BUSINESS NAME HERE

**FARM BUSINESS PLAN**

DATE

Photo/logo here (optional)

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Executive summary

*One paragraph summarising business description, high level goals/purpose, summary of overall strategy to achieve goals.*

Our vision, purpose, values and guiding principles

*Provide an overarching vision statement / vision board / picture which describes what you want your business to achieve – your dream. Add to your vision with some points on why the business exists to achieve that vision and set out your values and/or guiding principles.*

# BUSINESS DESCRIPTION

History

*Where did we start and how did we get to where we are today.*

Ownership structure

*Include a diagram if it is a complex structure.*

Team overview

*Include governance/management team, people’s roles and current skill gaps, mentors, consultants, advisors and other outside help.*

Team overview continued…

|  |  |  |
| --- | --- | --- |
| **Name Role Skills** | | |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Overall skill gaps in the team: | | |

Physical description

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Farm physical KPIs** | **Current year** | **Last season** | **20** | **20** |
| **Number of cows (hd)** |  |  |  |  |
| **Effective area (ha)** |  |  |  |  |
| **Support block (ha)** |  |  |  |  |
| **Cows/ha** |  |  |  |  |
| **Labour (FTE)** |  |  |  |  |
| **Total milksolids (kg)** |  |  |  |  |
| **Milksolids kg/ha** |  |  |  |  |
| **Milksolids kg/cow** |  |  |  |  |
| **Cows/FTE** |  |  |  |  |
| **Pasture and crop eaten (t/ha)** |  |  |  |  |
| **Farm system (% feed brought in)** |  |  |  |  |

Physical description

*Include a short commentary outlining the key aspects of the physical description, how these contribute to or limit the success of the business and any key strategies in place to address these.*

Infrastructure, plant and machinery

*Outline key infrastructure, plant and machinery components and comment on whether there are limitations due to the current ‘set up’ (milking facilities, housing, tracks, fencing, water, drainage, effluent storage and application, tractors, bikes etc.).*

Financial position



***Balance Sheet***

**Assets and liabilities as at date: Name:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Number: ha,**  **cows, shares** | **Current value**  **$/ha, cow, share** | **TOTAL** | **Notes** |

**Assets**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Dairy land and buildings |  |  |  |  |
| Support block land and buildings |  |  |  |  |
| Dairy company shares |  |  |  |  |
| Other farm shares |  |  |  |  |
| Plant, machinery and vehicles |  |  |  |  |
| Mixed aged milking cows |  |  |  |  |
| Rising 2 year heifers |  |  |  |  |
| Rising 1 year heifers |  |  |  |  |
| Bulls and other livestock |  |  |  |  |
| Other investments e.g. property, shares, Kiwisaver, life insurance |  |  |  |  |
| Current assets e.g. bank deposits, debtors, GST, tax |  |  |  |  |

|  |  |  |
| --- | --- | --- |
| **TOTAL ASSETS** |  |  |

**Liabilities/debt Details e.g. interest rate, term, bank**

|  |  |  |  |
| --- | --- | --- | --- |
| Bank loans |  |  |  |
| Family loans |  |  |  |
| Fonterra co-op loan |  |  |  |
| Hire purchase |  |  |  |
| Overdraft |  |  |  |
| Other current liabilities e.g. creditors,  GST, tax |  |  |  |
|  |  | | |
| **TOTAL LIABILITIES** | |  |  |

|  |  |  |
| --- | --- | --- |
| **EQUITY**  (Assets minus liabilities) |  |  |

|  |  |  |
| --- | --- | --- |
| **Liabilities x 100**  **DEBT TO ASSET % Assets** |  |  |

|  |  |  |
| --- | --- | --- |
| **Equity x 100**  **EQUITY TO ASSETS % Assets** |  |  |



Financial description commentary

*Include a short commentary outlining the key aspects of the financial description, how these contribute to or limit the success of the business and any key strategies in place to address these.*

Financial and production performance history

*Historical financial, physical performance against benchmarks along with some commentary explaining differences and potential for improvement.*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Current year** | **Benchmark** | **Last season** | **Benchmark** | **20XX-XX** | **Benchmark** |
| **Farm physical KPIs** | | | | | | |
| Number of cows (hd) |  |  |  |  |  |  |
| Effective area (ha) |  |  |  |  |  |  |
| Support block (ha) |  |  |  |  |  |  |
| Cows/ha |  |  |  |  |  |  |
| Total milk solids (kg) |  |  |  |  |  |  |
| Milk solids kg/ha |  |  |  |  |  |  |
| Milk solids kg/cow |  |  |  |  |  |  |
| Cows/FTE |  |  |  |  |  |  |
| Pasture and crop eaten (t/ha) |  |  |  |  |  |  |
| **Profitability** | | | | | | |
| Milk price |  |  |  |  |  |  |
| Gross farm revenue ($/ha) |  |  |  |  |  |  |
| Operating expenses ($/ha) |  |  |  |  |  |  |
| Operating profit ($/ha) |  |  |  |  |  |  |
| Operating profit margin (%) |  |  |  |  |  |  |
| Return on assets |  |  |  |  |  |  |
| Return on equity (excluding change in capital value) |  |  |  |  |  |  |
| Total return on equity |  |  |  |  |  |  |
| **Liquidity** | | | | | | |
| Farm working expenses ($/ kg MS) |  |  |  |  |  |  |
| Cash operating surplus |  |  |  |  |  |  |
| Interest payments |  |  |  |  |  |  |
| Discretionary cash |  |  |  |  |  |  |
| Drawings |  |  |  |  |  |  |
| Cash surplus/deficit (in- cludes any capital transac- tions) |  |  |  |  |  |  |
| Breakeven milk price |  |  |  |  |  |  |
| **Wealth** | | | | | | |
| Closing total assets |  |  |  |  |  |  |
| Closing total liabilities |  |  |  |  |  |  |
| Closing total equity |  |  |  |  |  |  |
| Growth in equity |  |  |  |  |  |  |
| Growth from profit |  |  |  |  |  |  |
| Growth from capital |  |  |  |  |  |  |
| Debt:asset ratio |  |  |  |  |  |  |

Business performance

*Include a short commentary outlining the key aspects of the business performance, overall how this compares to benchmarks, identify any areas for growth/opportunity and any strengths.*

SWOT analysis

*A SWOT analysis identifies our strengths, weaknesses, opportunities and threats and is a useful tool for determining strategic position and justifying next steps. Focus on internal factors to define strengths and weaknesses and look outside your current lifestyle or business for opportunities and threats.*

|  |  |
| --- | --- |
| **Strengths** | **Weaknesses** |
| **Personal:** | **Personal:** |
| **Business:** | **Business:** |
| **Opportunities** | **Threats** |
| **Personal:** | **Personal:** |
| **Business:** | **Business:** |

Business strategy and goals

*Describe in a paragraph the overall business strategy required to achieve the vision and long term goals including investment criteria. Complete the goals and actions table ensuring ‘who’ and ‘when’ goals and actions will be achieved and completed.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Goals** | | **Actions** | | |
| **1 Year 2 to 5 years Long term (5 years +)** | | |
| **Personal** |  |  |  |  |
| **Financial** |  |  |  |  |
| **Production System** |  |  |  |  |
| **People Management** |  |  |  |  |
| **Environment** |  |  |  |  |
| **Animals** |  |  |  |  |

Risk management

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |

*Outline key risk areas and mitigation strategies (milk price, interest rates, climate, input costs, staff performance or vacancies, key people unavailable or out of action, environmental restrictions.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Risks** | **Likelihood (high/medi- um/low)** | **Impact (high/ medium/low)** | **To minimize risk we will…** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Financial plan

*Include a summary of the following documents and detailed analysis in the appendix (include detail on any key assumptions).*

* *Annual budget*
* *Cashflow*
* *Equity growth projections*
* *Sensitivity analysis attached to the above*

Policies and procedures

*Explain here the processes in place to communicate policies and procedures to people in the business*

Key business documents

*Refer here to the key documents you have in place for the farm which provide further detail. For example:*

* *Farm Environment Plan*
* *Nutrient management plan*
* *Equity Planning*
* *Succession plan*
* *Benchmarking reports*

Appendix