

SPECIALTY CROPS

# Farm Business Management

PRESENTED BY: ERIK HEIMARK



# Presentation Outline

**A**

**What is FBM**

**B**

**Specialty Crops  
Management**

**C**

**Benefits to  
Students**

**D**

**Future Goals**



# Farm Business Management



# What is FBM?

A program that helps farmers achieve their personal and business goals.



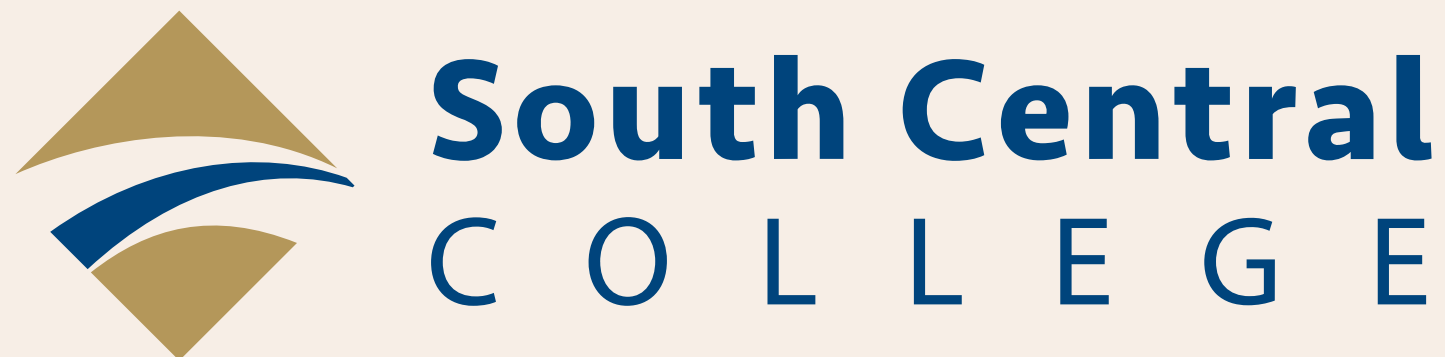


# **FBM is designed to:**

- Work with farmers one-on-one
- Provide individualized instruction
- Assist in drafting financial documents and record keeping
- Provide resources and a sounding board for management decisions



# Where is FBM Offered?



# How it works:

- Students find an instructor in their area
- Instructor signs them up as a College Student
- Matches curriculum that meets farmers goals
- Instructional visits take place throughout the year



# How it works:

- Students can be in the program as long as they want
- Student can earn certificates, degrees, or diplomas.... or not
- Although one student is enrolled, Instructors tend to work with families





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# **FBM Program at CLC:**

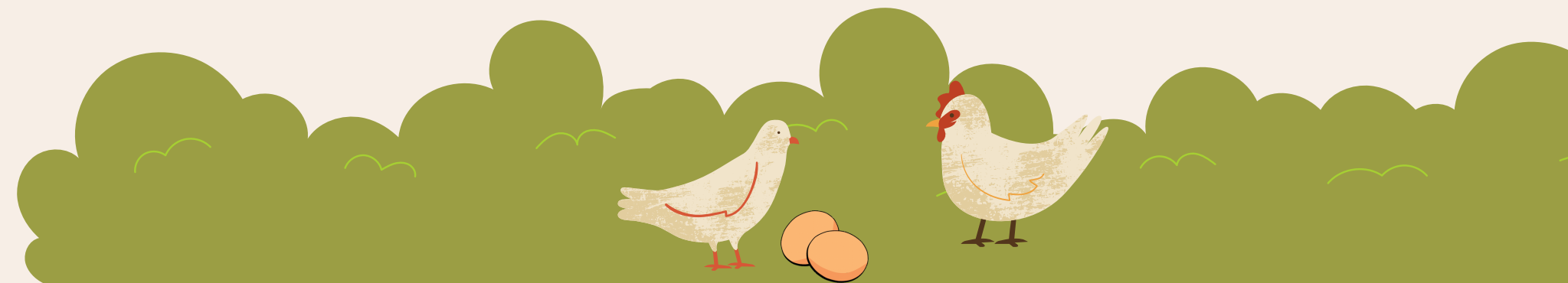
Essentials of Farm Business Management Certificate

**Current Issues in Farm Business Management Certificate**

Applications in Farm Business Management Certificate

**Agricultural Commodities Marketing Certificate**

Advanced Farm Business Management Certificate





# Topics:

- Quality Record Keeping
- Balance Sheets
- Cash Flow Statements
- Enterprise Budgets
- Enterprise Analysis
- Tax estimations
- Employment documents
- Business Entity set up



# PURPOSE OF FBM

Give the student better tools to make more informed decisions to reach their business and personal goals.





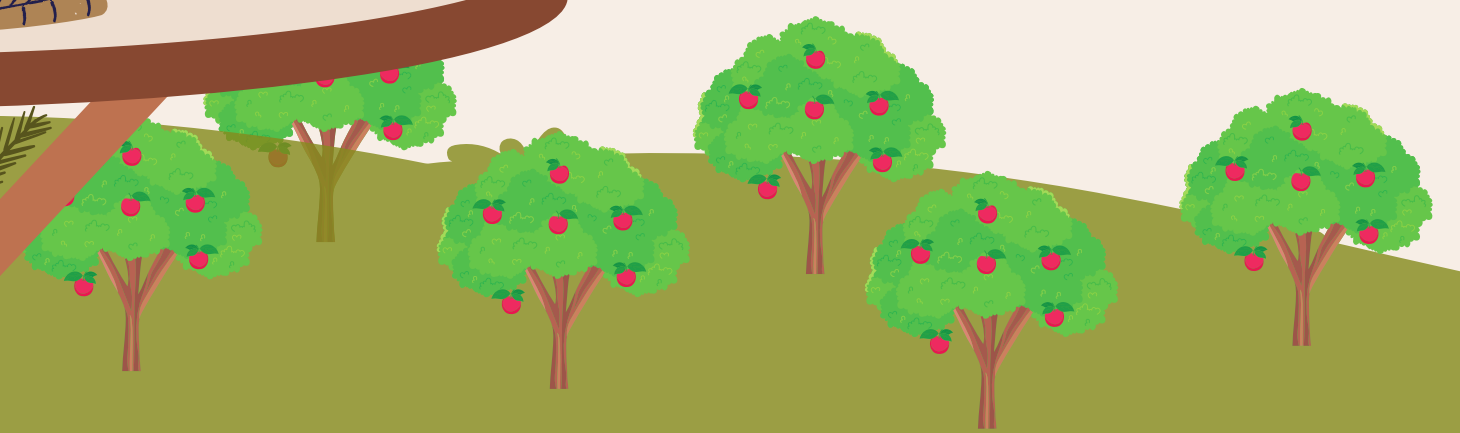


# Specialty Crops Management Program



# Specialty Crops

Fruits and vegetables, tree nuts, dried fruits, horticulture and nursery crops, floriculture, and processed products that have 50% or more specialty crop (USDA)





## **Non-commodity Products**

Products are typically high quality and low quantity such as heirloom vegetables, spring strawberries and fall apples, and fresh cut flowers.



## **Diverse Enterprises**

Farms often have crops and livestock; agrotourism and value added products.



## **Direct Sales**

Retail and wholesale sales are typically conducted by the farmer. Farmers Markets, CSA, Farm Stands, and U-Picks.



**1/2**

## **Production**

IPM Planning  
Production Records  
Food Safety Planning  
Fertility Management  
Planning  
High Tunnel Construction  
Harvest Projections  
Weed Control



**1/2**

## **Financial**

Balance Sheets  
Cash Flow Statements  
Enterprise Budgets  
Whole Farm Analysis  
Marketing Plans  
Income Statements  
Financial Records



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# SCMP Program at CLC:

Specialty Crops Management Diploma

44 credits

33 Required Credits

11 Elective Credits



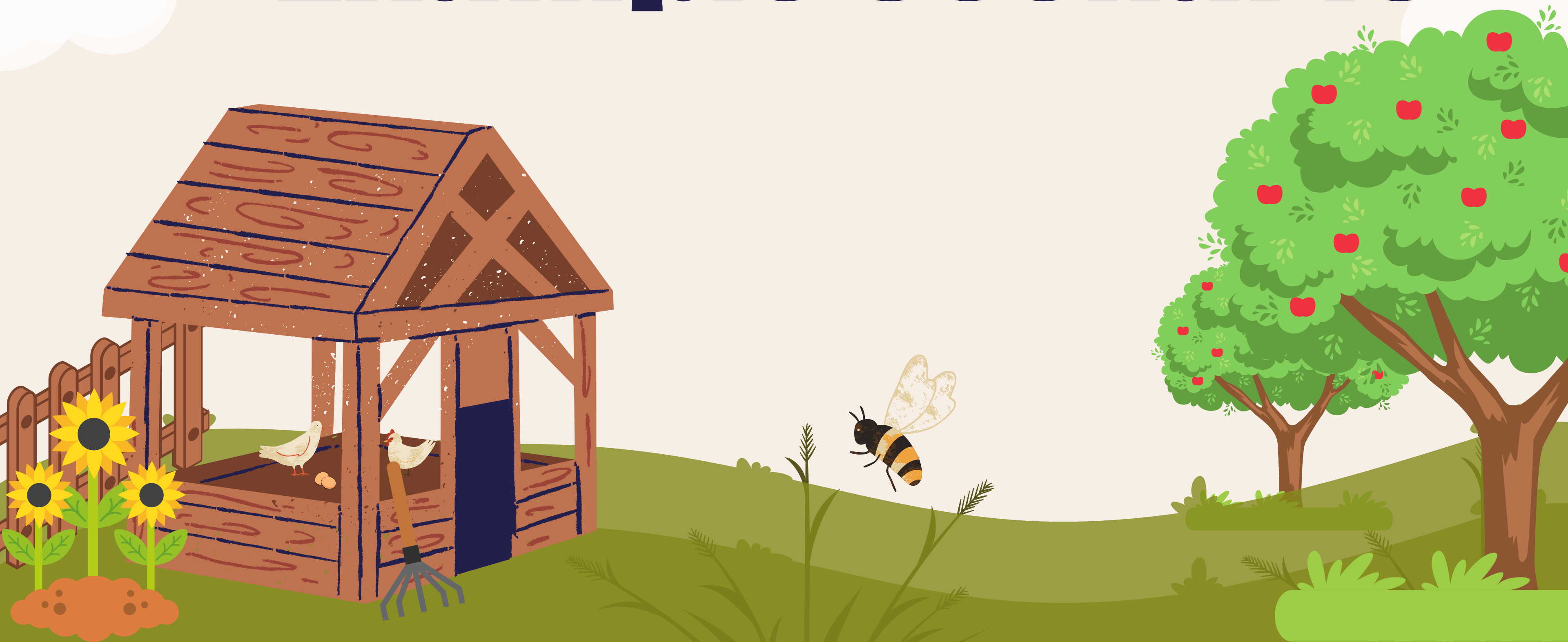
# Full-Time Students

- 10 credits a year
- 6-8 visits a year
- 4 financial statements
  - beginning and ending Balance Sheets
  - Whole-Farm and Enterprise Budgets
  - Cash Flow Statement
  - Year-end Financial Analysis
- 1 Large Project
- \$2,000 Tuition





# Example Scenario





# Meet the Jones



- Always had a big garden
- Daughters started the Asparagus and Rhubarb patch and Apple Orchard and Pumpkins in FFA
- Sells at a farmers market, a farm stand and to a local restaurant
- Seems to spend a lot of money on the farm but also notices he's bringing in more money each year

# 1st Visit

- Gets Registered for Classes
- Discuss Goals
  - Am I profitable?
  - What crops make the most money?
  - Wants to retire in a few years but needs the farm to replace that income
  - Wants to learn more about soil health and how to prune apple trees



# 2nd Visit



- Conducts a soils test
- Completes a Balance Sheet
  - discovers he has more equity in the farm than he thought
  - owns a lot of equipment he doesn't really use anymore

# 3rd Visit

- Discover a Boron deficiency in soil and low organic matter
- Create fertility plan
- Create a plan to sell off the old unused equipment
- Conduct a Cash Flow Statement



# 4th Visit

- Discuss Cash Flow Statement
  - Discover, April and July are tight months on the farm
  - Cash rich in May and Sept.
- Discuss forming a business entity to help keep track of farm income and expenses





# 5th Visit

- Conduct a Year-End Financial Analysis
- Decide to form an LLC
- Prepare for tax season
- Discuss how to prune the apple orchard



# 6th Visit



- Discuss Financial Analysis
- Create Enterprise Budgets for each enterprise
- Set up spreadsheet to keep track of income during the season
- Create beginning Balance Sheet



# 7th Visit

- Scout for pests
- Create an IPM plan
- Update records



# Next Year

- Crops growing well
- Keep collecting data
- Hone in on tracking income
- Realize restaurant sales are break even
- Farmers Markets only profitable in Spring and Fall
- Start looking for more labor





# 3rd Year

- Experience increased profits
- Stop growing green beans
- Increase early carrots, radishes, and lettuce
- Hire help
- Project retirement in 3 years



# Benefits to Students





# Students Benefits

- Analytics on how financial statements can be used to improve the farm
- Access to some Cohort Classes
- Farm Transition Resources
- Access to FSA and other lending resources
- Annual Organic and Regional Farm Averages and other data
- A Specialty Crop Producers Newsletter
- Access to Rural Mental Help Specialists



# What Students Say



# What do you like best about the program?

(MN FBM)





# Estimated Gains per Year

Group	Value	2016
Beginners	\$10,903	\$9,007
Organic	\$20,727	\$11,889
Specialty crop	\$18,638	\$13,367
None apply	\$20,552	\$13,011
<b>All</b>	<b>\$17,632</b>	<b>\$12,169</b>

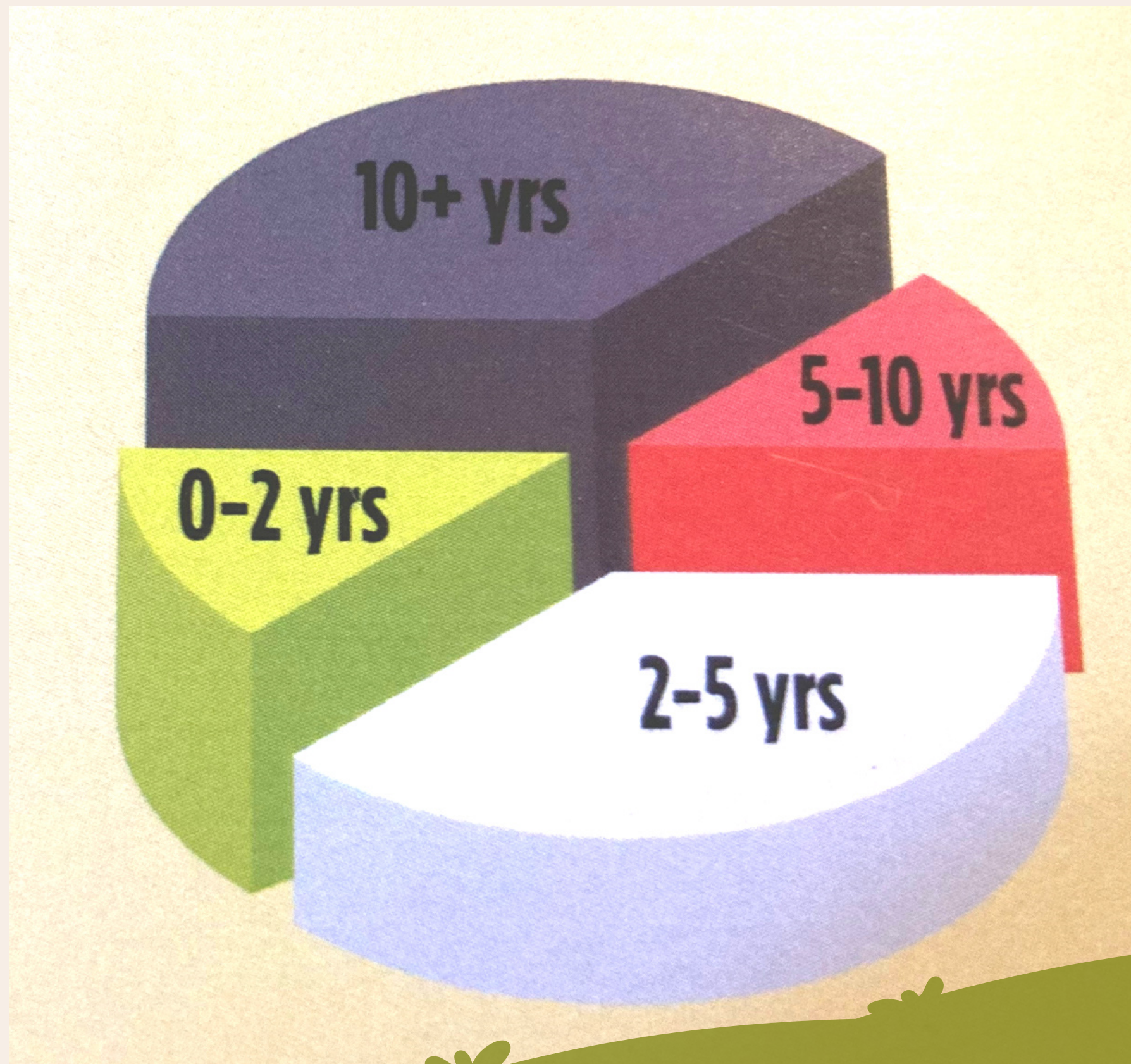


# Did FBM Improve your Competitive Edge?





# Years of Farming?





# FBM by the Numbers

- **90%** Better Financial Position
- **70%** Benchmarking helps communication with financial institutions
- **60%** evaluate volatility and financial challenges
- **50%** Benchmarking helps communication with family members
- **46%** Extremely positive impact on community



# Goals for the Future







## **More Cohort Classes**

Specialized Topics  
One day seminars  
LMS: D2L & Canvas



## **Increase Data on Specialty Crop Farms**

Production/yield data  
Financial data  
Sales data



## **Improve Benchmarking**

Specific Crop Enterprise data  
State average income and expenses per crop

# More Collaboration

Extension

College and University Faculty

FBM in other States



# More Specialty Crops Research

CLC Staple's Farm

FBM Student's Farms

Other College's and University's Farms



# Grow voice for Specialty Crop Farmers

Representation in Farm Bill





**Thank you for  
listening!**

**Don't hesitate to ask any questions!**

