The capital requirement for the business will differ depending on which of the phases they are currently positioned in.

Example One

Converting a drystock property to dairying.

* Establishment phase; planning, purchase of property, capital fertiliser, tracks, water supply, building the dairy, etc. There may only be a few months to be ready for calving.
* Development phase; spread over 2-3 years to bring property to full potential. Increasing cow numbers, pasture renovation, increasing fertility, etc.
* Operation phase; steady state reached. Now the need to assess capital requirements for the longer term. Expand or consolidate?

Example Two

Going 50/50 onto an existing dairy farm.

* Establish phase; planning, purchase of stock and machinery etc.
* Development phases; assess areas where improvements can be made, increase production.
* Operation phase; steady state. Expand or consolidate?