

As an urban farmer, you have a long list of responsibilities and tasks. You have plenty of plans and exciting ideas to support and grow your business – but do you have a formal, written business plan? It is understandable if you don't, since your full schedule includes learning to grow food, planning and planting, managing volunteers, harvesting crops, and arranging produce sales or donation.

However, as your backyard or community garden plot has grown and perhaps expanded into a full city lot, you may have started to think about formalizing your efforts. Production growth may have already led you to apply for and receive 501c3 status or register as a commercial business. No matter what stage your urban farm is in, take the next steps to success by using this resource to start developing your business plan.

Why write a business plan?

A business plan is a guide or road map to help you get where you want to go. It can also be thought of as a resume for your business. A business plan will:

- Help clarify your thinking.
- Force you to ask and answer hard questions.
- Define the scope, values, and goals of your farm.
- · Formalize your business structure.
- · Facilitate clear communication to others.
- · Identify market opportunities.
- Require you to evaluate your finances.
- Provide written material you can use to apply for grants and loans.

Are you ready to own a business or operate a non-profit?

Before you begin writing a plan ask yourself...

- Are you a leader/self-starter?
- Do you have significant/sufficient capital?
- Have you worked in a similar business?
- Are you willing to invest your savings?
- Are you willing to commit long hours to make your business work?
- Are you prepared to lower your standard of living to establish your business?

Positive answers to these questions will indicate readiness. You may also want to consider starting your business as a part-time side hustle while keeping your day job to ensure a steady income.

Prepare to write a business plan.

STEP 1: Define who you are and what you do. Write vision and mission statements. Seek feedback and involve others in the writing and design.

STEP 2: Asses the market demand for your product or need for your service.

Are you sure your product or service fills a specific market or community need? Do you know your target market? Do you know where to find demographic information about your customers/clientele? Visit similar businesses and organizations. Sample similar products. Test your products with friends and family.

STEP 3: Develop practical skills.

Take a course, read, listen to podcasts, work on a farm, and attend farming conferences. Learn how to prepare and interpret balance sheets, income statements, and cash flow statements. Learn how to develop a marketing plan. Consider legal issues and how to mitigate risk.

Begin writing your plan.

After working on **STEPS 1 TO 3** above, begin filling in the Simple Farm Business Plan Template on page 2. You don't have to complete the sections in order. Save the Executive Summary section for last.

Non-profits need business plans, too.

As a type of business, a non-profit requires money and labor to function. Having a plan in place will help you create clear systems, establish labor requirements, and determine your need for ongoing funding.

Contact

Urban growers who need help creating a wholefarm business plan or need ongoing farm business coaching may contact: **Kathryn Pereira**, University of Illinois Extension Educator, Local Food Systems and Small Farms, kpereira@illinois.edu.

Simple Farm Business Plan Template

LOGO

If you have one. No worries if you don't. It's hard to come up with a logo that represents your business before you're clear on what you're doing and why you are doing it.

Primary Contact Address Phone Email Website

FARM/BUSINESS NAME

Executive Summary

Brief summary of the entire plan in 3 to 4 sentences. Highlight key takeaways. Engage the reader to learn more. It may take several tries to get it right. Write this last!

Business Description and Background

Provide details of your business. Why you're doing what you're doing. Vision and Mission statements. Your background, experience, motivation, and values. Product story: a history of the land, farm, product, or service. Personal stories highlighting your motivation. What makes you unique? What problems are you solving?

Operations

Describe the "what, when, and how." Include product details, future plans, and a description of your on-farm systems and infrastructure. List objectives and goals.

Marketing Plan

How and where will you sell what you grow? How will your customers find you? Include details on the 4Ps: Product, Price, Place, and Promotion. Describe your customers and market size.

Management and Organization

Describe your formal business structure (sole proprietorship, LLC, cooperative, non-profit, etc.) and list job titles and responsibilities for each person in your operation. Include the number and roles of any hired employees.

Financial Plan

Include balance sheets, cash flow projections for 2 to 3 years, sources and uses of cash, projected income statements, and details of the assumptions used to back up your projections.

Appendix

Provide supporting documents such as credit histories, resumes, certificates, product/farm pictures, letters of reference, licenses, permits, patents, legal documents, and other contracts such as land leases or sales contracts.

Author

Kathryn Pereira, Local Food Systems and Small Farms Educator, University of Illinois Extension.

Additional Resources

The Urban Farm Business Plan Handbook, EPA How to Start a Farm: Plan Your Operation, USDA

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