

The Production Plan

1. Land, Buildings and Facilities

The sample form describes the Davidson Ranch production facilities. The buildings and facilities are detailed to illustrate how investment into production facilities has been divided amongst the various types. It should be remembered that each ranch may have or require different facilities than another. In the Davidson Ranch case, they have a hay shed, a machine shed, a barn, livestock corrals and fencing. Although not shown, a key part of your facilities planning should be a layout, drawn to scale. This will help ensure that you have chosen the right facility and will help you in estimating any facility improvements that may be required.

2. Equipment

The next sample form describes the Davidson Ranch equipment and fixture purchases. If you are establishing a new ranch, to prepare your equipment requirements you will need to think carefully about how you plan to grow your products. If possible, talk with people already in the same business to see what equipment they use. Or talk to suppliers of equipment and get their feedback on what you will require. When obtaining cost information, be sure that freight, installation, warranty service and taxes are included or excluded from the prices you are quoted. Also check on lead times for delivery once you have placed your order. Start researching your equipment well in advance of the time you will need it to allow enough time to select equipment and suppliers and to place orders.

Land, Buildings and Facilities Example

Location:	Kamloops	
Description:	Cow-calf ranch operation	
Size:	750 acres	
Owned or leased:	Owned	
Buildings and improvements:	Hay shed	\$15,000
	Machine shed	\$12,000
	Barn and corrals	\$7,290
	TOTAL	\$34,290
Land:	\$340,000	
House:	\$85,000	

Equipment Example

Description	Current Value
1. Irrigation Equipment	14,000
2. Tractors; 60hp & 40hp	29,500
3. Truck	9,600
4. Pickup Truck	8,000
5. Hay Wagon	1,800
6. Baler	7,000
7. Side delivery rake-pull type	2,000
8. Plow - 3 bottom	1,200
9. Drill - 8' pull type	1,000
10. Fertilizer spreader	500
11. Manure spreader	3,000
12. Cultivator	1,020
13. Miscellaneous (welder, tools, tack, livestock equipment)	4,000
TOTAL	\$82,620

3. Materials and Supplies

For a new operation, you will need to research your material requirements in much the same way as you have your equipment needs. To do this properly, you'll likely need to prepare detailed lists for the products you plan to grow or produce and then calculate the inputs you will need. Keep your supporting information on how you calculated this information on file in the informal business plan for future use. The sample form illustrates some of the material requirements for the Davidson Ranch. You'll also need to know which suppliers you plan to order from, the quantity and costs of an order and the order lead time if needed.

4. Production Targets

Production goals are an essential part to increasing the profitability of a ranch. In this section the targeted production figures of weaning weights and weaning percentage will be established. Since the success of attaining these production goals is subject to uncertainty, three sets of projections will be created. They will include:

- a "pessimistic" scenario;
- a "most likely" scenario;
- an "optimistic" scenario.

The sample included shows the production targets that the Davidson Ranch will attempt to reach by following the production strategies of the following section.

Materials and Supplies Example

Description	Annual Requirement	Total Cost (\$)	Suppliers	Order Lead Time
Crop Supplies		5,000	Growers Co-op	pickup
Feed Supplement	12 tonnes	1,500	Top Feeds	2 weeks
Minerals and Livestock Supplies	-	1,000	Growers Co-op	
Fuel	10,000 litres	5,000	Esso	1-2 days

Target and Future Production Example

Production Forecasts for Next Three Years

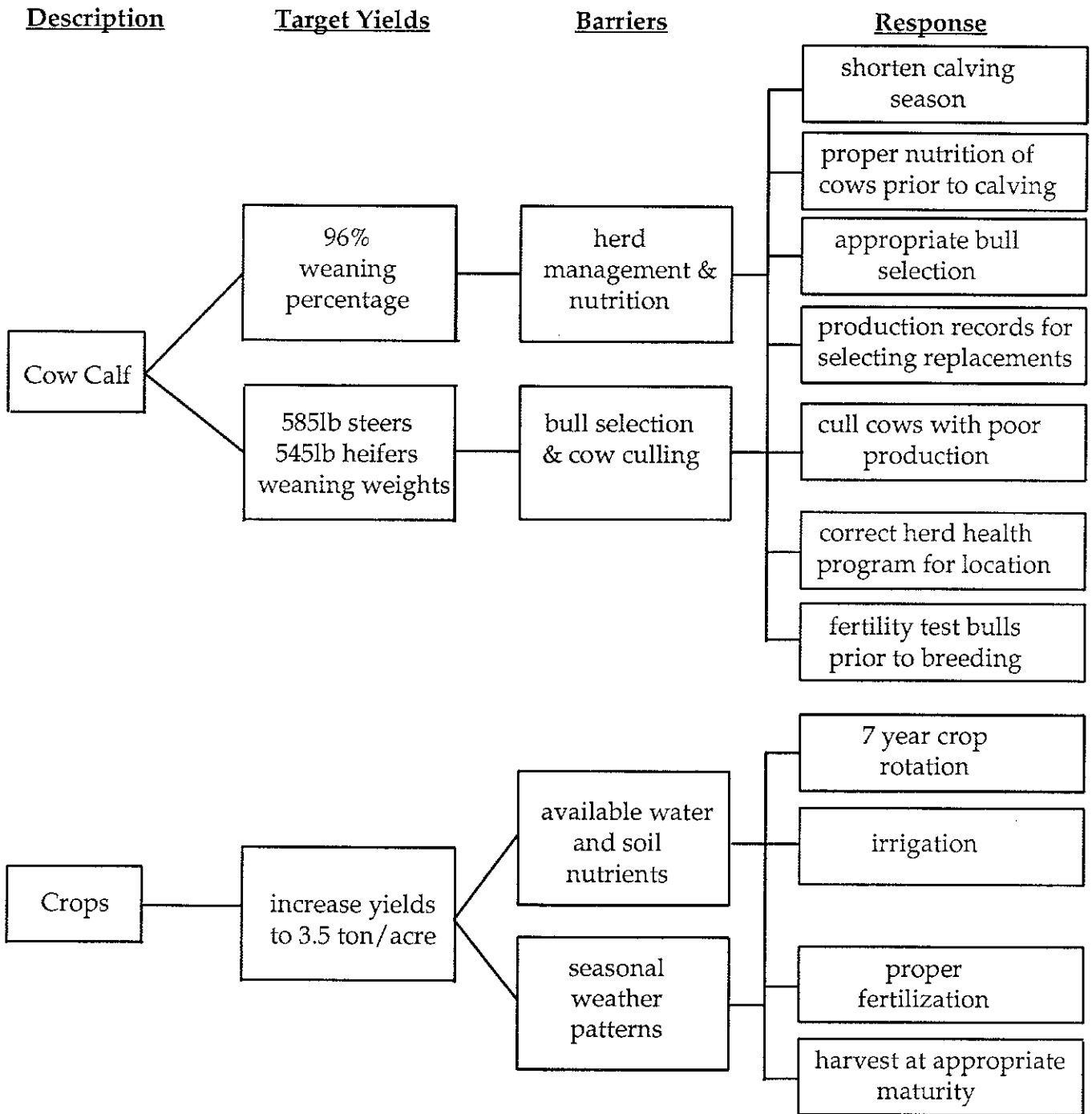
	Optimistic			Pessimistic			Most Likely		
	Yr 1	Yr 2	Yr 3	Yr 1	Yr 2	Yr 3	Yr 1	Yr 2	Yr 3
Weaning % (% weaned of cows overwintered)	95%	96%	97%	90%	91%	92%	94%	95%	96%
Steer Weights	575	585	600	550	565	575	565	575	585
Heifer Weights (lb of calf weaned)	535	545	550	515	525	530	525	530	540
Crop Yields (tons/acre)	3.2	3.4	3.6	2.8	3.0	3.2	3.0	3.2	3.4



5. Production Strategies

You will need to carefully research and thoroughly understand the product you are planning to produce, the production system you will be using as well as how to avoid potential problems. This information can then be used to develop plans to optimize yields, grades and profits through appropriate production and labour management activities. The following flow chart shows the strategies that the Davidson Ranch will use to reach their production goals. The most likely scenario values are the figures in this chart.

Production Strategies Example





5. Herd Management /Production Schedule

When new construction or major changes are planned a construction schedule outlining the necessary steps as well as expected starting and completion dates is useful. Attention should be given to permits and licencing, contracts, as well as delivery and manufacturing schedules. Also, when raw materials will have to be ordered and when production and sales are expected to start.

There was no scheduled construction for the Davidson Ranch. Due to the main emphasis of future changes being in herd management, a herd management and production schedule has been prepared. It outlines the timing of herd management practices that this ranch will follow.

Herd Management & Production Schedule Example

Herd Health Production Schedule												
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Increase nutrition to cows prior to calving	x	x										
Prepare for calving	x	x										
Calving Time		x	x	x								
Calf health care			x	x								
Animals are turned out to pasture				x								
Fertility test bulls					x	x						
Calves branded, castrated, dehorned, ear-tagged					x	x						
Vaccinate calves					x	x						
Vaccinate cows and replacements					x	x						
Cattle are turned out on range						x						
Cattle brought in from summer range										x		
Calves weaned & sold off or retained										x		
Cows are pregnancy tested and culled accordingly										x	x	
Begin animals on feed											x	x