your Headwaters Incubator Program application packet. The questions below may be used as an outline and represent the *minimum level of detail* that should be included in your Farm Business Plan. Feel free to provide additional content as you see fit.

A good Farm Business Plan has clear goals, details a path to achieving those goals, and exhibits qualifications and financial viability. In addition to the questions below, the following resources are offered to help guide you write a strong plan. This is by no means an exhaustive list:

- [BeginningFarmers.org](http://www.beginningfarmers.org/farm-business-planning/) (<http://www.beginningfarmers.org/farm-business-planning/>)
- [Building a Sustainable Business](#); see *free* download link (www.sare.org/Learning-Center/Books/Building-a-Sustainable-Business)
- [NE Beginning Farmers Project](http://www.nebeginningfarmers.org/farmers/planning-2/business-plan-templates/) (<http://www.nebeginningfarmers.org/farmers/planning-2/business-plan-templates/>)
- [Start2Farm](https://newfarmers.usda.gov/) (<https://newfarmers.usda.gov/>)
- [Small Business Development Center Oregon](http://www.bizcenter.org/) (<http://www.bizcenter.org/>)
- [Mercy Crops NW](https://www.mercycorpsnw.org/business/) (<https://www.mercycorpsnw.org/business/>)

General

1) What is the Farm's name? Is it registered with the Oregon Secretary of State Corporation Division?

2) What is the business structure (sole proprietorship, partnership, LLC, s-corp, etc.)?

3) How many owners for this farm business? What is each person's role and expected contributions?

4) What is the long-term vision for your farm business?



5) What are your financial, quality of life, and other goals you seek to achieve with this business?

Production

6) What is/are your farm's enterprise(s) (e.g., mixed veggies, eggs, broilers, berries, herbs, etc.)?

7) What are your main products for each enterprise? What do you anticipate their yields to be?



- 8) Will you hire labor? If not, how will you keep up on farm work throughout the season? If so, what are the wages you're paying and how many labor-hours will you hire during the course of the season?

Marketing

- 9) Where will you sell your products? If different enterprises have different outlets, please elaborate.

- 10) Do you have sales accounts established? If not, how will you access these markets?



11) How do you intend to set your pricing?

12) What do you see as your niche and competitive advantage?

Land & Resource Management

13) What is your approach to irrigation?

14) How will you ensure proper soil fertility?



18) Below is a simplified Five-Year Cash Flow Budget. This is one way to share your projected costs and revenues over time. While this cash flow template is designed to help applicants compile this info, it is by no means the only way to capture and display financials. Feel free to use this template or create your own.

Here are some key terms to help you populate the table:

- **Revenue** (gross income) – all the money generated from an individual enterprise. For example, if a 20 member CSA has \$500 shares, then revenue for that enterprise would be \$10,000.
- **Variable costs** (cost of goods sold) – expenses that relate directly to an enterprise and go up or down with level of production. For example, one acre of berries will have higher berry box costs than a quarter-acre.
- **Gross margin** – this is often a percentage, but for this table just leave it as a dollar figure. You’ll need that number later to determine your net profit.
- **Overhead** (fixed costs) – these are general expenses not necessarily tied to any specific enterprise. These costs typically are set for a given year, but may change from year-to-year.
- **Net Profit** – the amount of money left over after all your costs are factored in.
- **HIP Costs** – can be found here: <http://emswcd.org/farm-incubator/incubator-program-info/incubator-program-costs/>

Five-Year Cash Flow Budget	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Enterprise 1					
Enterprise 2					
Enterprise 3					
Other Enterprises					
TOTAL REVENUE					
Variable Costs					
Enterprise 1					
Enterprise 2					
Enterprise 3					
Other Enterprises					
TOTAL VARIABLE COSTS					
GROSS MARGIN (Revenue – Variable Costs)					
Overhead Costs					
Rent					
Payroll					
Sales, Marketing, & Outreach					
Tools and Materials					
Utilities & Fuel					
Insurance & Certifications					
Administration					
Capital					
Other					
TOTAL OVERHEAD COSTS					
NET PROFIT (Gross Margin – Overhead)					