

Growing Farms: Successful Whole Farm Management Planning Book

Think It! Write It!

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Introduction

Growing Farms: Successful Whole Farm Management is a workshop series that enhances the success of new farmers by helping participants think through biological, physical, financial, and family aspects of farm business. The workshops include classroom and field sessions, and topics follow a natural sequence, from planning through production to long-term management. As participants progress through the *Growing Farms* series, their ideas about farming and ranching as a lifestyle and business become more focused.

Growing Farms workshops cover six major topics:

- Dream It: Strategic Planning
- Grow It: Production
- Do It: Farm Operations
- Sell It: Marketing Strategies
- Manage It: Farm Finances
- Keep It: Managing Risk

Growing Farms Planning Book: *Think It! Write It!*

This planning book helps *Growing Farms* workshop participants process information and record ideas. It is a useful tool for exploring thoughts and stimulating conversations during both self-study and group discussion.

Through questions and activities, participants develop a better understanding of farming enterprises and gain the skills necessary to assess their resources and develop a whole-farm plan. Through documentation and reflection, participants become more definitive in their planning and are better able to discern dreams from reality.

This planning book can also be useful for those already established in farm and ranch businesses, particularly if they are considering major changes.

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Raspberries, cilantro, jam: Extension and Experiment Station
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Dream It: Strategic Planning

Farm name: (may describe what you do, reflect your personality, provide marketing opportunities, refer to your location, or be memorable)

Owner(s)/operator(s):

Members of farm team: (family members, key employees)

Mailing address:

Location address(es):

County:

Phone number(s):

Fax number:

E-mail address:

Website:

Goals and Mission

Values

A farm name, mission statement, and vision often include values. Values are core beliefs and philosophies that reflect your view on life. They often influence your goals and business decisions and help guide management of your farm. Values typically do not change with time and are reflected in everything you do.

List some of your values.

Mission Statement

A mission statement is a set of guiding principles based on your vision and values. It describes the overall purpose of your business and may include what you do, how and why do you do it, and who you want to serve. Heartfelt mission statements are often used as marketing tools. Periodically review your mission statement, and update it if necessary to keep your business dynamic.

Write your mission statement or some key points that you will include in your mission statement.

Your Ideal Farm

When you think about your current or future farm, what do you picture? Write a brief description of your ideal farm.



Part of the planning process is learning new information. Look for this symbol throughout the planning book. It reminds you to think about how what you are learning may affect your concept of your ideal farm.

Here's some room to record future revisions.

Vision

A vision statement describes the big picture of your business over time. It defines an ideal future and impacts on your local community or society in general. Your vision may include what you want your farm to look like in 10 years, what products you'd like produce, or how your farm will grow.

Write your vision statement.

Goals

Goals are short-, medium-, and long-term plans that align with your farm vision. Goals are more readily achievable if they are **SMART**: **S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**imely.

List your short-term goals.

List your medium- and long-term goals.

Quality of Life

Owning and operating a farm offers a unique quality of life, some aspects of which may not be obvious during the early planning stages. As part of your whole-farm planning process, think about the answers to these questions. **Suggestion:** Have your farm partners answer these questions separately, and then discuss your answers.

Do you like to mix your personal life and work life or keep them separate? Why?

How valuable is having leisure time with friends and family?

How much do you like working with others, including employees, family members, and business partners? Would you rather work by yourself?

Do you enjoy marketing and having contact with customers? Why or why not?

What are your favorite tasks on the farm (e.g., handling animals, production, or marketing)?

(Quality of life questions continue on next page.)

Approximately how many hours a week are you willing and able to work? Consider both on-farm and off-farm work.

Are you a risk taker? Are you comfortable with uncertainty, or do you prefer to know what to expect in most situations? Why?

What does the phrase "financial security" mean to you?

What are your family members' goals and interests? How do they align with yours?

What other demands are made on your time? Consider family, health, hobbies, and other time commitments.

Would you prefer to have family members perform all farm labor, or are you interested in hiring outside help?

SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats)

A SWOT analysis can help you identify obstacles and advantages of your farm or potential farm venture. First, identify each pro and con as a strength, weakness, opportunity, or threat (see examples below). Then classify it as internal or external to your business.

This analysis helps you better understand what you can control, where your risks are, where improvement is necessary, and what direction is best for your business. This exercise is best completed with the entire farm team.

Strengths:

- Knowledge, communication, and prior experiences of your farm team
- Infrastructure
- Water rights
- Certification
- Equipment

Weaknesses:

- Limitations of your land (e.g., climate, soil type, and water access)
- Lacking or dilapidated infrastructure and equipment
- Lacking or negative characteristics of your farm team

Opportunities:

- Demand, market niches, and access to markets
- Grant opportunities
- Education programs and other resources

Threats:

- Rising input costs (out of your control and can threaten profitability)
- Lack of access to labor

Notes:

Example SWOT analysis:

<p style="text-align: center;">Strengths</p> <p>Internal</p> <ul style="list-style-type: none">• <i>Prior business experience</i>• <i>Good communication between partners</i>• <i>Land is organic certified</i>• <i>Water rights available for irrigation water</i>	<p style="text-align: center;">Weaknesses</p> <p>Internal</p> <ul style="list-style-type: none">• <i>Barn is beyond repair and needs to be rebuilt</i>• <i>Land is in a frost pocket</i>• <i>Partners have no mechanical experience</i>
<p style="text-align: center;">Opportunities</p> <p>Internal</p> <ul style="list-style-type: none">• <i>Have personal connections with two local chefs</i> <p>External</p> <ul style="list-style-type: none">• <i>Local demand for organic produce</i>• <i>New local-food-oriented supermarket being built in nearby town</i>	<p style="text-align: center;">Threats</p> <p>External</p> <ul style="list-style-type: none">• <i>Rising fuel costs</i>• <i>Lack of employable labor</i>• <i>Increased number of small farms in vicinity (competition?)</i>

Complete a SWOT analysis of your farm, considering internal and external factors.

<p style="text-align: center;">Strengths</p>	<p style="text-align: center;">Weaknesses</p>
<p style="text-align: center;">Opportunities</p>	<p style="text-align: center;">Threats</p>

Resource Inventory

Land

Legal description of farm:

Township: _____

Range: _____

Section: _____

Land	Acreage	Water rights	Comments
Tillable land			
Pasture			
Woodlot			
Other			

Do you own or rent your land? In some cases, renting land makes sense. What are the pros and cons of owning vs. renting?

Buildings and Machinery

What buildings and equipment exist, and how can they be used? Do they need to be modified or repaired?
What extra equipment and infrastructure are needed to achieve your goals?

Soil

An electronic soil survey is available at <http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx> A step-by-step guide on how to use the soil survey is available at <http://smallfarms.oregonstate.edu/soil-surveys>

If you don't have Internet access, visit your local Soil and Water Conservation District or Extension office to look at a hard copy of your county's soil survey. If you don't have farmland yet, consider what types of soils and soil properties you'll need for your ideal farm.

Soil types:

Soil capability classes:

Soil drainage: (Do any fields have artificial, subsurface drainage? Is the land naturally subirrigated?)

Risk of erosion:

Other key characteristics of soils on your property:

Uses and limitations of these soils:

Soil should be analyzed periodically with laboratory soil tests. This allows you to make educated, economical decisions about nutrient management. Contact your local Extension office for a list of analytical soil testing laboratories.

Notes about current soil test results:

Water

If you have questions about your water rights or to learn if your property has water rights, contact your state water resources department. To identify health and food concerns, it is important to have irrigation and drinking water tested for bacteria, nitrate-nitrogen, arsenic, salts, pesticide residues, and other quality issues. List agricultural and domestic water sources available on your farm; the use and delivery system associated with each; and notes about quantity, quality, and limitations.

Source	Use	Delivery system	Quantity, quality, limitations
<i>Example: Surface water rights from Thomas Creek</i>	<i>Irrigation for 6.5 acres</i>	<i>Overhead sprinklers on moveable hand line</i>	<i>Junior water rights Water may be limited in drought years</i>

Are there state or county restrictions on the use of domestic well water for agricultural purposes?

Are there state, county, or local restrictions on the use of gray water or rainwater collection?

Farm Map

A farmstead map, no matter how simple, is helpful in the planning process. You can download an aerial map of your property from the Internet or simply sketch a map, including structures, fences, water bodies, and fields.

Here's some space to sketch.

Grow It: Production

Are you thinking about raising livestock? Do you like to grow plants? What production techniques are you considering? Agriculture provides a variety of opportunities, and the decisions you make should fit your family, lifestyle, and needs.

Livestock

Livestock systems include pork, lamb, goat, beef, dairy, broiler, and egg production. Value-added products include milk, cheese, and many processed meat products.

Livestock can be raised in a multispecies system to enhance production and marketing opportunities. Livestock also may be part of an integrated crop and livestock farm and a good option for land that isn't suited to grow crops. Livestock need care and attention year round. Animals require shelter, adequate nutrition and water, exercise, yearly vaccinations, parasite control, and safe fencing. Proper pasture management is an essential aspect of sustainable livestock production for many small farms.

State and local regulations and other legal parameters can affect what and how livestock can be raised on particular site. Investigate these issues before initiating a livestock enterprise.

Do you enjoy handling animals and doing daily chores?

Can you care for sick and injured animals? Are you capable of giving injections?

Are you willing to feed livestock on a regular schedule when pasture is not available? If you own dairy animals, are you willing to milk twice a day? If you get sick or are unavailable, can someone else fill in?

Are you willing and able to go out in freezing weather and break ice on the water trough or help deliver a newborn calf?

Are you aware of and able to perform routine management practices such as castration, dehorning, tail docking, feet trimming, and wing clipping?

What is the purpose of your livestock enterprise (e.g., meat, fiber, milk, or multipurpose)?

(Livestock questions continue on next page.)

Are you willing to send animals to slaughter?

Do you have a replacement livestock plan?

Do you own, rent, or have access to enough range or pasture for the number of animals you need to raise to be profitable? Is water available?

Do you have adequate shelter, fencing, and handling facilities?

Are you interested in commercial livestock production, breeding stock production, or both?

Where will you obtain foundation breeding stock?

Will you use natural mating or artificial insemination for breeding? What type of breeding program will you implement?

Do you have access to a knowledgeable veterinarian who will provide service to your farm?

How will you manage livestock manure? Manure is a resource, but it can also be a problem if not managed properly.

How will you dispose of dead animals?

Perennials

Perennial cropping systems include nut and fruit trees, caneberries, hops, grapes, and grass. These are often grown as primary cash crops or as part of an integrated farm. Perennial and annual cropping systems have different nutrient and pest management needs and require different cultural practices.

How big of an area and how many plants are necessary?

What is the initial investment?

How long will it take for the crop to produce yields suitable for commercial production? Can you financially sustain this period?

How long will the crop be productive?

Some perennial crops require annual pruning, which is often completed during winter. Are you willing to spend considerable time outside in cold weather, possibly climbing up and down a ladder?

Will you plant cover crops between rows or interplant another crop?

Rodents and birds are often pests in perennial cropping systems. What major pests do you have or expect to have? How will you control them?

Field or orchard sanitation helps control disease. How will you remove diseased plants, fallen leaves, or other sources of infection?

Are disease-resistant varieties available?

Are you willing to spray crops to protect them from pests?

Do you have any condition, such as hay fever, that might inhibit your success?

Annuals

Annual cropping systems include vegetables, grains, and some herbs and flowers. These are often grown as primary cash crops on a small farm or as part of an integrated farm. Challenges of annual cropping systems include pest, weather, and disease problems as well as labor and marketing. Annual crop production becomes especially labor intensive during spring and summer, the prime growing season. Most annual crops are marketed directly through farmers markets, farm stands, retail stores, restaurants, community-supported agriculture (CSA), and pick-your-own operations. Benefits of annual cropping systems include steady annual cash flow and high-value return.

Recognizing that annual cropping systems require a rigorous schedule during the growing season, how will you adjust?

Many annual crops are sold through direct marketing channels. Will you enjoy interacting with customers?

Selling wholesale usually brings a lower price. Can you grow enough to sustain a business at wholesale prices?

Some farmers concentrate on one or two annual crops; others operate diversified cropping systems. What type and how many varieties of crops do you want to grow?

Diversified vegetable production is complex, fast paced, and intense for much of the growing season. Does this fit with your personality, physical capabilities, and lifestyle?

Annual crops can be grown on rented ground. Is this an option that would help you get started or expand production?

Will your soil and water rights support annual crop production?

Production Techniques

Your choice of farming methods will affect establishment and operational costs, income from products grown, and how and where you market your products. These are some common terms used to define agricultural production methods:

- Conventional
- Sustainable
- Organic
- Biodynamic

What are your thoughts about using these production methods on your farm?

Integrated Pest Management

List the major crops on your farm.

Identify key insect, disease, and weed pests of these crops.

Prioritize two or three pests or types of pests whose management you would like to improve.

- 1.
- 2.
- 3.

Describe the basic biology of these pests.

Pest 1:

Pest 2:

Pest 3:

Identify *insect* management strategies you use or plan to use. What educational resources are available to help you improve these strategies?

Identify *disease* management strategies you use or plan to use. What educational resources are available to help you improve these strategies?

Identify *weed* management strategies you use or plan to use. What educational resources are available to help you improve these strategies?

Managing Soil Quality and Soil Fertility

What tillage equipment will you use? What precautions will you take to reduce heavy tillage and preserve soil structure?

What alternative management systems (e.g., strip till, reduced till, or no-till) or equipment could you consider to reduce soil compaction and runoff and improve soil structure?

What soil amendments (e.g., manure, compost, or crop residue) do you have access to?

How will you rotate annual or short-lived perennial cash crops to minimize weed, disease, and insect problems and maximize fertilizer efficiency?

How can you include perennial crops, soil-building cover crops, green manure crops, or fallow years in your rotation?

What fertilizer or nutrient management guides will you use to plan your fertilizer programs?



Consider what you've learned and decided about production. If needed, revise the description of your ideal farm on page 3.

Do It: Farm Operations

Once you decide what you want to do with your farm, determine what is necessary to accomplish those goals. Needs will vary depending on the type of operation.

Equipment

Choosing the right equipment can be confusing and expensive. Before purchasing, list the equipment you will need. Consider hand, power, and motorized tools. List tasks or functions for each piece of equipment and the features necessary for the equipment to perform the task.

Equipment	Task/Function	Features

Are there ways to adapt equipment to better meet your needs?

What are the pros and cons of buying, renting, and borrowing equipment?

Are custom services an option?

Are you mechanically inclined or willing to acquire skills to repair equipment?

What specialized crop or livestock equipment or facilities do you need? For example, livestock require fences and shelter. Tools such as chutes and corrals make it easier to manage large animals.

Energy Conservation

How can you be more energy efficient on your farm? Have you considered alternative energy sources, such as solar, wind, and bioenergy? Think about innovative practices, such as converting a gasoline engine to electric or creating a cooperative delivery system with another farmer in your area to save on fuel costs. What energy-related incentive programs are available to you?

Season Extenders

Row covers, cold frames, and greenhouses can help prevent frost damage and extend the growing season. Early and late-season crops can bring higher prices because there is less competition from other producers. For livestock producers, extending the grazing season by using rotational grazing or stockpiling forage may reduce feed costs. Will you need season extenders? What type of season extenders would you consider? Would it be profitable to invest in these?

Irrigation Efficiency

Applying the right amount of water at the right time keeps plants productive and healthy. Soil conditions and temperature determine when and how much water is needed. Irrigation is essential for some operations and less important for others.

Consider different types of irrigation systems, such as hand watering, flood, sprinklers, and drip. Which is the most efficient use of water for your production system? What are the associated labor demands? What are the maintenance needs? Will you use the same type of irrigation system throughout your farm? Where can you purchase irrigation materials?

Are there laws that govern your use of water for irrigation? Are irrigation energy costs lower at certain times of day? Will you need a generator in case of a power outage? How will a drought year affect your costs? How might the type of irrigation system (overhead sprinklers vs. drip) affect the incidence of plant diseases?

Labor

You will want to personally handle some responsibilities on your farm and delegate some tasks to others. Assess your skills, and decide what is needed for a successful operation. Also, think about areas of the business you want to develop but lack the skills, time, or interest to do. What tasks do you enjoy doing yourself? What chores would you want to assign to someone else? Are there parts of the operation that could be contracted out?

Employees

If your farm requires additional labor, will you need full-time, part-time, or seasonal help? Do you need skilled or specialized labor? What are your local sources of labor? What are the costs? What are the housing needs? What additional benefits can you provide? What are the pros and cons of each labor source?

Internships

Interns are a possible labor source. Internships are educational programs that offer skill development and work experience for the intern and create a role for you as a teacher. Internship programs require considerable time and effort. How could you use an intern? What responsibilities come with internship programs? What is the legality of offering internships?

Technology

Technology is advancing rapidly. What types of technology are important for your farm? What additional skills do you need to use technology effectively? Are you willing to develop skills, or should you hire out such projects? How can you use this knowledge to enhance your farm?

Farm Resources

What local suppliers, vendors, and professionals can best serve you? Ask other farmers or peers in your *Growing Farms* class if they have a preferred source.

Extension agents:

Agricultural consultants:

Seed and fertilizer companies/sources:

Equipment dealers:

General farm and ranch suppliers:

Veterinarian:

Farm organizations:

Other:



Consider what you've learned and decided about farm operations. If needed, revise the description of your ideal farm on page 3.

Sell It: Marketing Strategies

After you grow or raise a product, you need to sell it. To optimize income, small farms need to take advantage of niche markets and high-margin sales. Small farms are generally at a disadvantage when competing against large operations in wholesale markets, which deal in large-volume sales with smaller profit margins.

Direct sales to customers are one way to eliminate wholesale brokers' fees and possibly put more money your own pocket. Before engaging in direct marketing, evaluate what you enjoy, your comfort zone with direct sales, and the time you are willing to commit to this form of marketing. You also need to evaluate how your product fits in the market you plan to enter and analyze expenses and income potential to be sure you can make a profit.

Personal/Lifestyle Considerations

Are you a sociable person? Do you enjoy visiting with people and sharing your story, or would you rather grow and deliver your product without interacting with customers?

How well can you describe and sell your product? What is the story of your farm and your product?

Do you enjoy getting up early to harvest crops and then spending the rest of the day in town selling at a farmers market?

Do you like to work without interruption, or would you enjoy visiting with people who stop by your farm to make purchases?

Product/Market Considerations

Who will purchase your product? What is important to these customers? How can your product appeal to this audience? Consider product alterations (e.g., packaging) and marketing techniques (e.g., labeling).

What is your production capacity? What is a manageable market for this production level? If you establish a community-supported agriculture (CSA) operation, how many subscribers would be manageable to start with? How many farmers markets are feasible for you to attend?

How and when will you consider expansion?

Who is your competition? How can you increase your competitive advantage? What is your niche marketing strategy? How will you differentiate your product from the competition?

Marketing channels have advantages and disadvantages. Choose a couple of channels you are considering from the list of suggestions below, and write some brief notes about each.

Potential marketing channels:

- Wholesale
- Roadside stands
- Farmers markets
- Community-supported agriculture (CSA)
- Restaurants
- Public institutions (e.g., hospitals and group homes)
- Farmers cooperative
- Websites
- Other direct marketing opportunities
 - Value-added processing (e.g., jams, dried food, and culinary herbs)
 - Agritourism (e.g., farm stays, entertainment, and education)

Marketing channel	Advantages	Disadvantages

Pricing

What are standard prices for your product?

Competitor	Price

Are there markets that offer a better price?

Market	Price

Licenses and Special Permits

Are special licenses or permits needed to grow and sell your products? (Examples: Oregon Department of Agriculture egg handlers' license, plant materials permit, food handlers license, etc.)

Some food buyers require Good Agricultural Practices (GAP) certification. Does your marketing channel require GAP certification?

Meat products have special regulations. Are you selling or planning to sell live animals? Do you want to provide packaged products? Do you need to use a USDA-inspected slaughter facility?

Is there an advantage to marketing your products by using "certified organic," "sustainable," "locally grown," "natural," "grass fed," or other terms? Are there certifications that would be valuable for your farm or products? (Example: Animal Welfare Approved certification of humane livestock production practices for livestock producers)

Logo and Branding

Do you have a farm logo, or are you considering having a logo? Here's some space to sketch logo ideas.



Consider what you've learned and decided about marketing strategies. If needed, revise the description of your ideal farm on page 3.

Manage It: Farm Finances

Farming is risky, challenging, and not for the fainthearted. Farmers and ranchers deal with unpredictable situations, such as crop failures, animal losses, and market fluctuations. One year may produce a bountiful harvest, while another may bring total devastation and little or no income. This is all part of the business of agriculture.

Many farm and ranch businesses fail because the owner(s) failed to plan. You are beginning to organize your thoughts by working through this planning book. Learn more about developing a business plan at the U.S. Small Business Administration website: <http://www.sba.gov>

Business plans help you think strategically, manage effectively, and stay on track toward your goals. Another important reason to develop a business plan is to secure financing. Lenders and investors will need to see an organized, well-thought-out plan.

How do you handle risk? Can you and your family deal with the uncertainties and fluctuations of farm finances? What are your family's spending patterns?

Starting a new farm business or enterprise is a capital investment. Brainstorm the capital investments you will need for the business you are considering.

Funding Opportunities

Explore options when deciding how to finance your business. If family and friends want to invest, be sure the terms are clearly defined and all parties understand the conditions of the investment or financing agreement. Clear communication and written documentation may help minimize potential problems.

Many banks and lending institutions specialize in agricultural loans, and their loan officers have the knowledge and experience to help you succeed. Establish good relationships with these people so you can discuss your needs and concerns openly. If you have problems, be honest, and be prepared to consider options.

What are your plans for financing your business?

Financial Statements

Do you know how you stand financially? Two primary financial statements are a balance sheet and an income statement. A balance sheet reflects the financial position of your business at a specific point in time. An income statement, also known as a profit and loss statement, shows all income and expenses over a period of time and indicates whether a business is profitable.

Another important financial tool is a cash flow statement, which shows the flow of cash into and out of your business. Cash flow is usually measured during a specific time.

Enterprise budgets help you estimate the profitability of agricultural enterprises. These budgets list all estimated income and expenses associated with specific crops or livestock. Enterprise budgets are based on a set of assumptions and can be useful for performing break-even analyses as you consider different enterprises for your farm.

Preparing a personal financial statement may help you determine if you are financially able to invest in your business.

Balance Sheet

Assets (List what you own and whether these assets are paid off.)

Cash (checking accounts)	\$ _____
Cash (savings accounts)	\$ _____
Notes/contracts (owed to you)	\$ _____
Certificates of deposit	\$ _____
Life insurance (cash value)	\$ _____
Securities (stocks, bonds)	\$ _____
Real estate (market value)	\$ _____
Vehicles (market value)	\$ _____
Individual retirement plan(s)	\$ _____
Other assets (specify)	\$ _____
Total assets	\$ _____

Liabilities (List the money you owe.)

Current bills	\$ _____
Mortgages on real estate	\$ _____
Loans	\$ _____
Taxes	\$ _____
Other liabilities (specify)	\$ _____
Total liabilities	\$ _____

Net worth (total assets minus total liabilities) \$ _____

Additional Thoughts to Consider

- To minimize your investment, consider starting out on a small scale until you are certain that farming is for you.
- Income from farming can be very seasonal. Don't be tempted to spend all seasonal income without planning for the rest of the year.
- Prepare a budget, and stick to it. Control spending, and try to save for "rainy days," which may hit at unpredictable times.
- Keep current, accurate records. Pay attention to details. Know where your money is generated and spent. Storing receipts in a shoebox and waiting to post figures at the end of the year is not a recommended recordkeeping system.

Who will be in charge of keeping records for your farm? Why?

- Avoid unnecessary debt. Do you really need a new tractor, or can you repair an old one? Making wise decisions and investments as you go will pay off in the long term.
- Set financial goals, and review them often to be sure you are headed in the right direction.
- You need to eat and survive while establishing your business. Have you planned for a reasonable living allowance for you and your family? Do you have another source of income?

Write down your thoughts about these items.

- If you apply for a loan, be timely, plan ahead, and be prepared. Don't wait until the last minute when you are desperate.
- Establish a good credit history. Make proper loan payments, and do not be late.
- When creating a financial plan, be aware it may take years to realize an income from some crops.
- Seek out a mentor in the farm business, and learn all you can. This will result in a more positive experience than learning from your mistakes.

Who is your farm mentor?

Professional Services

Using the services of professionals who are familiar with agriculture can help you succeed in business. Interview these people to be sure they understand your goals and objectives and can help you work toward them.

If you don't currently have professionals working with you, ask other farmers or peers in your *Growing Farms* class to share their contacts.

Accountant:

Banker:

Attorney:

Insurance agent(s):

Real estate agent:

Other:



Consider what you've learned and decided about farm finances. If needed, revise the description of your ideal farm on page 3.

Keep It: Managing Risk

Farming is an inherently risky business. One bad hailstorm or freeze can wipe out a crop. Markets can fluctuate, and current prices may not support the cost of production. Agriculture is labor intensive, and you are the primarily labor force. What if you get sick or injured? What is your backup plan?

Risk management means doing everything you can to proactively deal with risks. Anticipate what might happen, and act to reduce the chances of it happening.

Example: Your primary cash crop has a growing season of May through October. You love to ski with your family, but if you break your leg, it will be hard for you to plant your crop in spring. Knowing that a broken leg might take 8 weeks to heal, one of your risk management strategies is to ski through the end of February and then focus on less-risky hobbies. If you are injured, you will have time to recover before the busy farming season.

Consider your lifestyle, and create appropriate risk management strategies for your business.

Insurance

Insurance is a tool to protect personal and business assets. What type of liabilities do you face as an employer? How about product liability and public liability? Have you explored insurance options to cover accidents and injuries on your farm? What happens if someone gets sick from your product?

Production

You have likely heard the expression “Don’t put all your eggs in one basket.” What does this mean to you? Would crop diversification be a good idea? How about crop insurance? What other strategies might you consider?

Marketing

Would product and market diversification be helpful or an added expense? What type of value-added products would benefit your business? Which markets are most profitable (consider income generated as well as labor and time expended)? Which markets are most consistent?

Financial

Do you have a backup plan for crop failure or animal death? How much debt are you willing to assume to keep farming?

Business Structure/Tax Liability

When starting your business, decide what form of business entity to establish (e.g., sole proprietorship, partnership, corporation, or limited liability company). Talk to a professional about your needs. Different business structures offer different opportunities and challenges. Family, legal, and tax considerations may affect which business structure you select.

Farm Succession

Succession planning allows for the transfer of property, leadership, and governance to succeeding generations. Is it important to you to know the operation will continue? Is it important that the land stay in farming? What will happen as you get older and require more help? Who may want to carry on the farm tradition? What are your plans to provide for this?



Consider what you've learned and decided about managing risk. If needed, revise the description of your ideal farm on page 3.

Whole Farm Planning Summary

Inspirations

Use the space below to record major inspirations, revelations, or aha! moments that took place as you worked through this planning book and the Growing Farms workshops.

Next Steps

Write a quick to-do list and notes about the next steps in your planning process.

Good luck!

Notes

For More Information

Oregon State University Extension Service Small Farms Program: <http://smallfarms.oregonstate.edu/>

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Dream It. Grow It. Do It. Sell It. Manage It. Keep It.



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