

GETTING STARTED

10 PRINCIPLES FOR STARTING YOUR FARM OR RANCH BUSINESS

BY DAN MACON

FLYING MULE FARM

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BACKGROUND



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Placer County Agriculture

1. BUSINESS PLAN

- MUST BE A LIVING DOCUMENT!
- KEEP IT SIMPLE AND REFER TO IT OFTEN!
- TYPICALLY INCLUDES
 - MISSION/VISION
 - GOALS & OBJECTIVES
 - PRODUCTS AND MARKETS
 - OPERATIONS PLAN
 - MANAGEMENT/ORGANIZATIONAL STRUCTURE
 - FINANCIAL PLAN



2. MARKETING PLAN



- WHAT CAN YOU SELL?
- MARKET RESEARCH IS CRITICAL!
 - VISIT FARMERS MARKETS, PRODUCE STORES, RESTAURANTS, ETC.
- DETERMINE COST OF GOODS SOLD
- PLAN FOR PROFIT, NOT PRODUCTION!
- KNOW AND USE NUTRITIONAL INFORMATION TO MARKET YOUR PRODUCTS

EAT LOCAL PLACER AND NEVADA



3. RISK MANAGEMENT PLAN

- PLAN FOR THE WORST, HOPE FOR THE BEST!
- TYPES OF RISK
 - HUMAN RISK
 - LEGAL RISK
 - PRODUCTION RISK
 - MARKET RISK



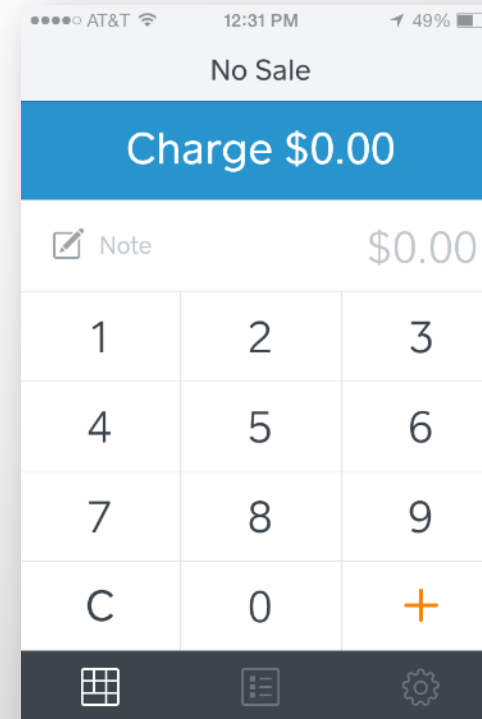
4. OPERATIONS PLAN



- CASH FLOW AND BUDGET
- DETAILED PRODUCTION PLAN AND CALENDAR
- LABOR NEEDS

5. CASH MANAGEMENT SYSTEM

- SMALL-SCALE FARMING IS USUALLY CASH BASED
- DON'T JUST SPEND THE CASH – FOLLOW YOUR BUDGET!
- KEEP GOOD RECORDS
- DON'T CHASE CASH!



6. CAPITAL INVESTMENT PLAN



- DON'T ASSUME YOU NEED ALL THE EQUIPMENT AND INFRASTRUCTURE TO START
- CONSIDER LEASING
- CAN YOU SUBSTITUTE KNOWLEDGE AND LABOR FOR CAPITAL PURCHASES?
- CAN YOU "DO IT ON THE CHEAP"?
- INVEST IN THINGS THAT REDUCE OVERHEAD OR PROVIDE REVENUE

7. INSURANCE, LICENSES & PERMITS

- GENERAL LIABILITY FOR YOUR FARM (NOT YOUR HOMEOWNER'S POLICY)
- WORKER'S COMP INSURANCE
- KNOW THE REGULATIONS THAT APPLY TO YOUR FARM / PRODUCTS
 - LOCAL
 - STATE
 - FEDERAL
- TAXES



8. SUPPORT SYSTEM

- WE ALL STAND ON THE SHOULDERS OF THOSE WHO CAME BEFORE US!
 - TALK TO OTHER FARMERS AND RANCHERS!
 - ASK QUESTIONS – AND LISTEN TO THE ANSWERS!
 - ASK FOR HELP – AND OFFER IT, TOO!
 - TALK TO OTHER BUSINESS PEOPLE
 - TREAT FARMING AS THE BUSINESS IT IS!



9. FOCUSED DIVERSITY

- PRODUCTION
 - DON'T GROW EVERYTHING! – FOCUS ON WHAT YOU CAN GROW WELL AND SELL FOR A PROFIT!
 - TOO MUCH DIVERSITY IS INEFFICIENT
- MARKETING
 - FOCUS ON A PRIMARY MARKET
 - BUILD LOYALTY
- VALUE ADDED PRODUCTS MUST ADD VALUE!



10. FLEXIBILITY



- ADAPT TO CHANGING CONDITIONS
- KNOW YOUR NUMBERS SO THAT YOU CAN ANALYZE NEW OPPORTUNITIES QUICKLY
- IF AN ENTERPRISE ISN'T PROFITABLE, CHANGE IT OR DROP IT!

QUESTIONS?



RESOURCES

Foothill Farming Website

<http://ucanr.edu/sites/placernevadasmallfarms/>

Facebook Pages

www.facebook.com/FoothillFarming

www.facebook.com/groups/farmerrancherdroughtforum/

Networking and Education

Farmer-to-Farmer Breakfasts

Beginning Farming Academy

California Grazing Academy