

# Building a Plan for Success

Robert Tigner,  
Regional Ag Economics Educator






# Planning guides-1




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## Building a Sustainable Business

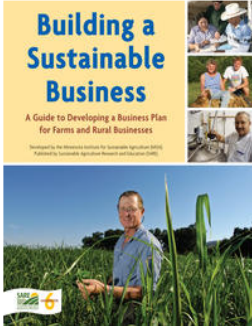
### A Guide to Developing a Business Plan for Farms and Rural Businesses

**Online Version (Free):** [Download File](#)

**Print Version:** \$17.00

*Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses* brings the business planning process alive to help today's alternative and sustainable agriculture entrepreneurs transform farm-grown inspiration into profitable enterprises. Sample worksheets lend a practical perspective and illustrate how real farm families set goals, researched processing alternatives, determined potential markets, and evaluated financing options. Blank worksheets help the reader develop a detailed, lender-ready business plan or map out strategies to take advantage of new opportunities.

- This publication is also available in the following formats:
  - Abbreviated Spanish version from the University of Missouri at <http://agebb.missouri.edu/sustain/espanol/negocios.pdf>
  - Individuals chapters and worksheets from the Minnesota Institute for Sustainable Agriculture at <http://www.misa.umn.edu/Publications/BuildingaSustainableBusiness/index.htm>



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## Achieving Success With a Business Plan

Instructions and Workbook to Prepare a Farm Business Plan

Ram Valluru, Allen Prosch and Douglas Jose



XTENSION

Business Development > Starting a Business > Business Development Process

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## Crops

## Livestock

### Whole Farm

## Business Development

## Cooperatives

## Renewable Energy

### Meet the author

## Don Hofstrand

retired extension value added  
agriculture specialist  
agdm@iastate.edu



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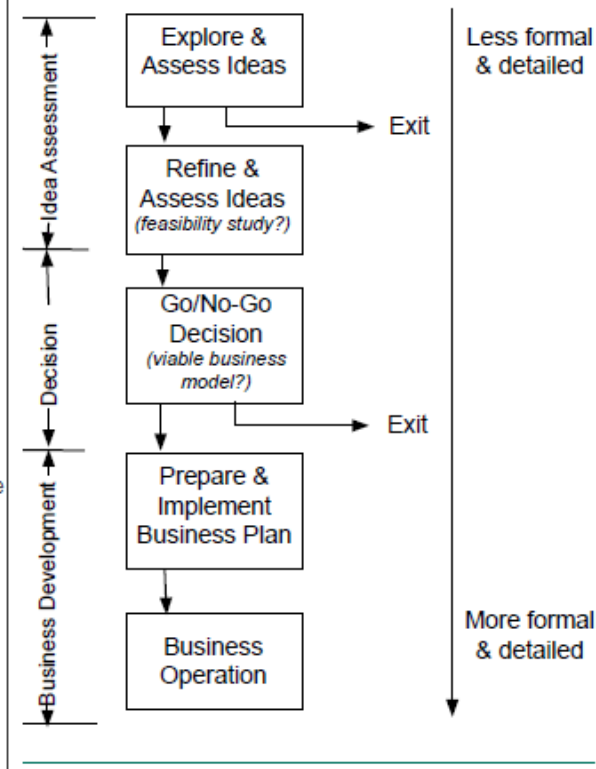
## Idea Assessment and Business Development Process

An important aspect of successful business development is to follow a process of how you will assess a business idea or concept (project), decide whether to move forward with the project and build a business if it is decided to move forward. The five steps below help outline a simple process you can follow. The steps are not a rigid structure to follow. Rather they identify issues you need to address and when to address them.

If you do not follow a process, you will find yourself going in circles and revisiting the same issues over and over without making progress. In addition to wasting time, the frustration may cause you to make poor decisions that can haunt you later.

Following the steps above does not guarantee business success. However, it can greatly increase your chances of success.

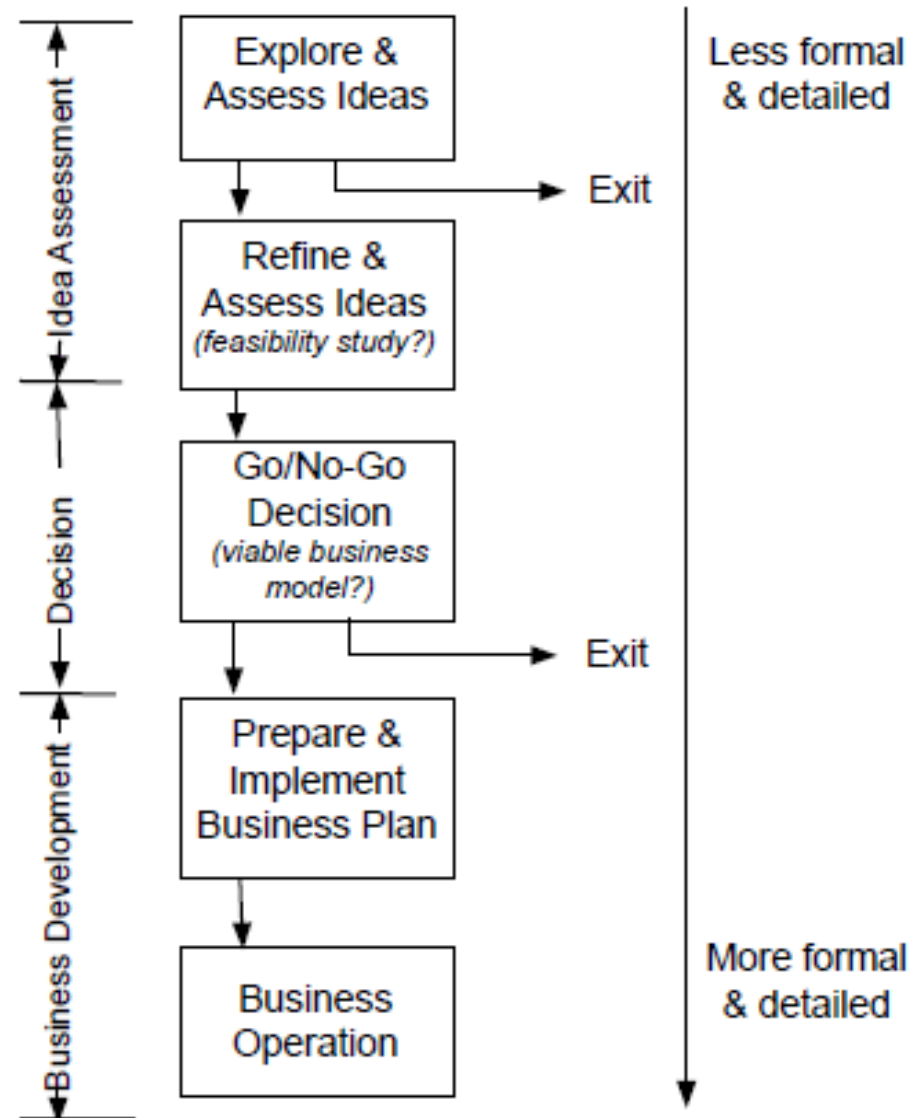
**Figure 1. Idea assessment and business development process.**

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# Business Development

Source:  
<https://www.extension.iastate.edu/agdm/wholefarm/html/c5-02.html>

Figure 1. Idea assessment and business development process.

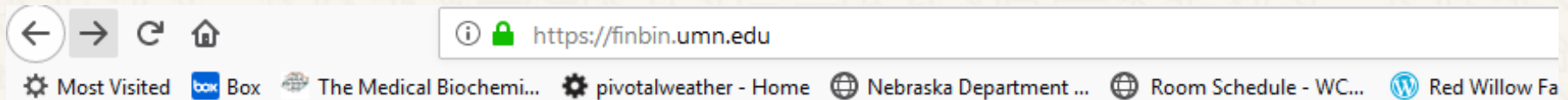


# Explore-assess an Idea

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- Is the idea financially and logistically viable
  - Finbin: <https://finbin.umn.edu/>
    - Real financial data
  - Organic budgets
    - Ag Decisionmaker
  - What resources are available for the idea?
    - Can they be rented if not owned
    - Is there a marketing chain
  - Are the operational skills available?
- Continue to refine:
  - Slow thinking vs. fast thinking
- Go-No Go decision

# Finbin



## FINBIN

### Generate a Summary Report

WHOLE FARM

CROP

LIVESTOCK

### Generate a Benchmark Report

WHOLE FARM

CROP

LIVESTOCK

### Compare Your Farm

FINANCIAL RATIOS

## Welcome to FINBIN

FINBIN is one of the largest and most accessible sources of farm financial and livestock financials at your fingertips.

With just a few clicks of the mouse, you can see reports such as:

- [Soybean cost and returns by tillage system](#)
- [Dairy cost and returns by size or location of herd](#)
- [Farm financial standards measures by type or size of farm](#)

The possibilities are endless. Select Whole Farm Reports, Crop Reports, or Liv

### 2017 Minnesota Financials Are In!

Minnesota farmers experienced their fifth consecutive year of low profitability in 2017. [Income](#) were largely driven by low profits and losses for cash crop farms, while 2.2% return on investment. Across all farm types, almost one-third of farms lost

You can use FINBIN's summary reports to see the financial results for all farms

# NE Farm Business

Navigation bar for Nebraska Farm Business, Inc. website. The address bar shows <https://nfbi.net/farm-analysis/annual-reports/>. The logo for Nebraska Farm Business, Inc. is on the left. The navigation menu includes: Home, About, Farm Analysis, Services, and Farm Library. The browser tabs show various open pages including "Most Visited", "Box", "The Medical Biochemi...", "pivotalweather - Home", "Nebraska Department ...", "Room Schedule - WC...", "Red Willow Farm and ...", "Ag Business Etc.:Dr. Ja...", "Statistics Tutorial", "U.N. Official Reveals R...", "Trending Today USA ...", and "Dairy | Agricultural Ma...".

## 2017 Annual Reports:

- 2017 Whole State
- 2017 Top Efficient
- 2017 Regional
- 2017 Whole State Quick Facts
- 2017 Top Efficient Quick Facts
- 2017 Regional Quick Facts

<https://nfbi.net/>

# Business plan description

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- History and business overview
  - Business organization
  - Mission statement
  - Goals
  - Available resources
- Market analysis
- Financial projections
- Risk management plan
- Personnel plan

# Critical Control Factors

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- Marketing plan
- Financing
- Logistics
- Cost control

# Income needs beyond COP

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- Repay loans
- Family living
  - Size farm or enterprises large enough to produce enough for family living.
- Income and social security taxes, if not in family living

# Tools for Planning

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# Finpack



## Coasting Farms Dairy Expansion

			Base Plan	Alt. 1 Sell Steers	Alt. 2 Expand to 65 Cows	Alt. 3 Expand to 100 Cows SellHogs
<b>EXECUTIVE SUMMARY</b>						
Total crop acres			290	290	290	290
Total labor hours			4,877	4,695	5,245	6,502
Change in farm assets			-	-30,135	-3,135	190,365
Change in farm liabilities			-	-28,427	-1,427	195,073
<b>Crop Plan</b>	<b>Yield/Acre</b>	<b>Share</b>				
Corn, Feed	130.0 bu.	100 %	58.0	58.0	58.0	53.0
Corn Silage	18.0 ton	100 %	16.0	11.0	13.0	20.0
Oats, with alfalfa	65.0 bu.	100 %	15.0	16.0	16.0	15.0
Hay, Alfalfa	4.0 ton	100 %	61.0	65.0	63.0	62.0
Corn, Feed	130.0 bu.	60 %	70.0	70.0	70.0	70.0
Soybeans	38.0 bu.	60 %	70.0	70.0	70.0	70.0
<b>Livestock Plan</b>	<b>Unit</b>	<b>Sales/Unit</b>				
Dairy	Cow	18750 lb.	55.0	55.0	65.0	100.0

# Finpack

## FINANCIAL STANDARDS MEASURES

### Liquidity

Current ratio	1.56	1.90	1.77	1.52
Working capital	39,035	37,327	34,231	26,931
Working capital to gross revenue	16.8 %	18.4 %	15.1 %	9.8 %

### Solvency

Farm debt to asset ratio	32.0 %	29.0 %	32.0 %	47.9 %
Farm equity to asset ratio	68.0 %	71.0 %	68.0 %	52.1 %
Farm debt to equity ratio	0.47	0.41	0.47	0.92

### Profitability

Rate of return on farm assets	2.9 %	3.1 %	3.6 %	3.7 %
Rate of return on farm equity	1.3 %	1.5 %	2.0 %	0.6 %
Operating profit margin	12.7 %	12.9 %	14.5 %	16.4 %
Net farm income	30,924	31,592	34,340	29,782
EBITDA	64,302	64,086	69,341	83,608

### Repayment Capacity

Capital debt repayment capacity	37,554	37,990	42,599	59,129
Capital debt repayment margin	10,128	10,564	8,375	846
Replacement margin	6,573	7,010	8,375	846
Term debt coverage ratio	1.37	1.39	1.24	1.01
Replacement coverage ratio	1.21	1.23	1.24	1.01

### Efficiency

Asset turnover rate	23.1 %	23.8 %	24.7 %	22.7 %
Operating expense ratio	72.4 %	68.4 %	69.5 %	69.6 %
Depreciation expense ratio	8.6 %	9.8 %	9.0 %	9.1 %
Interest expense ratio	5.7 %	6.2 %	6.4 %	10.5 %
Net farm income ratio	13.3 %	15.6 %	15.1 %	10.8 %

# Cash Flow Tools: Ag Decisionmaker

<https://www.extension.iastate.edu/agdm/wholefarm/html/c3-15.html>MISSIONS PLATE CARRIER BY 5.

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[Meet the author](#)

**William Edwards**  
retired economist  
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## Twelve Steps to Cash Flow Budgeting

How much financing will your farm business require this year? When will money be needed and from where will it come? A little advance planning can help avoid short-term shortages of cash. One useful tool for planning the use of capital in the farm business is a cash flow budget.

A cash flow budget is an estimate of all cash receipts and all cash expenditures that are expected to occur during a certain time period. Estimates can be made monthly, bimonthly, or quarterly, and can include nonfarm income and expenditures as well as farm items. Cash flow budgeting looks only at money movement, though, not at net income or profitability.

A cash flow budget is a useful management tool because it:

- forces you to think through your farming plans for the year
- tests your farming plans, such as if you will produce enough income to meet all your cash needs
- projects how much operating credit you will need and when projects when loans can be repaid
- provides a guide against which you can compare your actual cash flows
- helps you communicate your farming plans and credit needs to your lender

### Getting started

Developing a cash flow budget for the first time will not be easy. Following a step-by-step approach can make the task less difficult, though. The pages at the end of this publication contain a format for completing your plan, although other forms can be used. There also are many personal computer programs available for developing cash flow budgets. Or, you may want to develop your own. In any case, the following steps can be applied.

1. Outline your tentative plans for livestock and crop production for the year, as shown in Example 1.
2. Take an inventory of livestock on hand and crops in storage now. If a recent financial statement is available, information found

File C3-15  
Updated April, 2014

 pdf format


 xls file  
**Cash Flow Budget** (corn, soybeans and livestock)  
Use this decision tool to calculate a detailed cash-flow budget for your farm.

 voiced media

 teaching activity

**Example 1. Production plans for the year.**  
Crop production plans:  
500 acres of corn  
400 acres of soybeans  
50 acres of hay  
Livestock production plans:  
224 litters, farrow to finish swine

# SARE



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## Livestock Marketing Channel Assessment Tool

**Online Version (Free):** [Download File](#)

The Livestock Marketing Channel Assessment Tool (LMCAT) was developed by Cornell Agricultural Marketing Specialist Matthew LeRoux based on case studies that he completed on four New York farms. The LMCAT helps livestock producers evaluate and improve their marketing so that they know which marketing channels are most profitable. The tool will also help producers formulate the price that a given channel must pay in order to deliver the desired returns.

What is the right income split between the herd owner and cowboy/cowgirl?

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# Discussion paper



Institute of Agriculture and Natural Resources  
EC841

## Beef Cow Share Lease Agreements

Aaron L. Berger, Extension Educator



### Introduction

Cow-calf enterprises require large investments in capital, labor, and management. These capital investments in breeding livestock, facilities and equipment, feed, and other inputs can keep some individuals from being in cow-calf production. Capital investments are commonly shared among two or more people to reduce one person's capital requirements. A cattle share lease is one way to reduce an operator's capital needs. Typically, these leases provide the

operator and owner based on what each person contributes to the production of the calves. The operator typically supplies land, labor, some of the management, and other inputs. The major economic difference between a cash lease and a share lease is that a cash lease "rents" the cows for a set cash price for a period of time, whereas a share lease guarantees each person a portion of the year's calf crop. These lease agreements differ as to which person bears risk. In a share lease agreement, the cattle owner receives a share of the calf crop and therefore shares both the production and



# Share lease example

## Sample Cattle Share Lease

The following is a sample lease. Many of the topics discussed in this publication are outlined in the following lease. It is important to understand that this is only a sample and it is necessary to develop a lease that is unique to individual situations.

This agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the following parties:

Cow Owner (lessor): \_\_\_\_\_






Ranch/Operator (lessee): \_\_\_\_\_

- I. Operator desires to lease from the Owner \_\_\_\_\_ head of \_\_\_\_\_ (type of livestock) from \_\_\_\_\_ (date) to \_\_\_\_\_ (date). During the term of this lease the Operator agrees to take custody of said livestock, to properly breed, graze, pasture, feed, maintain, and care for the same, and to raise the calves produced thereof and therefrom, all at Operator's expense. This agreement shall automatically renew for succeeding one-year periods if neither party gives notice of termination within \_\_\_\_\_ days of expiration of this Agreement. Such renewal shall be noted at the end of this Agreement by noting the year of renewal, the initial number of cows, and the signature of both parties signifying acceptance of the renewal terms as well as acceptance of all other terms and conditions contained within this entire Agreement. (This lease may also expire if the lease is under the terms of a transfer from Owner to Operator, and the Owner's share of the cow herd has decreased to zero.)
- II. Any barren, open, or unproductive cows will, at Owner's option, be returned to Owner or delivered to the sale barn of Owner's choice for sale. Thereupon Owner shall have the option to replace any such barren, open, or nonproductive cows during the term of this Agreement with replacement cows, which have been bred or are suitable for breeding. Owner shall have the right to place additional stock cows in the custody of Operator under the terms, conditions, and covenants of this Agreement upon the consent of Operator.
- III. Division of the calves. Operator is to receive 70 percent of the calves and Owner is to receive 30 percent of the calves. Unless otherwise mutually agreed, the calves will be split with a gate cut. The Owner receives the first 30 percent of calves that walk through the gate. Division of calves is to be done annually or more frequently if necessary and mutually agreed. It is mutually agreed that the division is to be done at weaning time, when the calves are at an age of approximately six months or a weight of approximately 400 pounds. Division may also be done when calves are to be sold.
- IV. Operator agrees that all fences, corrals, enclosures, sheds, and such shall be kept in good repair and that they will retain the cattle. Operator also agrees that all corrals, lots, and pastures shall be kept free of debris, trash, and other objects that could be reasonably assumed to be harmful to cattle.
- V. In the event of the death of an animal owned by the Owner while in possession of the Operator, Operator agrees to present to Owner a picture(s) of the deceased animal with identification, that portion of the hide containing the brand or a certificate from the rendering company stating the brand on the deceased animal. In any event, Operator agrees to notify Owner in writing of any death, emergency, or unusual event as soon as possible.

# Calculations Tool

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## Ag Economics

TITLE	DOWNLOAD FILE	FILE SIZE	DATE POSTED
Breakeven Cow-Q-Lator for Feeders or Cull Cows		145 KB	6-9-16
Corn Stalk Grazing Calculator		145 KB	6-9-16
Cow-Calf Share Lease Cow-Q-Lator		198 KB	6-9-16
Cow-Calf Cost Cow-Q-Lator		357 KB	6-9-16
Feed Cost Cow-Q-Lator		195 KB	6-9-16

[extension.unl.edu/staterwide/westcentral/ag-economics/](http://extension.unl.edu/staterwide/westcentral/ag-economics/)

# System parameters



**Disclaimer:** This worksheet was written to demonstrate the principles for determining an equitable cost share arrangement for leasing cows in a beef production system and is primarily an educational tool. It does NOT address the profitability issue. Effort has been made to insure the formulas used are appropriate but NO warranties are made or should be implied. Any output should be independently verified prior to making a decision to enter into a contract.

## Cow-calf Share Decision Aid

Written by Roger Wilson and Matt Stockton

### Parties

Owner	Operator
Name 1	Name 2
35%	65%

### Cash Value

(depreciation, death loss, interest, and insurance)

Cows Only	225.12
Cows and Bulls	253.32

### Key

Input Cells
Calculated Cells

You can enter data into cells that have a white background.

Cells with a gold background contain the results of calculations

### General, Replacement, and Breeding Inputs

		Shares	
		Name 1	Name 2
What interest rate do you expect?	8%		
How many cows are covered by this lease?	100 cows	100%	
To maintain this herd, how many females will/would be replaced each year?	16 females		
What is the average value of cows in the herd?	1,200 dollars/head		
How much does the average cull cow weigh when you sell her?	1,000 pounds		
What is the expected price for cull cows	50 dollars/cwt.		
How much does it cost to market cull cows	30 head		
What is the estimated death loss?	2% percent		
How many bulls are needed for the cows in this lease?	4 bulls		
How many bulls are culled?	1		
How much do bulls cost? (including delivery)	3,000 dollars/head	50%	50%
How long are bulls kept?	4 years		
How much does the average cull bull weigh when you sell him?	2,000 pounds		
What is the expected price for cull bulls?	60 dollars/cwt.		
How much are cull bulls worth? (less marketing costs)	1,200 dollars/head		
What is the total spent on artificial Insemination each year for all females?	2,400 dollars/year	100%	

Cells with a red triangle in the upper right corner contain comments that can be viewed by moving the cursor to them.

# Operating Inputs

## Budgeted Amounts and Shares

	Amount	Price	Cost/Cow	Name 1		Name 2	
				Share	Amount	Share	Amount
<b>Feed Costs</b>							
Growing Season Grazing (Pairs)	6 months	35.00 / mo.	210.00			100%	210.00
Growing Season Grazing (Cows)	months	/ mo.					
Dormant Season Grazing (Pairs)	months	/ mo.					
Dormant Season Grazing (Cows)	3 months	18.00 / mo.	54.00			100%	54.00
Crop Residual (ie. Corn stalks)	60 days	0.40 / day	24.00			100%	24.00
Irrigated Pasture	months	15.00 / mo.					
Hay	0.5 ton	65.00 / ton	32.50			100%	32.50
DDG	pounds	/ ton					
Corn	bu	/ bu.					
Supplement	20 lbs	220.00 / ton	2.20			100%	2.20
Salt & Mineral	60 lbs	0.05 / lb.	3.00			100%	3.00
Other							
Estimated Bull Feed Costs			20.84			100%	20.84
<b>Total Feed Costs</b>			\$ 346.54		\$ -		\$ 346.54
<b>Other Cash Costs</b>							
Veterinary and medicine			20.00	50%	10.00	50%	10.00
Cash costs on bldgs & equip			3.00			100%	3.00
Misc cash cost -Name 1			5.00	100%	5.00		
Misc cash cost -Name 2			6.50			100%	6.50
AI Costs			24.00	100%	24.00		
Estimated Other Bull Cash Costs			2.21	43%	0.96	57%	1.25
Int. on pur. feed & cash costs 0.5 yr.	252.38	8.00%	10.10	8%	0.80	92%	9.30
<b>Total Other Cash Costs</b>			\$ 70.80	58%	\$ 40.76	42%	\$ 30.04
<b>Total Labor Costs</b>	6.5 hrs	\$15.00	\$ 97.50			100%	97.50
<b>Total Operating Costs</b>			\$ 514.85	8%	\$ 40.76	92%	\$ 474.09
<b>Cow and Bull Ownership Costs</b>							
Cow Depreciation			116.80	100%	116.80		
Cow Death Loss			21.66	50%	10.83	50%	10.83
Interest on Cows	#####	8.00%	86.66	100%	86.66		
Bull Depreciation			18.00	50%	9.00	50%	9.00
Bull Death Loss			2.04	50%	1.02	50%	1.02
Interest on Bulls	102.00	8.00%	8.16	50%	4.08	50%	4.08
Cattle Insurance							
<b>Total Ownership Costs</b>			\$ 253.32	90%	\$ 228.39	10%	\$ 24.93
<b>Management</b>			5.00	100%	5.00		
<b>Total Cost</b>			\$ 773.17	35%	\$ 274.15	65%	\$ 499.02

EXTENSION

# Results

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	\$ 253.32	90%	\$ 228.39	10%	\$ 24.93
	5.00	100%	5.00		
	\$ 773.17	35%	\$ 274.15	65%	\$ 499.02

# What about other enterprises?

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#### Meet the author

**Don Hofstrand**

retired extension value added  
agriculture specialist  
[agdm@iastate.edu](mailto:agdm@iastate.edu)

[View more from this author](#)

### Dividing Business Income

Many business ventures involve two or more individuals working together. These ventures may focus on marketing products to local consumers, the processing of farm products or other type of ventures. Although these are often not complex arrangements, creating a method of equitably dividing income among the parties is important.

Below are methods to help you divide business income between the parties in an equitable manner. The two most common income sharing models are:

- Contributions model - Income is divided in the same proportion as the relative value of each party's contribution of resources to the business venture.
- 50/50 model - A return is paid to each party for his/her contribution of resources to the venture. Any remaining profit or loss is shared equally among the parties.

We will discuss these models as if only two parties are involved. However, they can be used with three or more parties.

A sharing arrangement should be reviewed periodically. If the ownership pattern or the labor and management contributions

File C4-16

Updated December, 2016



pdf format



xlsx file

Use this decision tool to  
calculate how to divide income  
between different parties.



teaching activity

# For any enterprise or whole farm

	A	B	C	D	E	F	G	H	I	J	K	
1	<b>Dividing Business Income</b>											
2	<b>Ag Decision Maker -- Iowa State University Extension and Outreach</b>											
3	See Information File , <a href="#">Dividing Business Income</a> for more information.											
4												
5	Place the cursor over cells with red triangles to read comments.											
6	Enter your input values in shaded cells.											
7												
8	<b>Name of each party</b>				Jones	Smith						
9												
10	<b>Resource Contributions (annual value)</b>											<b>Total Annual Value of Resources</b>
11	<b>Real Estate</b>											
12	Real Estate		\$35,000		\$15,000							\$50,000
13			\$0		\$0							\$0
14			\$0		\$0							\$0
15												
16	<b>Personal Property</b>											
17	Equipment		\$16,000		\$7,000							\$23,000
18			\$0		\$0							\$0
19			\$0		\$0							\$0
20			\$0		\$0							\$0
21												
22	<b>Labor &amp; Management</b>											
23	Labor		\$12,000		\$18,000							\$30,000
24	Management		\$5,000		\$5,000							\$10,000
25			\$0		\$0							\$0
26			\$0		\$0							\$0
27			\$0		\$0							\$0
28												
29	<b>Other</b>											
30	Working Capital		\$1,000		\$1,000							\$2,000
31			\$0		\$0							\$0
32			\$0		\$0							\$0
33												
34	<b>Total Value</b>			\$69,000		\$46,000		\$0		\$0		\$115,000
35												

# Beef enterprise budgets

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# Cow Herd System Budget

**Roger Wilson, Farm Management / Enterprise Budget Analyst**


**This budgeting workbook is designed for the medium and small sized operator. It includes spreadsheets for analyzing the components of a beef production system separately but provides a combined analysis as well.**



Extension is a Division of the Institute of Agriculture and Natural Resources at the University of Nebraska - Lincoln cooperating with the Counties and the United States Department of Agriculture. University of Nebraska - Lincoln Extension programs abide with the nondiscrimination policies of the University of Nebraska - Lincoln and the United States Department of Agriculture.

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**Title Page** | **Inputs** | **Bulls** | **Replacements** | **Breeding Herd** | **Wintered Calf** | **Stocker** | **Feedlot** | **Fed Cull Cow** | **System** | **+**



# Crop Budgets



Institute of Agriculture and Natural Resources

EC872

(Revised November 2018)

## 2019 Nebraska Crop Budgets

**Robert Klein, Senior Editor, Western Nebraska Crop Specialist**

**Glennis McClure, Extension Educator - Agricultural Economics**

**Roger Wilson, Farm Management / Enterprise Budget Analyst, Retired**

These budget projections were created using cropping practice norms for many producers in Nebraska. However, each individual farming operation is unique.

These budgets are available in both Adobe PDF and Excel worksheet formats. Producers can modify them to match their specific situation. The danger of releasing a tool that can subsequently be modified is that there is no way to verify that no alterations have been made or unrealistic data entered. Therefore, users of this tool are responsible for independently verifying all results prior to relying on them.

Original files for these budgets are available at <http://extension.unl.edu/publications> and on <https://cropwatch.unl.edu/budgets>.

For more information contact:

Robert Klein, 308-696-6705 or [rklein1@unl.edu](mailto:rklein1@unl.edu)

Glennis McClure, 402-472-0661 or [gmcclure3@unl.edu](mailto:gmcclure3@unl.edu)

EXTENSION

# Organic or small farm decision tools

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Meet the authors

**Craig Chase**

local foods extension specialist

515-294-1854

[cchase@iastate.edu](mailto:cchase@iastate.edu)

View more from this author



**Alice Topaloff**

program assistant

[topaloff@iastate.edu](mailto:topaloff@iastate.edu)

## Organic Crop Production Enterprise Budgets

### Introduction

An enterprise budget is an estimate of the costs and returns to produce a product (enterprise). For example, a conventional Iowa corn and soybean producer would be interested in developing both a corn and soybean enterprise budget. Organic growers may have three to six different products they wish to develop budgets for depending upon the number of crops within their rotation. These budgets reflect a four-year rotation of corn, soybeans, oats with alfalfa, and a second year of alfalfa as the crops. Changing the rotation to include a second year of corn after soybeans for example would affect the corn budget described here.

Why use enterprise budgets? In economic terms, enterprise budgets help to allocate land, labor and capital, which are limited, to the most appropriate use. The most appropriate use is defined by the person in control of the resources and may be used to maximize profits, minimize soil loss, or to achieve other goals.

The estimated costs and returns illustrated are based on a long-term study located at an Iowa State University research farm in southwestern Iowa. The data was modified to more accurately reflect average Iowa results as indicated by organic farmers who reviewed the budgets.

### Budget Format

Enterprise budget formats vary. Some are complex. Others are quite simple. The budgets included in this publication are divided into five sections. They are:

**Receipts.** The first section illustrates the total receipts the enterprise provides on a set unit(s). Records should be kept on both a sales unit (per bushel or per ton) and land unit (per acre) basis. Sales prices are those listed by the [Agricultural Marketing Service](#) whereas yields are those that would have been received by a wide range of organic producers over the last two to three years. Note that the alfalfa price for the establishment year is lower than the second year due to lower quality from straw residue being picked up in the fall hay cutting.

**Preharvest.** The second section includes the costs of planting and growing the product (preharvest costs). For example, once the seed is planted or a field operation is completed, the cost has occurred and needs to be covered from some source. Additionally, there is a time delay between preharvest expenses and the time the product is sold. These expenses may have to be covered from financing, end-use, or some other source. Therefore, interest and bank costs should be included in production expenses.

File A1-18  
Updated April, 2016

 pdf format

 xlsx files:

Organic Crop Budgets - (4 Decision Tools) - Use these *decision tools* to estimate the costs and returns for growing **Organic Corn, Organic Soybeans, Organic Oats, and Organic Alfalfa.**



# How about other states and crops?

https://agrisk.umn.edu/Budgets

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	Lea County		County
Alfalfa	Alfalfa Establishment, Dryland - Enterprise Budget for San Jon Area, Quay County	2016	New Mexico - Quay County
Alfalfa	Alfalfa Hay, Dryland - Enterprise Budget for San Jon Area, Quay County	2016	New Mexico - Quay County
Alfalfa	Alfalfa Establishment, Sprinkler Irrigated - Enterprise Budget for Roosevelt County	2016	New Mexico - Roosevelt County
Alfalfa	Alfalfa Hay, Sprinkler Irrigated - Enterprise Budget for Blackwater Draw Area, Roosevelt County	2016	New Mexico - Roosevelt County
Alfalfa	Alfalfa Establishment, Flood Irrigated - Enterprise Budget For Chavez County	2016	New Mexico - Chavez County

1 2 3 4 5 6 7 8 9 10 ... 1 - 2

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# Putting it all together

# Legal Structures



The screenshot shows the homepage of The National Agricultural Law Center. The browser address bar displays the URL <https://nationalaglawcenter.org/center-publications/>. The website header features the center's logo on the left, which includes a green circular emblem with a scale of justice and a plant. To the right of the logo, the text reads "The National Agricultural Law Center" and "The Nation's Leading Source of Agricultural and Food Law Research and Information". On the far right of the header, there is a link to "Check out...The Ag & Food Law Blog >" and a search icon.

Below the header is a navigation bar with a "NAVIGATION" label on the left. The bar contains several categories of links: "ABOUT THE CENTER", "RESEARCH BY TOPIC", "CENTER PUBLICATIONS" (highlighted in green), "STATE COMPILATIONS", "AG & FOOD LAW CONSORTIUM", "CENTER OUTREACH", "CONGRESSIONAL RESEARCH REPORTS", "FARM BILL RESOURCES", "AG LAW BIBLIOGRAPHY", "AG LAW GLOSSARY", "AG LAW REPORTER", and "GENERAL RESOURCES".

Below the navigation bar is a "QUICK MENU" section with links to "WEBSITE GUIDE", "DISCLAIMER", "ABOUT THE CENTER", and "PROFESSIONAL STAFF".

The main content area features a large heading "Research Articles" in a bold, brown font. Below this heading is a paragraph of text: "Our research publications are a vital part of the Center's mission to conduct objective, timely, and non-partisan research into agricultural and food law issues and to provide that scholarship to the agricultural and food law communities. Information provided in these articles and presentations is not intended to be taken as legal advice nor as a substitute for qualified legal counsel. **Note:** All articles and presentations are published in ADA-compliant PDF format and should be viewed in the latest Adobe Acrobat Reader to enjoy the advanced search and accessibility features. [Click here](#) for free download." To the right of this text is a small image of a book cover with the word "AGRICULTURAL" visible.

Source:  
<https://nationalaglawcenter.org>

# AgRisk resource

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### Choosing the Right Business Entity

PHILLIP L KUNKEL and S. SCOTT WICK (June, 2015)

#### Summary

Factors to consider when selecting the type of entity for a farming operation.

#### Details

Organization	University of Minnesota Extension
Publisher	University of Minnesota
Publication Date	June, 2015
Publication Views	84
Material Type	Written Material

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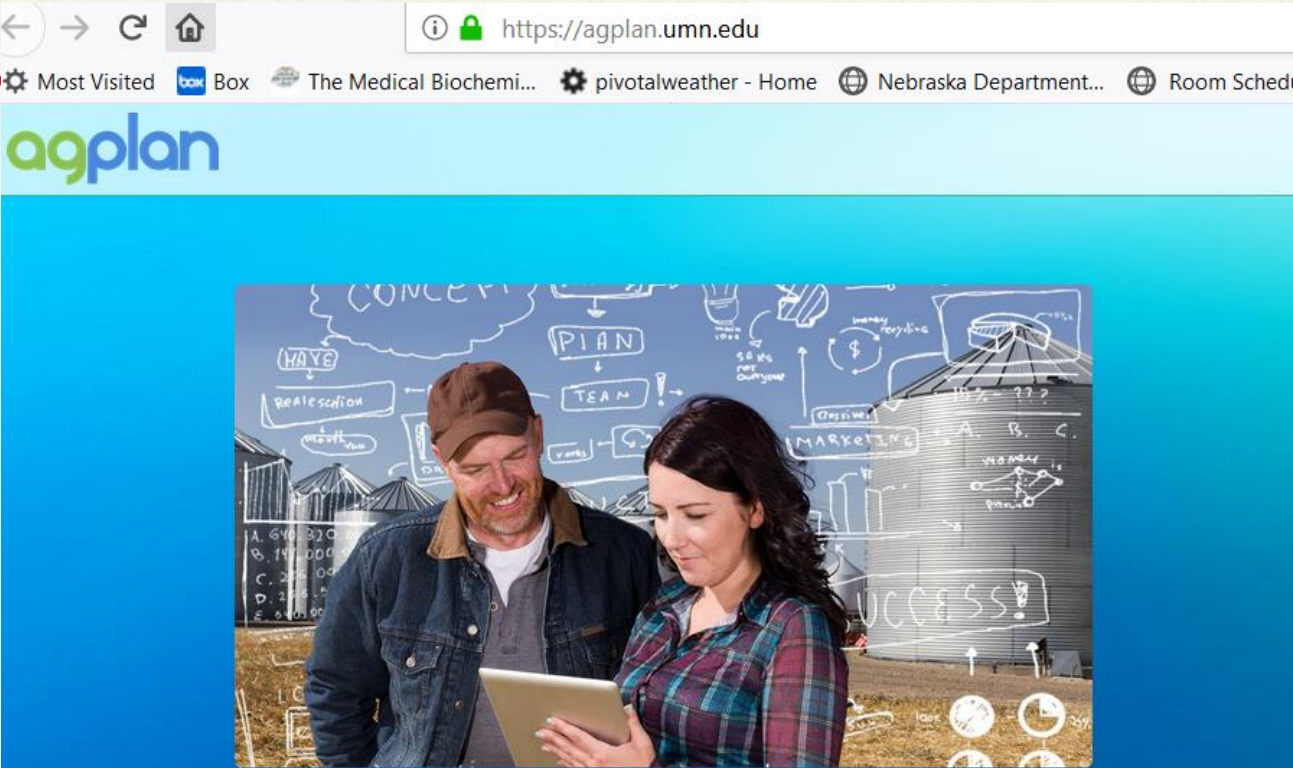
#### More by Phillip L Kunkel

Affordable Care Act - what you need to know

[https://agrisk.umn.edu/Library/Record/choosing\\_the\\_right\\_business\\_entity](https://agrisk.umn.edu/Library/Record/choosing_the_right_business_entity)

# Farm Business Plan Template

agplan.umn.  
edu



The screenshot shows the agplan.umn.edu website. The browser address bar displays the URL https://agplan.umn.edu. Below the browser tabs, the agplan logo is visible. The main content area features a photograph of a man and a woman looking at a tablet. The background of the photo is a chalkboard filled with business plan diagrams, including a flowchart with 'CONCEPT', 'PLAN', 'TEAM', and 'MARKETING' sections, a list of options (A, B, C, D, E) with associated costs, and a 'SUCCESS!' banner. The text 'Launched in 2007, AgPlan has been used to create 60,000+ business plans!' is prominently displayed below the photo. Below this, the text 'AgPlan makes it easy for you.' is followed by a bulleted list of features.

**Launched in 2007, AgPlan has been used to create 60,000+ business plans!**

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