

Guidance notes for completing a Farm Business Resilience Plan

Background

The Farm Business Resilience Program aims to build the strategic management capacity of farmers and graziers to prepare for and manage business and climate risks. This will help producers improve their economic, environmental and social resilience.

The program provides information and training through the following organisations:

- Department of Agriculture and Fisheries (DAF)
- Queensland Farmers Federation (QFF)
- Growcom
- Canegrowers

The workshops and training delivered by these organisations can help producers develop their Farm Business Resilience Plan (the business plan).

Additionally, there are other programs and services providers, such as Agforce's AgCarE, that can also assist producers to develop business plans.

Producers will need to have a business plan that identifies activities to improve business risk and resilience when applying for the Queensland Government's new drought assistance through the Queensland Rural and Industry Development Authority (QRIDA).

Producers may already have an up-to-date business plan, or they can complete the template themselves. If a producer engages professional assistance to help develop their plan, they can apply for a Farm Management Grant to receive a 50 per cent rebate of up to \$2,500 of the cost.

The Farm Business Resilience Program and the Farm Management Grants are co-funded through the Australian Government's Future Drought Fund and the Queensland Government's Drought and Climate Adaptation Program.

What is a business plan?

A Farm Business Resilience Plan identifies goals and assesses strategies and plans to manage risks including drought.

A business plan should be evidence-based, incorporate relevant learnings from training, and be tailored to the purpose of the business operation. It should outline how actions will be implemented, monitored and reviewed.

This guide has been developed to help keep the process as simple as possible.

This [business plan template](#) can be used to develop a plan. Alternatively, an existing business plan, format, or template is acceptable provided it is consistent with the sections in this business plan.



Assistance

If you require assistance completing your business plan, please contact DAF Customer Service Centre on 13 25 23 or your peak agricultural industry body. Training workshops are available to assist you in completing a Farm Business Resilience Plan, or you can watch an [online tutorial](#) to step you through.

For assistance with grant or loan application forms please contact QRIDA on **Free Call** 1800 623 946.

Terms used in these notes

Resilience in agriculture can be defined as preparing producers to absorb and recover from shocks such as drought, natural disaster and market forces that have a negative impact on their agricultural production and financial returns.

Strategic means being perceptive, future-oriented, open-minded, proactive, and making decisions based on evidence and ideas.

Strategic planning is a process to determine a 'vision' for the future, turning it into goals and making informed decisions on how you are going to achieve them.

Strategy, plans and actions: these words are used a lot in these notes. An example of what they mean is:

- Your strategy (or goal) is to cross a river to get to the other side
- You decide on a plan to build a bridge rather than a boat
- An action (or activity) of the plan is building the bridge.

The outcome? Building the bridge achieves your strategy.

Section 1—About our business

1.1 'Ownership' lists the names of the business owners.

1.2 'Business details' includes the business name and address, ABN, PIC number, email address and telephone numbers. The PIC system operates nationally to trace animals (livestock, poultry, apiary) if a disease outbreak or contamination incident occurs.

1.3 'Our property' is where the name and address of the property that is the subject of the business plan is recorded. Where more than one property is covered by the business plan, please list the additional properties in numerical order in the table provided.

1.4 'Our primary production operation' is where you add in details of your primary production operation, for example: beef, sugar cane, horticulture, grain, or a mixed operation such as a grain and grazing, sheep and goats. Also include the total area of your property, pasture, cultivation, other areas and carrying capacity if you have livestock. If more than one property is involved in the business, please list them in the table provided in numerical order as listed in section 1.3.



1.5 ‘The operation of our business involves family members and employees’ this section identifies your role and responsibilities in the business operation. Include family members and other people such as employees, business advisers, agronomists and DAF extension officers.

Section 2—Our Motivation

Describe what you want to achieve with your primary production business.

The individual dot points below are examples of what people may be motivated to achieve:

To run a profitable and sustainable business that:

- *provides for our current and future needs*
- *is able to withstand the adverse impacts of climate and market variability*
- *is a sustainable land management system*
- *is a viable business for future generations.*

Section 3—Our goals

Identify and write down your goals, how and when you plan to achieve them, and how you measure the success of achieving the goal. New actions that support you achieving your goals can be recorded in *Section 6—Our new action and implementation plan to improve our business.*

In the business plan there are four categories of goals:

- 3.1 Production goals
- 3.2 Natural resource goals
- 3.3 Business goals
- 3.4 Personal goals

If there is more than one goal in a section, they can be listed in numerical order.

3.1—Production goals (goals can be listed in numerical order)	
1.	
2.	
How our goal will be achieved	
1.	
2.	
Timeframe	
1. Timeframes are consistent with the size of the project. Long term timeframes of 2 years or more should include annual ‘milestones’ to monitor progress.	
2.	
How we measure success	
1.	



2.

3.2—Natural resource goals (goals can be listed in numerical order)

1.

2.

How our goal will be achieved

1.

2.

Timeframe

1.

2.

How we measure success

1.

2.

3.3—Business goals (goals can be listed in numerical order)

1.

2.

How our goal will be achieved

1.

2.

Timeframe

1.

2.

How we measure success

1.

2.

3.4—Personal goals (goals can be listed in numerical order)

1.

2.

How our goal will be achieved

1.

2.

Timeframe

1.

2.

How we measure success

1.

2.



Section 4—Managing our risks

Identify risks and strategies to lessen their financial impact on your business. Actions identified through this process are recorded in *Section 6—Our new action and implementation plan to improve our business*. In the business plan, risks come under three main headings—Production, Business, and Personal risks.

4.1—Production Risk	Strategies for mitigating high level risks
<p>Climate and weather For example—drought, fire, flood, hail</p>	<p><i>'Drought—see Section 5 How we plan to manage dry and drought conditions'</i></p> <p>Examples include:</p> <p>Fire—maintain firebreaks and firefighting equipment in good condition</p> <p>Flood—monitor rainfall and flood forecasting, if possible, move animals to higher ground</p> <p>Hail—install hail netting, purchase hail insurance</p>
<p>Biosecurity risks For example—major plant and animal diseases and plant and animal pests</p>	<p>We have a biosecurity plan in place that is reviewed and updated on a regular basis</p> <p>Plant disease—use disease resistant varieties, appropriate crop rotations, crop monitoring and management</p> <p>Mice—undertake approved pest control measures</p>
<p>Natural resources For example—stocking rates, pasture management, erosion control, land fertility</p>	<p>We stock our operation in line with land type productivity and seasonal climate variability</p> <p>We have designed our grazing management strategies to avoid the loss of pastures.</p>
4.2—Business Risks examples	Strategies for mitigating high level risks
<p>Financial risks For example—cash flow, debt levels, adequate carry-on finance, equity level, adequacy of loan security, ability to increase borrowings, interest rates</p>	<p>Monitor and review interest rates, interest rate 'risk' margins and loan term arrangements</p> <p>Maintain an honest and open communication with your bank manager</p> <p>Ensure equity is funded through profit and not just inflation.</p> <p>We analyse the profitability of our enterprise and monitor the change in our net worth over time</p>
<p>Market risks For example—commodity price fluctuations, international bans and tariffs on exports</p>	<p>Cropping and grazing production is managed to target markets best suited to the property and production systems</p>
4.3—Personal Risks examples	Strategies for mitigating high level risks
<p>Workplace health and safety</p>	<p>Workplace health and Safety (WHS) is a priority for our business which is why we have:</p>



For example—health and welfare of staff and family members, education and training	<ul style="list-style-type: none"> • completed a WHS risk assessment • implemented standard operating procedures for staff
Key person people For example—how would your business cope if a key person was out of contact/action for 3 months?	
Family For example—marriage, succession planning, divorce, children’s education.	We have a current Succession Plan that is documented, discussed with family members and reviewed regularly, such as: <ul style="list-style-type: none"> • a formal succession plan • an up-to-date will • an Enduring Power of Attorney An education fund has been established to meet future boarding school expenses

Please note—Important high level personal risk mitigation strategies you may wish to consider putting in place

A Succession Plan, Last Will and Testament (LWT), and Enduring Power of Attorney (EPOA) are significant business and personal risk management strategies.

Formal succession plans provide for a smooth and transparent transition of handing your primary production operation to the next generation.

The absence of a LWT when someone dies can have significant consequences at a personal and business level. Legal advice about an up-to-date will is recommended.

An EPOA is important if a parent or family member becomes mentally incapacitated. Seeking legal advice about an EPOA and the protection it provides is highly recommended.

Section 5—How we manage dry conditions and drought

This section outlines strategies aimed at mitigating the risk of drought for your business. New infrastructure and practices may be identified to help your business operation. New actions can be listed in *Section 6—Our new action and implementation plan to improve our business*.

Examples under the headings below are not a complete list and are included as a guide only. You may have other ideas that better suit the purpose of your business operation.

Section 5.1—Our plan to prepare for dry conditions and drought

For example:

- Weather and seasonal climate forecasting sites used to make decisions about seasonal variations and drought conditions.
- Identify drought preparedness strategies such as, storing fodder, adequate water supply, long-term stocking rates, strategies for managing livestock numbers in line with seasonal conditions, and water use efficient cropping techniques.
- Additional strategies that could improve your business operation during drought.
- Invest in Farm Management Deposits (FMD) scheme. Conditions apply, for more information visit www.awe.gov.au/agriculture-land/farm-food-drought/drought/assistance/fmd

Section 5.2—How we plan to manage during drought

For example:

- Management strategies and activities used to manage livestock, grazing land, water supply, cropping programs, and financial position.
- Personal and community support measures (if available) that assist families with their health and wellbeing.
- Utilise FMD funding.

Section 5.3 – Our drought recovery plan

For example:

- Financial recovery
- Restocking after drought
- Replanting crops
- Post-drought review to identify new ideas/lessons learned to better manage future droughts.

Keep in mind these sections may need to be revised as time passes. For example, during a drought check to see if the strategies outlined in your business plan are the strategies you plan to use to prepare, respond and recover from drought.

Section 6—Our new actions and implementation plan to improve our business

The new actions and implementation plan identifies actions to achieve strategies that aim to improve your business to better withstand dry and drought conditions. This plan is used to implement actions to mitigate other risks that are relevant to your business operation.

It is recommended that you list all planned activities—one in each table for future reference and prioritised in the order of the greatest reduction of drought risk for the business



operation. These actions can be reviewed at a future date as actions are completed and priorities and level of risk change.

While not all the actions may require a direct financial commitment, some of these actions that involve capital investments and new infrastructure may be considered for funding under the *Drought Preparedness Grant* or *Drought Ready and Recovery Loan* which is offered by QRIDA.

Section 7—Reviewing our plan

It's recommended that you review your business plan at least once a year or more often if required.

For example, the completion of planned activities to improve resilience should be recorded in your business plan. When seeking finance for new activities an updated business plan is likely to be required to support applications for funding and inform lenders that previous activities have been completed within the planned timeframe.

In the future you may wish to work with a professional advisor to develop a more comprehensive Farm Business Resilience Plan. A *Farm Management Grant* is offered by QRIDA if you decide to take this approach.

This completes the guidance notes for the Farm Business Resilience Plan.

