

Aquaculture Business Plan

Business Name - Type your information in the areas shaded in gray. When completed, delete text provided in this outline.

You may want to enter a picture or graphic

Address

Date

This Business Plan is confidential and is the proprietary property of Insert your business name here. No reproduction of any kind or release of this document is permissible without prior written consent of Insert your business name here.

Table of Contents

Executive Summary	Page
Section I: Management	Page
Section II: Marketing	Page
Section III: Money	Page
Section IV: Milestones & Measures	Page
Section V: Appendix	Page

Executive Summary

The Executive Summary comes first, but can be written last. The Executive Summary provides an overview of the business plan in on page or less. This section provides the financial institution a “first impression” of your business concept.

The Executive Summary should include:

- *The name and address of the fish farm.*
- *The owner(s) names.*
- *The Mission Statement of the business.*
- *A brief description of the business to be conducted.*
- *Legal Structure of the business.*
- *Product(s) and/or services(s) to be offered.*
- *Purchase terms, if buying an existing business.*
- *Requested loan amount and how the loan will be repaid.*
- *How the loan amount will be spent (broken down into categories).*
- *Amount and form of the owner(s) equity (owner’s investment).*
- *Expected outcome of business operations*

The following sections of this template will help you gather the necessary information for your business plan. The information can then be summarized for the Executive Summary.

A. Company Overview

1. Company Name
2. Location (benefits, limitations, zoning)
3. Legal Structure and reasons for choosing this form of entity. List the names of all principals involved in the business.
4. Type (product, service, retail, wholesale)
 - Describe your fish farm. Be sure to include total acreage, acres of water, size of ponds, species of fish raised, and whether this will be a pond or cage-cultured operation.
5. Size (sales, # of employees, sq. ft.)
6. History Highlights
 - If the business is being purchased or expanding an existing business fish farm, a history of the business is required. Details should include existence, current owner, current location, types of species raised, market share, strengths, weaknesses, why selling, and financial information for the past three to five years.
7. Mission – Why you exist (values)
8. Vision – Where you want to go (nonspecific, directional, motivational)

B. Nature of the Business

1. What product/service you sell?
2. For what need/problem/opportunity? (Benefit to buyer?)
3. For what market area and target audience (market potential)
4. What are the alternatives to your product/service? (competitive advantage)

C. Key Characteristics of the Industry

Aquaculture is the cultivation and marketing of aquatic animals or plants in a controlled environment for all or part of their life cycle. The aquaculture industry in the United States is one of the fastest growing segments of the agriculture market today. The growth potential for the aquaculture market is at its strongest level ever. The demand for fish is increasing due to the ever-increasing health consciousness of the American consumer. Per capita consumption of fish in the US has increased from 13 pounds per person in 1980 to ?? pounds per person in 2010. These increases in demand are stressing the world's natural fisheries, which are generally considered to be at or near their maximum sustainable yield, thus increasing the demand for the fish raised in aquaculture facilities. Not to mention the increasing demand in our society for locally grown products.

Describe any additional industry information you wish to include in your business plan as well as any general business conditions affecting your fish farm.

D. Brief Financial Highlights

Sales Forecast, Breakeven Point, Financing if needed – how much & for what/when payback

E. Strategic Management

1. How you are addressing internal strengths and weaknesses & external opportunities and threats?
2. Summary of short range & long range goals.
3. Key measurable “drivers” that impact your costs, revenue and business goals? (ratios such as # of clients per year, # of projects per year, average \$ per client, return on investment, # of employees per \$, inventory turns, product rejection rate, quality, capacity, cost of lead/sale, etc.)

START HERE

Section I: Management

Human Resources

A. Owner, Manager/s

(experience and key skills – skill level) Include resumes of owner and key personnel. The resume should include past-related employment experience, professional training and education, related certifications or degree(s) held, and other personal information related to business operations. Be sure the business related experience is highlighted.

B. Employees

HR Policies & Procedures (Job analysis and job descriptions, hiring strategy, compensation, performance evaluation process, employee training, retention, motivation)

Develop a personal hiring and Pay Schedule.

Job Title	Duties	Qualifications	Salary (\$)	Hiring Date

Develop a Work Schedule. The work schedule shows work coverage for the scheduled operating hours of business. See Sample below.

Job Title	Sun	Mon	Tue	Wed	Thurs	Fri	Sat	Total Hours/Week

C. Consultants & Advisors

List of professional services providers to be utilized (e.g. attorneys, accountants, consultants, etc.) the type of services to be rendered and anticipated costs.

Type	Name	Address and Telephone #	Start-up Costs (\$)	Recurring Costs (\$)
Accountant				
Attorney				
Other (list)				
Other (list)				
Total Professional Fees				

D. Organizational Structure/Communications

(job descriptions - who does what and reports to whom?)

E. Individual & Organizational Development

As the business owner, how will you prepare for ongoing continuous improvement for yourself and others throughout the organization?

F. Management Strategies

How will you make the most of the people involved with your business? What can you delegate or outsource? What help and support do you need? How would you describe your organizational culture?

Include information on suppliers of fry, fingerlings, feed, equipment, etc. Include their address, their product lines and any special credit terms.

Supplier	Address & Telephone	Products/Services/Term

Operations

A. Location (Site Selection)

Considerable thought and planning should go into selecting sites for commercial fish production ponds. Construction costs, ease of operation, and productivity can be greatly affected by the site selected. Selection of a site at times would seem to be a simple matter but after considering all of the variables involved it rarely is as simple as it would seem. Describe your location including topography, water supply and soil type. Where is the business located & conducted? Include any aspect that makes it especially suitable for a fish farm. Are there any zoning issues?

Complete the following table. For your planning purposes, actual current price quotes are needed.

Item	Source	Cost (\$)
Land		
Pond Construction		
Well Construction/ Water Supply		
Road Work		
Feed Storage Bin		
Office Building		
Electric line & Switch Boxes		
Harvesting Dock		
Other		
Other		
Total Fish Farm Cost		

B. Equipment

What equipment and inventory items are required to start and run your business? What do you currently own? What will you lease? What will you purchase?

List equipment, fixtures, furniture, vehicles, tools and other fixed assets that are needed for the business and their associated costs.

Item Description	Source	Buy/Lease	Cost (\$)
Tractor			
Truck(s)			
Boat, Motor & Trailer			
Aerators (2hp/ac)			
Mower			
Generator			
Vehicle			
Air Blower & Hose			
Cage, Cover & Floatation			
Feed Hoppers & Blowers			
Back-up Aerator (PTO Driven)			
Water Quality Test Kit			
Shop Equipment			

Office Equipment			
DO Meter			
Live Haul Tank			
Radio Com System			
Seines			
Other			
Other			
Total Cost of Equipment			

C. Outside Influences

Other issues that are not necessarily within the control of the business must also be addressed. Many of these issues may directly affect your sales both positively and negatively. Complete the following selections as they apply to your business.

1. Describe the economic factors that will affect your product or service. Include economic trends, spending trends, taxes, inflation, interest rates, etc.
2. Describe any legal or governmental factors that will affect your business. Potential changes in laws and ordinances, IRS, OSHA, EPA, Local Health Department, ADA, and zoning regulations.
3. Describe any environmental factors that will affect your business. Include raw material availability, weather, pollution, and waste management.

D. Data Management

How do you manage data (entry, processing, back-up, contacts, correspondence, bookkeeping, other files)?

E. Intellectual Property

Will your business have any intellectual property that will patentable or need to be protected? How will you protect designs, copyrights and other intellectual property?

F. Risk Management

How do you manage risk? (prevent & protect)

- Financial, Liability, Environmental and Safety, Security, Record
- Retention & Security of data – company, employee, customer, supplier
- Political Risks, Legal Risks, Loss, Decline/Growth, Other

G. Insurance

What have you learned from an insurance broker about costs/types of insurance you need? What have you learned about the potential risks of loss inherent to your business? These risks form the basis for your

business insurance needs. Some of these types of insurance have been listed below:

- Workers Compensation
- Fire or Structural Damage
- Business Liability
- Vehicle Coverage
- Loss & Theft of Building Contents
- Glass and Sign Breakage
- Business Interruption
- Care, Custody & Control

Some sources of information on business insurance have been listed below.

- Ohio Department of Insurance – *maintains experience information on insurance companies.*
- Best Key Rating Guide – *maintains financial strength information on insurance companies*
- Local insurance agencies – *Check yellow page listings.*

Include copies of your insurance carriers' cost quotes

Insurance Company	Type of Insurance	Upfront Cost	Monthly Cost
Total Insurance Cost			

H. Taxes

Which local, state and federal regulations and taxes apply to your business?

I. Licenses & Permits

What permits, licenses and registrations have you determined apply to your business? (EPA permit, state professional license, vehicle license, food handler's certification, Assumed Name Act Registration, etc.)

Provide a copy of the required licenses, permits and registrations if available.

Name of Permit/License	Issuing Agency	Valid Time Period	Start-up Costs (\$)	Recurring Costs (\$)
Total Permit and License Cost				

J. Business Cycles

What do you know about your business cycles? (Production, Delivery, Sales, Inventory, Financials)

K. Operational Strategies

How will you make the most of you location, purchasing & production processes?

Section II: Marketing

A. Business, Industry & Situation Overview

General description of the business. Describe any industry information you wish to include in your business plan as well as any general business conditions affecting your fish farm.

B. Distribution Strategy

Describe the distribution strategy for your fish farm. A distribution strategy answers the following questions: How are you going to get your product to your customer? How will the crop be sold? How are you going to price your crop? Below are some examples of ways to move your product to your customer. Your strategy may involve one or more of these techniques.

- Sales to a Processing Plant of Cooperative
- Contract Sales
- Phone Sales
- Trade Shows (Licensure Required)
- Internet Sales (Licensure Required)
- Sales off the Farm (Licensure Required)
- Sales on the Farm
- Other

C. Target Market & Trade Area

Who is your target market (who & where)? The key element of a successful marketing plan is to know your customers – their likes, dislikes, and expectations. By identifying these factors, you can

develop a marketing strategy that will allow you to attract customers and fulfill their needs.

Use the following selection to help define your target market.

Type of customer	% of Business
• Processing Plant/Cooperative	
• Retail Customer	
• Restaurant and Grocery	
• Organizations	
• Other	
(Total must equal 100%)	100%

D. Products/Services

Product/Service - What need/problem/opportunity?

E. Competitive Advantage

What is your competitive advantage/positioning?

F. Sales Forecasts and Assumptions

How much money will you generate? Include a sales forecast summary and narrative on your assumptions - how you developed projected revenue.

G. Measures of Success

What are the key factors you will measure and when will you measure them? (\$/customer, number of customers/day or month, expansion of trade area, product return rate, etc.)

Section III: Money

A. Financial Assumptions

1. Discuss assumptions made to arrive at financial projections – how did you determine your cost of production, pricing, dollars of sales, etc.
2. If seeking funding for your project, discuss how much money you are seeking and what that money will be used for. How will the money be repaid? Do your financial worksheets support this?
3. Discuss your Break Even Analysis.
4. Describe where needed funds will be obtained and what all funds will be used for. (i.e., personal contribution of 20% used to acquire equipment, loan for building, etc.)

B. Bookkeeping, Record-keeping, Accounting System & Process

1. Ratio Analysis (liquidity, leverage, activity, profitability, growth)
2. Business Financing (personal savings, equity financing - risk & reward, debt financing - can you pay/debt ratio; will you pay/credit score; what if you don't pay/loan to value, other sources of financing)
3. Discuss Factors such as Character, Capacity, Capital, Collateral, Credit, Cash flow, Conditions of the industry, market & economy, Confidence/Commitment.

C. Financial Worksheets

For any type of loan request the financial section of the business plan must include the following:

- **Historical Information on Existing Business** – Three (3) years of past income tax returns, financial statements (Balance Sheets & Income Statements), and aging of accounts receivable/payable should be included.
- **Personal Income Tax Returns** – Three (3) years of personal income tax returns of the principals involved in the business are required. A principal is an individual or entity who owns or will 20% or more of the business.
- **Personal Financial Statement** – This form must be completed for each principal who owns or will own more than 20% of the business, or who have a significant say in the operations of the business.
- **Financial Projections** – Three (3) year projection of financial data is suggested in most aquaculture loan requests including:
 1. Start-up Worksheet (If start up operation)
 2. Cash Flow Projections
 3. Balance Sheet
 4. Profit and Loss Statement
 5. Income Statement
 6. Break Even Analysis
- **Letters of Commitment** – If the plan includes multiple loans, each loan must be documented in commitment letters. Loans from financial institutions must have language indicating the loan amount, the specified term and interest rate, collateral, any other conditions attendant to the loan, and the fact that the loan is approved (loan approval can be contingent on securing other financing).

Section IV: Milestones & Measures

A. Goals

1. Where do you want to go? (vision; short & long range strategic objectives/priorities) SMART Goals – Specific Measurable Attainable Rewarding Timed
2. Tactics - How are you are going to get there? (manageable tasks & precise action plans) *“Never confuse motion with action.” – Ben Franklin*
3. Data Gathering & Analysis - Track & adjust to progress.

How does performance compare to target measures? What are your key milestones and critical success factors? What “benchmark” information do you need for data-based decisions? Who will measure what/when? Measure what is meaningful.

“Not everything that counts can be measured and not everything that can be counted counts.”
– Sign hanging in Einstein’s Office at Princeton

B. SCENARIO PLANNING

1. Long View ... If/Then - Key crossroads, milestones and other factors that prompt you to continue or modify strategic directions?

C. AFTER THE PLAN

1. What do you need to Keep Doing (Preserve), Stop Doing (Destroy/Let Go), Start Doing (Create/Change)?
2. Project Notebook/s, Portfolio, Customer Comments, Recognition & Awards, Mentoring, Continuing Education, Individual & Organizational Development–Time Management, Organizational Skills, Creativity, Communication...

Section V: Appendix

In appendix, attach any supporting information such as resumes, promotional materials, contracts with customers, etc.