



# FARM BUSINESS PLAN

142239 Grey Road 9, Municipality of West Grey

## Abstract

In support of an Official Plan Amendment and  
Zoning By-law Amendment. A Start Up Farm Business Plan.

Loft Planning Inc.



## 1.0 GOALS AND OBJECTIVES

### Nature of the Project

The subject land is known municipally as 142239 Grey Road 9, Municipality of West Grey. The lands have been purchased by three landowners who are proposing two consent applications. These two consent applications will create two new agricultural holdings having lot areas of (Severance 1) 39.6 hectares and (Severance 2) 29.5 hectares. The retained parcel would have a lot area of (Retained) 40.7 hectare. The lands associated with Severance 1 includes an existing residence and agricultural buildings. (See Figure 1) (See Figure 2)

The existing farm parcel at 142239 Grey Road 9 – has been operating as a 109-hectare property. According to the proposed consents, each of the newly created farm parcels – and the retained parcel will be individually owned. It is worth noting – these will be new farm operations owned by young families who will be creating their first farmsteads. These farmsteads will include new residences and agricultural outbuildings, crops and/or livestock over the next five years. The new owners will utilize these farms to both farm for profit but to also grow crops and/or raise animals to feed their families.

### 1. Mission and Vision

- Start a farm that will fall on the lower volume, higher margin producer.
- Focusing on the lower volume, determining the products that are best suited for fertility of the land.
- Determining what products may have a greater market within the area.
- Determining and establishing a portion of the farm business to provide food for the homestead and extended family.

### 2. Business Goals

- Establishing funding is critical. Obtaining the consents is the first critical step which will allow each of the landowners to obtain financing for future land investment.
- The owners may create farm corporations over time as they are established. (New Owners are young in age and establishing these as their first farm holdings.)
- Establishing each of their farm products. Determination of crops and livestock that best suit the lands.
- Establish market prices and where to sell.

### 3. Strategic Objectives

- To plan for the economic sustainability of a new farm enterprise for each newly created parcel and to sustain that family.
- To obtain funding to purchase land, equipment and other resources from lending institutions.



P.O. Box 246, STN MAIN  
Collingwood, Ontario  
L9Y 3Z5

705.446.1168  
kristine@loftplanning.com  
loftplanning.com

## LOFT PLANNING

- To articulate what their farm will look like.
- To increase the efficiency of production by 10% a year.
- To develop a sustainable profitable farm, surviving off its own cash flow.

### 4. Financial Objectives

- To establish costs of production both direct and indirect.
- To establish operating expenses.
- To establish capital expenditures in the short term and the long term.

## 2.0 FARM BACKGROUND AND HISTORY

### Location and Years in Operation

- The lands were purchased by the owners (Martin, Brubacher and Brubacher) on December 6th, 2023. While this parcel is a longstanding farm, the three new owners will be establishing their first farm homestead on each of the three lots. The existing agricultural investment, cultivated lands, existing residence and outbuildings will be utilized as part of the future farm parcels.
- Consents have been applied for to create two new farm parcels and to retain one farm parcel.
- Severed Lot 1 (western lot) would have a lot area of 39.6 hectare and a lot frontage of 389 metres. This Lot will maintain the existing residence and agricultural buildings. It is expected this parcel will continue with the raising of beef cattle and cropland and building a new barn to support these uses. There is additional proposed investment over the next 1-5 years and 10 years.
- Severed Lot 2 (central lot) would have a lot area of 29.5 hectare, a lot frontage of 198 metres, and a building envelope positioned at the front of the lot, situated outside of the woodlands (area zoned Natural Environment). The future building envelope is proposed to contain a single detached residential dwelling and accessory structure. The built form is expected to be limited, and the focus will be on maximizing crop land. The proposed agricultural use is cash crop. As of the writing of this report, seed, fertilizer and pesticide have been purchased, and seed is planted.
- The Retained Lot (eastern lot) would have an area of 40.7 hectare and a frontage of 400 metres and is proposed to contain a future building envelope that will include a single detached residential dwelling, accessory structures, and agricultural buildings. The built form is expected to be limited (for the next five years) and the focus will be on maximizing crop land. The proposed agricultural use is cash crop. As of the writing of this report, seed, fertilizer and pesticide have been purchased, and seed is planted. 1–5-year plan will include only cropland, and the 5-year plan will include a component of cattle. There is also a potential for an on-farm diversified use on this property in the longer term plan.



## LOFT PLANNING

### 3.0 OWNERSHIP AND ADVISORY ROLE

P.O. Box 246, STN MAIN  
Collingwood, Ontario  
L9Y 3Z5

705.446.1168  
kristine@loftplanning.com  
loftplanning.com

#### Ownership

- The farm has been purchased by Martin, Brubacher and Brubacher. The parcel will be severed and will create two new parcels and one retained lot.
- To establish the farms initially, the farms will be held in their personal names.
- The farms will be solely owned and operated.
- There will be no organizational or executive structure and will be personally owned.
- The owners will utilize advice and experience to begin the farm operations.
- Our office has been in touch with others – who are advising Martin, Brubacher and Brubacher on the initial purchase, planning process and future approvals necessary to establish the farmsteads (planning process).

#### Transition Plan

The three new owners, Martin, Brubacher and Brubacher, are each young people and are establishing their first farmsteads. The owners will continue to have jobs off site in the short term. At this time, it is expected that each of these owners will own and operate the farm operations on each of these proposed lots for many years to come. And in fact, we would consider the purchase of this 108-hectare parcel – to be suitable “transitioning” from a long established – large acreage farm. With a purchase price that is considerably high – and not available at a price that young people can afford to purchase. The purchasing of this parcel and ability to sever is a “transition plan” to allow young people to begin in the farming industry.

### 4.0 PRODUCTS, SERVICES AND TARGET MARKET

#### Primary Farm Product or Service

Severed Lot 1 - The primary farm activity cash crops (seasonal rotations) in the short term and will include a component of livestock in a five-year plan.

Severed Lot 2 – The primary farm activity will be cash crop only (seasonal rotations).

Retained Lot – The primary farm activity will be cash crops (seasonal rotations) in the short term and will include a component of livestock in a five-year plan.

#### Target market & Competitive advantage

Severed Lot 1 – This farm is established in that it includes a residence and outbuilding. Sales of the crop will be by private contract with businesses or agricultural operations. Providing self-sufficiency for family and localized community.



## LOFT PLANNING

P.O. Box 246, STN MAIN  
Collingwood, Ontario  
L9Y 3Z5

705.446.1168  
kristine@loftplanning.com  
loftplanning.com

Severed Lot 2 – This farm will focus on establishing and maximizing cultivated land. Sales of the crop will be to Southgate Grains. Providing self-sufficiency for family and localized community.

Retained Lot – This farm will focus on establishing and maximizing cultivated land and on a five-year plan will incorporate livestock (cattle). Sales of the crop will be to Southgate Grains. And the sale of livestock will be by agreement. Providing self-sufficiency for family and localized community.

### 5.0 SALES AND MARKETING

#### Key customers

Severed Lot 1 – Crops will be sold through agreement with local business and/or agricultural operations. (Future Agreement for livestock)

Severed Lot 2 – Southgate Grains

Retained Lot - Southgate Grains (Future Agreement for livestock)

#### Customer attraction and retention

Severed Lot 1 – Product will be sold through sales agreement to local businesses and/or agricultural operations. Future Livestock sales by Agreement. Further customer sourcing needs to be ongoing.

Severed Lot 2 – Product will be sold to Southgate Grains. Further customer sourcing needs to be ongoing.

Retained Lot – Product will be sold to Southgate Grains. Future Livestock sales by Agreement. Further customer sourcing needs to be ongoing.

#### Key competitors

The primary competitors in the farming industry are vying for land, whether owned or rented. This competition for land is projected to persist, and farm owners aim to preserve these parcels for future generations. The opportunity gained by purchasing these 108 hectares has provided three young people the opportunity to not only buy land but to embark on establishing their own farms and sustained livelihood.

The farm parcels are of a size that crop competition is not expected to be a significant issue. Their products and produce will be saleable to Southgate Grains or by sales to local business and/or agricultural operations. Future livestock will be by way of agreement (Example Agreement with Schaus Group, Cattle).

#### Industry trends, changes and opportunities

The public's concern for the sustainability of agriculture and its environmental effects is likely to grow. Additional regulations might be put into place, but agricultural management will make sure that these



## LOFT PLANNING

P.O. Box 246, STN MAIN  
Collingwood, Ontario  
L9Y 3Z5

705.446.1168  
kristine@loftplanning.com  
loftplanning.com

regulations are followed without significantly affecting production. Additional investment and technology may provide additional opportunities to the landowners.

### 6.0 SWOT ANALYSIS

#### Strengths

- The ability to obtain lands with access to municipal roads in a good location.
- The ability to obtain farm property where cultivated land can be maximized.
- The ability to meet MDS.
- The expertise of skilled labor within the community.
- Ability of the individuals to carry other jobs off site.
- The ability of the owner to establish farm products or services that will be unique to this farm.
- The ability of the owner to initiate a new farm operation.
- The efficiency of operational processes – depending on the type of crop or livestock.

#### Weaknesses

- Limited financial resources. The owners are young people looking to own their own farms. Severed Lot 2 and the Retained Lot will require a residence to be built as well as agricultural buildings to be built.
- Ongoing updating of technology or infrastructure.
- It is anticipated these owners will have mentors and will have help in establishing a farm, both from a physical/site works perspective but also in making decisions on the types of crops/livestock and established agreements and market prices that will be available to them.

#### Opportunities and Threats

- Market trends and demands.
- Competitive landscape and market share.
- Regulatory factors and policies.
- By identifying potential opportunities, such as emerging markets or consumer trends, farmers can capitalize on them to expand their business.
- Recognizing threats such as market saturation or changing regulations allows farmers to mitigate risks and have contingency plans.



# LOFT PLANNING

P.O. Box 246, STN MAIN  
Collingwood, Ontario  
L9Y 3Z5

705.446.1168  
kristine@loftplanning.com  
loftplanning.com

## 7.0 FINANCIAL BUDGET

SEVERED LOT 1		
<b>Gross Returns (Crop)</b>		
Corn Crop	\$95,000.00	
<b>Total</b>		<b><u>\$95,000.00</u></b>
<b>Variable Costs</b>		
Seeding	\$9,800.00	
Fertilizer	\$16,000.00	
Diesel	\$2,000.00	
Pesticides	\$3,200.00	
Hourly Labor	\$0.00	
<b>Total Costs (Crop)</b>		<b><u>\$31,000.00</u></b>
<b>Gross Profit (Crop)</b>		<b><u>\$64,000.00</u></b>
<b>Gross Returns (Livestock)</b>		
Cattle (\$3000.00 per head)	\$1,200,000.00	
<b>Total</b>		<b><u>\$1,200,000.00</u></b>
<b>Variable Costs</b>		
Purchase (\$2300.00 per head)	\$920,000.00	
Feed/Keep (\$400.00 per head)	\$160,000.00	
<b>Total Costs (Livestock)</b>		<b><u>\$1,080,000.00</u></b>
<b>Gross Profit (Livestock)</b>		<b><u>\$120,000.00</u></b>
<b>Fixed Costs</b>		
Depreciation	\$15,000.00	
Labor	0.00 (self-operated)	
Insurance	To be confirmed	
Utilities	0.00 (limited)	
Property Taxes	\$5,000.00	
<b>Total</b>		<b><u>\$20,000.00</u></b>
<b>Net Income from Cash Crop and Cattle</b>		<b><u>\$164,000.00</u></b>



# LOFT PLANNING

P.O. Box 246, STN MAIN  
Collingwood, Ontario  
L9Y 3Z5

705.446.1168  
kristine@loftplanning.com  
loftplanning.com

SEVERED LOT 2		
<b>Gross Returns (Crop)</b>		
Corn Crop	\$55,000.00	
<b>Total</b>		<b><u>\$55,000.00</u></b>
<b>Variable Costs</b>		
Seeding	\$6,000.00	
Fertilizer	\$6,500.00	
Diesel	\$700.00	
Pesticides	\$2,500.00	
Hourly Labor (self-operated)	0.00	
<b>Total Costs (Crop)</b>		<b><u>\$15,700.00</u></b>
<b>Gross Profits (Crop)</b>		<b><u>\$39,300.00</u></b>
<b>Fixed Costs</b>		
Depreciation	0.00	
Insurance	To be confirmed	
Utilities	0.00 (limited)	
Property Taxes	\$4,000.00	
<b>Total</b>		<b><u>\$4,000.00</u></b>
<b>Net Income from Crop</b>		<b><u>\$35,000.00</u></b>

RETAINED LOT		
<b>Gross Returns (Crop)</b>		
Corn Crop	\$65,000.00	
<b>Total</b>		<b><u>\$65,000.00</u></b>
<b>Variable Costs</b>		
Seeding	\$9,000.00	
Fertilizer	\$9,000.00	
Diesel	\$1,100.00	
Pesticides	\$3,200.00	
Hourly Labor	\$0.00	
<b>Total Cost (Crop)</b>		<b><u>\$22,300.00</u></b>
<b>Gross Profit (Crop)</b>		<b><u>\$42,700.00</u></b>
<b>Gross Return (Livestock)</b>		





## LOFT PLANNING

P.O. Box 246, STN MAIN  
Collingwood, Ontario  
L9Y 3Z5

705.446.1168  
kristine@loftplanning.com  
loftplanning.com

Cattle (\$3000.00 per head)	\$1,500,000.00	
<b>Total</b>		<b>\$1,500,000.00</b>
<b>Variable Costs</b>		
Purchase (\$2300.00 per head)	\$1,150,000.00	
Feed/Keep (\$400.00 per head)	\$200,000.00	
<b>Total Costs (Livestock)</b>		<b>\$1,350,000.00</b>
<b>Gross Profit (Livestock)</b>		<b><u>\$150,000.00</u></b>
<b>Fixed Costs</b>		
Depreciation	\$15,000.00	
Labor	0.00 (self-employed)	
Insurance	To be confirmed	
Utilities	0.00 (limited)	
Property Taxes	\$4000.00	
<b>Total</b>		<b><u>\$19,000.00</u></b>
<b>Net Income from Cash Crop and Cattle</b>		<b><u>\$173,700.00</u></b>