

AGRICULTURAL

SUBDIVISION

Example Bank Letter for Application



Date

Lacombe County
Attn: Planning Services
RR3
Lacombe AB T4L 2N3

Dear _____,

RE: PROPOSED SUBDIVISION OF (INSERT LEGAL LAND DESCRIPTION)

The undersigned has been informed that your office requires a letter from a financial institution indicating that financial support would be provided (should the Client require it) to execute on their proposed "Performance Horse Facility" business plan as part of an overall subdivision approval.

It is the opinion of the undersigned that the Client's business plan is reasonably prepared given the nature of financial commitment required.

The undersigned is also of the opinion that the Client has access to sufficient financial resources of their own to successfully execute on their business plan. However, if they required (Name of Financial Institution's) support by way of credit facilities, we would support an application at this time. The reader is to note however that unforeseen deterioration of the Client's financial position could alter our support in the future; deterioration however, is not expected given our experience with the Client, and with all things being equal (Name of Financial Institution) would support the Client's request as outlined in their "Performance Horse Facility" business plan.

I trust this letter is what you require. If you require anything further please do not hesitate to contact me directly at 123.456.7890.

Regards,

Financial Officer

(Financial Institution)

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Example Business Plan for Application



Business Plan for Performance Horse Facility

Prepared by:

Mailing Address:

Regarding:

Phone:

Date:

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Business Profile

Purpose of the Plan:

This plan outlines the proposal to create a small, profitable horse breeding facility that specializes in raising, training, and selling western performance horses of all ages specialized in the sports of cutting, reining, working cow-horse, ranch horse versatility, roping and all around ranch work. The proposed business is designed to provide income by breeding chosen broodmares to select stallions, then raising the resulting foals and training them to be sold as western competition horses. Although horses are considered to have reached peak training levels between the ages of 5-7, they can be sold at any age upon consumer demand. To aid in the specialized training of the competition horses a small herd of buffalo and roping cattle will be purchased. For this reason a subdivision of 40 acres including the existing arena, barn, and corrals is needed. This subdivision allows the applicants to obtain title on the property including the existing buildings, corrals, and pasture land. The remaining pasture land will not be affected, it will continue to be used as pasture land and the existing arena, barn, and pens will be used for the purpose of raising and training horses. As this land is being passed down from the applicants' parents so it is not intended to be sold in any way.

Reasons for choosing this spot:

- The existing arena, barn, and corrals are already in place and can be utilized immediately, new ones will not need to be built, nor will pasture land be compromised.
- An existing driveway is in place, with other approaches to the quarter for easy access.
- This area will have the smallest impact on the quarter as no new buildings or extensive landscaping will be required.

Marketing Plan

Industry and Marketing Trends

The current demand for specialized performance horses in the area is rising. Using Facebook, websites (such as Kijiji or nothernhorse.com) and word of mouth we plan to market our horses to the public in the area. Due to our prior involvement training western competition horses in Europe, we have a small market overseas as well. With the training of our horses we will also be needing buffalo and roping cattle. Approximately 10 head of buffalo calves would need to be purchased, which we would rotate through and sell and re-purchase as needed. Roping cattle would be purchased in the spring of every year and re sold again in the fall; we would need approximately 10 head of roping cattle.

Customer Analysis

There is a broad group of riders who would be interested in our horses. Because of our involvement in such associations as the Alberta Ranch Horse Versatility Association, Alberta Reined Cowhorse Association, and Canadian Supreme (Canada's largest Cutting, Working, Cowhorse, and Reining show in Canada with over \$_____ prize money) we are able to promote and sell horses that are trained in these disciplines. We also trained horses in Europe prior to moving home six years ago, so we have a small group of people in Europe who would also be interested in purchasing our horses.

Sales & Revenue Goals

The goal of our performance horse facility is to raise, train, and sell high quality competition horses. These horses can be sold during various stages of training, generally between the ages of 5-7. We plan to have between 5-8 horses in training at any time, with 3-5 young prospects coming up to replace horses that we sell. Our intention is to breed our accomplished broodmares to carefully selected stallions, which will ensure high quality offspring. Our facility will begin to generate revenue after 5 years which will continue year after year. Pasture land will be needed for the broodmares, young prospects, and horses in training, as well as the small herd of buffalo and roping cattle, this is why 40 acres will be needed.

Product Mix & Pricing

Due to our strong involvement in ranch horse versatility, working cowhorse, roping, reining, and cutting plus our prior involvement training cowhorses in Europe, it is most beneficial for us to train and sell these types of horses. This is also where we have the most connections to other trainers and potential buyers.

Pricing will be based on age, training level, bloodlines, and current market value at the time of sale which is estimated by the following (for a horse in training for 5 years at an age of 7):

	2015 Price	2020 Price
Working Cowhorse	\$	\$
Versatility Horse	\$	\$
Cutting Horse	\$	\$
Reining Horse	\$	\$
Roping Horse	\$	\$
Ranch Horse	\$	\$

Staffing

All aspects of the business such as daily feeding and watering, training, and market will be done by the applicants with the help of one other family member to minimize costs.

Production Plan – Land/Building & Facilities

The existing 40 acres contains a residential home, outdoor riding arena, 70' x 120' indoor riding arena, 32' x 48' barn (with 4 box stalls and 6 ties stalls, tack room, and feed bin), and several pens and corrals. Utilities (water for horses and power to barn and indoor arena) are already hooked up.

Equipment & Livestock

The following equipment & livestock is already owned and paid for:

- 1 ton Diesel truck
- 3 horse angle horse trailer
- Tack including saddles, bridles, pads, halters, blankets, coolers etc.
- 20 x 8' portable panels
- 2 broodmares
- 2 young prospects (4 year old gelding, 5 year old gelding)
- 1 buffalo (2 year old)

Materials & Supplies

The following will need to be purchased for the business in year one:

- Stud fees
- Hay
- Straw
- Barley
- Additional Buffalo
- Roping Cattle
- Tractor

Production Schedule

The following will be the production schedule based on a 5 year cycle:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Prospects	2	2	4	6	9	12
Broodmares	2	2	3	3	4	4
Foals	0	2	2	3	3	4
Horses Sold					2	3

Financial Plan

The plan is to start generating income at year 5 and to provide enough income to cover the cost of business while still maintaining a profit after expenses.

Income Statement

Revenues	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Horse Sales						
Buffalo Sales						
Cattle Sales						
Total Revenue						
Expenses						
Insurance						
Maintenance						
Hay						
Straw						
Barley						
Vet Expenses						
Farrier						
Stud Fees						
Buffalo						
Cattle						
Total Expenses						
Operating Profit or Loss						

Year 1 we own 2 broodmares and 2 project horses

Year 2 we own 2 broodmares, 2 project horses, and 2 foals

Year 3 we own 3 broodmares, 4 project horses, and 2 foals

Year 4 we own 3 broodmares, 6 project horses, and 3 foals

Year 5 we own 4 broodmares, 9 project horses, and 3 foals

Year 5 is the first year that we plan on selling trained competition horses, which we estimate will sell for between \$_____ and \$_____ depending on which discipline they are specialized in and on their level of training at time of sale. We will be selling between 2-4 project horses per year after year 5. By year 5 our facility will maintain a reasonable profit after all expenses are paid.

Summary

In summary, this subdivision will be beneficial to all parties involved and will have no negative effects to the surrounding area or its residents.

- The applicants will have title for the house and yard, arena, barn and pasture land which is currently owned by the applicants' parents.
- The applicants will be able to carry forward with their business plan for a performance horse facility.
- The applicants will be able to pass down the parcel of land to their daughter and son-in-law.
- This parcel of 40 acres will remain agricultural and all existing buildings will be utilized with existing pasture land remaining pasture land for raising horses and keeping a small herd of buffalo and/or cattle.
- The remaining quarter will still have approaches that can be utilized for access.
- A 40 acre subdivision will in no way affect the remaining pasture land.
- This business will provide potential buyers with well training, high quality performance horses.