When piecing together a business plan, there are many items to consider. In general, however, there are five main tasks that you need to consider when mapping out the desired future of your farm business, and they include the following:

1. Identify what’s important to you, your family, business partners. What are the values that bring each of you to the table?
2. Review the history of your operation, and look at your current situation. What do you really have?
3. Define your vision and identify goals for the future of your farm business. Your mission should match up with the values that you identified in the first task.
4. Develop a strategic plan for your farming operation – meaning, evaluate the marketing, operations, human resources, and financing alternatives that are available to you and analyze what fits best with your situation. This is just figuring out where you want to go – AND how you plan to get there!
5. Capture all of this work on paper by pulling everything together into a written business plan. Which routes do you plan to take, how will you check your progress, and who will help you get your plans into place?

The following story is designed to paint a picture of a farm family for you. Read through the entire story, then look back over the five tasks that lead to the creation of a business plan for this operation. Consider this example as if it were your farm – and see how the business plan components “fit” this farm’s story.

Throughout the workbook that you received today, Building a Sustainable Business, there are example worksheets that have been completed by one of the five farm families introduced on page 13. The facilitator will guide you through the entire process of writing a business plan in this workbook, and he/she will reference those example worksheets. Feel free to flip through the workbook to get an idea of how the five tasks above fit with the story that follows.
The Brown Family and Hilltop Farm
The Brown family has been farming for three generations in Western North Carolina. Currently, the farm is approximately 125 acres; 25 acres are wooded, 60 acres are in pasture, and the remaining 40 have been tilled for annual corn production. The farm is within an hour’s drive of the regional population center, Asheville, and within 30 minutes drive of two national and two state parks. Bob and Sue Brown have three adult children, two of which live on the property near Bob and Sue on the wooded mountain land.

Tom and Sarah, two of the Brown children, are interested in living – and making a living – on the family’s farm. Tom already works with his father on a part-time basis, doing a lot of the physical work in place of his father, who is beginning to “slow down a little.” He would like to increase the farm’s current production of beef cattle and corn so that he can become a full-time employee on the farm and make enough money to support his wife and two children. Sarah, a high school science teacher, wants to be able to stay at home once she and her husband, Doug, begin a family. In order to do so, she and her family have to figure out an enterprise that she can do on the farm in order to replace the income that she’ll lose when she stops teaching. Bob and Sue also have a third adult child, Chris, who enjoys visiting the family farm, but is not interested in becoming a farmer. Chris lives and works in Atlanta, and he would like to see his siblings be able to help their father and keep the farm in production because of the sentimental attachment they all have to the land from childhood.

For the past three decades, Bob has maintained 50 cow-calf pairs. Until recently, Bob sold his cattle at a regional stockyard; now, he cooperates with other local cattlemen to put together loads that are sold and shipped to Midwest feedlots. He and Tom have grown and sold varieties of Bt field corn. They are bittersweet about the latest ethanol craze because of its potential positive effects on their sale prices for corn; however, they fear that they have seen better days on the prices of beef.

The family has several considerations for the future of Hilltop Farm. Bob and Sue want to semi-retire, but they need to continue drawing income from the farm to supplement their fixed retirements. Tom wants to be able to become a full-time employee on the farm; Sarah wants to be able to quit her full-time, off-farm job and receive a part-time income from the farm. What possible strategies can they pursue? Is there sufficient value that could be captured by changing Hilltop Farm’s existing enterprises? What are new/alternative enterprises that fit with the assets that the Brown family and Hilltop Farm offer? What provisions should be included in the plan for Hilltop Farm to ensure that Chris feels equitably involved and/or compensated, since he is not actively involved in the operations of the farm? What “people issues” must the entire family – Bob, Sue, Tom and his wife, Sarah and her husband, and Chris – discuss? What other issues are important for non-family employees?

What is the common vision for Hilltop Farm? What marketing, operations, human resources, and financing strategies are needed to realize that vision?