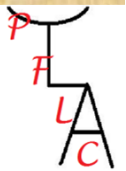




Business Plan: Prairie Farms Land and Cattle

Tyler John Anderson



Outline

- Mission Statement
- Company Background
- Resources, Facilities, and Equipment
- Marketing Methods
- Management and Organization
- Ownership Structure
- Products and Services
- Financial Projection
- Conclusion
- Bibliography
- Questions

Mission Statement

- Prairie Farms Land and Cattle will be a financially sound, progressive agricultural company that raises quality commodities and cattle.



Company Background

- PFLC is a crop and cattle production operation, which focuses on producing seed crops for Prairie Farms Certified Seed, and/or organic wheat, forage production for baling, and cow/calf cattle production.
- The founder and sole owner of Prairie Farms Land and Cattle is Tyler John Anderson.

Resources, Facilities and Equipment

- Prairie Farms Land and Cattle is going to slowly buy equipment as it expands.
- A lot of the farm equipment in the beginning years can be rented/borrowed from its sister farm, Prairie Farms LTD.



Marketing Methods

- Many different markets will be explored in an effort to find a niche market for the products produced by PFLC;
 - Organic
 - Seed
 - Hay
 - Forward contracting
 - Futures

Management and Organization

- Tyler John Anderson
 - President/ CEO
- Timothy Eugene Anderson
 - Oversight/ Advice
- Leonard John Anderson
 - Oversight/ Advice

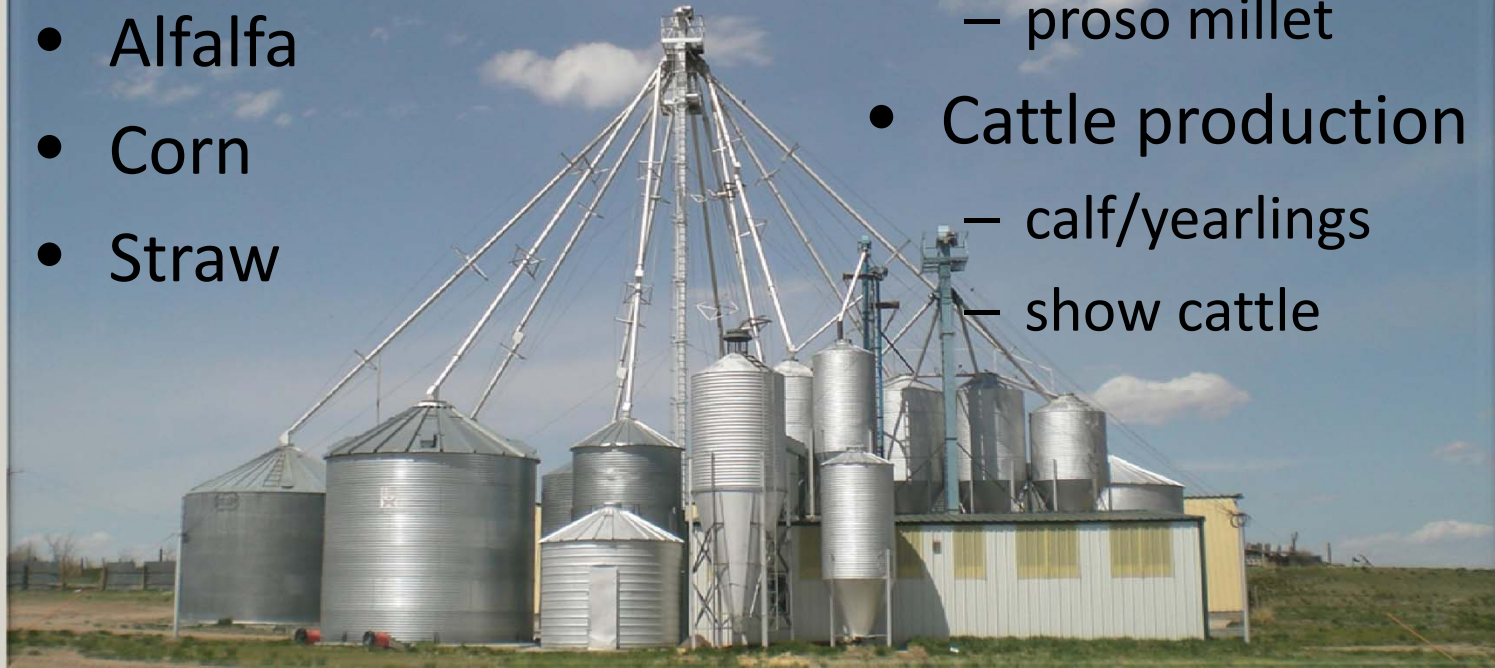


Ownership Structure

- Primary Stock Holder of PFLC
 - Tyler Anderson
- Prairie Farms Land and Cattle
 - Limited Liability Company (LLC) which is viewed as a combination of both a corporation and a partnership

Products

- Conventional wheat
- Organic wheat
- Buckskin pinto beans
- Alfalfa
- Corn
- Straw
- Certified seed
 - wheat
 - oats and hay millet
 - proso millet
- Cattle production
 - calf/yearlings
 - show cattle



Services

Custom Farming Prices	Rate Per Dryland Acre	Rate Per Irrigated Acre
Moldboard Plow	\$ 13.00	\$ 27.50
Disk	\$ 11.00	\$ 11.50
Chisel	\$ 13.00	\$ 9.00
Field Cultivate	\$ 12.50	\$ 10.00
Noble Blade	\$ 15.00	\$ 15.00
Plant Grains (wheat, oats, millet)	\$ 13.00	\$ 12.00
Combine	\$ 17.00	\$ 23.00
Sprayer	\$ 5.00	\$ 6.00
Bale	\$ 10.00	\$ 10.00

Custom Rates

- The rates for custom work includes the cost of owning, operating, and performing custom operations like operator labor, managerial services, interest on equipment, and operational profits.
- Such costs as seeds, fertilizers, chemicals, twine, bale wrap, and other labor is not included in the calculations of custom rates.
- The best way to determine farming costs involved with production is to charge custom rates for your own production purposes.

Pinto Beans Irrigated	\$/ Acre	Usage	Final
Moldboard Plow	\$ 27.50	1	\$ 27.50
Field Cultivate	\$ 10.00	3	\$ 30.00
Plant Beans	\$ 12.00	1	\$ 12.00
Incorperate (Sprayer)	\$ 5.00	1	\$ 5.00
Cultivate Pinto Beans	\$ 8.00	1	\$ 8.00
Cut and windrowed	\$ 25.00	1	\$ 25.00
Combine	\$ 26.00	1	\$ 26.00
Total			\$ 133.50

Corn Irrigated	\$/ Acre	Usage	Final
Moldboard Plow	\$ 27.50	1	\$ 27.50
Field Cultivate	\$ 10.00	3	\$ 30.00
Plant Corn	\$ 15.00	1	\$ 15.00
Cultivate Corn	\$ 10.00	1	\$ 10.00
Combine	\$ 25.00	1	\$ 25.00
Total			\$ 107.50

Dryland minimum till	\$/ Acre	Usage	Final
Moldboard Plow	\$ 13.00	0	\$ -
Disk	\$ 11.00	1	\$ 11.00
Chisel	\$ 13.00	3	\$ 39.00
Field Cultivate	\$ 12.50	0	\$ -
Noble Blade	\$ 15.00	0	\$ -
Plant Grains (wheat,oats,millet)	\$ 13.00	1	\$ 13.00
Combine	\$ 17.00	1	\$ 17.00
Sprayer	\$ 5.00	2	\$ 10.00
Bale	\$ 10.00	0	\$ -
Total			\$ 90.00

Dryland Conventional	\$/ Acre	Usage	Final
Moldboard Plow	\$ 13.00	1	\$ 13.00
Disk	\$ 11.00	0	\$ -
Chisel	\$ 13.00	0	\$ -
Field Cultivate	\$ 12.50	3	\$ 37.50
Noble Blade	\$ 15.00	0	\$ -
Plant Grains(wheat,oats,millet)	\$ 13.00	1	\$ 13.00
Combine	\$ 17.00	1	\$ 17.00
Sprayer	\$ 5.00	2	\$ 10.00
Bale	\$ 10.00	0	\$ -
Total			\$ 90.50

Dryland Organic wheat	\$/ Acre	Usage	Final
Moldboard Plow	\$ 13.00	1	\$ 13.00
Disk	\$ 11.00	0	\$ -
Chisel	\$ 13.00	0	\$ -
Field Cultivate	\$ 12.50	3	\$ 37.50
Noble Blade	\$ 15.00	1	\$ 15.00
Plant Grains(wheat,oats,millet)	\$ 13.00	1	\$ 13.00
Combine	\$ 17.00	1	\$ 17.00
Sprayer	\$ 5.00	0	\$ -
Bale	\$ 10.00	0	\$ -
Total			\$ 95.50

Irrigated wheat	\$/ Acre	Usage	Final
Moldboard Plow	\$ 27.50	0	\$ -
Disk	\$ 11.50	0	\$ -
Chisel	\$ 9.00	0	\$ -
Field Cultivate	\$ 10.00	2	\$ 20.00
Noble Blade	\$ 15.00	0	\$ -
Plant Grains(wheat,oats,millet)	\$ 12.00	1	\$ 12.00
Combine	\$ 23.00	1	\$ 23.00
Sprayer	\$ 6.00	2	\$ 12.00
Bale	\$ 10.00	1	\$ 10.00
Total			\$ 77.00

Irrigated Hay	\$/Acre	Usage	Final
Moldboard Plow	\$ 27.50	1	\$ 27.50
Disk	\$ 11.50	3	\$ 34.50
Chisel	\$ 9.00	0	\$ -
Field Cultivate	\$ 10.00	2	\$ 20.00
Noble Blade	\$ 15.00	0	\$ -
Plant Grains (wheat, oats, millet)	\$ 12.00	1	\$ 12.00
Combine	\$ 23.00	0	\$ -
Sprayer	\$ 6.00	0	\$ -
Swath, Round Bale, Stack \$/Ton	\$ 45.00	3	\$135.00
Total			\$229.00

Financial Projection

- Determine Breakeven and Profit
 - Analyze what crops produce the biggest return per acre.



Pinto Beans Irrigated	Total Expense		Gross Profit		
Custom Rate Expenses	\$133.50	Gross/Acre			
Seed	\$ 42.00	Pounds/ Acre	2200		
Fertilizer	\$ 50.00	Pounds/ cwt	100		
Herbicide	\$ 35.00	cwt/ Acre	22	Profit/Acre	
Hail Insurance	\$ 22.00			Gross Profit	\$660.00
Multi- Peril	\$ 11.00	\$/ cwt	\$30.00	Total Expense	\$353.50
Electricity	\$ 60.00				
Total	\$353.50		\$660.00		\$306.50

Corn Irrigated	Total Expense		Gross Profit		
Custom Rate Expenses	\$107.50	Gross/Acre			
Seed	\$ 71.00	lbs/ Bushel	56		
Fertilizer	\$ 80.00	Bushels/Acre	150		
Herbicide	\$ 10.00			Profit/Acre	
Hail Insurance	\$ 22.00	\$/ Bushel	\$ 4.00	Gross Profit	\$600.00
Multi- Peril	\$ 11.00			Total Expense	\$376.50
Electricity	\$ 75.00				
Total	\$376.50		\$600.00		\$223.50

Dryland minimum till wheat	Total Expense	Gross/Acre	Gross Profit		
Custom Rate Expenses	\$ 90.00	Pounds/Acre	1680		
Seed	\$ 7.00	lbs/ Bushel	60		
Fertilizer	\$ 10.00	Bushels/Acre	28	Profit/Acre	
Herbicide	\$ 4.50			Gross Profit	\$140.00
Hail Insurance	\$ -	\$/ Bushel	\$ 5.00	Total Expense	\$116.50
Multi- Peril	\$ 5.00				
Total	\$116.50		\$140.00		\$ 23.50

Dryland Conventional wheat	Total Expense	Gross/Acre	Gross Profit		
Custom Rate Expenses	\$ 90.50	Pounds/ Acre	1500		
Seed	\$ 7.00	lbs/ Bushel	60		
Fertilizer	\$ 10.00	Bushels/ Acre	28	Profit/Acre	
Herbicide	\$ 4.50			Gross Profit	\$140.00
Hail Insurance	\$ -	\$/ Bushel	\$ 5.00	Total Expense	\$117.00
Multi- Peril	\$ 5.00				
Total	\$117.00		\$140.00		\$ 23.00

Dryland Conventional wheat seed	Total Expense	Gross/Acre	Gross Profit		
Custom Rate Expenses	\$ 90.50	Pounds/ Acre	1500		
Seed	\$ 7.00	lbs/ Bushel	60		
Fertilizer	\$ 10.00	Bushels/ Acre	28	Profit/Acre	
Herbicide	\$ 4.50			Gross Profit	\$ 224.00
Hail Insurance	\$ -	\$/ Bushel	\$ 8.00	Total Expense	\$ 117.00
Multi- Peril	\$ 5.00				
Total	\$ 117.00		\$224.00		\$ 107.00

Dryland Organic wheat	Total Expense	Gross/Acre	Gross Profit		
Custom Rate Expenses	\$ 95.50	Pounds/Acre	1560		
Seed	\$ 7.00	lbs/ Bushel	60		
Fertilizer	\$ -	Bushels/Acre	26	Profit/Acre	
Herbicide	\$ -			Gross Profit	\$208.00
Hail Insurance	\$ -	\$/ Bushel	\$ 8.00	Total Expense	\$109.50
Multi- Peril	\$ 7.00				
Total	\$109.50		\$208.00		\$ 98.50

Irrigated wheat	Total Expense		Gross Profit			
Custom Rate Expenses	\$ 77.00	Gross/Acre		Profit/Acre		
Seed	\$ 14.00	Pounds/Acre	6000	Gross Profit	\$500.00	
Fertilizer	\$ 40.00	lbs/ Bushel	60	Total Expense	\$235.00	
Herbicide	\$ 10.00	Bushels/Acre	100			
Hail Insurance	\$ 26.00			Tons/Acre	2	
Multi- Peril	\$ 8.00	\$/ Bushel	\$ 5.00	\$/Ton	\$75.00	
Electricity	\$ 60.00				w/out Straw	w/ Straw
Total	\$235.00		\$500.00		\$265.00	\$340

Hay	Total Expense	Gross/Acre	Gross Profit			
Custom Rate Expenses	\$229.00	Pounds/Acre	9000			
Seed	\$130.00	Tons/Acre	4.5			
Fertilizer	\$ 10.00					
Herbicide	\$ 4.50			Profit/Acre	1 st year	Year 2-5
Hail Insurance	\$ -			Gross Profit	\$585.00	\$585
Multi- Peril	\$ -	\$/ Ton	\$130.00	Total Expense	\$463.50	\$225
Electricity	\$ 90.00					
Total	\$463.50		\$585.00		\$(121.50)	\$360

Conclusion

- Profitable
 - Organic
 - Seed
- Unprofitable
 - Conventional



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Questions??

