

The Financial Plan

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Last month, we discussed your business operations. This month, we will look at the financial section of your business plan, keeping in mind that the numbers you generate for this section are directly related to the activities you identified in your operations section.

There is a saying in business—"For those who know, the name of the game is cash flow." The saying is true, but putting together the section of your plan that involves cash flow will probably be the most difficult planning task you will face.

The task is daunting because it involves projecting your costs and revenues over various time frames. Depending on your business, those time frames can

extend over the next five to ten years.

In this section of your plan, you must make vast assumptions about your sales, your expenses, any inventories you will maintain, as well as equipment and start-up costs. How do you begin? One way is to obtain an annual report from a publicly traded company that is in the same business, and study the format of their financial section. This will give you an idea of what to incorporate into your own plan.

Ideally, your financial plan should include projections for many different scenarios. What will be the profit picture under different sales prices, different costs, etc. Most importantly, the

financial plan should forecast the cash needs of your business through time. You must carefully estimate:

- * Your start-up costs.
- * When you will be able to repay those initial costs.
- * Your payroll costs (including taxes and benefits).
- * Your supplier costs.

Understanding how much cash you are likely to need at every stage of your business life is an essential part of any business plan. It is in this section, you must identify all the dollar amounts that go into running your business. While they may be small individually, they do add up, and they must be anticipated in order to avoid surprises down the road. (DJ)

Blight Affects Junipers, Windbreaks

Eastern red cedar and Rocky Mountain juniper windbreaks are susceptible to cercospora needle blight, a fungal disease that causes juniper trees to lose their needles.

Needle blight is favored by moist conditions found in windbreaks with dense canopies and little wind movement. Conditions for the disease still are favorable during droughts if maximum and minimum air temperatures are grossly different, because the temperature fluctuation between night and day results in dew. The mois-

ture, combined with the lack of air circulation, produces a suitable environment for the blight to grow.

Trees affected by the disease appear to be thinning from the inside out and from the bottom up. Branches appear bare except for green tips on the ends of the branches. Sometimes black or brown spores can be seen at the base of needle clusters.

To prevent or treat the disease this year, apply a copper-based fungicide on the foliage in mid-July. Next year, treat in mid-June and again in late July.



When establishing new plantings, space trees far enough apart that they will not be crowded when they mature, to prevent this disease.

Ask for "Prevention and Control of Cercospora Needle Blight in Junipers and Cedars," NF99-396, available at the cooperative extension office, or at <http://ianrwww.unl.edu/pubs/plantdisease/nf396.htm>. (DJ)

Drinking Water Questions and Answers

Q. How do I know what is in my drinking water?

A. In 1999 you should have received a new communication from your public water utility. The Consumer Confidence Report (CCR) was a new requirement of the revised federal Safe Drinking Water Act. If you live in a large community, you probably received the report in the mail. If you live in a smaller community, the report might have been published in the local newspaper. You will get another CCR from your public water utility this year. Take time to study it. It will provide information so you, the water consumer, will know and understand what is in your drinking water. Among other things, the CCR will identify the source of your drinking water, the treatment used, any contaminants that have been identified in the water, and what the potential health effects are of those contaminants.

Q. Can I tell if my drinking water is OK by looking at it, tasting it, or smelling it?

A. No. In many cases, chemicals or microbes that could

make water unsafe to drink cannot be seen, tasted, or smelled. The only way to know if water you use for drinking and cooking contains potentially harmful substances, is to have it tested. All public water supplies are required by the federal Safe Drinking Water Act and Nebraska law to be tested on a scheduled basis for potentially harmful contamination. Testing a private water supply is not required by current regulations. Owners of private water supply are responsible to themselves for having their water supply tested to ensure it is safe.

Q. Water often looks cloudy when first taken from a faucet and then it clears up. Why does this happen, and is the water safe to drink?

A. The cloudy water is caused by tiny air bubbles in the water. After a while, the bubbles rise to the top and are gone. The air bubbles do not make the water unsafe to drink.

Myth: We have less water today than we did 100 years ago.

Reality: There is the same amount of water on earth today

as there was when the earth was formed three billion years ago. The difference is that today many more demands are placed on water. Because our demands on water continue to grow but our supplies don't, everyone should lend a hand to conserve, protect, and get involved with decisions that affect our water resources.

Water fact: Almost 80 percent of the earth's surface is covered with water; but less than one percent is fresh water that can actually be used for drinking, irrigating crops, recreation, industrial uses, and other purposes. Ninety-nine percent of the earth's water is in oceans or frozen in polar ice caps. That's why it is very important that we conserve and protect our fresh water supplies.

Food for thought: To stay healthy you need to consume two to three quarts of water a day. Some you drink, some you get from the food you eat. Water also plays a big role in growing, processing, and cooking food. So it makes good sense to take care of our water resources. (DJ)

Acreage Insights



Marketing Strategies

Free. New 20-page bulletin from USDA's Sustainable Agriculture Network (SAN) offers practical tips on how to get started in alternative marketing, with numerous examples of people using such strategies in the field. Describes how to start farmers markets, establish pick-your-own operations and farm stands, begin entertainment farming, open a community supported agriculture farm, join or start a cooperative, sell to restaurants, or through mail order and the Internet. The bulletin describes ways to direct-market meat, process, and add value to farm products. Call 301-504-6422, e-mail aadeyemi@nal.usda.gov, or print from <http://www.sare.org/san/market99/index.htm>. (DJ)

Avoid Foliar Diseases on Tomatoes

Foliar diseases that cause leaf drop or pruning the foliage of staked tomato plants, can lead to sun scald. A yellowish-white patch appears on the side of the tomato facing the sun, and gets larger as the fruit ripens. Growing tomato plants in cages helps them develop protective foliage.

During warm, rainy spells, especially if rains or irrigation follow a dry period, tomato fruit expands fast until they crack. These types of cracks can develop on tomato fruits: radial cracks from the stem, concentric cracks around the stem, and cracks caused by bursting. Each is caused by uneven amounts of water or excess water. Radial and concentric cracks often heal over as the fruit continues to grow, but the fruit quality is lessened. Insects and disease organisms may enter the fruit through the cracks causing fruit rot. Mulching plants will help reduce fruit-cracking caused by uneven soil moisture.

Nearly ripe tomatoes may burst if they're overhead-irrigated or rained on. The higher sugar content of the fruit causes them to absorb water

through the skin. It is best to use a soaker hose to reduce the wetting of foliage and fruits to help limit cracking. When tomatoes burst from absorbing too much moisture, they should be picked and used that day, as they will rot quickly.

It's important to protect tomatoes from touching the soil, because they tend to rot. Staking or caging tomato plants reduces rot, since the fruit are off the soil. Plants left to sprawl should be mulched to reduce fruit contact with the soil.

For more information about garden water conservation, see NebGuide G91-1061, "Conserving Water in the Landscape" or NebGuide G95-1257, "Mulches for the Home Landscape." For more information about tomatoes, consult NebGuide G80-496, "Tomatoes in the Home Garden." (DJ)



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