

Natural Resource Enterprises

Advanced Workshop Series

Business Plan Development



Table of Contents

Business Plan Development: Worksheets for Group Activity and Presentations.....Section 1

Directions for Business Plan Development Group Activity
Outline for Group Presentations of Business Plan
Calculating Start-up Costs
Projected Profit and Feasibility

Expenses and Revenues: Reference Tables for Budgeting and Feasibility Assessment.....Section 2

Table 1. Expenses associated with equipment, services and supplies for operating a natural resource enterprise for use in budgeting.
Table 2. Recreational revenue potential from different types of NRE operations including agritourism, fee-hunting, and nature-based tourism.

Business Plan Development: Optional Worksheets.....Section 3

Worksheet #1 – Starting an NRE
Worksheet #2 – Personal Goals
Worksheet #3 – Physical Resources
Worksheet #4 – Labor Resources
Worksheet #5 – Financial Resources
Worksheet #6 – Business Model
Worksheet #7 – Industry Analysis
Worksheet #8 – Market Analysis
Worksheet #9 – Business Management
Worksheet #10 – Marketing Strategy: Products and Services
Worksheet #11 – Marketing Strategy: Location Analysis
Worksheet #12 – Marketing Strategy: Sales/Promotion
Worksheet #13 – Marketing Strategy: Competition
Worksheet #14 – Marketing Strategy: Market Penetration

NRE Business Plan Development Publications for Reference.....Section 4

Basic Sections of the General Business Plan
Business Considerations for Private Landowners
Checklist for Starting a Small Business in Mississippi
A Checklist of Considerations for Landowners
Financing Your Natural Resource-based Enterprise

Section 1

Business Plan Development: Worksheets for Group Activity and Presentations

Directions for Business Plan Development Group Activity

- 1) Workshop attendees will be split into three groups to develop a business plan using the written land and business scenario provided to each group.
- 2) Scenarios include aspects such as land-type, size of property, equipment on site, dwellings on site, and other information for use in developing your business plan as a group activity.
- 3) Each group should choose a representative to present their proposed NRE plan using ***Outline for Group Presentations in Section 1*** to report proposed operation, services, starting costs, revenues, and expenditures for your given NRE scenario.
- 4) Start-up costs, profit prediction, and feasibility of the proposed NRE will be evaluated by subtracting total annual expenses from potential revenues to indicate net profit per year for your group scenario. Use ***Calculating Start-up Costs and Projected Profit and Feasibility in Section 1*** to project your success from business Year 1 – Year 3.
- 5) Section 2 contains reference tables for figuring expenses and revenue generation for your given scenario. A price chart of expected expenses and a price listing for current prices of activities offered by enterprises currently operating in the Southeast are included. Please use these tables, or the landowner expert assigned to your group as needed when budgeting for your group's NRE. Calculators will be supplied to each group to make budgeting easier.
- 6) Section 3 contains optional worksheets which are a compilation of questions to focus your business plan (Worksheet #1-14 in Section 3) and help you gather your thoughts. You are not required to complete all worksheets for the purposes of this group activity. These optional worksheets may be more valuable as an “at home” source to think about your personal NRE plans.
- 7) Landowner professionals, Federal Land Bank and Southern AgCredit staff, and NRE Program staff are on-hand to answer questions of any kind. Please do not hesitate to flag someone down if you have a question.
- 8) Other references with respect to business plan development may be found in Section 4 and used as needed by the group. These publications may also be of more use as an “at home” source of considerations when starting your own NRE.
- 9) Please designate a group leader to present your NRE plan to other groups. Have fun and good luck on the grand opening of your virtual NRE!
- 10) Presentations will be given by group leaders at the end of the allotted time period of the group activity. Thank you for your participation!

Outline for Group Presentations of Business Plan

Please use this sheet as an outline for presenting your virtual NRE to other groups. Answer questions and provide concise expense data in table below for group presentation. Use your provided calculator and *Calculating Start-up Costs and Projected Profit and Feasibility in Section 1* to project your success from business Year 1 – Year 3 and report starting costs (Year 1), revenues, expenditures and net profit in the chart below. Your group will need to include the answers to questions below and report expenditures and revenues generated in presentations.

1) What type of NRE will you be operating as a group and what is the name of the NRE?

2) What land cover types and other resources including, equipment and structures were present on the property in your given scenario?

3) What are your present needs in starting your NRE? (i.e., construction, renovations, equipment purchases, and etc.)

4) What services will you provide to customers? (i.e., hunting, corn-maze, bird-watching)

5) Who are your customers and how do you plan on marketing your NRE?

\$\$\$\$	YEAR 1	YEAR 2	YEAR 3
Starting costs	\$	-----	-----
Revenues	\$	\$	\$
Expenditures	\$	\$	\$
Net profit	\$	\$	\$

*** Note: Only report starting costs for Year 1. Other expenditures may be necessary in Year 2 and Year 3. An estimate of Year 2 and Year 3 expenditures will suffice for the purposes of this activity.**

Section 2

Expenses and Revenues: Reference Tables for Budgeting and Feasibility Assessment

Table 1. Expenses associated with equipment, services and supplies for operating a natural resource enterprise for use in budgeting.

ITEM	ESTIMATED COST
Barn construction (per 1000 sq. ft.)	\$18,500
Bird-watching guide services (1 guide per day)	\$125
Canoe (2-person)	\$300
Construction of permanent bathroom facilities (1 women, 1 men)	\$15,000
Dwelling/cabin/lodge construction (per 1000 sq. ft.)	\$45,000
Food -meals (4 people for 3 meals per day)	\$80
Hunting guide services (1 guide/day)	\$250
Insurance (Agritourism - annually)	ASK EXPERT
Insurance (Hunting operation - annually)	ASK EXPERT
Insurance (Nature-based - annually)	ASK EXPERT
Labor (1 person/hour)	\$10
Lease of wooded property (per 100 acres)	\$2,500
Legal fees (setting up LLC, waivers, other agreements)	\$1,500
Maintenance of 1 acre of crop (herbicide and harvesting needs)	\$25
Management of habitat for wildlife species (burning, thinning, etc. per 100 acres)	\$5,000
Marketing (billboards and radio - monthly)	\$1,200
Marketing (fliers and newspaper ads - monthly)	\$250
Marketing (website and social media - monthly)	\$500
Paintball equipment (1 gun/safety gear for 1 person/560 paintballs)	\$100
Playground accessories (durable and large swing set with slides)	\$1,000
Pond/lake management and maintenance (per acre annually)	\$150
Portable toilet rental (1 per month)	\$250
Primitive camping area maintenance (per acre annually)	\$15
Roof repairs (per 1000 sq. ft.)	\$6,500
Seed for planting 1 acre of crop (vegetables and fruit)	\$215
Sporting clays (100 rounds)	\$10
Tractor (used in great condition)	\$12,000
Trail construction (per acre)	\$2,000
Trail maintenance (per acre annually)	\$100
Trailer for carrying customers (Tour trailer)	\$11,000
Trap thrower (automatic for sporting clays)	\$3,000
Truck (heavy-duty four-wheel drive capable of pulling trailer/equipment)	\$35,000
Wildlife food plot establishment (per acre)	\$500

Table 2. Recreational revenue potential from different types of NRE operations including agritourism, fee-hunting, and nature-based tourism.

Name of Business	Location	URL	Services	Cost	Lodging/ Meals
Hunting					
Bayou Teche Hunting Preserve	Louisiana	http://beentherehuntinglouisiana.com/QUAIL_HUNTING/quail_hunting.html	Guided Hunts	\$8.00 per Quail \$13.00 per Chukar \$17.00 per Pheasant	
			Guide Fee	\$50.00 half day \$100.00 all day Book with Mike Guillory No Guide Fee	
David Smith Hunting	Louisiana	http://www.davidsmithhunting.com/	Guided Goose Hunt	\$300 per hunter/per morning (minimum of 7 hunters)	<i>Economy Lodging</i>
Tennessee Extreme Hunting Adventure	Tennessee	http://www.tnboar.com/index.php	Hog Hunting Skin and Quarter	\$750 per hunter \$50	
Quail Valley Hunting Preserve	Alabama	http://www.quailvalleyhunting.com/	Hunting Per Person, Per All Day Hunt	\$265.00 (Includes guide, dogs, snacks, drinks, lunch and 24 bird limit)	
			Hunting Per Person, Per Half-Day Hunt	\$165.00 (Includes guide, dogs, snacks, drinks, and 12 bird limit)	
			Additional Quail Cleaning	\$ 6.75 (Each) \$.65 per bird	
Mississippi Deer Hunting Outfitters	Mississippi	http://www.mckenaoutfitters.com/	Modern Rifle (rut hunt)	4 days- \$2,100.00	<i>Lodging included.</i>
			Modern Gun (first shot hunt)	4 days- \$1600.00	<i>Lodging included.</i>

		Black Powder Hunt	4 days- 1,800.00	<i>Lodging included.</i>
		Deer Bow Hunt	4 days- \$1000	<i>Lodging included.</i>
		Bow, Black Powder, Single Shot Rifle Hunt	4 days- 1,800.00	<i>Lodging included.</i>
		Hog Hunt Special	2 days- \$750	<i>Lodging included.</i>
		Basic Turkey Hunt	2 days- 1,000.00	<i>Lodging included.</i>
		Deluxe Turkey Hunt	4 days- 1600.00	<i>Lodging included.</i>
Hickory Hills	Mississippi	http://www.hickoryhillshunting.com/	Trophy white-tail (fully guided)	\$7,500.00 <i>Meals and lodging included.</i>
			Management white-tail (fully guided)	\$3,500.00 <i>Meals and lodging included.</i>
			Free Range white-tail (semi guided)	\$2,300.00 <i>Meals and lodging included.</i>
			Turkey (fully guided) One bird hunt	\$2,300.00 <i>Meals and lodging included.</i>
			Two bird hunt	\$2,800.00 <i>Meals and lodging included.</i>
			Half day deer / hog hunts / photographic outings	100.00 + trophy fee
			Trophy fees	
			Trophy white-tail	\$7,000+
			tail	\$3,000+
			Management white tail	\$1,800.00 \$1500.00
			Free range white tail Sika	\$2,500.00 \$2500.00
			deer	\$200.00
			Fallow deer	\$100.00
			Axis deer	\$1.00 per pound
			Exotic doe	
			White-tail doe	
			Hogs	

			One day turkey hunt (guided) With success	\$1,100.00	<i>1 meal included.</i>
			One day turkey hunt (guided) Without success	\$ 600.00	<i>1 meal included.</i>
			Non hunter	\$250 per single \$350 per couple \$100 per child under 16	
			Butchering	\$40.00-\$80.00 per animal	
			Hats	\$15.00	
			Cameraman for unguided hunts	\$50.00 per ½ day	
			Skeet range (not including ammunition)	\$35.00 per hundred clays	
			Accidental immature buck (less than 5 inches antler total)	\$800.00 no exceptions	
QUAIL VALLEY HUNTING PRESERVE					
	Alabama	http://www.quailvalleyhunting.com/	All day hunt	\$265.00	<i>Lunch included.</i>
			Half-day hunt	\$165.00	<i>Snacks included.</i>
			Additional Quail	\$6.75	
			Cleaning fee	65 cents/bird	
Prarie Wildlife Lodge	Mississippi	http://prariewildlife.com/main.html	Lodging (double occupancy)	\$125.00	
			12 yrs & younger	\$85.00	
			6 and younger		pay for meals only
			Single Occupancy	+\$45.00	

		Triple Occupancy	+\$20.00	
		Exclusive Lodge** Rental	\$1,500.00	
		3 day deer hunt	\$1,200.00	<i>Lodging/ meals included.</i>
		4 day deer hunt	\$1,600.00	<i>Lodging/ meals included.</i>
		5 day deer hunt	\$2,000.00	<i>Lodging/ meals included.</i>
		Dove hunt	\$150.00	
		Dove hunt *Youth (6 – 12yrs)	\$100.00	
		Half-day (corporate)	\$20/person	
		Full-day (corporate)	\$35/person	
		Early release quail hunt 1/2 Day	\$250.00/person	
		Early release quail hunt Full Day	\$495.00/person	
		Rabbit Hunt 1 Day	\$250.00/person	
		Rabbit Hung 1/2 Day	\$125.00/person	
		Wildlife Herritage Hunt	\$950.00/person	
Full Flight Hunting Preserve	Mississippi http://www.fullflight hunting preserve.com/	Self-guided	\$75/half day, plus cost of birds	
		Guided- half day	\$170.00/person	
		Guided- full day	\$340.00/person	
Little "q" Ranch	Mississippi www.LittleQRanch.com	Half-Day Quail Hunt	\$200.00 per hunter	
		Full-Day Quail Hunt	\$380.00 per hunter	
		Lodging	\$250.00 a night	

Paintball

Ceder Hill Farm	Mississippi	http://www.cedarhillfarm.com/paintball.php	Field Fee	\$15/person each day	<i>\$5 for hamburger or hotdog and drink.</i>
			Air Refills	CO2: \$0.35/oz. N2: \$1/1000psi All Day Air: \$10.00 per tank per day	
			Paint	2000 rounds- \$50 500 rounds- \$15	
			Rental (excludes paint)	\$30.00	
Action Pursuit Games of Brandon	Mississippi	http://www.apgob.com/	Player's Package	\$35.00 (everything included)	<i>Lunch included.</i>
			Air Fills (end-of-day)	2-12 oz- \$3 14-24 oz- \$4	
			Paint	2000 rounds- \$65-75 1000 rounds- \$35 500 rounds- \$20	
			Lunch	\$3- hamburger or hotdog w/cold drink	
Paintball XS	Tennessee	http://www.paintballxs.com/	Outdoor Computerized Laser Tag	\$25 per player for first 12 players. Additional players \$20 each	
			Field Fee	\$35 each for the first 12 players. Additional players \$30 each	
			Paint	\$58 per case of 2000	
			12 gram CO2 power capsules	\$0.50 each	
Insane Paintball	Tennessee		Field Fee	\$40.00	

		Paint	\$70.00 per case of 2000 \$22.00 per bag of 500
LA Xtreme Paintball	Louisiana	http://www.laxpaintball.com/	Field Fee \$5.00
		All Day Air Pass	\$8.00 9oz. \$3.00 12-14oz. \$3.50 16-20oz. \$4.00 24oz.
		HPA	\$1.00 per 1000 psi
		Standard Paint	100 \$5.00 300 \$12.00 500 \$20.00 1000 \$37.00 1500 \$54.00 2000 \$66.00
		Premium Paint	500 \$23.00 1000 \$42.00 1500 \$62.00 2000 \$76.00
Sporting Clays			
Willow's Sporting Clays	Mississippi	http://www.harrahstunica.com/casinos/grand-casino-resort-tunica/casino-misc/willows-trap-skeet-and-sporting-clays-detail.html	Sporting Clays Round of 50 Targets With personal gun & ammo \$28 With Willows gun & ammo \$55
			Sporting Clays Round of 100 Targets With personal gun & ammo \$45 With Willows gun & ammo \$89
		Trap & Skeet	With personal gun & ammo \$10 With Willows gun & ammo \$29
		Duck Flush	With personal gun & ammo \$10 With Willows gun & ammo \$19

Benton Sporting Clays	Tennessee	http://www.benton-sportingclays.com/	5-Stand	Members \$ 6.00 Non-Members \$8.00 Women \$ 6.00 Children 18 and Under- \$6.00
			Sporting Clays	Members \$ 0.30 per target (includes cart rental) Non-Members \$ 0.38 per target (cart rental \$10) Women \$ 0.20 per target Children 18 and Under-- \$ 0.20 per target
Northeast Alabama Sporting Clays	Alabama	http://neasca.com/	Sporting Clays	100 Targets \$27.00 + tax 50 Targets \$14.00 + tax
			5-STAND or WOBBLE TRAP	25 Targets \$5.00 + tax PRICE PER EXTRA TARGET \$0.27 + tax
Horseback Riding				
Circle S Ridding Stables	Mississippi	http://www.mylon-gleaftrace.com/CircleS/Prices.htm	Horse Rental/hour	\$35/person
			Lessons	Private Lesson (Hourly)\$45.00 (per person) Semi-Private "Group" Lesson (Hourly) \$35.00 (per person)

Sunflower Farm and Ranch	Louisiana	http://sunflowerfarmandranch.net/	Unlimited Guided or Non-guided Riding	\$150.00	<i>Camping free</i>
Collins Natural Horsemanship	Louisiana	http://www.collinsnaturalhorsemanship.com/	Stagecoach - 1 hour Splashy Creek - 1.5 hrs Doc's Delight - 2 hours	\$30 per person \$45 per person \$60 per person	
Working Farm Vacations					
Corner Stone Farm	Virginia	http://www.cornerstonefarm.net/farmer.html	Farmer's Package	\$270.00 per night Single occupancy \$320.00 per night Double occupancy Weekend Rate \$295.00 per night Single occupancy \$350.00 per night Double occupancy	
			Farm Hand Package	\$175.00 per night Single occupancy \$225.00 per night Double occupancy Weekend Rate \$195.00 per night Single occupancy \$275.00 per night Double occupancy	
Liberty Hill Farm	Vermont	http://www.libertyhillfarm.com/index.htm	Adults	\$98	
			Teens	\$75	
			Children under 12	\$54	
			Infants under 2	No charge	
			Additional Dinners	\$20	

Hull-o Farms	New York	http://www.hull-o.com	Rose House (Adult)	\$130.00
			Gifford House (Adult)	\$130.00
			Austin House (Adult)	\$130.00
			Children under 2	Free
			2-4 (all)	\$50.00
			5-9 (all)	\$65.00
			10-14 (all)	\$75.00
Ropes Courses/Zip Lines				
True Adventure Sports	Alabama	http://www.trueadventuresports.com/	Rappelling Adventure	\$37/person
			Rock Climbing Adventure	\$35/person
			Bouldering Adventure	\$27/person
			Extreme Night Hike	\$19/person
			Evening Lake Tour	\$33/person
			Wild Cave Tour	\$30/person
			Extended Wild Cave Tour	\$65/person
			Day Zip Line Adventure	\$20/person
			Night Zip Line Adventure	\$25/person
			Zip Line Adventure	\$75/person
			Sky Swing Adventure	\$25/person
			Night Sky Swing Adventure	\$30/person
			Sky Swing/ Zip Line Combo-North East Alabama	\$45/person

			Outdoor Laser Tag-Mountain	\$15/person
			High Adventure Trip-North East Alabama	\$137/person
			Treasure Hunt Adventure-Manitou Cave	\$65/person
			One-Day Treasure Hunt-Northeast Alabama	\$85/person
			Extreme Race-North East Alabama	\$395/person
			Survival Adventure-North East Alabama	\$115/person
			The Winter Excursion-North East Alabama	\$65/person
			Backpacking Trip Highlands (North Carolina)	\$85/person
Loco ropes	Arkansas	http://www.locoropes.com/	Flying Pig ZipLine	\$7.50 tax included
			HotShot FreeFall	\$7.50 tax included
			Planks Peak Climbing Wall	\$7.50 tax included
			End of the Line (Loco Lines 1,2,3)	\$40
			Short Line (Loco Line 1)	\$15
Firewire Ziplines	Georgia		Super Zip ride	\$29.95

Fishing

1 Chasing Tail Louisiana/ Mississippi <http://www.fishinglouisiana.net/> Fishing Charter \$450.00 1-3 Anglers
\$600.00 4 Anglers
\$750.00 5 Anglers

Peake Fish Farm Alabama <http://www.peakfishfarm.com/> Adult (13-61) \$10.00
Fish limit 20 Lbs
Seniors Fish \$8.00
limit 20 Lbs
Children (6 to \$5.00
12) fish limit \$1.50/lb
10Lbs
Grain Fed
Catfish Pond

Wildlife Watching

Ecotours of South Mississippi Mississippi <http://www.ecotoursofsouthmississippi.com/> 2 hour tour 2 people \$35 each
3-6 people \$25 each
4 hour tour 2 people \$60 each
3-6 people \$50 each
8 hour tour \$395 for up to 6 people *Lunch included*
Sunset Cruise 1hr cruise at sunset
\$100 for up to six people

Shooting Range

Whitetail Ridge Outdoors Mississippi <http://www.whitetailridgeoutdoors.com/> Access \$5 / 25 targets
Member (skeet/trap)
Yearly Member \$6 / 25 targets
(skeet/trap)
All-Sporting \$6 / 25 targets
(skeet/trap)

			Guest (skeet/trap)	\$10 / 25 targets
			Firearm Rental	\$15.00
Big Sky Skeet and Trap Club	Alabama	http://www.bigsky-skeetandtrap.org/	4 skeet fields 2 trap fields	\$7.50 per round for Club Visitors \$4.50 per round for Club Members \$150.00 annual Family membership
C&W Shooting	Alabama	http://www.cwshooting.com/	5 station trap range 8 station skeet range 11 station sporting clay range Pistol/Rifle Range	\$6.00 per round 25 shots \$6.00 per round 25 shots \$30.00 per round 100 shots \$10.00 per hour per shooter \$5.00 minimum
Dixie Trap	Alabama	http://www.dixietrap.com/	Membership One round of Trap or Skeet One Round of Five Stand	\$75 \$4.50 Member \$6.00 Non Member \$6.00
Canoeing/Kayaking				
Blackcreek Canoe Rental	Mississippi	http://www.blackcreekcanoe.com/		Trip #1 Camp Dantzler to Brooklyn \$35.00- \$55.00 Trip #2 or #3 Big Creek to Brooklyn or Brooklyn to Moody's \$25.00- \$50.00

Trip #4
 Brooklyn to
 Janice \$45.00-
 \$55.00

Trip #5
 Brooklyn to
 Cypress Creek
 \$48.00-\$58.00

Trip #6
 Brooklyn to
 Fairley Bridge
 \$50.00-\$60.00

Other
 Big Creek to
 Moody's
 \$35.00-\$55.00

Additional
 Nights:\$15.00
 each

South Mississippi Canoe Rental	Mississippi http://www.south m canoe.com/	Red Creek	\$40.00-\$60.00
		Bouie River	\$40.00-\$60.00
		Leaf River	\$45.00-\$70.00

Seminary Canoe Rental	Mississippi http://www.seminarycanoerental.com/	Eight (8) Mile Trip	\$30.00 - canoe/kayak
		Sixteen (16) Mile Trip	\$35.00 - canoe/kayak
		Overnight	Add \$15.00 - canoe/kayak / night
		Extra Passengers over age five	\$5.00 / person

Wolf River Canoe and Kayak	Mississippi http://www.wolfri vercanoes.com/	10.6 Mile	\$45.00 per canoe
		4.0 Mile	\$45.00 per canoe
		4.5 Mile	\$45.00 per canoe

Crazy Horse Canoe Rental	Tennessee	http://www.crazyhorsecanoe.com/home.htm	8 miles	\$25-\$35
			10 miles	\$25-\$35
			16 miles	\$29-\$39
			21 miles	\$40-\$55
Topsey Turvey Canoe	Tennessee	http://www.topseyturveycanoe.com/	8 miles	\$28.00
			14 miles	\$32.00
			20 miles	\$56.00
Wayne's World Canoeing and Tubing	Louisiana	http://www.canoeariver.com/home.html	Kayaking trip	\$30
			tubing trip	\$15
			tube to float your ice chest.	\$5
U-Pick				
Betty's Berry Farm	Alabama	http://www.bettysberryfarm.com	Blueberries	\$1.50/lb
Blue Tara	Mississippi	http://www.pickaberry.com/	Organic Blueberries	\$10/gallon
Danneman Farm	Mississippi	http://dannemannms.com/default.aspx	Blueberries	\$7/gallon
Blueberry Hill Farm	Tennessee	http://www.pickyourrown.org/PYO.php?URL=http%3A%2F%2Ftnblueberries.com	Blueberries	\$3.75 per quart (\$15 per gallon)
Alexander Blueberry Farms	Louisiana	http://www.alexanderblueberryfarms.com/about-us/farms	Blueberries	\$9.00 /gallon
			5 oz. Jar	\$2.50.
			Blueberry Jam	\$2.50
			5 oz. Jar	\$2.50
			Blueberry	\$2.50
			5 oz. Jar	\$5.00
			Blueberry Preserves	\$6.00
			Jar Sugar Free Blueberry Jam	\$5.00
16 oz. Jar	\$5.00			
Blueberry Jelly				

12 oz. Jar	\$6.00
Naturally Sweetened Blueberry Spread	\$6.00
18 oz. Jar	\$3.00
Blueberry Jam	\$4.00
18 oz. Jar	\$4.25
Blueberry Preserves	\$4.25
8 oz. Loaf	\$4.00
Blueberry Bread	\$5.00
12 oz. Bottle	
Blueberry Syrup	
16 oz. Dry	
Pancake Mix	
16 oz. Dry	
Cobbler Mix	
32 oz.	
Blueberry Cider	
Quart of Fresh	
Blueberry Juice	

Agritourism

The Fiddlin Rooster Farm	Mississippi http://www.fiddlinroosterfarm.com	Admission	Adults 12 & over – \$10.00 Children 3-11 – \$8.00 Children 2 & under – Free 65 and up \$8
Canton Corn Maze	Mississippi http://www.cantoncormaze.com/	General & Group Rates (all age groups)	\$6.00
		plus Haunted Barn	\$8.00 (\$2 extra from General Admission)

		2 & under	Free
		Pumpkins	\$2.50 small/\$5.00 large
Blue Jack Ridge	Mississippi	http://www.mscomaze.com	General Admission (ages 3 and up)
			\$12.00
		All Day Pass (ages 3 and up)	\$15.00
		Children Ages 2 and Under	Free
		Additional Activity Tickets	\$1 each
		Military Discount with Military ID	\$2 off admission
		Haunted Hayride Only	\$10.00
		Fire Pits	\$25/hour
Camping			
Timberlake Campground	Mississippi		Premium RV Sites
			Regular \$24/22
			Sr Citizen \$22/20
			RV-Full Service
			Regular \$22/20
			Sr Citizen \$20/18
			RV Water & Electricity
			Regular \$20/19
			Sr Citizen \$18/17
			Tent
			Regular \$17/15
			Sr Citizen \$15/13

Goshen Springs	Mississippi	Premium RV Sites	
		Regular	\$22/20
		Sr Citizen	\$20/18
		RV-Full Service	
		Regular	\$20/18
		Sr Citizen	\$18/16
		RV Water & Electricity	
		Regular	\$17/16
		Sr Citizen	\$15/14
		Tent	
		Regular	\$15/13
		Sr Citizen	\$13/12
Coal Bluff	Mississippi	Premium RV Sites	
		Regular	\$20/18
		Sr Citizen	\$18/16
		RV-Full Service	
		Regular	\$18/16
		Sr Citizen	\$16/14
		RV Water & Electricity	
		Regular	\$16/15
		Sr Citizen	\$15/14
		Tent	
		Regular	\$15/13
		Sr Citizen	\$13/11
Low Head Dam		Regular	\$15/13
		Sr Citizen	\$13/12
		Tent	
		Regular	\$14/12
		Sr Citizen	\$12/10

Bed and Breakfast

Shadowlawn Bed and Breakfast	Mississippi http://www.shadowlawn-columbus.com	Lodging, Tours, Breakfast	\$140-295/night	<i>Breakfast, midnight snack</i>
Magnolia Grove Bed and Breakfast	Mississippi http://www.magnoliagroves.com	Lodging, tourist destination	\$80-150/night	<i>Dessert upon arrival, 3 course breakfast</i>
Cedar Grove Mansion Inn and Restaurant	Mississippi www.cedargrovesinn.com	Tours, swimming pool	\$100-215/night	<i>Desert and breakfast</i>
The Elms	Mississippi http://theelms-natchez.com	Lodging, weddings	\$145/night	<i>Both</i>
Oak Shade	Mississippi	Near beach/museum	\$55-100/night	

Section 3

Business Plan Development: Optional Worksheets

Note: The following worksheets contained in Section 3 are intended to help you gather your thoughts on starting and operating your NRE. You are not required to answer all questions on the following worksheets during the time allotted for the group activity. Please use these as needed. Optional worksheets may be more valuable as an “at home” source to think more in depth about your personal NRE plans after the workshop.

Business Plan Development Worksheet #1 – Starting your NRE

List names and titles of group members partnering in NRE:

Proposed name of NRE:

Mission statement of proposed NRE:

Proposed location of NRE (city, county, state, region):

Miles to nearest large city or metropolitan area:

Resident or non-resident landowner - Are you going to live on land while operating enterprise?

Other introductory comments concerning this specific NRE operation:

Business Plan Development Worksheet #2 – Personal Goals

Personal Goals

Questions to consider:

What are your long-term goals for this business?

Why are you considering an NRE on your land?

How much time are you willing to set aside to run this business?

Do you have experience or knowledge about the enterprise(s) you are planning to run?

Other comments concerning personal goals:

Business Plan Development Worksheet #3 – Physical Resources

Physical Resources

Questions to consider:

How many acres in forested, crop land, pasture/hay land and water sources exist on the property supporting this enterprise?

Does the property already have out-buildings, dwellings, barns, and/or equipment shed, and in what condition are these structures?

Are electricity and running water available and is there fencing around the property?

Is land adjacent to property compatible with a natural resource enterprise?

Is there a population of wildlife species present, and particularly, which species do you intend to feature? Is habitat management needed?

What types of equipment do you own and in what condition is this equipment?

Will the proposed NRE compliment or interfere with existing land uses? Explain the compliment or interference.

Business Plan Development Worksheet #4 – Labor Resources

Labor Resources

Questions to consider:

How many employees are required to operate the natural resource enterprise?

What kinds of employees (skilled and unskilled) are needed (i.e. manual labor, cooks, housekeeping, hunting/wildlife-watching guides, managerial, clerical, and bookkeeping)?

What is the labor supply in the area where the business will operate?

What other businesses in the area may compete for the labor supply and what is the competitive rate of pay including benefits in the designated area?

How much of your own time and labor as well as that of family members are involved in running your NRE?

Other comments concerning labor resources:

Business Plan Development Worksheet #5 – Financial Resources

Financial Resources

Questions to consider:

What is the NRE envisioned on the property (i.e., hunting and fishing; corn maze and pumpkin patch; trail riding and camping)?

Identify activities which seem more profitable and calculate risks involved (i.e. hunting and grazing livestock, ATV use and landowner liability, etc.).

What will be the cost to start the new business?

Approximately, how much will it cost to run the business per year after start-up year one?

What sources have you considered to finance this NRE if necessary, and are you planning on investing any personal money?

Business Plan Development Worksheet #6 – Business Model

Business Model

Questions to consider:

When are you planning on launching your new business?

What type of business and what activities are you offering clients (i.e., all products, all services, and etc.)?

Will the enterprise run on a seasonal or year-round basis?

What kind of price structure will be in place (i.e., per person, per lb, per day, per year, per season, and etc.)?

What is your target market? How will these customers learn about your NRE?

Describe the process that you plan to use to bring your product/service to market or methods of advertising your land access or services/activities offered.

What are your long-term operating goals with this NRE (i.e., supplemental income, improve land quality, retain my land, pay taxes on land, and etc.)?

Business Plan Development Worksheet #7 – Industry Analysis

Industry Analysis

Note: The Internet is a great resource to use in acquiring this information. You do not need to answer these questions as part of the group activity.

Questions to consider:

What is the economic impact and number of visitors to the industry annually at the national, regional, state, and/or local levels? Is this a growing industry?

Is technology changing in this industry and is the Internet driving sales?

List trends in spending, demographics, and location with regard to the industry.

Where in the United States are the enterprises in this industry mainly located (i.e., in what states, rural and/or urban areas)?

Other comments concerning industry analysis:

Business Plan Development Worksheet #8 – Market Analysis

Market Analysis

Note: The Internet is a great resource to use in acquiring this information. You do not need to answer these questions as part of the group activity.

Questions to consider:

Is there a certain clientele characteristic unique to this NRE market?

What are the population demographics (i.e., age, gender, income-level, profession, location) of the potential clientele in the area of the business?

What are the main intrinsic characteristics (i.e., values, beliefs, attitudes, social status) of your targeted customer base?

Is this market mainly local, regional or national?

What do you believe will be your share of the overall market? What will be market share of the clientele present in your area?

Are there many new market entrants in your specific area and how do you feel about this competition (direct or indirect)?

Business Plan Development Worksheet #9 – Business Management

Business Management

Questions to consider:

Who will be running the day-to-day operation of the business? What are their titles and job descriptions?

Who is actually an investor and what returns are expected from this NRE (i.e., 5%, 10%, and etc.)?

Do you need to acquire a loan for any business operations and do you have a banking relationship?

Which business structure are you considering for your enterprise (i.e., LLC, S-Corp., etc.) and why?

What is your method of hiring motivated employees (i.e., reward or bonus system, key advisor positions)?

Business Plan Development Worksheet #10 – Marketing Strategy: Products and Services

Marketing Strategy: Products and Services

Questions to consider:

List all of your different NRE activities, services, and/or products generated for sale.

What other NRE activities, services and/or products may be offered to clients in the future as a way to build the business and are these seasonal offerings?

What are your major liability concerns and ways to protect yourself?

Do you need to stock inventory and who will be your supplier?

Are adequate facilities in place to support this NRE? Will you buy new equipment or build new facilities in the future?

List any anticipated government regulation requirements, licensing, and/or approval from government entities to run your NRE (i.e., health inspection involved with food preparation, local building permits, and etc.).

Business Plan Development Worksheet #11 – Marketing Strategy: Location Analysis

Marketing Strategy: Location Analysis

Questions to consider:

Is the local population-base large enough to support the NRE and will your neighbors and the local population view your NRE positively or negatively?

What is unique about your location or site of operation?

Do any other attractions or amenities exist in the area of the NRE which may attract more visitors to the area? Is it possible to partner with these businesses?

What are the demographics of the neighborhood surrounding the location of the NRE? How will this affect the success of your business? How do you fit in to the neighborhood as a new enterprise?

Business Plan Development Worksheet #12 – Marketing Strategy: Sales/Promotion

Marketing Strategy: Sales/Promotion

Questions to consider:

Develop a concise plan to advertise and promote your business.

Depending on your target customer, what is your pricing strategy (i.e., individual pricing, children/adult/senior pricing, group/family pricing, and or a combination of strategies)? How will you determine price (i.e., costs plus percent increase, break-even sales point, and etc.)?

Which promotion strategy, if any, will you use (i.e., coupons, discount days, couple deals, tell-a-friend promotions)?

How much money in sales do you expect to generate in the first year and what is your break-even sales point?

Business Plan Development Worksheet #13 – Marketing Strategy: Competition

Marketing Strategy: Competition

Questions to consider:

Who are your competitors and what do they offer that is similar and/or different to your NRE?

Are there any potential competitors nearby and how close in proximity are they to the location of your NRE?

What is the price structure of the competition and how does it differ from yours?

Are sales going up or down for the competition?

What are promotion strategies of the competition and how do these differ from your promotion methods?

Business Plan Development Worksheet #14 – Marketing Strategy: Market Penetration

Marketing Strategy: Market Penetration

Questions to consider:

Do you plan to team up with regional transportation companies, local hotels/motels, gas stations, restaurants, and other appropriate businesses in the community to attract customers?

What package plans, if any, do you plan on creating to attract first-time customers?

Are you using state tourism and economic development agencies to help penetrate the market? List all possibilities:

What advertising media will you choose to market your services and/or products (i.e., brochures/fliers, website (URL), local newspapers, billboards, and etc.)?

Other comments concerning marketing strategy: sales/promotion:

Section 4

NRE Business Plan Development: Publications for Reference

BASIC SECTIONS OF THE GENERAL BUSINESS PLAN (Shank 2011)

The basic parts of a business plan are pretty similar from plan to plan.

1. COVER – want to catch the intended audiences’ attention; spice up cover page

2. EXECUTIVE SUMMARY -

This is the one page masterpiece that tugs at the reader's interest. Include important contact information, as well as the nature of the loan/investment.

3. TABLE OF CONTENTS

Most people would not consider this a real part of a business plan, but it is. Without it, the plan looks very amateurish.

4. INFORMATION ON THE COMPANY ITSELF

There is a bunch of factual information that needs to be included, such as

- When was it formed?
- What kind of company is it?
- If it is a corporation, how many shares are issued? To whom?
- If it is a partnership, who is involved?
- Who formed the company?
- If you are not the founder, how did it come to be yours?
- Who is presently involved? What is the nature of their involvement?

There is also information that is not really "factual", but it does need to be included. That is “The Story of the Company.” Why was it founded? What are the dreams of the owners for this company? Why do the owners want to devote their lives to this business rather than to any other business in the world?

It is The Story that will grab the lender. Lenders see facts and figures all day long. Rarely do they hear a compelling story. Make yours good. Make it real – MaryAnn Shank.

5. INFORMATION ON THE INDUSTRY

Here is where a good statistical source is worth its weight in gold.

- Show how the industry is growing.
- Show how your company fits into the industry.
- Include charts to visually show strength of industry.
- Include demographic information.

Bankers and lenders like figures and statistics. It is easy for them to compare and analyze. It is a whole lot harder to analyze your character.

So give them solid figures. They will see these stats whether you include them or

not. They have got their own sources. So include them. And show them off in a manner that benefits you.

6. BIOGRAPHICAL INFORMATION ON PRINCIPALS

This section is to give the lender an idea of whom they are talking. Most business plan writers tell you to write a paragraph on each officer including specific accomplishments of each.

7. MARKETING PLAN

So what makes you think you can promote this idea or product or service? How will you go about it? What will it cost? What are others doing, and how can you compete with them?

If you have a history of successes, this is the place to shout about them.

8. FINANCIAL DOCUMENTS

For existing companies, the rule of thumb is that you summarize by year the past 5 - 10 years, depending on your industry. Then project as for new companies. For new companies, project quarterly for the first year or two, then annually until the loan is comfortably paid back, or the investment has made a profit.

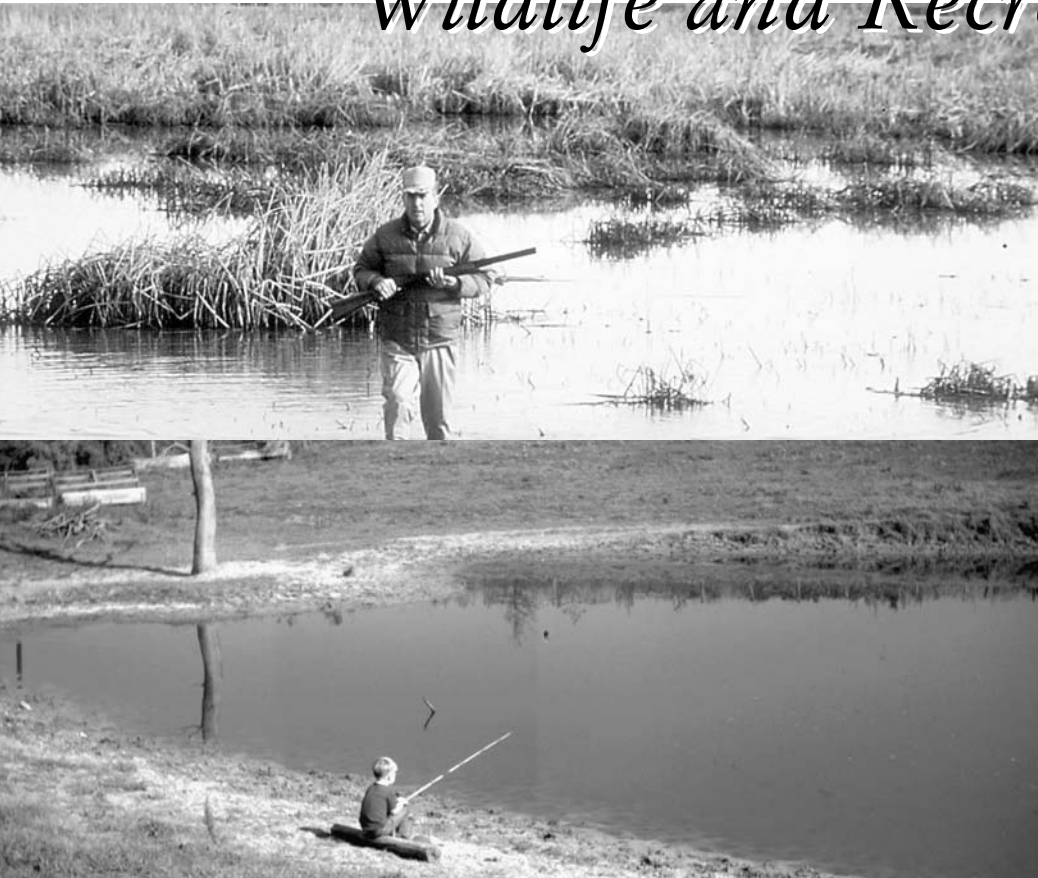
The more you can put into charts for easy reference, the better.

Then make it unique. All the parts of a business plan need to look sharp, appear concise, and provide all pertinent information. Putting all of that together in a convincing presentation is what separates one business plan from another.

Information provided by MaryAnn Shank, founder and President of Business Plan Master. Mrs. Shank has helped literally thousands of businesses get business financing, from SBA loans to venture capital to angel investors and corporate financing.

NATURAL RESOURCE ENTERPRISES

Wildlife and Recreation



BUSINESS CONSIDERATIONS FOR PRIVATE LANDOWNERS

More than two-thirds of the land within the United States is owned and managed by private landowners. Managing private lands is essential for sustaining and enhancing the natural resource base and for meeting the public's increasing outdoor recreational demands.

Farms, ranches, and private forest lands are economic entities and, for most owners, must be managed as a business to become profitable. Altering food and fiber production, or otherwise changing land use, to sustain and enhance the natural resources on private lands can be challenging. A natural resource base must be available that provides sufficient quality and

quantity to develop, manage, and enhance. With a sufficient natural resource base to build upon, alternative natural resource enterprises can provide another source of dependable annual income. Using the right management techniques, stewardship skills, and comprehensive business plan are all necessary parts of success.

There are a variety of types of natural resource-based enterprises that may let you, as a private landowner, diversify your operation. These include such products as pine straw collection for mulch; wild fruits; mushrooms; services for tours; guides for hunting, fishing,

or wildlife watching, hiking, and riding; trails, recreational access for hunting, fishing, horse-back riding, and other similar activities.

Obviously the kind of enterprise to be developed depends on the resources available, client demand, the landowner's interest and objectives, and clients' willingness to pay. This publication will help you identify key business considerations to diversify your existing land management operation by incorporating a sustainable natural resource-based enterprise.

CONTENTS

<i>Resources Inventory</i>	2
<i>Physical</i>	2
<i>Labor</i>	3
<i>Financial</i>	4
<i>Business Plan</i>	4
<i>Marketing Plan</i>	4
<i>Operating Plan</i>	5
<i>Organizational Plan</i>	6
<i>Financial Plan</i>	7

DEVELOP A BUSINESS PLAN

The first step in developing a natural resource enterprise/business should be developing a business plan. The business plan is a guide to help determine if the enterprise will be feasible. It outlines the mission and goals of the proposed enterprise and provides a guide to keep the enterprise focused. It also educates interested investors or lending institutions about the enterprise and its economic feasibility. Most lending agencies require a written business plan before making loans for start-up or expansion.

What should a business plan include? A good outline is provided in "The Entrepreneur's Tool Kit," published by the Mississippi Development Authority. You can access this document on the Internet at www.mississippi.org. The Kit contains a section titled "A Guide for a Preparing Business Plan."

A logical outline for preparing the business plan should include the following:

- Resources Inventory*
- Business Plan Introduction*
- Marketing Plan*
- Operating Plan*
- Organization Plan*
- Financial Plan*

RESOURCES INVENTORY

The starting point for developing a business plan is an inventory of existing and available resources. You must determine what resources are available. A resource inventory helps determine whether you can make the property an economically feasible business and what type of business enterprise to pursue. Once you select an enterprise, you evaluate resources you have to determine if anything is lacking that would prevent development of the planned business. The resource inventory not only identifies what is lacking but also which resources are underused. Underused resources can be separated into three types: physical, labor, and financial. Once completed, the resource inventory should become part of the overall business plan.

■ *Physical Resources Inventory*

The physical resources inventory is a list of assets such as land, soil types and vegetation (habitat), buildings, equipment, machinery, and animal populations (domestic and wild). Following are items to consider:

- ✓ The number of acres you own or lease, the stability of the ownership or leased property, and a description of the land. Is the land uplands or low lying areas? Are some areas subject to flooding or

holding water during rainy seasons, and could such flooding be an advantage or disadvantage?

- ✓ Water sources on the property. List any lakes, ponds, rivers, springs, and intermittent streams on the property or that may cross or border the property.
- ✓ Type of vegetation on the property. Note how many acres are in forest, crops, pasture, and/or fallow.
- ✓ Existing land use or management improvements. Is there fencing around the property? Are the boundaries clearly marked? Is there all-weather road access to the property, and do roads exist throughout the property? Do structures such as out-buildings, houses, barns, and equipment sheds exist? If so, evaluate the condition and size of any such structures on the property. Are electricity and running water available? If running water is available, is it safe for cooking and drinking? Is garbage disposal available on/off site?
- ✓ Adjacent land use. Are lands/land ownerships that border the property managed to be compatible with developing a natural resource enterprise?
- ✓ Supplies, vehicles, equipment, and machinery you own. Include the size, working condition, age, and purchase price, if possible, of all vehicles, equipment, and machinery.
- ✓ Identify potential risks to users, such as an uncovered well opening, dead trees near roads or property boundaries, old mine sites, or any unsafe structures.
- ✓ Wildlife populations. If the enterprise depends on wildlife or fisheries resources, you should determine the quantity and quality of the animal populations, both resident and migratory, if appropriate. For resident native species such as white-tailed deer or wild turkey, and for fisheries resources in ponds or lakes, you may have to get a biologist to estimate the initial population status as well as provide information on harvest and potential for hunter success. Migratory populations,

such as waterfowl, may vary greatly from season to season because of suitable habitat availability, migration patterns, and other conditions you can not control. For species such as white-tailed deer, age structure and sex ratio estimations may be important, particularly if you want to manage for trophy quality deer.

After completing the physical inventory, you can evaluate what type of business enterprise might be best suited to your available resource base and will be compatible with other ongoing operations, such as agriculture or forest management operations. There are likely to be some tradeoffs you must consider. You can share the information in the physical inventory with an Extension specialist or other professionals who can help identify advantages or disadvantages when selecting an enterprise. *It is critical to the success of any venture that the available resources can support the proposed enterprises before you try to determine the potential for return.*

■ Labor Resources Inventory

An inventory of labor resources will include both management and general labor needs.

- ✓ How many employees will the enterprise require to operate effectively and efficiently?
- ✓ What types of employees are needed?
- ✓ What current labor laws apply to your operation?
- ✓ Will the enterprise require manual labor, such as for landscape maintenance?
- ✓ Will it require customized personal service, such as guided hunts or tours?
- ✓ What about other operational needs like managerial, clerical, and bookkeeping skills?
- ✓ What is the labor supply in the area where the business will operate?
- ✓ What is the competitive rate of pay, including benefits, in the area?
- ✓ What other businesses in the area may compete for the labor supply or your client base?
- ✓ Don't forget to consider and include the value of your time and labor, as well as that of other

family members, if appropriate, who will be involved in operating and managing the enterprise.

■ *Financial Resources Inventory*

The financial resources inventory should consider the available capital as well as all outstanding loans for assets identified in the physical resources inventory. You must consider opportunity costs. These costs are identified as revenue you might have received if crops, timber or livestock had been managed for maximum production instead of the new enterprise. You may also have input costs, which might not be the same for the alternative enterprise. You must also assess risks costs. For some alternative enterprises involving access for recreational use, you must think about the additional costs of appropriate liability insurance coverage. The exercise of developing this and other listed resource inventories should create a base of information that will help develop the overall business plan.

BUSINESS PLAN

An introductory section should explain and describe the type of enterprise you are proposing.

- ✓ Include a summary of why you are considering the enterprise and the history behind the creation of it
- ✓ Develop a mission statement for the enterprise and include it in this section.
- ✓ List clear and concise objectives that can be measured to evaluate the progress and success of the plan.
- ✓ Develop a timetable for accomplishing specific objectives identified.
- ✓ Include general information about the demand for the products, services, or access associated with the enterprise.
- ✓ Include information known about the growth of this type of enterprise statewide and nationally.

MARKETING PLAN

No one should try to develop a natural resource-based enterprise without first identifying a market. The first part of the marketing plan is the market research.

- ✓ Identify several different possibilities for marketing the enterprise.
- ✓ Visit similar existing enterprises and talk with people in the business. You may even want to visit as a paying guest one of these similar enterprises to get a feel for both sides of the equation, both as an owner and as a guest.
- ✓ Read trade journals associated with the industry.
- ✓ Seek information from university Extension specialists and other agencies that work with the industry you are planning to enter.

Once you have the industry information, you should develop a plan of action to attract customers. Develop a plan to advertise and promote the enterprise. If you want to target people in your local area as clients, your advertising budget may be relatively inexpensive using local newspapers and magazines. However, if you want to attract regional or national clientele, the costs of advertisement will, of course, be higher. Advertising will be most effective once you determine the type of enterprise and have thought about how to describe and illustrate what you are offering potential clientele. What is unique about your enterprise, and what other attractions or amenities are in the area where your enterprise is located that would be of interest to people who would travel to visit your enterprise? Web sites are now a great way to advertise but will require consideration of what you can illustrate and communicate to potential clientele, what you have to offer, and how that information can be shared through a web site. Consider the following:

- ✓ What type of customer will the enterprise target?

- ✓ Will individuals or family units be targeted as primary customers?
- ✓ Is there a certain clientele characteristic unique to this business enterprise?
- ✓ What will the enterprise offer that makes it attractive to clients?
- ✓ Consider the population demographics of the potential clientele in the area.
- ✓ Is the local population base large enough to support the enterprise, and is it likely to be viewed positively or negatively by the local population, including neighbors?
- ✓ Does the enterprise need to focus on a regional or national basis?
- ✓ What other products, services, or activities can be offered clients?
- ✓ The enterprise may need to create package plans with other area businesses that benefit all involved. It may benefit the enterprise to team up with a regional transportation company, local motel, local processing facility, restaurant, or other appropriate businesses in the community.
- ✓ Use state tourism and economic development agencies to help promote the business.
- ✓ Many state agencies (some are listed at the back of this publication) provide assistance that may be of help to your enterprise at low cost or no direct cost.
- ✓ A number of private consultants are available in Mississippi and neighboring states who provide their services for a fee.

Pricing a service or experience offered to the public is critical in the marketing plan. Pricing will be unique to each enterprise. The first step in determining a profitable retail price is determining the total cost to the enterprise. It begins with understanding cost concepts. Total cost can be divided into two parts: variable and fixed costs. Fixed costs include items such as insurance, interest on invest-

ment, property taxes, depreciation of assets, and rent. These costs are referred to as “fixed” because they are set and do not change over a given time period. Variable costs are those direct operating costs that change with the quality of the operation and the quantity of production or services rendered. Variable costs include things like labor, supplies, utilities, marketing, and the range of amenities you provide to your clientele.

The second step is determining the actual price of what to charge for the product, service, or access to the enterprises that will be provided. The cost analysis you conduct will be useful in setting prices. Prices may be determined on “break-even” plus 10 or 20 percent, what similar enterprise competitors prices are, what the market can bear, or other objectives.

OPERATING PLAN

This section of the business plan details what the enterprise provides.

- ✓ Describe a normal working day for the enterprise.
- ✓ Provide a physical address for the enterprise.
- ✓ Tell where the enterprise is located and the most direct way to get to it.
- ✓ Give a mailing address if different from the physical address.
- ✓ Include telephone and fax numbers.
- ✓ Identify by name, who the contact person(s) will be.
- ✓ Provide by e-mail or web site, if available.

Remember that for most natural resource-based enterprises, and especially those that involve people’s spending extended time at your facilities or on your land, service to the customer is the key to repeat business. Developing your enterprise to provide a quality experience for customers will also be a significant benefit to your marketing success. A good quality experience will create a positive

impression on customers that will encourage repeat business and their personal recommendations to other potential customers. Word-of-mouth advertisement is the best return you can expect on your investment.

ORGANIZATIONAL PLAN

Based on the inventory list you developed and the previous information on labor availability, develop an organization chart showing the chain of command for operating the enterprise. Describe the duties and responsibilities of each employee. Include resumes for the management team and owners. Be sure to include any special training, experience, or education employees need to have that make them specifically beneficial to the enterprise. Also be sure to consider what employee benefits will be provided.

FINANCIAL PLAN

The financial plan must consider budgeting of the enterprise. Budgeting is the tool the business manager uses to identify costs. A budget is a plan that helps the manager identify all costs associated with the enterprise, even costs you might otherwise overlook. A budget lets you compare forecasted and actual results of putting the plan to work. A realistic budget that includes the total costs of operating the enterprise will help determine a feasible pricing schedule for the products, services, or access that are to be provided, and it will help determine an appropriate marketing strategy.

The financial plan has four parts: a statement of sources and uses, a profit and loss statement, a cash flow statement, and a balance sheet.

- ✓ The sources and uses statement lists available funds and where they will come from, whether they are owner's funds, investors funds, or if they come from lending agencies. It also lists all the uses for the funds, such as for land, equipment, machinery, blinds, stands, and renovations or inventory. In other words, it includes anything you will purchase for the

enterprise from start-up funds.

- ✓ The profit and loss statement is the estimated income from the enterprise operations and all the related expenses involved in doing business. It must be directly coordinated with the proposed budget. It shows total income less total expenses, of the enterprise, and the bottom line, which is either an income or a loss for a fixed period of time (usually one year).
- ✓ The statement of cash flow is generally developed on a monthly basis, usually for a year, and shows only cash receipts and cash outflows for each month. The statement of cash flow is a tool that helps management and lenders understand how and when cash flows into and out of the enterprise. It can help management identify when funds are needed and how to schedule debt repayment. It is an extremely useful management tool for highly seasonal enterprises.
- ✓ The balance sheet lists enterprise assets, liabilities, and owner equity. It is a snapshot of the health of the enterprise on a given day. It indicates what the enterprise owns and the debt structure of the business.
- ✓ Consult your tax and/or financial planning advisor about your enterprise development plan.
- ✓ Consult with your attorney to be sure he or she understands what your operation is going to do and if there are any legal ramifications you have not considered.

The financial plan helps identify the economic feasibility of the proposed business enterprise and provides the financial tools to better manage the operation.

The following checklist is a good place to start if you are considering starting a business/enterprise in Mississippi:

- ✓ Request a Mississippi Entrepreneur's Tool Kit from the Mississippi Development Authority www.mississippi.org (601/359-3593), or access it electronically through the Mississippi State University Extension Service web site at www.msucare.com.
- ✓ Request a copy of Mississippi Reporting

Requirements for Small Businesses from the Mississippi Development Authority www.mississippi.org (601/359-3593), or access it electronically through the Mississippi State University Extension Service web site at www.msucare.com.

- ✓ Choose a name and logo, if you want one, for the enterprise. To protect the name and logo, complete an Application To Register a Trademark. You can get one of these from the Mississippi Secretary of State (601/359-1633) or online at www.sos.state.ms.us.
- ✓ Decide on the form of business ownership (sole proprietorship, partnership, or corporation). In order to be incorporated, you must file an articles of incorporation with the Mississippi Secretary of State (601/359-1633). Register with the Mississippi Secretary of State if the enterprise is a limited liability company (LLC).
- ✓ Obtain a local business permit or privilege license from city/county officials.
- ✓ Obtain any special licenses and permits some enterprises may require. You may need to meet additional regulations, as well (example: ventures that handle or process food). Contact the Mississippi Secretary of State for information (601/359-1633).
- ✓ Contact the IRS online at www.irs.ustreas.gov to obtain a federal employer identification number or EIN (call 800/829-3676 and request FORM SS-4). An EIN is required for all partnerships, corporations, and sole proprietorships with one employee or more.
- ✓ Complete a Mississippi Business Registration Application (FORM 70-001-00-1). You can get one of these from the Mississippi State Tax Commission (601/923-7000) or online at www.mstc.state.ms.us.
- ✓ Purchase workers' compensation insurance. This is required if you will have five or more employees. www.mwcc.state.ms.us
- ✓ Open a DBA (doing business as) bank account for the enterprise.
- ✓ Check on needed insurance and/or bonding coverage for the enterprise.

- ✓ Write and use a business plan for the enterprise.
- ✓ Secure financing, if needed.
- ✓ Establish prices, fees, and enterprise operation policies.
- ✓ Obtain copies of IRS publication 334 (Tax Guide for Small Business) and IRS publication 533 (Self-Employment Tax). Contact the IRS at 800/829-3676 or electronically at www.irs.ustreas.gov
- ✓ Determine record keeping requirements and set up a bookkeeping system.
- ✓ Obtain an answering machine and/or a phone/fax line for business.
- ✓ Obtain business cards, stationery, forms, and such.
- ✓ Do advertising and publicity.
- ✓ Start the enterprise!

You may get additional information for Mississippi business/enterprises through the Mississippi State University Extension Service Food and Fiber Center or Business Briefs web site at www.msucare.com



msu*cares.com*

By **James E. Miller**, Research/Outreach Professor/ Wildlife & Fisheries; and **Dr. Kenneth W. Hood**, Associate Extension Professor, Food & Fiber Center.

Mississippi State University does not discriminate on the basis of race, color, religion, national origin, sex, age, disability, or veteran status.

Publication 2312

Extension Service of Mississippi State University, cooperating with U.S. Department of Agriculture. Published in furtherance of Acts of Congress, May 8 and June 30, 1914. **JOE H. MCGILBERRY**, Director (5M-12-02)

CHECKLIST FOR STARTING A SMALL BUSINESS IN MISSISSIPPI

There are many issues to consider when you are thinking about starting a new business. Once the decision has been made to start a small business, use the following checklist as a guide as you go through the planning process in Mississippi:



- Request a Mississippi Entrepreneur's Tool Kit from the Mississippi Development Authority (601/359-3593), or access it electronically through the Mississippi State University Extension Service Web site.
- Request a copy of Mississippi Reporting Requirements for Small Businesses from the Mississippi Development Authority (601/359-3593), or access it electronically through the Mississippi State University Extension Service Web site.
- Check local zoning regulations with city/county officials. When applicable (such as a home-based business) also check neighborhood covenants.
- Choose a name (and logo, if desired) for the business. To protect the name and logo in Mississippi, complete an Application To Register a Trade Mark (form F0023), which can be obtained from the Mississippi Secretary of State by calling 601/359-1633 or Online at www.sos.state.ms.us. Federal trademark registrations are handled by the U.S. Patent and Trademark Office. For additional information and an application form, call the U.S. Patent and Trademark Office at 800/786-9199 or Online at www.uspto.gov.
- Decide on the form of business ownership (sole proprietorship, partnership, or corporation). In order to be incorporated, articles of incorporation must be filed with the Mississippi Secretary of State (601/359-1633 or www.sos.state.ms.us). Register with the Mississippi Secretary of State if the business is a limited liability company (LLC).
- Obtain a local business permit or privilege license from city/county officials.
- Obtain any special licenses and permits that some businesses may require. You may need to meet additional regulations, as well (examples: ventures that handle or process food; child care centers). Contact the Mississippi Secretary of State for information at 601/359-1633 or www.sos.state.ms.us.
- Contact the IRS to obtain a federal employer identification number or EIN (call 800/829-3676 and request FORM SS-4 or go Online at www.irs.gov). An EIN is required for all businesses with one employee or more.
- Complete a Mississippi Business Registration Application (FORM 70-001-00-1), which can be obtained from the Mississippi State Tax Commission (601/923-7000).
- Purchase workers' compensation insurance (required if you have five or more employees.)
- Open a DBA (doing business as) bank account for the business.
- Check on needed insurance and/or bonding coverage for business. (Note: Many homeowners' policies usually will not cover home-based businesses.)
- Write a business plan.

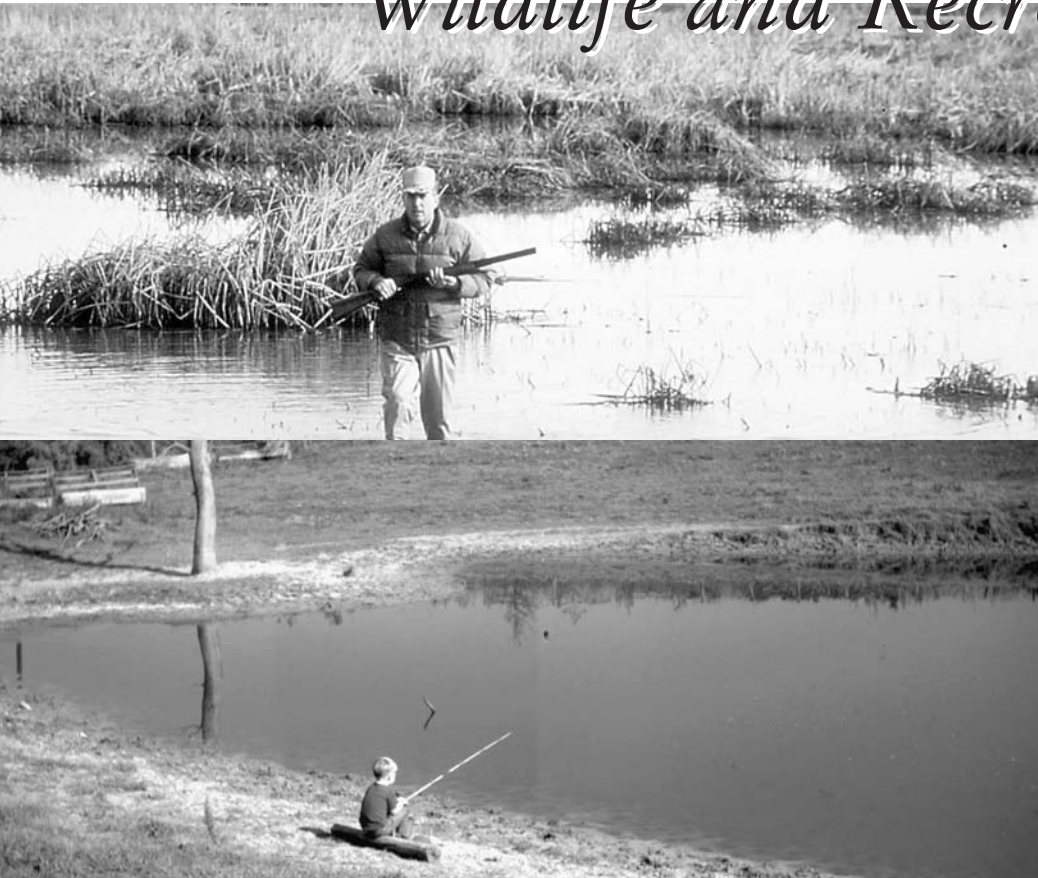
- Secure financing, if needed.
- Establish prices, fees, and business operation policies.
- Obtain copies of IRS publication 334 (Tax Guide for Small Business), IRS publication 533 (Self-Employment Tax), and if business is home-based IRS publication 587 (Business Use of Your Home) by calling the IRS at 800/829-3676 or electronically at www.irs.gov.
- Determine record keeping requirements and set up a bookkeeping system.
- If business is home-based, set up a work area in home and obtain an answering machine and/or a phone line for business.
- Obtain business cards, stationery, forms, etc.
- Do advertising and publicity.
- Start the business!

Additional information for Mississippi small businesses may be accessed electronically through the Mississippi State University Extension Service at www.msucares.com/business_assistance/homebusiness/index.html#pubs.

This document was produced by the MSU-ES Food and Fiber Center and is available on MSUCares.com

NATURAL RESOURCE ENTERPRISES

Wildlife and Recreation



A CHECKLIST OF CONSIDERATIONS FOR LANDOWNERS

Many private landowners are interested in how to begin a natural resource-based enterprise on their lands. This interest is in response to the general public's increased desire for natural resource-based products from private lands and/or access and use of private lands for recreational use.

According to national surveys, the public is not only interested in obtaining access for products and recreational pursuits, they are willing to pay for this access. As a result, many private landowners are evaluating their potential for providing such products or for offering such activities on their lands. However,

landowners are struggling with some serious land-use management decisions.

This checklist and accompanying explanations should be helpful to landowners in making decisions before they initiate and make investments in such an enterprise. This checklist is not all-inclusive; however, it does discuss some serious issues that should be evaluated before starting any type of natural resource-based enterprise. A sample worksheet is also provided for landowners to use in evaluating individual and family goals and objectives for considering a new natural resource-based enterprise.

CONSIDERATION CHECKLIST

The first consideration in planning for a natural resource-based enterprise is the development of a NATURAL RESOURCE INVENTORY, *including facilities that are pertinent to the enterprise*. This information is essential in determining the best use of existing resources and facilities. It will be useful in determining the type of enterprise(s) your lands and waters are best suited for, and the various options that can be provided or offered.

■ *Natural Resource Inventory*

- ✓ What type of land do you have? Is it predominantly flat, hilly, open, forested, pastureland, currently in agricultural production, etc.?
- ✓ How much of the land acreage is in different types? For example, if your enterprise is hunting leases, how much land is in woodlands that provide quality habitat for deer and turkey, or how much is in wetlands that provide quality habitat for waterfowl?
- ✓ Is this land already owned, or is some of it rented or leased?
- ✓ Do you have an aerial photo or map of the land showing roads, access points, and portions that are fenced? Are property boundaries clearly defined?
- ✓ Is it gated or on a private road?
- ✓ What type of land use is on adjacent/surrounding property owned by neighbors or other ownership, such as corporate, state, or federal owners?
- ✓ Are there ponds, lakes, or streams on your property, and if so, how many, and of what amount? Example: (2 lakes, 3 ponds, totaling 50 acres, and $\frac{3}{4}$ mile of permanent or intermittent streams.)
- ✓ What kind of buildings are on the property? What size are they, and what kind of condition are they in? Can you provide lodging, dining space, cooking and restroom facilities with the existing structures? Are they restorable for use by guests?

✓ Do you have some idea of the populations of major wildlife species residing on your lands, and are your ponds and lakes stocked and managed for fishing?

✓ Do your long-term objectives for your property and its management include adding and sustaining this natural resource-based enterprise as an integral part of the operation?

■ *Compatibility*

✓ Does your current use of your land's natural resources for farming, forest management, or livestock grazing lend itself to being used for other purposes?

✓ If so, are such other uses compatible with recreational use by paying-clients without conflicts or compromises to the integrity of your major income-producing operation? For example, if your major use of the property is an agricultural operation, can you tolerate a hunting operation during your planting or harvest season without having a conflict in time and resource management?

✓ Is your labor force (family or existing employees) sufficient to handle additional work, and will the new enterprise conflict with or complement normal down times in the work load? For example, will someone be available to guide or direct clients to hunting places or provide lodging and food for them, if needed, during the hunting season, or is that a busy time or vacation time for you, your family, and employees?

■ *Liability Insurance*

Insurance is a contract where an insurer (insurance company) undertakes to indemnify the insured (person or family owning the insurance) against loss, damage, or liability arising from an unknown or contingent event. The insured pays the insurer a premium for this coverage.

Liability insurance covers loss caused by negligence but not loss caused by a willful act of the insured. Negligence is one of the conditions that can be greatly reduced on most private lands

through risk planning. Anyone who allows public use of their lands for recreational use, whether or not a fee is charged for access and/or use of the property, should consider acquiring sufficient liability insurance coverage. Liability insurance companies generally limit the total liability of the insurance company to a specific sum per occurrence, which may be much less than the liability incurred by the insured, but it does reduce the risk of loss.

If you already have insurance on your property, you can work with your present insurer to see if a rider can be added as a supplement to your existing policy to obtain adequate liability coverage. Others who plan to lease their land to an individual or group may require the lessee(s) to obtain liability insurance as a part of their written lease agreement. There are a number of insurance companies who offer a rider for coverage of public recreational use, or for hunting clubs. If you have questions about the need for liability insurance for the type of natural-resource enterprise you are considering, you may want to consult your attorney.

■ *Resource Sustainability*

- ✓ Can you sustain your existing operation and still add some type of recreational access opportunity such as deer hunting?
- ✓ Can you sustain and/or enhance a productive deer population over time that clients are willing to pay for, or will such exploitation on the existing land base be unsustainable given the limited amount of deer habitat?
- ✓ Can you allow a certain number of fishing days on your ponds or lakes and still be able to provide quality fishing in the years to come by limiting use and ensuring maintenance of good harvest records, or will you have to drain and restock periodically?

■ *Personal and Family Inventory/Assessment*

After the NATURAL RESOURCE INVENTORY, this assessment may be the most important consideration that should be evaluated:

- ✓ Will you and/or members of your family or employees enjoy dealing with people who will

be using your land and having access to your natural resources?

- ✓ Do your and your family's long-term objectives for ownership require adding an alternative enterprise to your existing operation for increased or more dependable annual income?
- ✓ Do you and/or members of your family or existing employees have some practical experience or knowledge about the type of enterprise you are considering?
- ✓ Are you and your family or employees willing to keep records and manage the business aspects of the new enterprise?
- ✓ Are you and your family willing to take the risks associated with investing in the management and operation of a new enterprise?

■ *Other Options for Consideration*

- ✓ Will the enterprise be seasonal or operated year-round?
- ✓ Can the existing natural resources be enhanced to meet the needs and demands of the client base for the enterprise, and can they be sustained for future needs?
- ✓ Will the enterprise offer consumptive use of the resources, such as hunting and fishing, or so-called nonconsumptive uses, such as horse riding, bird watching, or both?
- ✓ Will the enterprise offer primarily land-based activities, water-based, or both?
- ✓ Will the enterprise be compatible with the other existing operation(s)?
- ✓ Can the enterprise be operated with existing resources, or will investments, loans, and additional labor be necessary?

MARKETING

The considerations listed above should be evaluated and answered before moving forward. To this point, no major investments or risks have been incurred. However, before a decision is made to initiate one or more alternative natural resource-based

enterprises, you must consider the market and client base. Marketing the product, service, or access for recreational use is essential to consider if the enterprise is to be successful.

One way to get some idea of the market for the enterprise is to visit an operation that offers similar kinds of products, services, or recreational access, and talk to the people who manage and operate this business. If you know of trade associations who work with such enterprises, talk to their representatives and review materials they have available that relate to the enterprise you are considering. Attend available educational programs that relate to the type of operation you are considering. Learn as much as possible about such enterprises and their operation and management as you consider whether, in fact, this is an appropriate business for you and your family.

■ *Marketing Your Natural Resource-Based Enterprise*

- ✓ Develop a customer/client profile.
- ✓ Do you want to market to corporations or groups?
 - ✓ To individuals or families?
 - ✓ To certain income levels?
 - ✓ To certain age groups?
 - ✓ To the diverse public at large?
 - ✓ To urban clientele or to local people in nearby communities?

■ *Location*

- ✓ Is your land near major metropolitan areas or population centers?
- ✓ Are there similar operations nearby that you will be competing with, or are there other types of operations nearby that are complementary and may provide clients for your business?
- ✓ Does your enterprise or some other attraction nearby offer something unique that may be a draw for regional or national clientele?

■ *Accessibility*

- ✓ Is your location accessible to clients? For example, is your enterprise on or near a major highway system?
- ✓ Do you have a good road system to access your property and enterprise by automobile, or is it accessible only by 4-wheel truck or all terrain vehicle?
- ✓ Is your enterprise within 60-80 miles of a major airport or even a private airport?
- ✓ Can you provide transportation to your enterprise from the nearest airport for clients who would fly in to visit your operation?

■ *Potential Partners and Cooperators*

- ✓ State, regional, and local tourism agencies
- ✓ Trade or industry associations or groups
- ✓ Local and State Chambers of Commerce
- ✓ State and local economic development agencies or groups
- ✓ Nearby tourism businesses/operations
- ✓ Corporate trade or industry publications
- ✓ Youth associations and organizations, such as Boy Scouts, 4-H, or Campfire Girls
- ✓ Senior citizen organizations, such as AARP
- ✓ Community groups, school groups, and others

PLANNING

Following this thought process of things to consider and do, if the potential looks promising for developing your enterprise, now is the time to develop a written business plan and begin to realistically weigh the pros and cons of the investments (labor and capital) that will be necessary to operate the enterprise. This necessary step will help in weighing the costs of doing business against the potential market demand, and help in determining the feasibility of the enterprise, the time

required to get the business up and running, and the amount of time it will take to make the operation profitable and to become an integral part of your total operation.

■ *Business Plan Outline*

- ✓ Introduction and 3- to 5-year plan for the enterprise
- ✓ Organizational plan
- ✓ Marketing plan
- ✓ Operating plan
- ✓ Financial plan, including feasibility perspective
- ✓ Evaluation and monitoring plan

SUMMARY

Although this checklist of considerations appears to require extensive study before making final decisions about start-up of a new alternative enterprise, it will be in your best interest, as well as your fami-

ly's best interest, to do so. There is no "silver bullet" or "one plan fits all" for initiating a natural resource-based enterprise. Each individual site/location has different capabilities biologically, socially, and economically, just as each landowner is different and has different interests, capabilities, and objectives for developing a natural resource-based enterprise.

Therefore, this checklist should be useful for any individual, family, or group who is thinking about diversifying and initiating a new alternative natural resource-based enterprise, or expanding their existing operation to include such an enterprise.

Once the type of enterprise is determined and a business plan is being developed, another suggestion is to make two lists. First, list the realistic short-term objectives, (1-3 years). Second, list the projected long-term objectives for this enterprise (3-7 years) and be as specific as possible. These lists can be modified as the enterprise moves forward, but should serve as good benchmarks for enterprise evaluation.



Photograph by *Glen "Tink" Smith*

WORKSHEET: GOALS AND OBJECTIVES FOR SUSTAINABLE NATURAL RESOURCE-BASED ENTERPRISES

1. List the family members and/or employees who are likely to be actively involved in this enterprise, and briefly describe their anticipated roles.

2. List the types of sustainable natural resource-based products, activities, services, or access you are considering as an alternative enterprise in order of preference. (hunting or fishing lease, permit hunting or fee fishing, horse trail riding or other equestrian activities, guide services, bird or wildlife watching tours, group canoe trips, off-road vehicle trails, specialty crops, such as pine straw, mushroom, or ginseng production)
 1. _____
 2. _____
 3. _____

3. If you already have an agricultural or forestry operation as your primary business, what are your short- and long-term goals for the existing operation of the next 1-3 and 3-7 years? Check one or more of the following goals as appropriate:
 - Maintain at about the same level as in the past.
 - Expand. Describe how _____

 - Cut back on specific parts. Explain _____
 - Quit altogether
 - Other _____

4. How compatible do you think a new sustainable natural resource-based enterprise will be with whatever goals you listed above for your existing operation?

Very compatible - explain _____

Likely to require tradeoffs, identify _____

Not compatible, explain _____

5. What role will this new enterprise play in the next 1 to 3 years in terms of annual income and employment? Check one or more of the following:

Provide supplementary income to existing operation, or off-farm income

Replace part of your existing operation

Completely replace existing operation and off-farm income

Other roles/tradeoffs

6. After the new enterprise is established, what amount of family living income would you like the following sources to contribute annually? (present dollars)

Current farm or forestry operation _____

New enterprise _____

Off-farm employment _____

Other _____

Total _____

7. What special features do you and your family desire and/or expect the new enterprise to provide? (Level of risk, labor requirements, seasonality, use of special skills or resources, total management and use, sustainability of the integrated operation, etc.)



msu*cares.com*

By **James E. Miller**, Extension Outreach/Research Professor, and **Ken Hood**, Associate Extension Professor, Food and Fiber Center

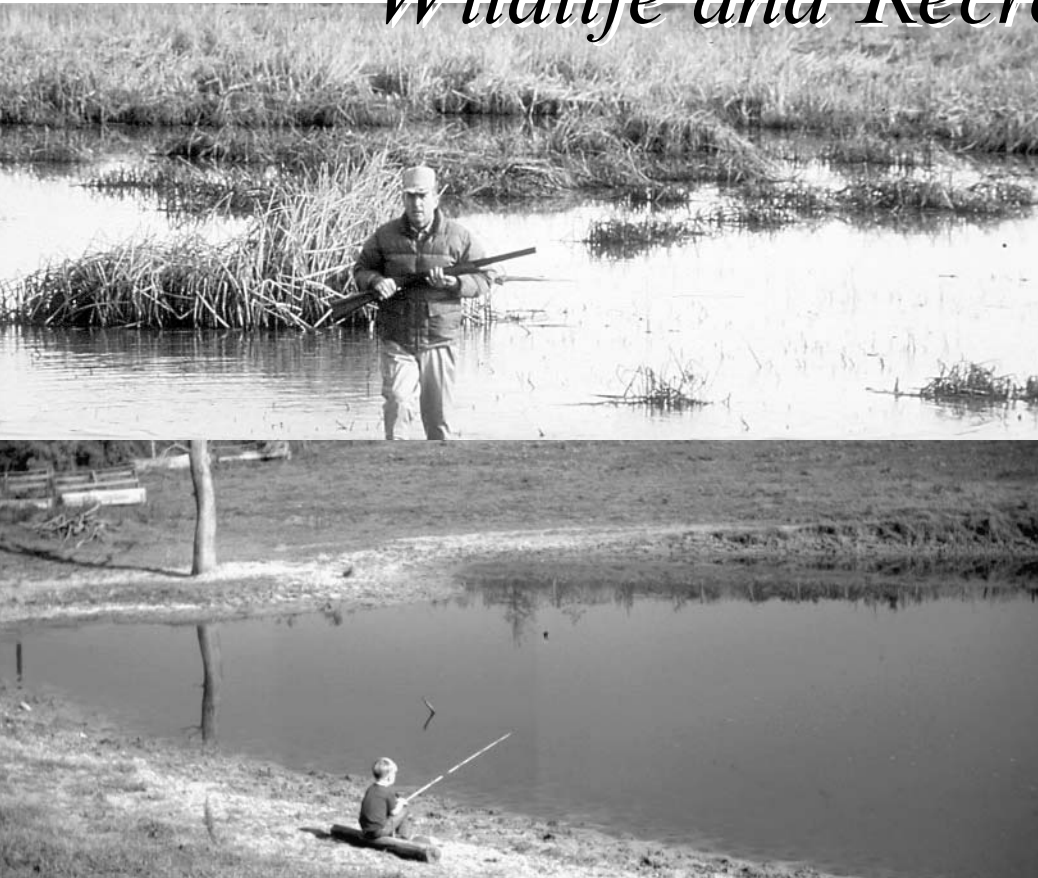
Mississippi State University does not discriminate on the basis of race, color, religion, national origin, sex, age, disability, or veteran status.

Publication 2308

Extension Service of Mississippi State University, cooperating with U.S. Department of Agriculture. Published in furtherance of Acts of Congress, May 8 and June 30, 1914. JOE H. MCGILBERRY, Director (5M-10-02)

NATURAL RESOURCE ENTERPRISES

Wildlife and Recreation



FINANCING YOUR NATURAL RESOURCE-BASED ENTERPRISE

Wildlife, fisheries, and other natural resource-based recreational pursuits constitute America's newest billion-dollar industry. In 2001, expenditures on wildlife-related recreation in the United States were estimated at \$108 billion. Expenditures on wildlife, fisheries, and related outdoor recreation exceeded \$974 million in Mississippi alone in 2001. Mississippi is uniquely positioned to receive a wealth of economic benefits as a result of the increasing public interest in and demand for access to wildlife, fisheries, and outdoor recreation.

Starting a business is hard work, and you must conduct a large amount of research to be sure that

you want to get involved in this venture and to ensure that you will be successful in it. You must consider and address issues like tax laws, state and federal laws and regulations, liability issues, and safety issues before you approach a lender.

If you are already a landowner and have sufficient capital available for the development of an enterprise, there is little need to seek financing. If, on the other hand, you desire to establish and sustain a wildlife- or fisheries-related recreational enterprise and have limited funds or land available, financing is likely to be of utmost importance to you.

NATURAL RESOURCE ENTERPRISES

FINDING A LENDER

If you conclude that financing your natural resource-based enterprise is a necessity, you will need to find out which lender will best serve your purposes. Several financing options are described below.

Commercial Banks

Most borrowers contact their local commercial bank first. Unfortunately, in many cases a commercial bank is only interested in short-term loans, so you may need to look elsewhere for financing.

Farm Credit Lending Institutions

- ✓ Federal Land Bank Associations
(www.landbanksouth.com,
www.mslandbank.com)
- ✓ First South Farm Credit
(www.farmcreditsouth.com)

The Farm Credit System, through its locally owned and operated cooperative lending operations, is a source of financing that offers long-term loans at competitive and attractive interest rates. Loans through the Farm Credit System can be for the purpose of purchasing real estate, improving real estate, debt refinancing, and consolidation. Interest rates can be variable or fixed with monthly, quarterly, semi-annual, or annual payments. Also, the Farm Credit institutions have “young,” “beginning,” and “small farmer” programs with several attractive features for those that qualify.

Farm Service Agency

(www.fsa.usda.gov)

The Farm Service Agency (FSA) is a part of the United States Department of Agriculture (USDA). The FSA makes and services both direct land ownership and operating loans. FSA also has a guaranteed loan program and a participation loan program. FSA guaranteed loans provide conventional lenders with up to a 95 percent guarantee of the principal loan amount. In the participation loan program, FSA lends up to 50 percent of the amount financed and the conventional lender provides the other 50 percent.

Mississippi Development Authority

(www.mississippi.org)

Mississippi Development Authority (MDA) makes interest-free loans to eligible start-up operations. MDA funds up to 20 percent (or \$200,000 — whichever is less) of the cost to construct or update facilities interest-free for up to 15 years. The conventional lender guarantees this loan and MDA is assured of repayment.

Owner Financing/Family Members/Investors

Owner financing may be an option to consider when a seller is interested in the sustainability of the property and is willing to finance the sale. Interested investors may also want to finance a natural resource-based enterprise if they expect a fair return on their investment and/or use of the enterprise once the operation is up and running. A family member with money to invest and confidence in the ability of the borrower to repay may also be willing to extend a loan.

WHAT LENDERS NEED

The Five Cs of Credit

All commercial lenders look for the same basic characteristics in a borrower. They are known as the “Five Cs of Credit”:

- Character - Personal credibility of the borrower,
- Capital - Financial position and progress toward financial stability,
- Capacity - Ability to repay the loan,
- Collateral - Other property or capital to secure the loan,
- Conditions - Basis of ultimate loan approval.

Business Plan

The most important information required by a lender is an up-to-date, complete, and accurate business plan. There are several good business plan models on the World Wide Web that can assist you in developing a sound business plan. A few sites available for this purpose include:

- ✓ www.bplans.com/sp/
- ✓ www.mississippi.org. This comprehensive web site was created by the Mississippi

Development Authority, whose principle purpose is economic development. At this site, the “Entrepreneur's Tool Kit” found under the Business Development section is very useful, containing a detailed explanation and example of each area of the financial plan, as well as a universally accepted personal financial statement.

(Note: Because web links can change, if you have trouble locating any of the links provided in this publication, please refer to the appendix on page 4 which gives the mailing address and phone number for each organization.)

Within the larger business plan, lenders will look for a sound and detailed financial plan. Critical components of a financial plan are:

- ✓ A cash-flow statement,
- ✓ Sources and uses of funds,
- ✓ Income statement,
- ✓ Balance sheet.

When you approach a lender, it is important to establish a personal relationship with a loan officer who understands a borrower's needs. It is the loan officer's job to assess the borrower's credit quality, or the “Five Cs of Credit,” to understand strengths and weaknesses of the business plan, and, if they have experience with natural resource-based enterprises, to offer sound advice on plans and goals of such an enterprise. It is a good idea to call ahead and find out what information the loan officer will need as they consider an application for loan. Be prepared to answer questions and give all information as required by the lender.

Inventory

A lender will also be very interested in reviewing an inventory of your physical resources and labor resources. This inventory includes:

- ✓ Number of acres in the enterprise
- ✓ Unique physical, biological, or landscape features

- ✓ Water resources availability
- ✓ Type and extent of vegetative cover
- ✓ Current land use (crop, pasture, timber)
- ✓ Other comparable enterprises in the area (competition)
- ✓ Adjacent land use and management history (if known)
- ✓ Supplies, vehicles, equipment owned or needed
- ✓ Potential risks (environmental hazards, unsafe structures)
- ✓ Status of existing wildlife and fisheries populations
- ✓ Number of employees on hand or that will be needed
- ✓ Employee special expertise needed
- ✓ Level of employee compensation (base pay, benefits)
- ✓ Need for customized services (guided hunts, tours)
- ✓ Opportunities for expansion

Financing a natural resource-based enterprise does not have to be a frightening or cumbersome process. Be sure to have a sound, complete, and comprehensive business plan, and be prepared to answer any and all questions about your enterprise. It is the loan officer's job to evaluate credit quality and to determine what, if any, special programs are available to make your plan work. Consider the lender as a partner, ask pertinent questions, draw on their financial expertise, and heed their advice.

APPENDIX

Bplans.com

www.bplans.com/sp/
144 E. 14th Ave.
Eugene, OR 97401
Phone: (541) 683-6162
Fax: (541) 683-6250

Mississippi Development Authority

www.mississippi.org
501 North West Street
P.O. Box 849
Jackson, MS 39201
Phone: (601) 359-3449
Fax: (601) 359-2832

Federal Land Bank Association of South Mississippi

www.landbanksouth.com
500 Greymont Ave., Suite D
Jackson, MS 39202-3446
Phone: (601) 355-8500
Fax: (601) 355-8511

Land Bank of North Mississippi

www.mslandbank.com
P.O. Box 667
Senatobia, MS 38668-0667
Phone: (662) 562-9664
Fax: (662) 562-7783

First South Farm Credit

www.firstsouthfarmcredit.com
P.O. Box 1709
Ridgeland, MS 39158
Phone: (800) 955-1722
Fax: (601) 977-8368

Farm Service Agency, Mississippi Office

www.fsa.usda.gov
P.O. Box 14995
Jackson, MS 39236
Phone: (601) 965-4300
Fax: (601) 965-4184



msucares.com

By **Harry Dendy**, Natural Resources Associate, **James E. Miller**, Extension Outreach/Research Professor, Department of Wildlife and Fisheries, and **Kenneth W. Hood**, Extension Professor/Food and Fiber Center, Mississippi State University.

This publication is sixth in the series *Natural Resource Enterprises: Wildlife and Recreation*.

Mississippi State University does not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation or group affiliation, age, disability, or veteran status.

Publication 2353

Extension Service of Mississippi State University, cooperating with U.S. Department of Agriculture. Published in furtherance of Acts of Congress, May 8 and June 30, 1914. JOE H. MCGILBERRY, Director. (5M-1-05)