

5 WAYS TO KICK START YOUR FARM



You've decided you want to farm, but now what?

Is it even a good idea to start farming in today's ag economy? How can you ensure future success? Whether you're a first generation dairyman, tending vegetables in the evening after your day job or anything in between, the process of getting started and becoming profitable can be daunting. Here are five tips from our experts – staff and industry partners – on how to start on the right foot and build a foundation for future success.

1. ASK FOR HELP.

You can't be good at everything, and you don't have time to do everything, so it's important to know your limits and when to ask for help. The most successful business owners are also excellent delegators. There are abundant resources available to you in the form of technology, education and industry experts. If you're not part of a family farm, consider seeking a seasoned operator without a successor to serve as your mentor or business partner. Surprisingly, up to 20% of family farms don't have a next generation to take over the farm.

2. EMBRACE CHANGE.

If you want to grow, you have to differentiate yourself, take risks and step outside your comfort zone. Take advantage of educational opportunities such as farm tours and webinars, share ideas and learnings with your peers and be open to new ways of doing things. Most importantly, embrace change as an opportunity, not a setback. Focus on what you can control rather than what you can't. For example, the ag economy is experiencing challenges, but machinery and livestock are about 30-40% less expensive now than they were during the last super cycle. That's a major advantage for someone starting out.

3. ASSESS YOUR PROGRESS.

Set goals and recognize your milestones – celebrate your successes! Next, look for areas that could use improvement. Great managers are always striving to be better rather than resting on their laurels. Niche markets are a great launching point for young producers, and the local, natural, organic and point of origin markets are growing industry segments. The key to long-term profitability is staying ahead of marketplace trends.

4. MONITOR YOUR MONEY.

The effects of global markets and politics on the economy are a fact of life for farmers, but good recordkeeping and a sound business plan are much more impactful on your bottom line. Ag lenders nationally estimate that about 40% of debt restructures and refinances on distressed farm loans are due to business overspending and excessive family living withdrawals from business earnings. Medical bills and miscellaneous expenses are the biggest culprits. Be realistic about your personal budget, monitor your spending on at least a monthly basis and add a cushion for unexpected expenses.

5. DON'T WORK TOO HARD.

When you're launching a business or investing in a career you're passionate about, it's easy to work, work, work and then work some more. It's important to maintain a good work-life balance so you don't burn out. In fact, time away from your work will help keep you fresh-minded and energized when you return to the task at hand.



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