

Chapter XII:

Decision Making and Business Planning

A. General

Chapter XII: Decision Making and Business Planning

Note: Several types of information are needed to develop a business plan. To keep the volume of information in a manageable form, the material has been divided into Chapter XII-Decision Making and Business Planning; Chapter XIII- Regulations and Legal Concerns; Chapter XIV-Liability Insurance; Chapter XV-Marketing; and Chapter XVI-Funding and Assistance Programs. It is necessary to review all of the chapters when developing a comprehensive business and marketing plan.

A. General

The New Frontier of Ranching: Business Diversification and Land Stewardship

Sonoran Institute; June 2000

By Ben Alexander

This is an informational publication that discusses the benefits and methods of applying business diversification and land stewardship to ranching. Case studies are used to present the diversification possibilities. See Chapter IX for table of contents.

This publication is available from:

Sonoran Institute

7650 E. Broadway Blvd., Suite 203

Tucson, AZ 85710

Ph: (520) 290-0828

Email: sonoran@sonoran.org

www.sonoran.org

Landowner's Survival Guide: Resources for Agricultural Landowners in MD, VA, and WV

Future Harvest – CASA

This is a new 62-page guide that highlights resources on a variety of production, marketing, stewardship and conservation topics. Each chapter includes general information about grants and financial assistance, publications, people who can help, and web/internet resources. See Chapter I for table of contents.

Cost: \$5.00 (free for Future Harvest-CASA members)

Available from Future Harvest-CASA

Website: www.futureharvestcasa.org

106 Market Court

Stevensville, MD 21666

Ph: (410) 604-2689

Email: fhcasa@verizon.net

Guide to Evaluating and Choosing a Natural Resource-Based Enterprise

By Jonathan S. Kays, Maryland Cooperative Extension

Available in the Resource Manual or contact

Jonathan Kays,

Western Maryland Research and Education Center
18330 Keedysville Road
Keedysville, MD 21756
Ph: 301-432-2767 ext 323

The Feasibility of Agricultural Alternatives (Updated June 1996)

Forrest Stegelin, Extension Agribusiness Economist, University of Kentucky
This publication is a detail, 11-page, 12 step outline of what needs to be considered in developing an alternative enterprise.
Available in Resource Manual or call
Ph: 606-257-5762

How to Write a Business Plan

American Institute of Small Business
This publication discusses what a business plan is, what a business plan should contain and why one should write a business plan. It also provides an example of a completed business plan.
Available online at: www.bizoffice.com/library/files/bus_plan.txt

Business Plan Checklist

This publication provides a checklist of what should be included in an effective business plan.
Available online at: www.bizoffice.com/library/files/check.txt

Business Plan Outline

This outline is designed to assist you in creating a business plan.
Available online at: www.bizoffice.com/library/files/myplan.txt

Ranking of Various Obstacles Facing Farm and Rural Entrepreneurs.

Source unknown

This is a bar chart shows the results of research about obstacles faced by farm and rural entrepreneurs. The chart is provided in this toolkit.

Evaluating a Rural Enterprise: Marketing and Business Guide

Appropriate Technology Transfer for Rural Areas

By Preston Sullivan and Lane Greer

May 2002

This publication is a guide for people who live in rural areas and want to extend their operation to new enterprises.

Available at: <http://www.attra.org/attra-pub/evalrural.html>

Ph: 800-346-9140

Rural Entrepreneurship News

This publication is the newsletter for the Center for Rural Entrepreneurship. It summarizes developments in the field of rural entrepreneurship

Website: <http://www.wkkf.org/Programming/NewsItem.asp?CID=4&ID=303>

Email: taina@ruraleship.org

Are You an Entrepreneur?

By Daile Tucker

This article discusses what personal characteristics are necessary to a successful entrepreneur.

Available online at: www.bizoffice.com/library/files/entrepreneur.txt

National Commission on Entrepreneurship (NCOE)

The NCOE is a resource for anyone interested in entrepreneurship and public policy.

Their website provides news, research reports and links.

Website: <http://www.ncoe.org/>

444 North Capital St., Suite 399

Washington, DC 20001

Ph: (202) 434-8060

Email: ncoe@sso.org

You Can Farm: The Entrepreneur's Guide to Start and Succeed in a Farming Enterprise

by Joel Salatin

Polyface Inc (June 1998)

ISBN: 0963810928

Joel Salatin uses his experiences on his own farm to provide information to anyone who is beginning a farming enterprise. See Chapter I for table of contents

Available from the publisher as well as from other common booksellers.

Ph: 540-885-3590

www.polyface.com

Making Your Small Farm Profitable

By Ron Macher,

Storey Books (November 1999)

ISBN: 1580171613;

This book discusses the development of new crops and markets, maximizing net profit per acre, and enterprise planning and management. It also provides a guide to equipment costs, operation costs, etc. See Chapter I for table of contents.

Available from the publisher as well as from other common booksellers

Web Site: www.smallfarmtoday.com

Ph: 573-687-3525

The Feasibility of Agricultural Alternatives (Updated June 1996).

Forrest Stegelin, Extension Agribusiness Economist, University of Kentucky

This publication is a detailed, 11-page, 12 step outline of what needs to be considered in developing an alternative enterprise.

Ph: (606) 257-5762

Is Your Agribusiness Project Feasible?

By Richard W. Schermerhorn

The University of Georgia College of Agricultural & Environmental Sciences/Cooperative Extension Service
This publication discusses feasibility issues for agribusinesses in Georgia.
Available online at: <http://www.ces.uga.edu/pubcd/b1066-w.html>

All of the fact sheets from the *Operating a Small Farm* series are available online at: <http://www.agnr.umd.edu/users/frederick/pubs/>

- **Operating a Profitable Small Farm Fact Sheet 6**
Selecting an Enterprise
By Terry E. Pole
Published by the Maryland Cooperative Extension
University of Maryland College Park, Easter Shore
Available online at: <http://www.agnr.umd.edu/users/frederick/pubs/Opfarm06.pdf>

- **Operating a Profitable Small Farm Fact Sheet 12**
Developing a Plan
By Terry E. Pole
Published by the Maryland Cooperative Extension
University of Maryland College Park, Easter Shore
Available at: <http://www.agnr.umd.edu/users/frederick/pubs/Opfarm12.pdf>

- **Operating a Profitable Small Farm Fact Sheet 16**
Business Items
By Terry E. Pole
Published by the Maryland Cooperative Extension
University of Maryland College Park, Easter Shore
Available online at: <http://www.agnr.umd.edu/users/frederick/pubs/Opfarm16.pdf>

- **Operating a Profitable Small Farm Fact Sheet 20**
High-Value Enterprises
By Terry E. Pole
Published by the Maryland Cooperative Extension
University of Maryland College Park, Easter Shore
Available online at:
<http://www.agnr.umd.edu/users/frederick/pubs/Opfarm20.pdf>

All the “Fact Sheets for Managing Agri-and Nature-Tourism Operations” are available on www.sfc.ucdavis.edu/agritourism/factsheets

- Creating a Business Plan
- Assessing Your Assets
- On-farm Customer Relations
- Conducting Farm and Ranch Tours

Agritourism Workshop

Bruce Wicks

This web-based workshop comprise of seven modules—agritourism/value-added, marketing ideas, why public travels, business planning, is the business for you, enterprise fit and risk/liability and ecommerce to added later.

Bruce Wicks

Ph: 217-333-6160

b-wicks@uiuc.edu

www.leisurestudies.uiuc.edu/agritourism

North Central Initiative for Small Farm Profitability

This initiative brings people from various different fields and works to identify, adapt and apply practical, science-based, market-driven strategies that work, and help improve the profitability and competitiveness of small to mid-sized farms.

Website: <http://www.farmprofitability.org>

Ken Wurdeman

University of Nebraska-Lincoln

58 Filley Hall, Lincoln NE 68583

Email: kwurdeman2@unl.edu

SmallFarms@USDA: *Creating Opportunities, Preserving Choices*

USDA

This web site is an information resource that provides council information, an Action Plan database, events, people, links, and other resources.

www.usda.gov/oce/smallfarm/sfhome.htm

www.itssimple.biz

This is a resource for small business and entrepreneurial development. It is a free internet resource. It was developed by a USDA SBIR grant. It is to include information about counseling and training opportunities in every state.

Farms, Communities, and Collaboration: A Guide to Resolving Farm-Neighbor Conflict

David Kay

This manual is a guide to resolving the kinds of conflicts that arise when farmers and nonfarmers live together in rural communities.

Available by down loading

www.cardi.cornell.edu/cd-toolbox/agreconomicdev/farms-conflict.htm or

email David Kay at dlk2@cornell.edu

Cultivating Farm, Neighbor, and Community Relations: Creative Approaches for Reducing Farm-Related Land-Use Conflicts

Cornell Department of Sociology

Copies available at

Cornell Instructional Materials Service (Catalog @ R202)

Department of Education

420 Kennedy Hall

Cornell University,
Ithaca, NY 14853
Ph: 607-255-9252
Email: VB17@cornell.edu

Entrepreneurship Resources

Economic Development Digest, November 2000

A list of 30 organizations that provide entrepreneurial assistance, training and assistance programs.

Available from the Economic Development Digest or this Resource Manual website of www.nrcs.usda.gov/technical/ress/altenterprise.

14 Survival Tips for Managing During Economic Downturns

April, 1995

Available online at: www.bizoffice.com/library/files/tips.txt

Financial Management For The Growing Business

By Bryan Ziegler – Indian Hills Community College

US Small Business Administration (SBA) EB-7

Available online at: <http://www.sba.gov/library/pubs/eb-7.pdf>

Management Issues for the Growing Business

This article provides information on how to effectively manage a growing business.

Available online at: www.bizoffice.com/library/files/man.txt

Strategic Planning For the Growing Business

By Michael L. Policastro

US Small Business Administration

This publication discusses the importance of strategic planning for small and growing businesses.

Available online at: www.bizoffice.com/library/files/plan.txt

Introduction to Strategic Planning

US Small Business Administration

Available online at: www.bizoffice.com/library/files/statplan.txt

Holistic Management: A Whole-Farm Decision Making Framework

Fundamentals of Sustainable Agriculture

By Preston Sullivan

Appropriate Technology Transfer for Rural Areas (July 2001)

This publication serves as an introduction to holistic management and provides resources for further information. Holistic management is a decision making framework that aids in setting priorities and establishing goals.

Available online at: <http://www.attra.org/attra-pub/PDF/holistic.pdf>

Transferring Management in the Family-Owned Business

This article offers information intended to help family-owned businesses survive
Available online at: www.bizoffice.com/library/files/trans.txt

Growing New Farmers Service Provider Consortium

The GNF Consortium represents over 150 organizations committed to providing programs, services, and advocacy for the region's new farmers. The GNF also has grants for new programs available to members.
Website: <http://gnf.bigmindcatalyst.com>

Beginning Farmer Center

The Beginning Farmer Center, part of the Iowa State Extension Service, offers assistance to beginning farmers and established farmers that want to transition to a different form of agriculture.

Website: <http://www.extension.iastate.edu/bfc/>

Michael D. Duffy, Professor in Charge

ISU Department of Economics

560C Heady

Ames, Iowa 50011-1070

Ph: (515) 294-6160

Email: mduffy@iastate.edu

Farmer to Farmer Mentoring Program: *Building Sustainable Farms Through Peer Relationships*

Sponsored by the Regional Farm & Food Project

Website: <http://www.capital.net/~farmfood/FarmerToFarmer.htm>

148 Central Avenue, 2nd floor

Albany, NY 12206

(518) 472-6537

farmfood@capital.net

Iowa Organic Farming Mentor Program

Produced by Amelia Bright

This video outlines the structure of the program and highlights some of the successful practices of the mentor farmers. Available from Iowa Organic Farming Mentor Program:

610 South 4th Street

Fairfield, IA 52556

Cost: \$19.95

Iowa Organic Farming Mentor Program

This program links experienced organic farmers with those who are just beginning in the area of organic farming. For more information contact:

Francis Thicke

Radiance Dairy

1745 Brookville Road

515-472-8554
fhicke@kdsi.net

National Farm Transition Network

This Network supports programs that help create the opportunity for young people to begin a career in agriculture.

Website: <http://www.extension.iastate.edu/nftn/aboutnetw.html>

Email: jrbaker@iastate.edu

Women's Agricultural Network (WAgN)

WAgN works to increase the number of women that own and operate profitable farms and ag-related businesses. They offer a series of educational, technical assistance, and networking opportunities to achieve their purpose.

Website: <http://www.uvm.edu/~wagn/>

617 Comstock Road, Suite 5

Berlin, VT 05602

Ph: (802) 223-2389

Email wagn@zoo.uvm.edu

Cornell Horticultural Business and Marketing Program

This program works to enhance the competitive position of the New York fruit, vegetable, and ornamental horticultural industry through targeted, curriculum-driven educational programs. Their website provides additional information on risk management.

Website: http://aem.cornell.edu/special_programs/hortmgt/index.htm

Ph: (607) 255-3688,

Email: w132@cornell.edu

4 Steps to Starting A Business

Texas Economic Development

This publication discusses four steps to starting a business: business structure and name, business tax responsibilities, business license and permits by business type, and business employer requirements.

Available online at: <http://www.tded.state.tx.us/guide/>

Checklist For Going Into Business

Available online at: www.bizoffice.com/library/files/chklist.txt

Setting Up a Home-Based Business

By Barbara Rowe

Indiana Agriculture in Transition

This publication is a guide for those who want to start a home-based business.

Available at: <http://www.agriculture.purdue.edu/agtransition/pubs/FF-12.html>

Life Advice About Running a Small Business

(1996)

This article offers advice for the small business owner.

Available online at: www.bizoffice.com/library/files/runsmlbz.txt

Record Keeping in a Small Business

By Donald L. Cordano.

US Small Business Administration (1991)

This article discusses appropriate record keeping for small businesses.

Available online at: www.bizoffice.com/library/files/record.txt

Small Business Development Centers

The Small Business Development Centers offer small business owners, low or no cost guidance and training in management fundamentals to help them make sound decisions for their business.

Website: <http://www.sbdc.unf.edu/>

Univ. of North Florida

1200 Alumni Dr.

Jacksonville, FL 32224-2678

Ph: (904) 620-2476 or 1-800-450-4624

Email: sbdcgnv@atlantic.net

Access Minnesota Main Street: *Electronic Commerce for Small Business*

University of Minnesota Extension Service

Access Minnesota Main Street is a project that teaches business people from six Minnesota communities about the potential for electronic commerce. Their course teaches people how to use the Internet as a business research tool, how to plan a website, and how to effectively promote a website.

Website: <http://www.extension.umn.edu/mainstreet/index.html>

Ph: 1-800-876-8636 or (612) 625-8776

Email: mainstreet@extension.umn.edu.

Pennsylvania Farm Link

Pennsylvania Farm Link has workshops and programs to aid farmers in the business and entrepreneurial aspects of their farms.

Website: <http://www.extension.iastate.edu/nftn/pa/>

Pennsylvania Farm Link

7208 A North Colebrook Road

Manheim, PA 17545

Ph: (717) 664-7077

Fax: (717) 664-7078

E-mail: pafarmlink@redrose.net

Cornerstone Farm Ventures

Cornerstone Farm Ventures is a small farm consulting business primarily focused on non-dairy agricultural enterprises.

Website: http://www.geocities.com/jr_mclaughlin/cornerstonefarm.html
242 Dan Main Rd
Norwich, NY 13815
Ph: 607-334-2833
Email: jrmclaughlin@juno.com

AgVenture Services

AgVenture Services is an agribusiness assistance program for start-up businesses and fledgling enterprises in Florida. They offer professional marketing and infrastructure assistance in bringing new products to market. AgVenture Services
Florida Department of Agriculture and Consumer Services
541 East Tennessee Street
Tallahassee, Florida 32308
Ph: (850) 487- 4322
Email: agvent@doacs.state.fl.us

AgVenture Services Business Plan Kit

By Florida Dept. of Agriculture

This publication contains information on how to turn agribusiness ideas into value-added business enterprises.

Cost \$50.

Available from: Les Harrison, Division of Marketing and Development

Ph: (850) 487-4322.

Horsepower: *Empowering the Farming Community*

Some of the new services being offered by Horsepower include: web design, industrial web initiatives, hosting, custom software development and a whole host of tools to integrate with your existing business systems that allow your organization to become more efficient, effective and profitable.

Website: <http://exchange.horsepower.com/welcome.asp>

Ph: (877) 544-7045

Farm Analysis Solution Tools

The Farm Analysis Solution Tools are a series of 24 computerized tools that aid farmers in farm risk and financial management.

Available at: <http://web.aces.uiuc.edu/farm.doc/finance/business.html>

E-Markets

E-Markets is a company that offers a variety of online tools designed eliminate barriers between buyers and sellers, enable information sharing across the agrifood value chain, and streamline back office processes.

<http://www.e-markets.com/>

Communicating for Agriculture and the Self-Employed, Inc

This is a nonprofit organization that brings self-employed people together for group discounts and shopping, affordable health insurance and legislative change. Their website

is an information center that provides business advice, an online magazine that includes free classifieds, and a search feature.

Website: www.selfemployedcountry.org

112 E. Lincoln Avenue

P.O. Box 677, Fergus Falls, MN 56538

Ph: (218) 736-3241

The Organic Decision Workbook

Available at a cost of \$12.00 by contacting

Faye Butts

Ph: 607-254-7412

Email: fsb1@cornell.edu

B. Business Planning and Development Websites

Resource Manual contains 14 pages of websites.

C. Agricultural Alternative Agriculture and Agritourism Business Planning Guides

Taking the First Step: Agritourism and Alternative Enterprises Opportunity Identification Guide (Makeing the right decisions to sustain your farm or ranch and resources.)

This publication was prepared in response to requests from local advisors, farmers, and ranchers for a simple guide. A guide that would help identify alternative income-producing agricultural enterprises and agritourism opportunities. The requests stipulated that the guide be useful in developing business and marketing plans to help entrepreneurs reduce risk through diversification of farm and ranch enterprises.

See Chapter II for table of contents.

Starting a Small Business: The Feasibility Analysis

By Michael D. Reilly and Norman L. Millikin

Montana State University-Bozeman

College of Business (MT9510)

Available online at: <http://www.montana.edu/wwwpb/pubs/mt9510.pdf> or

<http://www.montana.edu/~wwwcommd/feasanal.htm>

A Guide for a Feasibility Study of Recreation Enterprises

By James E. Neal and John K. Trocke

Michigan State University Extension

Available online at: www.msue.msu.edu/imp/modtd/33119707.html

Tilling the Soil Of Opportunity: Nx Level™ Guide for Agricultural Entrepreneurs

University of Nebraska, US WEST Foundation and SARE

This training course was developed by more than 15 business writers, producers and consultants involved in successful direct marketing of agricultural businesses. Topics covered include, assessing your resources, business planning and research, marketing,

business management, legal considerations, and budgets and financial management. For information about courses in your area, call: 1-800-873-9378 or 1-800-328-2851

Sustaining Western Rural Landscapes, Lifestyles and Livelihoods: Agriculture Diversification Resource Guide

A product of a SARE professional development grant.

This guide is prepared for professionals who assist producers who are interested in diversifying their agricultural operations. The content of the guide is based on testimonials from agricultural producers and technical material from other sources with experience in diversified agriculture. Individual landowners may also find this guide very helpful. It contains worksheets to identify your resources and opportunities as well as worksheets for developing a business and marketing plan.

Available by calling
Boyd Byelich at 307-772-2015

Building A Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses

Developed by Minnesota Institute for Sustainable Agriculture and co-published by The Sustainable Agriculture Network
Sustainable Agriculture Publications
210 Hills Building
University of Vermont
Burlington, VT 05405
Ph: 802-656-0484

Agritourism and Nature Tourism In California: A How-To-Manual for Farmers and Ranchers

Small Farm Center, University of California, Davis.
Hardcopies available at a cost of \$25.00 from
Small Farm Center
University of California
One Shields Avenue
Davis, CA 95616
Ph: 530-752-8136
www.sfc.ucdavis.edu

Agritainment: Farm and Ranch Recreation Resource Directory

North Dakota State Extension Service

This publication is a resource book containing information on getting started, marketing, business planning, insurance needs, legal considerations, health requirements, grants, loans and more. The 2002 revised version is available online at:

<http://www.ag.ndsu.nodak.edu/ced/resources/farmranch/introduction.htm>

Hardcopies available at a cost of \$20.00 from:

NDSU Extension Service
4023 N. State Street
Bismarck, ND. 58503

Ph: (701) 328-5134

Ca\$hing in on Business Opportunities: A Guide to Building a Home-Based and Micro Business Program

Southern Rural Development Center

This is a curriculum designed to be used by educators who work with home-based and micro businesses, but can be used by entrepreneurs as well. The 1,500 page curriculum is available in CD-ROM format.

Cost: \$49.95

Available from:

SRDC

Ph: (662) 325-3207

Fax: (662) 0325-8915

Email: cfleming@srdc.msstate.edu

South Dakota Farm and Ranch Vacation: Resource Directory

South Dakota Department of Tourism

This publication provides information on what steps to take when considering an agritourism or other added-value enterprises for a farm or ranch vacation. The focus is on South Dakota, but the steps are applicable anywhere.

Available from: South Dakota Tourism

711 E. Wells Aveune

Pierre, SD 57501

Fax: (605) 773-3256

Farming Alternatives: A Guide to Evaluating the Feasibility of New Farm-Based Enterprises.

Northeast Regional Agricultural Engineering Services (1988)

This publication was written for families and individuals interested in developing a new farm-based enterprise. It includes a resource list and worksheets that can be used to evaluate family goals, marketing, production, profitability, financial feasibility, and decision making. This publication received the blue-ribbon award from the American Society of Agricultural Engineers

Available from:

Instructional Materials Service

Cornell University

Ithaca, NY 14850

Ph: (607) 255-9252

Farm and Ranch Recreation Handbook

University of Wyoming

This 450 page handbook covers the inventory, planning, management and record keeping of a ranch or farm enterprise. It includes forms to be use in completing the individual steps necessary to develop a business. The rules and regulations of Wyoming are addressed in the handbook.

Available at

Website: www.uwyo.edu/ranchrecr

The Business of Ecotourism: The Complete Guide for Nature and Culture-Based Tourism Operations

By Carol Patterson

This is a tool that can be used to establish a viable and sustainable enterprise. It focuses on the planning, marketing, and operational requirements unique to ecotourism and provides practical advice so the new or experienced can succeed in this often challenging field.

Explorer's Guide Publishing

4843 Apperson Drive

Rhineland, WI 54501

Ph: 715-362-6029

Email: explore@newnorth.net

You Can Make Money from Your Arts and Crafts.

By Steve and Cindy Long

Mark Publishing (April 1988)

ASIN: 0937769045

This book describes the operation, management, marketing and planning of a wood crafts value-added business. Guidelines and principles put forth are readily applicable to agricultural value-added products. Available from Mark Publishing:

5400 Scotts Valley Drive

Scotts Valley, CA 95066

Ph: 1-800 622-7372

Getting Started in a Recreational Tourism Business

By George F. Smith

Michigan State University Extension

Tourism Education Materials

Available at: www.msue.msu.edu/imp/modtd/33510050.html

D. Bed and Breakfast

Town and Country Bed and Breakfast: Supplemental Income for Wyoming Families

By Susan J. Rottman and Jeff Powell

This publication addresses opening a business, facilities, guest relations, business management and marketing. It is available as the sixth chapter in the Farm and Ranch Recreation Handbook by S. Rottman and J. Powell. Online at:

http://uwadmnweb.uwyo.edu/RanchRecr/handbook/table_of_contents.htm

Hardcopies available from James A. Maetzold (202) 720-0132

Start and Run a Profitable Bed and Breakfast: Your Step-by-step Business Plan

Monica Taylor and Richard Taylor

Published by: Self Counsel Press (1992)

ISBN: 0889089892

This book discusses topics that include finances, business licenses and inspections, customer service, and advertising for bed and breakfasts. It takes into account the good and bad aspects of running a bed and breakfast. This book is available from the publisher as well as from other common booksellers.

Bed and Breakfast Worksheets: a collection of resources for aspiring innkeepers

By Eleanor Ames

This publication provides worksheets on being a good host, developing a business plan, family considerations, food service, rules and regulations, making a good impression, marketing issues, starting a bed and breakfast, start up costs, and zoning.

Available online at: <http://bandb.about.com/library/aspire/blwk-index.htm>

Starting a Bed and Breakfast in Michigan

By Phil Alexander and Judy Watson-Olson

Michigan State University (1989; revised 2002)

ID: E2143

Available online at: www.msue.msu.edu/msue/imp/modtd/33420042.html

Starting a Bed and Breakfast/Farm Vacation

By: Wanda Olson, Harold Alexander, and Barbara Koth

ID: CD-FO-3255 (1987)

Available online at: www.msue.msu.edu/msue/imp/modtd/33420030.html

Developing a Bed and Breakfast Business Plan Part I

By Robert Buchanan and Robert Espeseth

Publishing State: Illinois (1991)

ID: NCR273

This is a five part publication that discusses thirteen steps for developing a bed and breakfast business plan.

Available online at:

Part 1: www.msue.msu.edu/msue/imp/modtd/33420035.html

Part 2: www.msue.msu.edu/msue/imp/modtd/33420136.html

Part 3: www.msue.msu.edu/msue/imp/modtd/33420137.html

Part 4: www.msue.msu.edu/msue/imp/modtd/33420138.html

Part 5: www.msue.msu.edu/msue/imp/modtd/33420139.html

Management Through Figures in the Lodging Industry

By Robert W. McIntosh

Michigan State University Extension (1972); E0656

Available online at: <http://www.msue.msu.edu/msue/imp/modtd/33119706.html>

Business Management and Marketing: Bed and Breakfasts

By Edward L. Smith and Ann K. Smith

West Virginia University Extension Service

ID: R. D. No. 767

Available online at: www.msue.msu.edu/msue/imp/modtd/33420037.html

E. Rural Development

Your Guide to USDA's Rural Development-Related Activities.

Drafted by REACT

This publication contains funding sources and regional and state office names and telephone numbers.

Available from Jim Vancura, Ore-Cal RC&D

308 Main Street

Dorris, CA 96023

Ph: (530) 397-7463

Email: orecal@cot.net

USDA Rural Development, Rural Business Cooperative Service

www.rurdev.usda.gov/rbs

USDA Office of Community Development

<http://ocdweb.sc.egov.usda.gov/default.asp>

Cost & Revenue of Residential Development: an online workbook for local officials and citizens

This website is intended to help local officials and citizens use a basic Per Capita Multiplier model to examine potential residential developments in their community.

<http://cax.aers.psu.edu/residentialimpact/>

Advancing Rural America (March 2001)

This publication is a summary of efforts by the US Small Business Administration's Office of Advocacy to promote and support rural small business.

Available online at: http://www.sba.gov/advo/stats/rural_sb.pdf

Hardcopies available from: National Technical Information Service

5285 Port Royal Road

Springfield, VA 22161

From the Roots Up: Strengthening Organizational Capacity through Guided Self-Assessment

By Peter Gubbels and Catheryn Koss

Published by: World Neighbors (<http://www.wn.org>)

ISBN: 092716108

This is a field guide designed to help grassroots NGO's and community groups recognize their own potential, identify crucial issues for program and organizational development, and decide for themselves what actions to take.

Center for Applied Rural Innovation

University of Nebraska

Website: <http://cari.unl.edu/>

Ph: (402) 472-4138 or 1-800-328-2851

Rural Entrepreneurship and Small Business Development.

NAL, USDA (QB-93-38)

ISSN: 1052-5378

This publication contains 45 pages of reference material on rural development and businesses.

Available from:

USDA, National Agricultural Library, Document Delivery Branch, 6th Fl, 10301

Baltimore Blvd. NAL Bldg.

Beltsville, MD 20705.

Ph: (301) 504-5755

Corporation for Enterprise Development (CFED)

The CFED promotes asset-building and economic opportunity strategies that bring together community practice, public policy, and private markets in new and effective ways.

Website: <http://www.cfed.org/>

777 N Capitol St. NE

Suite 800

Washington DC 20002

Ph: (202) 408-9788

Fax: (202) 408-9793

Email: jmalkin@cfed.org

Northeast Center for Food Entrepreneurship (NCFE)

The NCFE promotes the sustainable economic development of rural communities by providing assistance to beginning and established food entrepreneurs.

Website: <http://www.nysaes.cornell.edu/necfe/>

Ph: (888) 624-6785

Fax: (315) 787-2274

Helping Non-Profits Help Themselves: Mary Reynolds Babcock Foundation Funds

Organizational Development

Family Matters (vol.7 number 2)

Spring 2002

Available at:

<http://www.cof.org/newsroom/newsletters/familymatters/spring02/fmspring02.pdf>

Starting and Managing a Nonprofit Organization: A legal Guide

By Bruce R. Hopkins

Published by: John Wiley and Sons

ISBN: 0 471 39727 X

This book is a guide to non-profit law.

How to Form a Nonprofit Corporation: With Forms

By Mark Warda

Published by: Sphinx Press (January 2000)

ISBN: 1572480998

This book provides step by step information on how to form a nonprofit corporation.

How to Form a Nonprofit Corporation (5th edition)

By Anthony Mancuso

Published by: Nolo Press (April 2002)

ISBN: 0873378067

This book provides step-by-step information on how to form a nonprofit corporation in any state. The book includes necessary forms and information on state regulations.

The Nonprofit Handbook

By Joe Geiger

Published by: White Hat

ISBN: 0965365328

This book provides standardized policies and procedures applicable to practically every nonprofit organization.

Sector Interface

The Nonprofit Sector and Government: Clarifying the Relationship

Pamphlet published by the Aspen Institute

Free copies are available from:

Ph: (202) 736-2298

Email: guila.campanaro@aspeninstitute.org

NonProfitBooks

NonProfitBooks is an accounting software program designed to deal with the special issues of nonprofit accounting.

Available free at: <http://www.nonprofitbooks.com/>

Council on Foundations

The Council on Foundations is a membership organization of grant making foundations. Their website provides information on how to start a foundation, legal and government affairs, and conferences, as well as useful resources for foundations and foundation-related news.

Website: <http://www.cof.org/>

1828 L Street, NW

Washington, DC 20036

Ph: (202) 466-6512

The Foundation Center

The Foundation Center promotes public understanding of institutional philanthropy and helps grant seekers succeed. Their website is an excellent resource and provides

information on forming nonprofit organizations, grant making, finding funders, and other related topics.

Website: <http://fdncenter.org/>

79 Fifth Avenue

New York, NY 10003

Ph: (212) 620-4230

Advancing Rural America: A summary of efforts by SBA's Office of Advocacy to promote and support rural small business.

Publication catalogs the Office of Advocacy recent efforts to address issues that affect rural small business and with the input of NRDP members, identifies areas of much needed future research.

Office of Advocacy, SBA

Available at www.sba.gov/advo or

Ph: 800-553-6847

F. Community Tourism

Feasibility of Agricultural and Community Based Tours

By Lewis, Andrew; Acton, Robert; Murphy, Jean

University of Wisconsin Extension (1992)

Available online at: www.msue.msu.edu/msue/imp/modtd/33832715.html

Feasibility Analysis in Tourism

By Gary R. Warnell

Tourism Information Series No. 5

Michigan State University

Extension Bulletin E-1992 (September 1986)

Available online at: www.msue.msu.edu/imp/modtd/33119709.html

Guide to Evaluating and Choosing a Natural Resource-Based Enterprise

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This guide is being developed as an extension publication by the Maryland Cooperative Extension. It is expected to be available from the University of Maryland College of Agriculture and Natural Resources later this year. Contact the website for this and other publications at (<http://www.agnr.umd.edu/ces/pubs/topics/forwildmgmt.html>)

Why Use This Guide?

Each year, farm and forest owners consider starting nontraditional enterprises using renewable natural resources, such as forests, wildlife, and water, as well as cropland. (The word enterprise is used loosely to refer to anything from a serious business venture to a hobby that may someday develop into a business.) Some landowners are traditional farmers looking to diversify their existing operation. Others are new property owners. Their aim may be to produce a sustainable source of income over a long term. Or they may just want to be good stewards of their forest's resources. However, many of their efforts are less than successful-or fail altogether-because before they evaluated and chose an enterprise they neglected one or more of the critical steps in decision-making or business planning: assessing their personal and family resources goals, assessing their lifestyle, and assessing their land resources. Equally important, they often lacked necessary technical, business, and marketing skills.

Before considering an alternative enterprise, landowners need to first get their forest resources evaluated and a forest stewardship plan to guide them in the long-term management of their forests. After that, time and effort can be committed to developing other rural enterprises.

The aim of this publication, therefore, is to supply the tools and the approach that will enable landowners to utilize a decision-making process that will assist them in getting their forest resources under management and then making their enterprise assessment. In many cases, the principal manager is more enthusiastic about the enterprise ideas than the rest of the family. This publication will stress that the principal and the others involved must work as a team, with each person pulling his or her own weight.

What are Possible Natural Resource Income Opportunities?

This guide focuses on the following three types of alternative rural enterprises:

- ***Put Forest Stewardship into Practice*** - working with a professional forester to develop a forest stewardship plan to manage for wildlife, forest products, recreation, and other objectives. The harvest of forest products should be done on a sustainable basis and involve the landowner, the logger, and a forester.
- ***Other Rural Enterprises***
 - ***Forest farming and forest product enterprises:***
 - Managing for a sustainable stream of forest products (firewood, high-quality

sawtimber and veneer) while improving other forest benefits; producing mushrooms, maple syrup, pine straw, and medicinals such as ginseng, goldenseal; collecting native plants and materials; producing wood and native crafts; growing Christmas trees; providing custom sawmilling and kiln-drying services.

- ***Recreational access and ecotourism:***

- Offering fee hunting and fishing; hunting preserve; sporting clay; guide service; wildlife viewing; campground; outdoor sports; high-risk recreation; bed 'n breakfast; vacation cabins, and immersion experiences such as teaching skills and crafts.

- ***Traditional and alternative agriculture and horticultural enterprises:***

- Aquaculture; growing small fruits, vegetables, and herbs; growing or renting land to grow traditional field and row crops; breeding specialty livestock, deer farming; operating greenhouses and other enterprises that use cropland and nonforest resources.

Dealing with the Forest Resource First

Contact a professional forester to develop a forest stewardship plan for your forest resources. New and old landowners often overlook this essential step and make forest management decisions that result in poor harvesting practices, low economic returns, and serious damage to wildlife, aesthetic, and recreation resources.

- **Develop a forest stewardship plan.** To enhance and sustain the wildlife, timber, water quality, and recreation resources of your forestland requires a blueprint you can follow to reach your objectives. A professional forester will look at your forest resource, divide the forest into different areas or “stands” that are similar enough to be managed as a unit, then provide inventory data and descriptions on each of these stands. For each stand recommended forest stewardship practices will be provided to enable you to reach your objectives. The recommended practices will be included in a chronology of activities for the next 10 years or so. The forester can inform you of the assistance programs that will help you carry out the practices that are recommended assist you with any timber harvesting.
- **The harvest of forest products can enhance wildlife habitat and other forest benefits.** Most landowners are not opposed to the harvest of forest products if their other objectives of wildlife habitat, recreation, and aesthetics are enhanced and protected. Many forests are now mature and lack the habitat diversity that supports certain species of wildlife. Carefully planned timber harvests can create habitat for wildlife that was not previously present. Well-planned roads also allow for improved recreational access by landowners.
- **Tax advantages from practicing forest stewardship.** In many states, landowners who develop and implement a forest stewardship plan receive a lower property tax assessment. Your state forester can provide information on your state’s laws. Also, remember that revenues from timber sales have special rules that apply. You can pay fewer taxes by calculating the basis of your timber resource when you purchase or inherit the property. Check with a knowledgeable accountant. Up-to-date information on timber taxes is available at a special website: (www.fnr.purdue.edu/ttax).
- **Use a consultant forester when selling forest products.** The strong demand for forest products has resulted in landowners being contacted directly by timber buyers. The temptation is to accept an attractive price now for the best trees without considering the impact a harvest will have on the future value. That's similar to a livestock farmer selling his blue-ribbon breeding stock and keeping the runts hoping they will flourish. A wise long-term strategy for landowners when selling timber is to remove poorer trees and leave the better

ones for the future. A timber harvest that removes trees above a certain diameter and leaves the smaller ones to grow, commonly known as cutting to a minimum diameter, typically reduces future economic value as well as wildlife and other non-timber values valued by many landowners.

Most landowners lack the knowledge to carry out a timber harvest by themselves. It is best to contact a consultant forester to act as your agent in the sale. The consultant will mark the trees to be cut, solicit competitive bids from prospective buyers, and develop the contract with the logger, usually getting all money up front. The consultant will be present on the site as the sale proceeds and make sure the contract provisions are followed. The 10-15 percent commission charged by many consultants is more than recouped by increased revenues from competitive bidding of the timber and the peace-of-mind resulting from having a knowledgeable forester looking out for your interests. Contact your state forester for a list of consultant foresters in your area and ideas on how to select a forester.

- **Trees growing in your forest are like compound interest.** A healthy tree 12-inches in diameter, though approaching market size for high-value forest products such as sawtimber, increases in value significantly each year. Its continued growth over several years adds more volume, and thus more value, than that of a smaller tree during the same years. Thinning your forest can open the forest canopy, let in sunlight, and increase the growth rate of the remaining trees. A 12-inch diameter tree growing in a crowded forest may take six years to grow one inch in diameter, an annual interest rate of 2.9 percent. In a thinned forest, the same tree could take only 3 years to grow 1 inch in diameter, a rate of 5.8 percent (see chart 1). The forest thinning can also improve wildlife habitat, trail access, and other benefits.

Chart 1. Compound Rate of Interest for Trees of Different Diameter and Growth Rates

Diameter of tree	Number of Years to Grow One Inch in Diameter			
	Rapid Growth	----->		Slow Growth
	2	3	4	6
6	18.1	12.1	9.1	6
12	8.7	5.8	4.4	2.9
14	7.4	4.9	3.7	2.5
16	6.4	4.3	3.2	2.1
18	5.7	3.8	2.9	1.9

- **Timber harvest can provide needed capital.** A carefully planned timber harvest can provide needed capital for starting an enterprise or to make other improvement to wildlife habitat, road access, structures, and other needs.

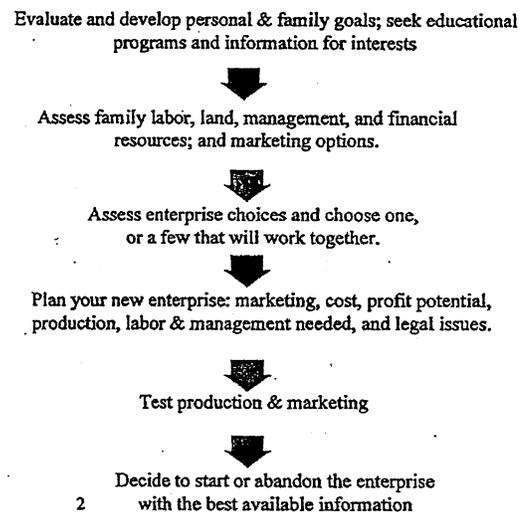
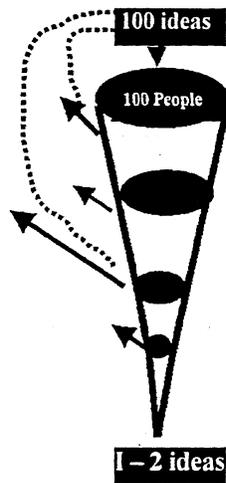
Sieving Out Your Ideas for Rural Enterprises

After you get your forest resources in order it is time to turn to other rural enterprise opportunities. Lots of landowners may think of themselves as entrepreneurs, but many fail to

realize their goal. In fact, many people never even set goals. Although motivation, self-reliance, and interest are essential, such personal qualities by themselves are not enough. You will have the greatest chance of success if you realistically assess your goals and resources as well as your marketing, production, and financial capabilities. Then you will be able to base your decision to start or abandon an enterprise on the best available information..

The process of evaluating and choosing an enterprise can be likened to a sieve filtering sand. The sand poured into the sieve corresponds to the ideas you generate before you do much serious thinking or research. The filtering process corresponds to the process of gathering information about your ideas and evaluating your personal and family goals. From here, a few of the ideas emerge as possibilities worth pursuing. This leads to the decision-making stage from which you are able to develop the components of a business plan.

In selecting one or several ideas over others, balance your objectives against the reality of the available resources and markets. Practicing diversification--having several enterprises that are compatible with one another--will give you more flexibility and opportunity than by concentrating on just one. However, start small and then expand. Once you select an enterprise or enterprises, develop a rough business plan for each, which includes addressing basic business and marketing concerns included in this workbook. In following this process you move further down the sieve, refining your ideas.



The key component of this assessment is the development of an *enterprise budget*, which requires that you estimate your costs and revenues for one year, one season of operation, or whatever length of time is necessary to produce a crop. This simple tool will help you to determine if the enterprise will be profitable or not given all the assumptions you must make for costs and revenues. This is the stage when many people rethink their ideas. Although the more demanding an enterprise is, the more complex the business plan will be, all of the business, financial, and marketing components in the workbook must be addressed. After going through this process, you will be able to go into the venture with your eyes open and have a good idea of what--or what not--to expect.

Many individuals who go through the various steps of the sieve process of enterprise development abandon their ideas along the way. Typically, once individuals become aware of what is involved in an enterprise--the time, resources, and possible financial return (which is usually lower than expected)--they either abandon their effort or look at other options that could

be more compatible with their objectives. For example, landowners who do not live on their property realize that their idea will not work unless they live on the land. Landowners who have the modest financial objective of paying the property taxes or who just wish to pursue a hobby may opt for a less intensive venture than the landowner who wants an enterprise to generate significant income.

In the end, landowners who base their enterprise decisions on what they learn going through the sieve process will generally be more successful than landowners who bypass the process.

The Real Life Process of Decision-Making Involves Making these Real Choices!

In leading you through the process of evaluating and selecting an enterprise that is compatible with your life situation, we will look at each of the following steps in the sieve or business-planning process.

- ◆ Identify personal and family goals
- ◆ Determining family labor & management resources
- ◆ Assessing the marketplace
- ◆ Assessing the site and taking an inventory of 1) land and natural resources, and 2) physical and personal resources.
- ◆ Choosing your new enterprise
- ◆ Planning and developing the new enterprise, which involves:
 - Selecting a marketing strategy
 - Determining production needs
 - Determining labor & management needs
 - Examining legal, regulatory, & liability issues
 - Developing an enterprise budget - startup costs & profit potential
 - Developing a cash-flow pattern
- ◆ Reaching a decision to start or abandon

Reality Check: Is the rest of the family with you?

A family business has to take into account the needs and opinions of all family members. Too

Table 1. Reality Check: Is the rest of the family with you?		
Our family spends too little time together	Agree	Disagree
I really enjoy working hard to make the natural resource enterprise a success	Agree	Disagree
I'm very enthusiastic about our new natural resource enterprise	Agree	Disagree
A new business is too much for us to handle now.	Agree	Disagree
I too often sacrifice the things I like to do for the sake of our current activities	Agree	Disagree
I am not worried about having enough spending money	Agree	Disagree
Being able to work the land is more important than having lots of money	Agree	Disagree
The family should always come before the business.	Agree	Disagree
I believe we could handle some financial risk with our new enterprise	Agree	Disagree
I am more interested in the enterprise as a hobby rather than a serious business venture.	Agree	Disagree
It's more important for the children to work the land than to have lots of activities.	Agree	Disagree
I feel like my opinions and feelings about the new business are taken seriously.	Agree	Disagree

Adapted from: Schuck, N.G., W. Knoblauch, J.Green, and M. Saylor, 1988; Hilchey, 1998.

often in family-run or home-based enterprises the principal manager is much more enthusiastic about the idea than the rest of the family. This can spell trouble. For example, many forest plantations, originally planted with Christmas trees, have had to be abandoned because the landowner assumed wrongly that a spouse or child would help with the pruning, mowing and other management activities. It is imperative, therefore, that you and your spouse, children, parent, or whoever will be involved in the enterprise address the statements posed in the adjacent table. Then, with the responses in mind, talk with your family or team.

Goals and Characteristics of Various Types of Entrepreneurs

Entrepreneurs must have or develop a number of skills—record keeping, financial, and marketing skills; interpersonal skills; and skills in production and management. Evaluating each individual’s strengths and weaknesses will make it easier to decide who should handle what task and what additional educational or training may be necessary. Therefore, it is important for you and your team to go through the statements below. Then, with the various responses in mind, talk with your team about the proposed enterprise choices.

I like to work with machinery.	Agree	Disagree
I like to work with crops.	Agree	Disagree
I like to work with the forest.	Agree	Disagree
I like to keep records and I feel I am well-organized.	Agree	Disagree
I would enjoy people coming on our property and making them feel “at home” as part of a home-based business.	Agree	Disagree
I like work real hard for a few months, then take a few months of rest.	Agree	Disagree
I like to have a steady workload over the entire year.	Agree	Disagree
I would to supervise workers.	Agree	Disagree
I would be good at sales because I enjoy seeing a satisfied customer.	Agree	Disagree
I would like the business to be compatible with my status as a landowner who’s primary residence is not on the property.	Agree	Disagree
I believe the sustainable management of forest and wildlife resources for pleasure and profit is a worthwhile.	Agree	Disagree
The most important quality of the new enterprise(s) is the ability to make a good profit.	Agree	Disagree

Source: Schuck, N.G., W. Knoblauch, J.Green, and M. Saylor, 1988; Hilchey, 1998.

As you assess your goals and skills, it helps to consider which broad category of entrepreneur you fit into. Experience has shown that landowners tend to fall into one of the five categories. Which one best represents you and others to be involved in the enterprise?

- Traditional Farmer
- Part-time Farmer
- Urban Returnee
- Hobbyist – Non-industrial Forest owner – Non-resident landowner
- Non-landowner

Family Labor and Management Resources

Initial Assessment of Resources, Goals & Objectives, and Possible Enterprises

Now that you have considered your family and personal goals and skills, and started to seek information on possible enterprises, complete this initial assessment as a family. It will help you to focus your thoughts and target those things most important. Many of the resource items will be covered more completely when the resource inventory assessment is completed in the following sections.

- 1) Provide a brief description of your property: a) distance from home; b) location; c) acreage in different uses (forest, cropland, pasture, pond); d) number and type of structures; e) access; and; f) other important information. Long and short-term goals you and your family hope to achieve by starting this new enterprise? Will you be involved as resident or absentee landowners?
- 2) Name up to five enterprises you are considering. What is your experience or background with these types of enterprises?
- 3) List the family members who would like to be actively involved? What types of responsibilities will each take on?
- 4) How much time will you and your family have available for your new enterprise?
- 5) If you already run a NR-based business, what are your goals over the next 3-5 years for the enterprise you are currently involved in?
 Maintain at about the same level
 Expand. How?
 Other: _____
 Cut back some. How?
 Get out altogether.
- 6) What are your financial goals for this new enterprise? For example, once established, what amount of your family living income do you expect from the following sources?
Current farm/forest enterprises _____
New enterprise _____
Non-NR employment _____
Other _____
Total _____

Adapted from: Schuck, N.G., W. Knoblauch, J.Green, and M. Saylor, 1988.

Effect of Residency Status

In our example, the Smith family lived on the property. If the Smiths lived 1-1/2 hours away from the property, however, this would have a profound effect on the options that they could pursue. Residency status--whether resident owner or absentee owner--is a crucial consideration for landowners. Living off-site has the following implications:

- The lack of security limits opportunities that require a presence daily in order to stop theft. Enterprises such as ginseng would be very risky.
- Available time and labor for intensive activities is limited or may require special arrangements.
- Practicing forest stewardship is an attractive option: management activities can usually be completed when time is available on weekends throughout the year.
- Other options--renting the house, renting cropland, and renting hunting rights--are attractive.

Site Assessment and Inventory

Once you have some ideas for enterprises, plus a good idea of your goals, carefully assess all of your resources. Your assessment will likely spark some totally new ideas and change your opinion of some of the ideas on your current list. While you can do part of your assessment from your couch, walking over the property with the help of a natural resource professional, such as a forester or Extension agent, will help you discover opportunities that you may not have been aware of. (Time available from resource professionals is scarce. Be prepared with your assessment of resources, goals, and responsibilities in order to make the best use of their time.)

Resources are divided into two main types for the site assessment:

1. **Land and natural resources:** When most people are considering assets they think of resources such as houses, other structures, equipment, and cropland. Few, however, consider the economic value of their natural resources, such as timber, wildlife, water, and intangibles such as scenic beauty. Evaluate these resources realistically; each could be the basis of an enterprise opportunity.
2. **Physical and personal resources:** Each person involved in the enterprise can contribute personal skills and experience, which are valuable assets in themselves. Skills in producing a product or service and in marketing, communications, computers, bookkeeping, and organization all have value and need to be considered.

Now, it is time to complete an inventory of your resources. Before you start, however, obtain a map of the property that identifies fields, forests, and water and the location of structures, roads, and other physical resources. A map allows you to mark the location of natural resources and make notes as you walk the property. You can purchase an aerial photograph of the property for a nominal fee from the county office of the U.S. Dept. of Agriculture Farm Services Agency (formerly the Agricultural Stabilization and Conservation Service). The agency is typically listed in the blue pages of the phone book, under U.S. Government. If you have an existing forest or farm management plan, use the map included with the plan. Continue to seek educational information about your enterprise ideas and measure your ideas against your available resources.

Inventory Your Land and Natural Resources

1. Agricultural Land Resources: Cropland and Pasture

Contact your county Extension office or the state Natural Resource Services office for assistance.

II. Natural Resources

A. Forest

Contact a state forester for assistance.

What non-timber forest products are present on the property (mushrooms, ginseng, floral plants, vines, etc)?

B. Wildlife

Contact your state wildlife biologist for assistance.

C. Intangible Resources

List unique locations on your property, with aesthetic appeal, that can be developed for recreational enterprises. These would include rivers, streams, scenic overviews, rock cliffs, wetlands, etc.

D. Water Resources

Quality and utility of ponds, streams or springs for recreation or production enterprises.

Inventory Physical and Personal Resources

I. Buildings: Houses, Barns, and Other Structures

List size, age, condition, and the cost to convert or upgrade structure for use in the enterprise.

II. Machinery and Equipment

For each piece of equipment (tractor, chain saw, wagon, rototiller, backhoe, bulldozer, etc.) list make, horsepower, age, condition, attachments, or other relevant information.

III. Use of Byproducts of Farm/Forest Operation

IV. Available Labor and Management Resources

Time for management and labor involved in an enterprise must come from the team members or from outside sources. Develop a table based on the heading below to help team members determine how much time they have available during each quarter of the year for management and labor activities. The time available can either be on the weekend or during the week. Completing this table will help you look at your time more realistically and see if the enterprises you are investigating are compatible with the time you have available.

Management and Labor Resources										
		Hours by Season and Time of the Week								
Resource Person	Total hours available	Jan-Mar		Apr-June		July-Sept		Oct-Dec		Under utilized
		Week day	Week end	Week day	Week end	Week day	Week end	Week day	Week end	
Management										
Labor										
Potential Labor Sources Outside of Team										

V. Financial Resources

- How much start-up money can you raise using personal or family resources?
- Where will the start-up money come from (e.g., personal savings, family member, farm credit, bank, cooperative)?
- Do you plan on borrowing money from a bank in the future?

VI. Special Skills Commonly Overlooked

- Do you or any of your team members have any special skills or experience?
- Also, add the names of relevant agencies or organizations that these individuals may have connections with (e.g., Cooperative Extension, Agricultural Experiment Station, U.S. or State Dept. of Agriculture, state forestry agencies).

Choosing An Enterprise

By now you should have a good idea of your resources and the assessment should help you identify possible enterprises you wish to pursue. Comparing the relative merits of one enterprise over another will help you to decide what types of enterprise is the best match for your resources.

As an example, the Smith Family has chosen five possible enterprises and eight criteria for judging how compatible each choice is with the family goals and resources. The table below shows the Smith Family has ranked their choices on a scale of 1 to 10, with 1 being least compatible with the criteria and 10 being most compatible. You can make a similar table and add the criteria most important to you. This exercise might show that the highest ranked enterprise might not necessarily be your personal first choice. Also, you may decide to pursue more than one enterprise to diversify your efforts. After you have selected the enterprise(s) you wish to pursue, you can then move on to the next section to assess the marketing and financial concerns for each.

List 5 enterprise ideas. Rate each on a scale of 1-10	Forest Products	Grapevine Wreaths	Hunting Lease	Ginseng	Pumpkins
Compatible with residency status	10	8	10	9	3
Preferred by family	9	6	7	9	3
Meets financial goals	9	9	5	10	9
Make use of under-utilized physical resources	4	9	8	6	8
Makes use of under-utilized management & labor resources	8	6	5	3	6
Potential market exists	10	5	9	10	6
Use of farm and forest by-products	9	9	3	7	5
Family financial resources available	10	8	10	7	8
TOTAL	69	60	57	61	48

Adapted from: Schuck, N.G., W. Knoblauch, J.Green, and M. Saylor, 1988.

Planning Your New Enterprise

After you have selected the enterprise(s) you wish to pursue, assess the marketing and financial concerns for each enterprise. The exercises that follow are intended to help you to: 1) define your product or service, 2) determine what marketing resources are available, 3) assessing your marketing options, and 4) analyze and understand your competition.

What Am I Selling Anyway?

Before you can market something, you have to know something about the product features, service features, marketing season, and benefits to the consumer. Describe below the product and/or service you are selling in your own words, and the benefits to the user in about 50 words. If more than one enterprise is being considered, how do they integrate or work together? Explain?

Who are My Customers?

You will need to choose your target market carefully and develop a marketing strategy to reach it successfully. Use whatever resources you can to find the following information about your target

market.

- **Demographics** - Ethnic groups, age group, average income, place of residence, number of children, marital status, education level, etc.
- **Lifestyle Patterns** -Common interests, beliefs, values, wants, and needs
- **Expectations** - What do buyers want and expect from your product or service?

Local Marketing Resources

Please list your local marketing resources. Use specific company names and contacts if possible.

- Farmer's markets; roadside stands, highway rest areas, field days, fairs.
- Wholesalers, brokers, distributors
- Marketing co-ops, food co-ops
- Restaurants, groceries, supermarkets, specialty stores
- Cooperative Extension; local-state tourism & economic development
- State Foresters, private foresters, forest product companies
- Sportsman clubs; forest associations; farm bureau; other associations.
- Newspapers, magazines, trade journals

Marketing options

List three marketing options and provide the pros and cons of each approach.

Market Research Techniques

Market research is needed on past & future trends in production, consumer demand, and price for your product or service. To gather this information will require some level of research.

You can use the following techniques: existing data from a variety of publications, personal observation, contacts with existing businesses, and surveys of potential buyers and sellers.

Understanding Your Competition

Who your competitors are, the specific types of buyers they serve (their target market), and their competitive strengths & weaknesses will help you define your own position in the marketplace. Your direct competitors are those businesses who are supplying the same types of products as you are to the same potential customers. Indirect competition is any other type of product which customers might buy instead of your. Make it your business to find out all about your direct and indirect competition.

Examine Legal, Regulatory, and Liability Issues

- In today's society, it is necessary to consider legal, regulatory, and liability issues as they apply to your enterprise. State your plans for handling each of the issues. If any of these issues present obvious hurdles, state your plans for overcoming the hurdles.

Determine Labor and Management Needs

Estimate the number of hours or days of labor required to start and maintain the enterprise, Is the business seasonal or year round? Is the labor and management only available on weekdays, weekends, or both? Determine if and how the time needed to manage this business might conflict with other obligations. If conflicts exist, state what they are and how you plan to handle them.

Enterprise Budget – Startup Costs and Profit Potential

It is now time to address the production and financial management planning for your new enterprise(s). Will the enterprise you are considering actually make money, and how much? Many individuals start an enterprise never completing this step only to find out much later than the business will never make enough money to compensate them for their efforts. First, determine the costs of producing your product(s) or service(s). Then do some basic financial management planning.

What Will it Take to Produce Your Product or Service?

- You will probably have to make some capital purchases- such as buying buildings, equipment, and land and making major improvements – to start your new business. List the capital purchases and their costs.
- What will be your major production & marketing tasks, such as planting, advertising, sales, maintenance, etc. When should they occur? List them for each month of the year.

Will the Enterprise Be Profitable?

The *enterprise budget* is the most common financial tool used to determine the profitability of alternative enterprises. An enterprise budget projects the cost of the operation for a given period (typically one year or season of operation) and compare this figure to potential sales. *Variable costs* are costs that take place each year (labor, food, etc), while *fixed or overhead costs* such as buildings, equipment, signs, and long-term improvements can be charged over a number of years. The difference between the two is your profit. The budget may look very different depending on the type of enterprise and circumstances of the situation. Every landowner has a different set of circumstances, commonly known as “assumptions,” that set the background for their individual situation. Therefore, when you are examining enterprise budgets to find one that suits your needs, you will likely have to change some of the values and factors given your own set of assumptions. To provide you with a selection of models to choose from, examples of four enterprise budgets for selected natural resource income enterprises follow. (Numbers in parentheses in the text refer to numbered lines in the corresponding budget.).

Cash Flow Budget

Projects the timing of cash inflows and outflows. It breaks down a business into monthly or yearly increments to assess when additional capital is required for expenses and when revenues can be expected. Lack of adequate cash flow is a major reason why businesses fail in the long-term.

Example of an Enterprise Budget:

Fee Fishing Enterprise Budget

- This budget was based a landowner with the following assumptions: a one-acre pond within 50 miles of a large population area with high water quality. No feeding of fish was required and it was on a property with a scenic location.
- The variable costs, or costs paid each year, are listed and include items like: the purchase of fish at a certain price per pound; advertising expenses; and cost to purchase snacks for resale.

FEE FISHING ANNUAL ENTERPRISE BUDGET				
ITEM	UNIT	QUANTITY	PRICE	TOTAL
VARIABLE COSTS				
CATFISH	POUND	800	1.00	\$800
TROUT	PER FISH	350	2.20	\$770
PORTABLE TOILET	PER MONTH	7	70.00	\$490
Electricity	per Month	7	10.00	\$70
WEBSITE AD	YEAR	1	150.00	\$150
ADVERTISING	MONTH	7	139.00	\$973
INSURANCE	YEAR	1	500.00	\$500
PERMIT	PERMIT	1	25.00	\$25
LABOR (10% COMMISSION WHEN WORKING)	COMMISSION	0.1	1000.00	\$100
BAIT	DOZEN	450	1.00	\$450
SODAS	EACH	500	0.25	\$125
HOTDOGS	EACH	250	0.50	\$125
CHIPS	EACH	250	0.25	\$63
MOWING	EACH	10	10.00	\$100
Flowers, herbicide, miscellaneous	YEAR	1	100.00	\$100
TOTAL VARIABLE COSTS LISTED ABOVE				\$4,840.50
FIXED/OVERHEAD COSTS				
BUILDING (10-YR LIFE)		2500	10%	\$250
LANDSCAPE IMPROV (5-YR LIFE)		400	20%	\$80
GRAVEL (5-YR LIFE)		250	20%	\$50
SIGN (5-YR LIFE)		150	20%	\$30
FISHING POLES (5-YR LIFE)		80	20%	\$16
Water testing equipment (5-year life)		150	20%	\$30
Used refrigerator (5-year life)		100	20%	\$20
TOTAL FIXED COSTS LISTED ABOVE				\$476
GROSS INCOME				
DAILY FISHING FEE	PER PERSON	1500	5.00	\$7,500
FISH KEPT CHARGE (10% of total fisherman)	PER FISH	150	5.00	750
BAIT SALES	DOZEN	450	2.00	900
POLE RENTAL	UNIT/DAY	100	2.50	250
SODA	EACH	500	0.50	250
HOT DOGS	EACH	250	1.00	250
CHIPS	EACH	250	0.50	125
TOTAL GROSS INCOME				\$10,025
TOTAL VARIABLE AND FIXED COSTS LISTED ABOVE				\$5,296.50
NET INCOME OVER VARIABLE COST LISTED ABOVE				\$5,184.50
NET INCOME OVER VARIABLE & FIXED COSTS LISTED ABOVE				\$4,728.50

- Fixed or overhead costs are also included.
- Gross income from fishing fees, fish kept charges, rentals of equipment and snack sales are provided based on an estimate of the number of people who will fish per year. These estimates would be determined from research and surveying completed by the team members.
- From this information, total costs and net income can be calculated to answer a number of questions. If profitability is not what is expected, it may require added research into marketing and other areas to see if you can realistically change your assumptions and estimates.
- This example demonstrates a net income or profit of \$4,728 found on line 4. Is this worth the effort? How will profitability change if the business grows? These are questions can now addressed after developing a sample enterprise budget and changing values to reflect different scenarios.

Developing the budget allows you to plan an enterprise that will actually make money or abandon or improve an idea that is unrealistic; before you put money into the venture. Regardless of the enterprise, work up an enterprise budget using the best information available along with your best judgment. Any computer spreadsheet program can be used to develop an enterprise budget.

The Big Decision: Start or Abandon the Enterprise

At this point you should have all the basic information you need to make a well-informed decision about whether or not this enterprise will make it out of the sieve. By now you may have abandoned many ideas. If you have gotten this far, however, your chances for success are pretty good.

Before you decide, it may be beneficial to do some test production or marketing of your product or service. If you are growing something, you may want to do some trials for a growing season. If you are marketing a service or unique product, you may want to do some test marketing in potential markets. Be aware that what a person says they will pay for a product or service is different than what they may pay in reality.

Some Final Thoughts

As you develop and implement your own ideas make sure you consider the following:

- Do the easy things that are long-range, take minimal effort, and can save property taxes, such as contacting a *state forester* to develop and implement a forest stewardship plan.
- Evaluate the full range of income opportunities before you make a decision.
- Start small. Never invest more than you can afford to lose. Look at the bottom line. Can you really make enough money from the enterprise, given the effort?
- Understand how your residency status and lifestyle affect the opportunities you consider.
- Markets and opportunities change, so always look for ways to improve or diversify.
- Always think like a consumer first; think like a producer second!

Sources of Information, Advice, and Counsel

The time required to chase information is valuable, but the need is constant. Knowing where to look and how to get information is a cost-saving practice.

- *Paid Consultants* – Accountants, Attorneys Bankers, Insurance Agents
- *Internal Free Consultants* – Suppliers, salespeople, customers and potential customers, trade associations Business Assistance From The Public Sector - Government agencies and government funded organizations
- *Chambers of Commerce*
- *Cooperative Extension Offices* - These offices specialize in education and are an outreach of the land-grant university system.
- *City and County Government* - Public officials are knowledgeable of many resources
- *Libraries*
- *Educational Institutions* - Many high schools, vocational schools and colleges offer classes
- *Regional State and Federal Sources*
 - Small Business Administration – SBA. To access toll free, call 1-800-UASK-SBA .
 - Small Business Development Centers – SBDC. There are over 900 SBDC's throughout the US.
 - Senior Corps of Retired Executives(SCORE). Contact SBA for Chapter near you.
 - Public Officials - Governor's offices, legislators and other elected officials.
- *Internet Websites*

The Internet provides a great resource. Below are a few websites to get you going.

SBA (Small Business Administration) <http://www.sbaonline.sba.gov>

SBA outside resources <http://www.sbaonline.sba.gov/hotlist>

U.S. Gov. websites

<http://www.utdallas.edu/utdgeneral/news/New%26Info/govRes.html>

State Cooperative Extension <http://www.reeusda.gov/1700/statepartners/usa.htm>

Rural Dev. Business Programs <http://www.rurdev.usda.gov/rbs/index.html>

U.S. Dept. of Commerce <http://www.doc.gov/>

National Assoc. State Development
Agencies <http://trade.wa.gov/nasdalist.htm>

USDA Forest Service State & Private

Forestry Programs <http://www.fs.fed.us/spf/coop/>

State Foresters <http://www.stateforesters.org>

National Agroforestry Center <http://www.unl.edu/nac/>

Special Forest Products <http://www.sfp.forprod.vt.edu/regions/eastern.htm>

ATTRA (Appropriate Technology
Transfer for Rural Areas) <http://www.attra.org>

References:

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- Josiah, S.J. 1999. North American Conference on Enterprise Development Through Agroforestry-Proceedings of the Conference. CINRAM-University of Minnesota, St. Paul, MN. \$25. 612-624-7418. Website: CINRAM@forestry.umn.edu.

- Kays, J.K., G.R. Goff, P.J. Smallidge, W.N. Grafton, and J.A. Parkhurst. 1998. Natural Resource Income Opportunities for Private Lands -Proceedings of the Conference. Maryland Cooperative Extension, University of Maryland, College Park, MD. (see below).
- Penn State Small and Part-time Farming Project Series. Series of 38 publication on a range of alternative agriculture enterprises, business management, marketing and other subject. Fact sheets include simple enterprise budgets and excellent resource information. Penn State College of Agricultural Sciences - Cooperative Extension, State College, PA.
- Schuck, N.G., W. Knoblauch, J.Green, and M. Saylor. 1988. Farming alternatives: a guide to evaluating the feasibility of new farm-based enterprises. Natural Resources Agricultural Engineering Service, Ithaca, NY. Available at Maryland Cooperative Extension website.

The Feasibility of Agricultural Alternatives (Updated June 1996)

Successes or failures in the farm business depend largely upon the soundness of managerial decisions.

What is an agricultural alternative?

1. An alternative is doing something different than what one is currently doing? It may be taking a traditional enterprise and adding a new twist such as butchering your own livestock and selling the meat or milling your own wheat and making baked goods.
2. Agricultural-farm or natural resource based.
 - a. Includes products and services, such as fee hunting, bed and breakfast or a lawn care business.
 - b. May be plants or animals, such as canola, amaranth, game birds or worms.
 - c. May be different production or marketing methods, such as organic farming, hydroponics, greenhouses or aquaculture.
 - d. An alternative for one person is not necessarily an alternative for another person. A lot of alternatives will not be profitable for a large number of producers. You need to look at your area and what sort of opportunities are available.
 - e. Need systematic approach to determine feasibility, what sort of lifestyle are you looking for. Do you want an enterprise that only requires a part-time commitment? Do you have money to invest? Why are you wanting to go into an alternative enterprise?

What are my alternatives:

1. Nontraditional crops, livestock and other farm products. Such as: mushrooms, herb, floriculture, exotic livestock, poultry and fish (see the general alternative packet).
2. Service, recreation, tourism, food processing, forest/woodlot or other enterprises based on natural resources on the farm. Such as: farm and ranch vacations, jelly/jam processing, Christmas trees or a wildlife refuge.
3. Unconventional production systems. Such as organic farming, aquaculture and raised bed gardening.
4. Direct marketing or other entrepreneurial strategies. Selling traditional or non-traditional agricultural products directly to consumers. Such as subscription farming, farmers market, and roadside stands.

Alternatives Require:

1. More intensive management required for many alternatives. Most alternatives require a larger time commitment because the producer is assuming more the the responsibility for production, processing and marketing. Are you willing to invest a large amount of time to make the alternative successful.
2. For any alternatives the producers needs management skills, physical resources and markets. There are very few alternatives with established markets. The producer must find or develop a marketing outlet.
3. Timeliness, quality, consistency are production traits but influence marketability of the product and therefore the price consumers are willing to pay the farmer.
4. Long-term business relationship promotes success. The producer needs to develop loyal customers by providing good products or services at a fair price.
5. Long-term commitment needed. Plan on a five year period or longer for your enterprise to make a profit. If you need a quick return on investment alternative agriculture may not be the best investment for your money.
6. Marketing and production aspects developed simultaneously. Since you will have to create your own market you will not want to start producing large quantities of product before you have lined up customers. It is much easier to expand your production to fill your orders than it is to sell a product you have over produced.

7. Diversity reduces risk. As the old saying goes don't put all of your eggs in one basket. One producer says that if you have lots of different enterprises one is bound to make a profit each year.

Decisions: There are two categories of decisions:

1. organizational evaluation of the total bundle of resources and allocation of them to different enterprises and phases of production in the most profitable way
2. operational-decisions on day-to-day tasks in operating the farm business

These decisions are influenced by two factors:

1. accuracy and appropriateness of data
2. procedures used in decision making

Decision making process

1. inventory resources (assets and liabilities)
2. establish goals
3. identify problems
4. analyze
5. decide
6. act
7. assume responsibility
8. control-attention to investments, costs, production efficiency
9. evaluate
10. adjust

Planning:

Long-range planning

1. budgets (manual or computer)
2. annual (one production cycle)
3. analysis of production and returns for one production period (a, b, and c are indicators of past performance)
 - a. balance sheet
 - b. P & L statement
 - c. cash flow analysis

Annual planning (1,2, and 3 are indicators of potential performance)

1. projected cash flow
2. projected balance sheet
3. projected P & L statement

Long-range planning procedures

Long run profitability of the total farm business depends greatly upon choosing an overall plan most appropriate for the farm family and the resources available.

Systematic planning procedures

- 1) inventory resources
- 2) establish goals
- 3) identify and itemize major problems current and alternatives
- 4) summarize cropping system
- 5) summarize livestock system

- 6) summarize and evaluate income and profitability
- 7) evaluate economic feasibility of plan from standpoint of cash flow
- 8) compare results of alternative plans and choose one for long-run development
- 9) prepare new farm layout map-fields, lanes, water management, etc.
- 10) plan farmstead arrangement for efficient operation
- 11) start development of new plan (special attention to priorities for major changes and investments)
- 12) adjust plans as needed from year to year

NOTE:

- Steps 1-3 background
- Steps 4-7 for each alternative analysis
- Step 8 decision making continuous
- Steps 9-10 act
- Steps 11-12 evaluate and adjust

The Planning process requires that you look at the goals and objectives for the new enterprise.

- Who wants to be involved?
- What commodities/enterprises interested in
- What are your goals - 1 year, 5 years
- Why want new enterprise

While planning you should identify your opportunities

1. Inventory resources
2. Show limitations and opportunities
3. Look for under-utilized resources
4. Physical resources
 - land-pH, fertility, soil type, map, photo, slope, water, water tests, machinery, buildings
5. Marketing resources
 - a. may create market or use existing market
 - b. processing facilities (meat/plants)
 - c. wholesale (brokers, distributors, warehouses, etc.)
 - d. direct markets (farmer's market, roadside stand, restaurants, supermarkets, etc.)
 - e. special events/attractions
6. Management and labor resources
 - a. decision makers
 - b. workers
 - c. skills
 - d. on farm (available) - labor pool (hired)
7. By-product resources
 - include records/calls
8. Financial resources
 - cash, savings, credit

Enterprise Ideas

check resources, talk to others, check for something in demand, visit markets-see what is selling (not just displayed) read-read-read, conferences/workshops, how do enterprises fit family resources?

Things to consider before starting an alternative enterprise:

Inputs to consider:

crops/plants

seed
fertilizer
lime
chemicals
machinery
repairs
misc.supplies
custom hire
fuel, oil
labor hours
storage
interest
depreciation & interest
taxes
land/interest & depreciation

livestock/animals

animal
feed
machinery
veterinarian
utilities
interest/operating costs
breeding charge
labor
repairs
misc. supplies
depreciation & interest
oil and lube
taxes
land/buildings

Resources

Land-labor-capital-management

Guideline for determining feasibility

There are 3 answers to whether or not an alternative is feasible for your operation-**YES-NO-MAYBE**
or

It all depends on- - - (many different factors)

These may seem frivolous, sarcastic, silly on surface BUT they are serious and one of these answers always comes out.

You should look at your current situation

Are you satisfied with where are and where you are going? If satisfied-no need for alternative enterprise
-may want to check again in future
-may want to go through GOALS at least

What are your goals - 1 year, 5 years, 10 years

-How much do you want to earn? What lifestyle do you want? What are your interests?
-Put your goals in writing
-Be as specific as possible
-Consider personal, family, and farm goals

Look at your inventory resources

1. Tangible and intangible
2. Land-soil, buildings, machinery, water
3. Labor-yours, family, available hired labor
4. Capital-cash, savings, credit
5. Management-include all skills
6. Note strong points and weak points

Major problems to consider: What is your debt load? Do you need extra labor? Can it be hired? Are there prohibitive laws or regulations?

In-depth Analysis

-Current situation

-Alternatives being considered (current and projected)

Enterprise budgets

Cash flow

Profit and loss

Balance sheet

-May want to use weekly periods

-Identify all inputs and costs

-Look for conflicts in time utilization

-When are inputs required-especially labor

Profitability:

What if price is less than expected?

What if demand is less than expected?

When are the first returns expected?

Business qualities checklist-personal qualities:

1. Drive (self starter; perseverance; risk taker; work on own)
2. Clarity of thought (organized; seeks help if needed; can do two things at same time)
3. Imagination (creative; do things differently)
4. Leadership (work with people; like people; enjoy supervising)
5. Experience (proficient; managed a business before; keep records; know financial statements)

Family needs and preferences:

1. Satisfaction with current situation
2. Willingness to take risks
3. Hopes and concerns for future
4. Enterprise preference
5. Deal with conflict (differences of opinion)
6. Keep communications open
7. Involve all family members
8. Set limit on time devoted to business

Production

1. Sources of production information
2. Budgets
3. Trade organizations and producers
4. Publications
 - climate requirements
 - water requirements
 - machinery requirements
 - other requirements
5. Production rate
6. Business size
7. Legal, regulatory, liability factors

soil requirements

building/facility requirements

management/labor requirements

8. Can the product or service be provided?
9. Is the quality and quantity adequate?
10. Total yield does not mean marketable yield.

Need both supply and demand
 Producer takes most of the risk

Profitability

Value-cost=profile
 Total receipts-total costs=net farm income

Income statement

Receipts - Expenses
 Net farm income=return to operator's labor and management time, unpaid labor and equity capital
 Sensitivity analysis-increase/decrease in yield, price, etc. change outcome

Underestimating demand had greater effect on profit than did **overestimating** demand being greater than expected

Price change can have a major effect
 Labor-hired is more critical than price change, etc.
 Vegetable prices highly volatile -- vary throughout state and can vary from grower to grower at same market
 Constraints (limiting factors in priority) -- demand and land
 Crop budgets not necessarily best indicator of profitability
 Variable labor requirements
 Long term endeavor-pay back start up costs
 Labor major concern-availability and quality
 Continuous supply need

Financial Feasibility

Cash Flow

cash receipts	cash expenses
sale of assets	capital purchase
increase debt	decrease of debt
non farm income	family living
cash from personal account	

Is financing available?

Loan proposal

description of business	marketing plan
production system/schedule	income statement
cash flow analysis	net worth statement
resume	

Marketing Will It Sell

Supply (opportunity to buy) = Demand (opportunity to sell)

1. Product or service-detail
2. Do market research -- primary-oneself and/or secondary-existing data
3. Describe target market -- demographics and lifestyles

4. Existing demand
5. Competition
6. Market trends
7. Expected price
8. Expected sales volume (marketable products)

Marketing - opportunity to sell (demand) vs. opportunity to buy (supply)

1. Is a market available or does one have to be created?
2. Market research needed -- some information available, do your own research-especially for many "alternative" ventures
3. Where are markets?
4. What are current prices?
5. Are prices volatile?
6. What are price trends?
7. Is there competition?
8. What does the customer want?

"Marketable yield is key to profits"
 high yield, low quality - low returns
 low yield, high quality - high returns

How will increased supply affect market prices?

Constraints on profits: increase input costs, rising wage rates, management, falling prices
 Which regions have economic advantage for: location relative to market, weather/climate, soils
 What labor rates ensure productivity?

Management:

"Management is the key to successful vegetable production. There are many risks associated with vegetable production. The quality of vegetables influenced by many factors." Weather (hail, wind, frost, freeze, drought, heat, water) fertilizer and weather interaction, soil, harvest handling, post harvest conditions, weeds, insects, disease.

1. Independent and interactive effect of factors influence outcome
2. Operator has some control over some factors and not others
3. Management starts with planning, goes through production, harvesting, marketing, end with analysis of performance-then start over

An alternative enterprise can succeed or fail based on managerial decisions.

- want information to be accurate and appropriate
- use good procedures in analysis
- information on many ventures limited or difficult to obtain-information may be abundant and easily obtained-How many others are attracted?
- can you be more efficient in production? marketing?

Good management is the key

- pulling together all the various aspects
- know when to "go for it" and when to "bailout" and when to "adjust"
- starts with planning-goes through production, marketing-then evaluation-start over (usually production cycle)

An agricultural enterprise is feasible if all the pieces fit together-success YES

Not feasible if some of the pieces are missing-failure NO May start out and overcome obstacles-success-maybe then YES May start out and have unexpected obstacle-failure YES then NO feasible-not feasible-maybe

Decision Time

1. Is alternative right for you? Whole farm-does the enterprises conflict or compliment the current situation.
2. Do you have doubts or reservations?
3. Act-make new plan including new enterprise -- assume responsibility, keep control (costs, efficiency, etc.), evaluate, adjust
4. You are in a NEW PRESENT SITUATION

Investigating the economics of supplementing income on beef and grain farm in southeastern Oklahoma by adding vegetable enterprises:

1. Determine enterprise mix to maximize profits with emphasis on cash flow and risks associated with alternative crops
2. Sensitivity of enterprise combinations to changes in product prices and labor charges
3. Representative farm-resources
4. Climate
5. Enterprise budgets-planning
6. Current inputs
7. Needed inputs for vegetables
8. Unused operator labor-indicates an alternative enterprise can be added
9. When cost of input increases, less of that input is used-could change which alternatives are selected-watch labor-farmers generally risk averse
10. Adding high value enterprise can substantially increase net income
11. More operating capital borrowed but less interest cost because of short cycle-opposite true if longer production cycle
12. Using low risk venture can reduce returns (may cause increase in interest costs and increased labor costs)
13. Decrease in prices reduces returns with same farm plan

The information presented above was compiled from the following sources:

Missouri Farm Planning Handbook, by Chuck DeCourley, University of Missouri-Columbia, College of Agriculture-Extension Division, Manual 75, Columbia, Missouri. Revised Sept. 1983.

Schuch, Nancy G., Wayne Knoblauch, Judy Green and Mary Saylor. **Farming Alternatives: A Guide to Evaluating the Feasibility of New Farm-Based Enterprises**. NRAES-32. Northeast Regional Agricultural Engineering Service, Ithaca, New York. October 1988.

Schatzer, Raymond J., Michael Wickwire and Daniel S. Tilley. **Supplemental Vegetable Enterprises for a Cow-Calf and Grain Farmer in Southeastern Oklahoma**. Agricultural Experiment Station Research Report P-874. Oklahoma State University, Stillwater, Oklahoma. April 1986.

Things to consider in a feasibility study

- I. Demand Analysis for product or products under consideration
 - A. Identify market(s) for specific products (or services)
 1. Location of markets
 2. Size of markets
 3. Quality and Type of product demanded
 - B. Substitute products

1. Size of market for substitutes
2. Price of substitutes
3. Is the substitute a new or older product?
 - a. Natural product
 - b. Synthetic product
4. Trend in market for substitute products/services
- C. Competition--those firms producing similar products
 1. Location of competitors
 2. Size of competitors
 3. Production costs of competitors
 4. Old firms or new firms
- D. Type of competition in market
 1. Price competition
 2. Non-price competition
 3. Perfect competition, monopoly, can you enter market?
- E. Trend in demand for product
 1. Quantity of product marketing
 2. Seasonality
- F. Price trend for product
 1. Level of price
 2. Variation in price--seasonal and annual
 3. Projected prices and trends
- G. Services that accompany product
- H. Complementary Products
- I. Characteristics of buyers
 1. Location
 2. Type
 3. Size and number
 4. Time of purchases
 5. Method of procurement
 6. Type of suppliers
 7. Level of service requirements
- J. Type of marketing system
 1. Brokers
 2. Sales force
 3. Contract sales
 4. Own label
 5. Private label
 6. Independent distribution system
- K. Conditions of market entry
- L. Logistics system requirements
 1. Storage for manufactured products
 2. Transportation
 3. Level of Service
 4. Locational advantages and disadvantages
- M. Product characteristics
 1. Bulky
 2. Perishable
- N. Economics of scale in marketing program product(s)

- II. Physical and Production Requirements for Products
 - A. Site for facilities
 - B. Water
 - C. Sewage system
 - D. Electricity, natural gas, other sources of energy
 - E. Transportation--highway, rail, water, air
 - F. Present facilities
 - 1. Plant
 - 2. Warehousing and storage

- III. Raw Product
 - A. Source
 - 1. Quantity
 - 2. Quality
 - 3. Seasonality
 - 4. Cost compared with sources of competitors
 - a. Product
 - b. Transportation
 - c. Price trends and variability
 - 5. Dependability
 - 6. Alternative sources
 - 7. Locational advantages of raw material supply
 - 8. Procurement method of obtaining raw materials

- IV. Local Business Climate
 - A. Tax structure
 - 1. Property
 - 2. Income
 - 3. Other
 - B. Zoning
 - C. Investment incentives
 - D. Leasing arrangements

- V. Management Requirements
 - A. The amount of local management available, and its cost
 - B. The amount of management that must be imported, and its cost

- VI. Labor
 - A. Local (number, trained, untrained, cost)
 - B. Imported (number, cost)
 - C. Housing
 - D. Labor Union
 - E. General wage levels and incentives and fringes
 - F. Special characteristics of labor pool

- VII. Financial Requirements
 - A. Capital Investment
 - 1. Buildings
 - 2. Machines

- 3. Payroll
- 4. Sales promotion
- 5. Inventory
- 6. Operating costs
- 7. Taxes and insurance
- B. Sources of capital
- C. Pro-forma statements
 - 1. Operating schedules
 - 2. Operating expenses
 - 3. Operating statements
 - 4. Balance sheets
 - 5. Cash flows
- D. Type of business organization

VIII. Feasibility

- A. Project feasible
 - 1. Profitable levels of production
 - 2. Operation or project is competitive -- Short run and Long run
 - 3. Degree of profitability
 - a. Return on investment
 - b. Net return as a percent of sales
- B. Not feasible
 - 1. Reasons
 - 2. Degree of unprofitability
 - 3. Things that could make the project feasible
 - a. Infrastructure
 - b. Investment incentives
 - c. Tax structure changes
 - d. Special innovations
 - e. Other

IX. Sensitivity Testing--Degree that profit is vulnerable to change

- A. Labor costs
- B. Raw product costs
- C. Transportation costs and modes
- D. Change in rate of production
- E. Investment requirements
- F. Special concessions
- G. Other

X. Risk

- A. High
- B. Low

XI. Reports

XII. Final Note: Each study must be planned, NO TWO ARE ALIKE!

Prepared by: Forrest Steglin, Extension Agribusiness Economist, University of Kentucky

Percent of field staff considering various obstacles either "usually" or "often" a problem

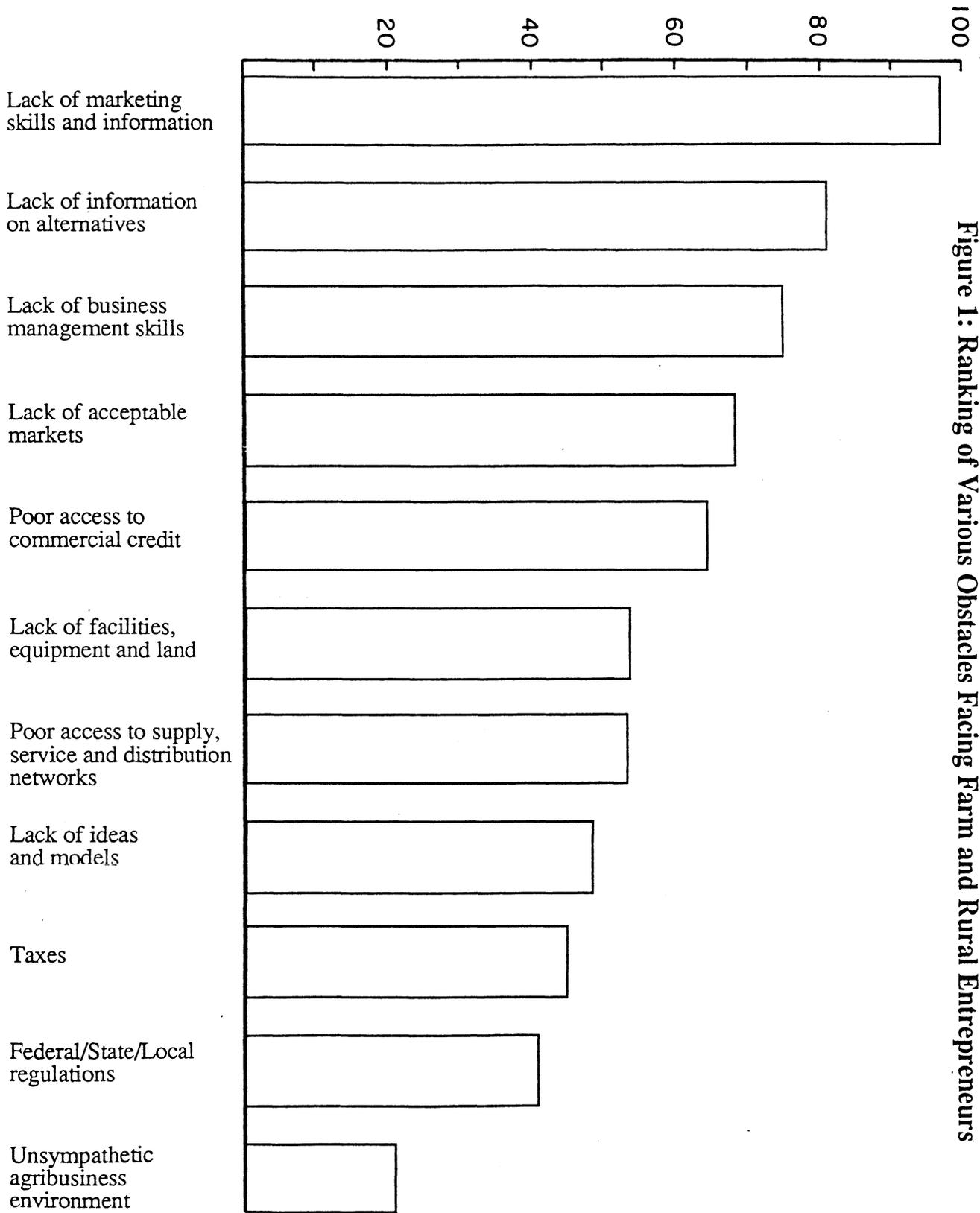


Figure 1: Ranking of Various Obstacles Facing Farm and Rural Entrepreneurs



Fact Sheet

FREDERICK COUNTY OFFICE • 330 MONTEVUE LANE • FREDERICK, MD 21702-8200
(301) 694-1594 • FAX (301) 694-1588

OPERATING A PROFITABLE SMALL FARM

FACT SHEET 6

Selecting an Enterprise

Terry E. Poole
Extension Agent, Agricultural Science
Frederick County, MD

I. Interest vs. Work

Presumably, when you purchased the farm, you had some ideas, or interests for the farm. It is important that you pursue an enterprise that interests you. If not, the hard work, in sometimes unfavorable conditions, is going to get very old.

II. Scale and Capital

Despite what you may have heard, bigger is not always better. Large scale production is not necessary in order to ensure profitability. If anything, over expansion is one of the fastest ways to the "poor house". Efficient, well planned operations that work within the finances and labor restraints of the operator are going to be profitable whatever the farm size. Select an enterprise that meets the limits of size and financial commitment you set in your long range plan. Start out small, learn as you go, and try not to place such a debt load on your enterprise that you lose the fun of farming.

III. The Do's and Don'ts

Do produce labor intensive products. The easy stuff is already being done. Look for high value production on small acreage.

Do diversify. There are advantages, but do your homework.

Do experiment. This is how you learn new things. Be daring and flexible.

Do locate, or develop new market niches. Remember the old saying about the early bird getting the worm.

Don't market to middlemen. Select an enterprise that allows you to market directly to the consumer. This allows you to keep more of the profits.

Don't hire outside labor if it can be avoided. Hiring outside labor increases costs and is very unreliable. If you do need outside labor, pay them a decent wage and plan on keeping them.

Don't get too far in debt. No one gets into small scale farming to get rich, so remember why you wanted to farm. Keep the pressure of a large debt load down. Be realistic and well planned with respect to your farm finances.

IV. Avoid Over-working

Remember why you got into farming. If you select an enterprise that takes up too much of your time and energy, pretty soon necessary work and quality of work will slide. This will spell doom to your enterprise and cost you money. Factor in some days off and rest periods. This is supposed to be fun, and as long as it stays that, your operation will prosper.

V. Diversification

Diversification is your hedge against drastic changes in the market and the environment. It is basically spreading out your risk. Diversification can be as simple as planting more than one variety of the same crop, or producing multiple types of crops. Many farms today are operating multiple farm enterprises. This can be done successfully depending on the resources of the farm and operator.

VI. Fitting Enterprises Together

It is especially important on a small farm that enterprises support each other. Where efficiency is key, you cannot afford to waste any efforts or resources. Livestock and crop operations are an example where manure from the livestock can be used for compost, or fertilizer for the crops and crop residues or excess can be used for the livestock. In cropping operations, diverse crop enterprises help to support the need for crop rotation and soil fertility between different crop plantings.

Reference: *Successful Small-Scale Farming: An Organic Approach* by Karl Schwenke

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Fact Sheet

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OPERATING A PROFITABLE SMALL FARM

FACT SHEET 12

Developing a Plan

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I. Planning Ahead, Doing Homework

Farmers have a long history of not being especially good at planning ahead. Planning ahead can help to make the best use of limited resources. Small farms are, by nature, limited resource operations. Time, labor, scale, and often capital are limiting factors in the operation. Planning ahead will help to avoid mistakes and wasting these resources. Small farm producers, who take the time to develop and follow business and marketing plans, have taken a giant step towards being a profitable agricultural business.

II. Developing a Business Plan

A business plan does not have to be anything complicated. It does need you to outline why you are in business, what are your objectives, and how you are going to get there. A basic business plan will include the following:

A mission statement is a brief statement about the purpose of your farm business. Try to put together in one or two sentences why you are in the farming business.

A statement of goals, objectives, and strategies is a snapshot of farm business operation. It is in this statement that you outline what it is you want to do and how you intend to accomplish it.

A production plan details the production process on your farm. This plan should be fairly detailed and include production goals, input quantities (i.e. seed, fertilizer, feed, straw, pesticides, livestock, medication, etc.), labor, equipment, facilities, costs, and potential problems and solutions.

A *financial plan* is a useful way to estimate how much money you will need to achieve the goals you have set out for your farming operation. A financial plan should include projected balance sheets, projected income statements, and projected cash flow statements.

Staffing and organizational plans detail the personnel and organizational structure of your farm business. It is important to know who does what in the business. Also, if hired labor is needed, it is important to know where laborers can be found and what your responsibilities will be to them as an employer.

Management and contingency plans are vital to the overall success of the farm business. Management plans involve the planning, organizing, directing, coordinating, and operational control of the business. Contingency plans help the business to be a little more flexible as events occur outside of your best laid plans. Well prepared contingency plans can often mean the difference between profit and loss, especially in farming.

III. Selecting an Enterprise

Be sure that the enterprise you select fits within the goals you have outlined in your business plan. Make sure that you have done all of your research on what it is going to cost in resources (physical, financial, lifestyle, privacy, labor, time, etc.) to produce this enterprise. Check to see if the farm resources (land, water, buildings, machinery, equipment) can accommodate the proposed enterprise. Do you have the management skills and expertise to produce the enterprise? Will the local community support your enterprise? Can you market what you produce? Studying the competition, evaluating market outlets, and taking a hard look at the profitability of your intended enterprise will help you to make your decision.

IV. Developing a Marketing Plan

A marketing plan should address several different areas concerning the marketing process from market research to evaluating your plan of action. You need to write up a plan in as much detail as possible and follow it. Keep track of any modifications you make to the plan. A marketing plan should contain elements of the following:

Results of market research. This is a synopsis of your research into the marketing of your product(s). This includes observations of competitors, interviews with buyers and suppliers, notes from what you have read, market trends, and identification of who will buy your product.

Marketing objectives. These are goals that you set within your plan that help you mark your way to the completion of your plan. Objectives need to be measurable, attainable, and specific. There should be completion dates. Setting an objective of increasing the sales of white peaches by 35% over last year is measurable and attainable based on your market research, or you may want to set an objective to increase the total number of customers by 25% over last year. The use of objectives is often difficult for some to understand and to follow. It is important to understand that objectives are how you are going to complete your marketing plan. While objectives should be reachable, they also need to make you work to meet them. You should evaluate your success at achieving your objectives annually. It is a waste of time to set objectives if you do not use them.

Develop strategies to reach your objectives. This is the process of how you will get your product from your farm to the customer. Marketing experts say that there are “four P’s to developing a successful marketing strategy”: they are product, price, place, and promotion. In a competitive market place, your *product* needs to stand out; why should a customer buy your product over someone else’s? Develop some unique ideas to attract customers (recipes, packaging, nutritional value, organic, IPM). *Price* is always a difficult thing to establish. The bottom line is that you need to cover your costs and hopefully make a profit. The dilemma is that if the price is set too high the product may not be sold, and if the price is too low, it will cut into your profits. Your challenge is to find the right price. Whatever price you choose to set, you need to package or present your product to the customer so that they believe that they are receiving a fair value for their money. The *place* where you market your product has a lot to do with how you market your product. You have the option to sell to wholesalers, retail stores, roadside markets, etc. The approach to marketing popcorn to stores specializing in gourmet foods would be different than trying to sell a truckload of sweet corn at a roadside stand. Pattern your marketing plan to fit the market place you are targeting. The effective *promotion* of your product can often mean the difference between success and failure with marketing. You must decide how you are going to get the word out to your customers about your product. Some advertising can be very expensive. The challenge will be how to get the best bang for your advertising buck.

Develop a realistic budget. This is where you need to estimate accurately what your marketing strategies are going to cost. Profitability is often made or lost here where potential costs are weighed and decisions are made as to whether or not the business can afford to spend the money to move into this market or advertise in the local newspaper. The advantage of doing the planning here, is that there is time to explore other less expensive options and compare the pros and cons. You do not want to be cheap here either. Marketing your product is every bit as important as producing it. The farm scene every year is full of stories by farmers who grew more produce than they could sell, or the farmer had to take a low price for his crop because the crop needed to come off of the field. Keeping good financial records is as critical in the farming business as it is in any other business.

Develop an action plan. This is how you are going to carry out your marketing strategies. It is one of the most important parts of your overall marketing plan. The action plan should be set to a timeline for completing the various components of the plan. It is best to breakdown larger components of your plan into smaller ones. Be sure to prioritize strategies and finish what you start.

Measure, measure, measure. This is how you monitor (measure) the progress of your marketing plan. Sure the end result can be measured by whether or not you sold your product. However there are so many factors that have an impact on the ultimate sale of your product, that it is impossible to look back on what you did right or wrong at the end of the season without keeping track of it all. Setting weekly or monthly goals gives a snapshot of the season at the time. Problems can be avoided and a season saved. This also helps you to establish a track record to build on next year.

Reference: *Sell What You Sow: A Guide to Successful Produce Marketing* by Eric Gibson

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OPERATING A PROFITABLE SMALL FARM

FACT SHEET 16

Business Items

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I. Pricing

Determining what to charge for your product is one of the most difficult and confusing things you will do in your farm business. The price you receive has to cover the cost of producing and marketing the product and return a reasonable profit to you. There are a number of pricing formulae and strategies available if you want to do some research into this subject.

There are several market considerations that you need to look at when you set the prices for your products. *Competition* is certainly at the top of the list. While, what the competition charges for the same or similar product should not rule what you charge, unless you can convince customers otherwise, you will have to be competitively priced. *Quality* of product is an important factor in pricing. If you are going to command a premium price for your product, it should have the quality to back up the price. *Specialty products*, or unusual products where there are limited competitors, or the quantity may be limited, can command prices at what the market can bear. Customers will associate price with quality. If your prices are so low that the *perception* of your farm business is one of producing inferior products, your business could suffer. Sales and specials do serve to get customers to shop at your business but do little to promote product quality. The *location* of your business has much to do with how you price. If you are convenient to most of your customers, you can charge more. On the other hand, if you are out in the back country, customers will need to be rewarded for coming to you. The *time of the year* for some products is a real factor in pricing. This has to do with the supply and demand factor. For example the producers who are able to get the first sweet corn to the market are going to command premium prices. These prices will be significantly higher than the prices received later in the season when everybody has it. *Customer acceptance* of your prices is the ultimate test for your pricing scheme.

If they complain about your prices or simply do not buy your products, you had better reevaluate your pricing system. Remember that it is from the sale of your product that you will receive the cash flow to cover your farm business expenses and a profit for your labors. Know what it costs to produce and market your product, so that you *know the product's break-even price*. This makes price determination much easier. If your cost of production exceeds what you can reasonably ask in price for that product, quit producing it unless you feel that you have to have it and can recover the income loss through other products. You are in business to make money.

II. Rules and Regulations

It is unfortunate that operating a farm business is not always as simple as producing a commodity and selling at the market. There are several assorted items associated with operating a business that you need to be aware of depending on the production and marketing system you use.

Zoning and local covenants that may affect your farm business should be checked out with the county planning and zoning department, as well as what may be required in *permits or licenses*. There are laws governing weights and measures that you will need to learn as well as having your scales inspected for accuracy by the State Department of Agriculture. The Department of Agriculture can also provide you with information concerning the *labeling laws* that may affect your products. Direct marketers need to be aware of *limitations on putting up signs* to advertise and direct customers to their market. If you hire outside help, you will need to know about any *labor laws* that affect you. If you sell prepared foods, valued added products, such as jellies, or meats, etc. you need to investigate the County and State *Health Department regulations* on these products.

Direct marketers are also going to be expected to *collect sales tax*. The State will be happy to set you up to do this for them. Your insurance company will also want to talk to you about *liability insurance* coverage for your business. If you intend to grow and market organic produce, you will have to obtain certification through the State if you want to market your produce as "*Certified Organic*". In the near future, the State will have a Certified Organic program for livestock.

Reference: *Sell What You Sow: A Guide to Successful Produce Marketing* by Eric Gibson

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OPERATING A PROFITABLE SMALL FARM

FACT SHEET 20

High-Value Enterprises

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Introduction

Small farms, by their nature, are limited resource farms. This means that there are one or more critical farm-related components absent on the farm that will ultimately restrict, or limit, what the farm operator can do with the farm. Frequently, land is the major limiting factor on small farms.

The size of a farm has a lot to do with the selection and variability of enterprises that can be successfully operated on the farm. Crop and livestock enterprises with high overhead costs and low unit returns are not typically going to be profitable on a small farm where land acres are limited. Some low overhead livestock enterprises, such as beef cow/calf operations, while they can be profitable on a small scale, but alone, they may not generate enough income to sustain a small farm due to the high cost of land in this region.

In this region, small farm operators are restricted not only by size, but also by the additional burden of high-priced land. The cost of farmland contributes directly to the fixed costs of a farm operation through the interest the landowner pays on the farm loan. High fixed costs are a reality of doing business in this area, so the farm operator has to factor these costs into whatever enterprise is developed on the farm. If the farm is to be profitable, the enterprise has to generate more than the total of the fixed costs and variable costs.

Given the limitations of size and cost with respect to land on small farms, the selection of a high-value enterprise should be considered. High-value enterprises have the potential for higher income than the typical farm enterprise in the region. These enterprises, while having a potential for high returns, often require more labor, some risk, and a lot of experimentation.

The best opportunity for making money with some high-value crops, especially with the specialty and niche market crops, is to be among the first to market the crop. It is during this period that you can set your price for the crop. Once everyone else has jumped into the market, the market will control what you receive. The following are possible high-value enterprises to consider for this region.

Artificially Dried Hay

This region has a strong market for hay, since it has the highest population of livestock and horses in the state. While there is usually plenty of hay available at any given time of the year, there is usually a shortage of high-quality hay. Often there is a premium price paid for the very best hay. Unreliable weather conditions are often responsible for this lack of consistent quality. Developing a solar or gas fired system to dry hay would provide a sound way of minimizing the risks associated with making quality hay. The premium price benefits received from marketing a green, leafy hay product will more than offset added production costs. High-value hays such as alfalfa and timothy would be good choices for this system.

Organic Feed Grains and Hay

The rapidly growing organic foods market is beginning to see more producer interest in organic livestock operations. These prospective organic operations include dairy farms, goats, sheep and beef production. There is also interest in feeding organic feeds to horses by owners who are concerned about the quality and safety of current feed supplies. At present, there are few organic feed grains and forages available in this region. The lack of a consistent and reliable source of feed has kept many local producers away from the organic livestock market. Developing an organic feed enterprise will require some investment in capital and time because the farm has to be certified through the state's organic certification program. The premium for organic feeds is typically an additional 30 percent.

Organic and Small Animal Livestock

The ongoing debate about the safety of the U.S. meat supply has helped to establish a market for organically grown meat animals. Premiums can be obtained on organically grown beef, sheep, poultry, rabbits, and other animals. The USDA is developing organic standards for certifying organic meat. The preliminary list of acceptable feedstuffs and supplements looks like this is a workable enterprise, however, obtaining consistent, reliable feed supplies will be a limiting factor in the beginning.

The market potential for small animals appears very strong. Demand is currently high for free range poultry products, including eggs and meat. Free range chickens are produced on pastures, not in poultry houses. Other small animals with strong markets include meat goats and rabbits. Growing ethnic populations of the Baltimore/Washington area have increased demands for meat goats. Currently, very few meat goats are produced outside Texas. Meat rabbits are another good choice for small animal production. A market for these animals has already been developed in Western Maryland, where a rabbit processing facility packages several hundred rabbits each week.

Organic Fruits and Vegetables

There will always be a strong market for locally grown fruits and vegetables, and if they are organically grown, the "organic premium" price can be added to the product. The key is to either

have a product that is not widely grown in the area, or to develop a marketing ploy to convince customers to choose your product over someone else's. While the market for fruit is strong in this region, competition for the consumer's fresh fruit dollars continually grows each year.

Heirloom and Unusual Vegetables

There currently exists a strong market for vegetable varieties from the past. The taste for nostalgia promises to remain strong for now. In addition to the heirlooms, there is potential for niche marketing unusual vegetables. Uncommon vegetables like blue potatoes, white eggplants, and other odd-colored produce can be very profitable while they are in limited supply. Niche crops are most profitable in the beginning before everyone else starts growing them.

Wine Grapes

Wine grapes already have an existing market in this area due to the presence of several wineries and a chronic shortage of grape juice. Every year these wineries have to go outside of the area to purchase grapes to support their rapidly growing businesses. For this crop to pay dividends research the grape varieties preferred by the wineries and gather the patience to wait four years for a mature crop.

Oriental Vegetables

Oriental vegetables have excellent high-value crop potential. The market base exists in the growing ethnic populations of the Baltimore/Washington area. There is also good evidence that these healthful and tasty vegetables can be marketed successfully to non-ethnic consumers. There are a wide variety of oriental fruits and vegetables. Little is known about how they will grow in this region, so some experimentation is needed. Also, each distinct group within the Asian community has its own fruit and vegetable preferences, so some research needs to be done to determine which produce your customers will be likely to purchase. For descriptions of various oriental vegetables, read Fact Sheet 19 in this series, "Specialty Crops: Oriental Vegetables."

Herbs

The production of culinary and medicinal herbs has excellent potential in this area. In addition to the potential for direct marketing fresh and dried herbs locally, there are several companies around the country where you can wholesale your medicinal herbs.

Cut and Dried Flowers

Locally produced flowers for the cut and dried flower market is very strong. There are several florists, direct markets and country stores around the area who would be interested in this product. Some homework should be done before jumping into large scale production. Begin by talking with potential customers and find out what flowers they want and when they want them. Select the ones that can be grown in this area. Start small there is no substitute for experience. Experimentation is always recommended on the small farm, but keep it small.

Ornamental Trees and Shrubs

The rapidly growing urbanization of this region has created a huge market for ornamental trees and shrubs. These true high-value crops require high investments in capital and time, however, they can be very profitable. This region has a long list of landscape companies and nurseries that annually need new stocks of quality plants.

Greenhouse

The production of bedding plants and off-season vegetables has always had a good market, but the high startup and variable costs will scare some away from this enterprise. Greenhouses are expensive to build, and if the greenhouse is heated, costs can be significant. However the monetary rewards involved with greenhouse crops can also be significant. Greenhouses provide the ultimate in risk management, since the producer controls the environment.

Tobacco

Tobacco production is still big business in this state. Maryland does not have tobacco allotments, so anyone can grow it. Markets for this product are already established. Tobacco can be successfully grown here, since it was once abundantly grown in this region. Plans for small field drying racks are available. These racks can be used in place of a costly barn to cure the tobacco leaves. Tobacco can be a very profitable crop.

Value Added Products

Producers have some options available to them where commonly produced crops can be turned into high-value crops, through a process known as value added. Value added can be as simple as packaging a few ears of field corn and labeling it as squirrel food, or labeling some of your higher quality produce as gourmet and significantly increasing the price on these items. Processing produce into jellies, canned fruits and vegetables, breads, or any number of other potential products are some other options. There are some regulations involved with processed products, so check with the Health Department before you get too involved.

Conclusion

Be sure to do your homework before making a commitment to any of these high-value crops. Research the potential for a market a good producer has the commodity sold before it is planted. Also, find out what, how to, and how much to produce. Remember that high-value crops have the potential for high risk and/or loss. Be sure to develop business and marketing plans. Consider developing an irrigation system for the farm, because small farms are especially vulnerable to significant crop losses from drought. An effective irrigation system will significantly help with risk management on the farm. Diversity will also help to spread out risk. Many of the enterprises discussed in this publication can be produced as part of a farming operation that includes other enterprises.

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University of California
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Fact Sheets for Managing Agri- and Nature-Tourism Operations

Creating A Business Plan

Your purpose in creating a business plan may be to obtain financing, to create a guide for managing your business, to clarify your business operation, to focus employees on core business objectives and goals, or some combination of these or other factors. Creating a business plan is the process of making a road map for your enterprise - it is an essential part of any business if it is to succeed.

The business plan serves many purposes and is essential to starting a new venture as part of your farm, ranch, or processing operation. A business plan consists of several parts.

- **Create a Mission Statement** reflecting the core purpose of your business, stating the basic values and goals in a short, focused sentence of no more than 20 words. Ask yourself: What is the purpose of the proposed project? What benefit will it provide? Who are the customers?
- **Create A Marketing Slogan,** consisting of a short, clever, even humorous translation of your mission statement that conveys a single, simple thought about your business to your customer.
- **Set Measurable Goals & Objectives.** Goals are three to five years out; objectives are things you want to accomplish in the next year. Some areas for consideration may include sales volume, profits, customer satisfaction, owner compensation, number of employees, employee development, etc. To set goals and objectives, ask yourself the basic what? why? how? when? and who? questions. Then set timetables to match goals and objectives. Who will be responsible for what activities? Who are the key employees and what are their titles? How long do you plan to operate this venture? How many hours are you willing to commit to this venture? Where do you see the business in three to five years? How are you going to promote customer satisfaction?
- **Gather Information** from reputable sources to document your business plan. Some resources are listed later in this series of publication. You'll want to know about potential visitor days and expenditures, preferences, and interests, competition and complementary services in your area, etc. These types of surveys are available from various associations.
- **Describe Your Farm or Ranch Recreation Enterprise:** When was it started, or



projected to start? Why was it started? Who started it? How does the recreation enterprise fit in with your overall farm or ranch operation? How are you set up as a business (sole proprietorship, general partnership, limited partnership, regular corporation, chapter S corporation)?

- **Describe Your Product or Service:** Write down what you are selling to the public. Why should people buy your service? What does it do? What makes it unique? What will it cost to provide this service or product? How much will you charge? How does it compare to other similar recreation enterprises? Are there complementary services in the area?
- **Define Your Customers:** Who are you targeting for your recreational enterprise? You'll want to define gender, age, income, occupation, location, family status, children, education, and interests. For example, if you are developing a fee hunting enterprise, you'll probably look at males in the 25 to 50 age range. Survey information on this type of profile may be available from sources listed later in this series of publications.
- **Compete or Complement:** Since farm and ranch recreation is relatively new as an emerging industry, state agencies are encouraging enterprises to work together to attract visitors, share resources, and market services. However, you should first carefully develop and evaluate your business and product, considering your resources and activities.
- **Develop a Marketing Strategy:** Your marketing and advertising method may be as simple as word of mouth and repeat customers, or it may involve an ad campaign with printed materials, radio spots, newspaper or other media advertising, mass mailings, and the like. Marketing and advertising will be covered more fully in the next section, but you should include your marketing strategy in your business plan.
- **Management:** Include a resume of each owner and key employee. Identify outside consultants and advisors, including accountant, lawyer, banker, insurance broker and other consultants.
- **Employees:** Because a recreation enterprise may create a new Standard Industrial Code (SIC) for the activities associated with that portion of your business, resulting in different workers compensation rates and reporting requirements, you should treat your personnel issues separately for this enterprise from your farm or ranch business. Written job descriptions that clearly define duties and a personnel manual may be helpful in this setting. You should identify how many employees you need to run the recreation enterprise, their titles, job duties and skills. If you need additional employees, where and how will you attract them? What process will you use to screen and hire employees (job skill testing, job interviews, etc.). What training needs will you face? Who will conduct employee training (in-house, paid consultant, community college, other recreational businesses)? What will be the cost of the training? How will you set salaries and wages? What benefits will you provide?
- **Insurance:** Identify the types of insurance you have for your business. See the section on Liability and Insurance for more details on this topic.

- **Fixed Assets:** You will need to identify your current fixed assets (those with a useful life or more than one year) and those which you need to purchase. These might include land, buildings and improvements, machinery, other equipment, livestock, office furniture, computers, etc. Determine the cost and estimated acquisition date. Estimate the useful life of each fixed asset. Complete a monthly depreciation schedule.
- **Start-up Expenses:** Any new enterprise will have start-up costs. These costs are those associated with what it takes to open your door for business. Most of these costs will be one-time expenditures, while a few will occur every year. Examples include legal fees, accounting fees, licenses and permits, remodeling work, advertising, promotions, hiring costs, etc.
- **Sales Forecast:** Forecasting sales is critical to your enterprise from both a management and sales point of view. You can't plan financially if you don't have an estimate of sales. You should review your data on products, customers, competitors, and budgets to develop the trends and projections. Be realistic in making these forecasts. Estimate the total market size in \$ sales per year based on your research, and create a market share analysis with worst case, mostly likely case, and best case scenarios.
- **Financing the Enterprise:** Create a financial plan, including all sources of existing debt and additional financing needs. Detail principal and interest payments for each month. Research sources of needed capital; the Business plan will be a key selling point for the venture. Verify your numbers, justify the need, and be enthusiastic but realistic about the venture.
- **Operating Expenses and Cash Flow:** Develop a monthly chart of operating expenses. Combine this with your start-up costs, sales forecast, and debt servicing to create a cash flow budget. Cash flow projections are among the most critical projections you will make. Lenders will examine this document carefully.
- **Other Financial Documents:** From the documents you have developed already (sales forecast, expense sheet and cash flow) you will be able to calculate a projected income statement, a break-even analysis, a balance sheet and other necessary financial documents. These documents are similar to what you use for your agricultural business and will not be detailed here.

This Fact Sheet was adapted by Desmond Jolly, Cooperative Extension agricultural economist and director, UC Small Farm Program, from the Agri-tourism Workgroup and Resources, Oregon Department of Agriculture.

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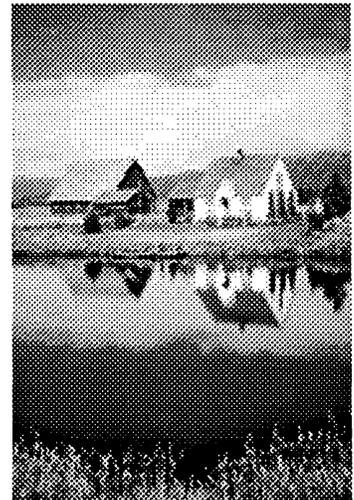
Assessing Your Assets

Start With What You Have

Begin with assessing the potential attractions that already exist on your property, rather than spending money on creating something new. Below is an inventory checklist to help you identify and list your current assets; you will refer to this list as you evaluate different options and ideas throughout this workbook.

Physical Resources

- **Land Resources:** list what you have (deeded, leased private property, state & federal allotments, rangeland, woodland, hay meadows, cropland, riparian/wetlands, acreage, location proximity, elevation, topography, location of feed-grounds, etc.)
- **Climate:** consider how weather patterns, temperature, etc. will affect what types of activities you might provide:
 - Temperature (monthly variations; length of growing season)
 - Precipitation (monthly distribution)
 - Snow (ground cover periods and accumulation depth)
- **Developments and Improvements** (buildings, fences, corrals and working facilities, equipment, road and trails, etc.)
- **Other attractions:** list those things that might enhance your operation to a visitor, such as wildlife, streams, ponds, fishing, livestock, proximity to natural or man-made points of interest, etc.



When assessing physical resources, be aware of the safety issues involved. To avoid accidents, water resources should be roped off.

Operations and Management

- **Owner/Manager strengths and goals:** list those intangible assets that can assist you in a farm/ranch recreation operation (e.g., "people person," marketing ability, knowledge or special skills such as horse riding, livestock management, cooking, knowledge about historical sites in the area, etc.).

- **Family Strengths and Resources:** list those skills and strengths that family members add.

Activities

List activities you do on your operation that might appeal to the public. Remember, what seems routine to you may be considered unusual and interesting to the non-farm public. Be free with your ideas in this section: you'll evaluate them later. Some activity examples might include: cattle drives, calving or lambing, trail rides, roadside produce stands, machinery operations (harvesting, planting, cultivating), or on site food processing.

People Resources

Rate the following based on characteristics important to a successful farm/ranch recreation operation (1=limiting factor, 5=asset for success).

		1	2	3	4	5
Staff (family or hired): Are they friendly, confident, tolerant of strangers/guests: Have special talents/abilities, etc.?	Name:					
	Name:					
	Name:					
	Name:					
<u>Paid Assistants:</u> Are they committed to working with you to make a successful venture?	Accountant:					
	Attorney:					
	Lender/Financer:					
	Consultant:					
<u>Neighbors:</u> Will they allow bordering access? Any conflicts? Supportive of recreation options?						
<u>Sheriff and deputies:</u> Are they supportive of proposals or suspicious of outsiders?						
<u>Game Warden & Biologists</u>						
<u>Government officials and regulators (local, state, federal):</u> Do they understand and support your effort?						

Economic Development Staff (local, county, regional, state):					
Do they understand and support your effort?					
Business & Tourism Associations:					

WILDLIFE INVENTORY:

As you complete this inventory, you will want to add as much detail as possible, including total count, ratios of male/female, trends, locations, size, age, condition, behavior, habitat etc. This may take considerable time but will be necessary if you intend to build an enterprise around wildlife. You will want this information if you are considering an enterprise to attract wildlife viewers, photographers, or hunters. (Check with the California Department of Fish and Game on hunting of all species as to dates, permits, licenses, etc.)

BIG GAME	
<input type="checkbox"/>	Antelope
<input type="checkbox"/>	Whitetail Deer
<input type="checkbox"/>	Mule Deer
<input type="checkbox"/>	Elk
<input type="checkbox"/>	Moose
<input type="checkbox"/>	Bighorn Sheep/Mountain Goat
<input type="checkbox"/>	Black Bear
<input type="checkbox"/>	Mountain Lion
SMALL GAME	
<input type="checkbox"/>	Rabbit/Hare
<input type="checkbox"/>	Red, Grey & Fox Squirrels
<input type="checkbox"/>	Rock Chuck
FURBEARERS	
<input type="checkbox"/>	Beaver/Mink/Muskrat
<input type="checkbox"/>	Badger
<input type="checkbox"/>	Bobcat
<input type="checkbox"/>	Weasel
PREDATORS	
<input type="checkbox"/>	Coyotes
<input type="checkbox"/>	Raccoon
<input type="checkbox"/>	Red Fox
<input type="checkbox"/>	Wolf
<input type="checkbox"/>	Porcupine

<input type="checkbox"/>	Skunk	
RODENTS		
<input type="checkbox"/>	Prairie Dogs, Ground Squirrels	
GAME BIRDS		
<input type="checkbox"/>	Turkey	
<input type="checkbox"/>	Grouse	
<input type="checkbox"/>	Partridge	
<input type="checkbox"/>	Pheasant	
<input type="checkbox"/>	Mourning Dove	
WATERFOWL		
<input type="checkbox"/>	Geese	
<input type="checkbox"/>	Ducks	
<input type="checkbox"/>	Cranes	
OTHER BIRDS		
<input type="checkbox"/>	Songbirds	
<input type="checkbox"/>	Long Birds (black birds, falcons, hawks, etc.)	

This Fact Sheet was adapted by Desmond Jolly, Cooperative Extension agricultural economist and director, UC Small Farm Program, from the Agri-tourism Workgroup and Resources, Oregon Department of Agriculture.

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University of California
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Fact Sheets for Managing Agri- and Nature-Tourism Operations

On-Farm Customer Relations

Customers visit your farm or ranch for the experience. Direct your attention to the best ways to make your visitors/customers feel welcome and comfortable. You want them to return as well as to tell others about your operation. Remember that your best promotion tool is word of mouth.

Staff Orientation

Staff training is an essential component in ensuring a high level of customer satisfaction. Staff must be knowledgeable about your operation, your services and products as well as the amenities available in local area. They should become familiar with area attractions, local restaurants and accommodations. Also, your employees should be easily identified by their dress and nametags.

This Community Data Bank quiz is designed to aid in assessing both your staff's and your knowledge of the local community:

Community Data Bank

Can you answer the questions tourists most frequently ask about your community and the surrounding area?

1. Are there any museums or historical sites in the community?



*Be aware of museums,
churches, and local events
occurring in your*

2. What kinds of lodging accommodations are available?

3. Can you recommend a good place to eat?

4. Are there any local activities or special events occurring in the next two days?

5. Where can I get service for my car?

6. Where will I find tourist information?

7. What and where are the local recreational activities and parks?

community.

Photo by: Ellie Rilla.

8. Are there any other local tours available?

9. Where are the local retail stores located?

10. What is it like living in this community?

Source: Michigan State University Extension Bulletin E-2064, 1987.

Welcoming Visitors

Welcome each customer with enthusiasm and a smile.

For example, say "Hi, my name is _____. Welcome to _____."

Ask how you can assist them. Say, "How may I help you? May I direct you to _____?" Be pleasant, courteous and sincere.

Explain what your facility offers, for example, "The produce stand featuring our own _____ is here, the tour meets over there, and the bathrooms are around the corner."

Always have time for your customers.

Retail Sales

Be sure to post prices for products and services so that they are easily visible to customers. Use simple per item or per pound charges. State the methods of payment you accept (cash, check, charge). Also state your return check policy.

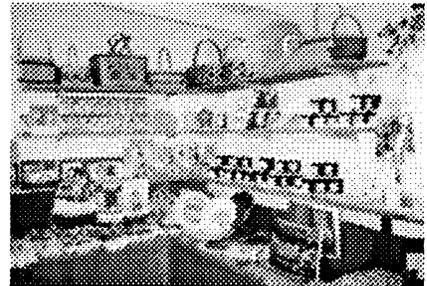
Vary product quantities and sizes. Indicate whether you provide recipes, recommendations for preserving the product for long drives, and whether or not you ship your products.

Educate your customer. Assist them in selecting the best product for their needs and explain what qualities are more desirable for different purposes. Answer questions about how the product was grown and processed. Explain what makes your product better or different than others on the market?

Place smaller sale items on higher shelves making these items more difficult to reach/shoplift. Popular items should be placed in constant view of the cashier.

Recipes and Handouts

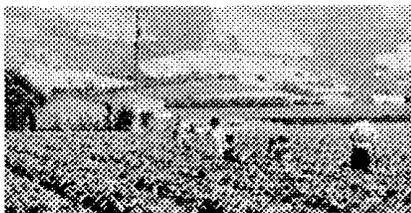
Check with your commodity board for recipes and handouts. Some commodity boards also



Display your value added products in varying quantities and sizes.

have promotion posters to add to your display.

Work with a local chef to develop and offer recipes for the commodity you sell/promote. Also search the web for recipes.



In your u-pick area, post signs that provide guidelines for visitors.

U-Pick

U-Pick operations need signs delineating which area of the field is available to pick, how to pick without damaging the plants, and where to walk between the plants to cause as little damage as possible. You may want to post a sign about over-picking that says, "Only pick what you intend to buy.

However, if you discover you picked a little extra, please bring the extra produce to us. Please do not throw it on the ground."

Customer Mailing List

Consider using a guest book where visitors can add their names to a mailing list. The mailing list can later be used to send your newsletter or reminder notices.

Monitoring Customer Behavior

Organize your store, facility or U-Pick operation so that there is only one entrance and one exit to monitor. For a U-Pick, this may mean temporary fencing or ropes around the field with the entrance/exit located near the parking area. Eliminate the opportunity for customers to walk directly from the picking area to their cars. If you suspect a customer has shoplifted, immediately contact the local authorities and provide the car license number, make, model and a description of the person. **DO NOT** try to stop the person yourself. This only upsets you and the customer and may result in an argument or worse in front of other customers.

To reduce the risk of car theft or break in, employee parking should be separate and away from the public parking area.

Evaluation

Improvements in customer satisfaction require good listening and communication skills. Find out what visitors like. Ask them how you can improve your services. Have short, easy to complete comment or suggestion cards that customers can drop in a suggestion box.

Create a self-assessment checklist for yourself and staff. Meet regularly to review your performance.

Dealing with Customer Concerns

Visitors are sometimes in search of empathy and a solution to their own problems. If they have complaints or concerns, listen to their problems or frustrations without interruption. Ease the situation by remaining calm and attempting to understand the problem completely. Calmly ask questions to ensure that everyone understands the situation. Suggest several options and give the visitor the courtesy of making their own decision.

This Fact Sheet was produced by Desmond Jolly, Cooperative Extension agricultural economist and director, UC Small Farm Program; and Denise Skidmore, member of the Agriculture and Nature Tourism Workgroup.

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Fact Sheets for Managing Agri- and Nature-Tourism Operations

Conducting Farm And Ranch Tours

Appropriate planning is essential if you want to present a positive image of your farm and of agriculture as a whole, and to be well prepared for a group visit. Farm tours should not, generally, be conducted in an ad hoc manner.

It is important to think about what kinds of images you want your visitors to take with them when they leave (impressions, experiences, knowledge, facts, products). Here are some considerations to take into account when assessing your state of readiness for a farm tour:

- When is the best time of year for you to provide tours? Is the weather generally good at that time of year? Are unsightly chores like manure spreading or machinery cleaning occurring during that time?
- Will you charge a fee to offset the time and labor expended on the tour and to provide an economic return? If so, what will be your fee schedule?
- Will you offer products to eat at the end of the tour? If so, check with your local health department regarding regulations concerning your ability to feed guests.
- Can visitors safely tour your facility? Remember, safety is your responsibility!
- Is your farm relatively clean and in good repair? Do you practice good pest and waste management programs? Are you prepared to answer probing questions about your practices?
- Will your tour present a positive image of agriculture as a whole? Are there opportunities to demonstrate resource sensitivity, for example by providing habitat for wildlife such as hedgerows, ponds for waterfowl, etc.
- Is your farm accessible to persons with disabilities? If not, you may need to make this clear before the tour.



Fall is a colorful time for farm tours across the United States.

Preparation

- Develop rules for photography.



Provide a site for commemorative photo opportunities.

You need to decide whether visitors can take pictures of everything they see or only in certain areas. Consider providing a specific location for group/family commemorative photos where pictures can be taken beside a farm sign, farm product, or some other piece of memorabilia.

- Be sure you have given adequate attention to hygiene. Assess the adequacy of your bathroom and hand washing arrangements, especially if visitors will be handling animals before they eat.
- Provide for adequate amounts and locations of garbage cans in the eating areas.
- Public Relations: Call your neighbors to let them know about the planned tour.
- Esthetics: Ensure that dead and injured animals or discarded products will not be on display during the tour or visible to your guests.

The Tour Schedule and Presentation

- Develop a tour program and a verbal presentation that can be modified to fit the interests and backgrounds of the audience.
- Post signs that clearly outline safety requirements.
- View your operation through the eyes of a visitor. Point out the obvious and explain the reasons behind specific operations.
- Emphasize a theme throughout the tour (for example, recycling, sustainable agriculture, food quality, animal welfare, agriculture and the environment, and conservation).
- Discuss your production systems, following the path of products from conception to consumption; from seed to tomato sauce, from cow to milk and cheese, from lamb to wool. Talk about the diverse markets your products serve, including by-products.
- Select three to five points of emphasis that you want to reinforce throughout the tour. What would you like guests to have learned by the end of your tour? Whenever possible, make it an interactive, hands-on, experience. For example: If you are touring an apple orchard, show pictures or point to trees in different stages of growth. Describe the production cycle. How much it will produce at peak yield (relate the yield to something your audience can understand, such as "as much as two children weigh"). Discuss why you grow apples here (soil, weather, and water). Describe the steps the product goes through before reaching the market. Explain the challenges and uncertainties you deal with when producing apples (pests, changing regulations,

labor force issues, market). But don't bore your audience with your pet peeves. They are there for recreation, relaxation, and education.

- Have safe, organized, hands-on opportunities for children (touch the seeds, lambs, the warm pipelines in the milk barn and the cool milk tank, put feed samples in a bucket for touching, etc.). For younger children (pre-school to 3rd grade), use body language to accompany your verbal explanation to help them learn and keep them involved.
- How many people can you comfortably accommodate in a group and still conduct an effective tour? Practice the tour with other staff who will also be leading groups. Organize the tour so different groups will not get mixed up.
- Practice the tour program with a person who is not involved in your operation and get their feedback.
- Walk your tour. Check off how long it takes. Is the terrain level and well drained?

Tour Contact

- Ascertain the general age and abilities of the members of the tour in terms of the approximate number of adults and children and why the group wants to visit your farm. Establish a comfortable ratio of chaperones to children and youth if you feel it is necessary.
- Discuss parking and provide directions to parking facilities.
- Suggest clothing that enhances safety, for example closed-toe, low heel shoes and comfortable clothing. Suggest people bring hats and sunscreen in the summer, and warm clothing in other seasons.
- Discuss meals. Will the group be eating on your property? What will meals cost? Are your picnicking facilities adequate, if that is an option?



Picnic facilities must be adequate if provided.

Briefing the Group

- Greet your visitors on the bus if they arrive by bus. Some tour buses have a PA system that you might use to address your audience.
- Introduce yourself and firmly but politely establish expectations regarding conduct and behavior (appropriate for the age group).
- Remind visitors that your farm is a working, production-oriented operation, not an amusement park.

- Children should be advised to: walk, remember that rocks stay on the ground, stay with the group, be good listeners, and raise their hands when they have questions.
- Prepare visitors for regular farm environmental hazards such as odors, flies, dust or loud noises. However, to the extent that you can, take steps to mitigate these environmental irritants.



Conducting the Tour

- Walk at a pace appropriate to the group's size and age.
 - Have a responsible person at the rear of the group to assist with keeping the group together.
 - Discuss what the group will see before entering a noisy area.
 - Children should be encouraged to repeat new words and concepts as you explain them.
 - Be sure to explain any agriculture terms that may be foreign to your guests. Think of ways to relate concepts and terms to everyday life, for example, feeder mixer wagons are blenders on wheels, etc.).
 - Answer only questions about what you know and limit your comments to your farm. Avoid ideological debates with guests or customers.
- Greet your guests when they arrive. If you are addressing a large group, consider using a microphone or the tour bus PA system*

Concluding the Tour

- Allow plenty of time for questions.
- Review the main concepts you introduced and refer to the key theme(s). For children's groups, use a fill-in-the-blank method, encouraging the children to participate, thus reinforcing the information.
- Samples of the product (empty containers, pictures, or actual products) provide a great ending. Provide information on how/where they can purchase your product.
- Escort the group to the bus or parking area, thanking them for their visit. Encourage them to return.

Post-tour Review

- Ask for an evaluation from the tour contact. What did the visitors like? What would help the group to better assimilate the information? What suggestions do they have for improving the tour?

- Establish and update a file of these notes. Review this feedback information with other tour staff before the next scheduled tour.

This Fact Sheet was produced by Desmond Jolly, Cooperative Extension agricultural economist and director, UC Small Farm Program; and Denise Skidmore, member of the Agriculture and Nature Tourism Workgroup.

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Wednesday, November 26, 2003 08:16:49

Agritourism Workshop

University of Illinois Web Based Class

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www.leisurestudies.uiuc.edu/agritourism

The content of this workshop is being developed and assembled at this time. Presently there are seven modules that are in various stages of completion and with additional resources others may be added in the future. A likely addition would be a module on e-commerce but many others have been suggested as possibilities and the availability of resources will determine their inclusion.

Module 1: Introduction to Agritourism/Value Added Production

Module 2: Great Marketing Ideas

Module 3: Why People Travel and The Tourism System in Illinois

Module 4: Testing Your Idea - The Business Plan

Module 5: Looking Inward - Is This Kind of Business For you?

Module 6: Will the Farm System Support the Enterprise?

Module 7: The Important Issues of Risk and Liability

Module 1: Introduction to Agritourism/Value Added Production

This introductory module explores the basic concepts that underlie the workshop, establishes out perspective or philosophy and outlines the general direction of all the other modules. (Bruce Wicks)

Module 2: Great Marketing Ideas

There is nothing like seeing what has worked for others and this module will show and discuss a variety creative approaches to alternative ag enterprise development. (Bruce Wicks)

Module 3: Why People Travel and The Tourism System in Illinois

There are a number of similarities between agriculture and tourism industries, but it is unlikely many members of the farming sector would be knowledgeable about tourism nor be comfortable operating within it. Participants will gain a basic understand of the travel market and the familiarize themselves with the agencies in Illinois supporting tourism development and the services and grants they can provide. (Bruce Wicks and agency staff)

Module 4: Testing Your Idea - The Business Plan

Business plans are at the heart of any new successful enterprise and the key to securing financing. This section will take through the process in a step-by-step fashion so you can make an informed business decision. (Norma Turok)

Module 5: Looking Inward - Is This Kind of Business For you?

Inviting people to your farm, making sales calls, and conducting direct marketing activities may not be the kind of things you are well suited to do. In this module you will be asked to take an honest look at the human resources needed for such a new enterprise and examine what makes a good experience for the customer.

Module 6: Will the Farm System Support the Enterprise?

A great business idea and matching personal skills are two essential elements for launching a new farm enterprise but there is a third element. The farm system must support the enterprise and issues such as location, layout, amenities and visual appeal all must be taken into consideration.

Module 7: The Important Issues of Risk and Liability

Selling on-farm experiences or food grade crops and produce to customers opens many new exposure for liability. Protecting the farm resources from catastrophic losses are of utmost concern and this module will address ways to limit such exposure and protect yourself.

Cultivating Farm, Neighbor, and Community Relations

Overview

This bulletin was written for farmers and their neighbors, and for communities interested in forging stronger relationships among local residents. It describes the kinds of farm-based land-use conflict which may occur in rural New York, in the Northeast, and in other urbanizing areas; suggests ways of maintaining good farm, neighbor, and community relations; and outlines alternative approaches for dealing with conflict when it arises.

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Cover Photo: Community picnic at Porter Farms, East Elba, NY, 1994 by Eric L. Johnson.

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Farms, Communities, and Collaboration: A Guide to Resolving Farm-Neighbor Conflict

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Preface

This manual is a guide to resolving the kinds of conflicts that arise when farmers and non-farmers live together in rural communities: conflicts over farming practices, life styles, land use, the environment. We designed the manual to help farmers and neighbors, regulators, local government officials, environmental advocates, and interested citizens become familiar with the process of *collaborative problem solving*. Collaborative problem solving draws on mediation and/or facilitation skills and involves an approach to conflict that engages participants in resolving differences constructively. Equally important, the process helps build socially strong and economically vital communities.

The manual that follows reflects the authors' varied professional expertise as well as our experience working with communities around the state as they grappled with farm-neighbor conflicts. We have divided the manual into four chapters that provide the context and the concepts that can help you reach accord on critical matters. An appendix of contact information with Web addresses (*The Resources*, p. 35) appears at the end. The chapters are:

- *The Issues*, page 4
- *The Rural Landscape*, page 7
- *The Laws and Regulations*, page 14
- *The Process*, page 26

We would like to thank the Sustainable Agriculture Research and Education program of the U.S. Department of Agriculture for funding this project (Grant No. ENE-99-50) and for patiently awaiting its conclusion. We would also like to thank Barbara Bellows, agriculture specialist at Appropriate Technology Transfer for Rural Areas, Larry Fisher, senior program manager at the U.S. Institute for Environmental Conflict Resolution, and Tahnee Robertson—who were at Cornell during the project's formative stages—for their leadership; Cathy Sheils, director of NY FarmNet, R. David Smith, CALS Professor of Agriculture and Food Systems Sustainability, and Bob Somers, chief of the Agriculture Protection Unit at the Department of Agriculture and Markets, for their high standards in reviewing this manual; the Cornell Center for the Environment for administrative support; and all the farmers, neighbors, Cornell Cooperative Extension educators, dispute resolution center mediators, and agency representatives who gave of their time and their knowledge to join us in this collaborative journey.

Finally, the authors acknowledge the contribution of an excellent earlier Cornell publication, *Cultivating Farm Neighbor and Community Relations* (see *The Resources*). The document is a useful companion to ours and offers a particularly helpful list of ways farmers might promote good neighbor relations.

ENTREPRENEURSHIP RESOURCES

Appalachian Regional Commission
(202) 884 7777
www.arc.gov/programs/reginit/entrep.htm

Association for Enterprise Opportunity
(703) 841 7760
www.microenterpriseworks.org

Babson College
(781) 235 1200
www.babson.edu/entrep

Business Innovation Center Center for Entrepreneurial Excellence
email ceebic@mar.mobile.al.us
www.ceebic.org

Council for Entrepreneurial Development in North Carolina
(919) 549 7758
www.cednc.org

Center for Entrepreneurial Leadership Clearinghouse on Entrepreneurial Education
(888) 423 5233
www.celcee.com

Community Development Financial Institutions Fund US Department of Treasury
(202) 622 8662
www.treas.gov/cdfi

Community Development Venture Capital Alliance
(212) 980 6790
www.cdvca.org

Corporation for Enterprise Development
(202) 408 9788
www.cfed.org

Council on Competitiveness
(202) 682 4292
www.compete.org

Edward Lowe Foundation
(800) 232 LOWE(5693) (616) 445 4200
www.lowe.org

Ewing Marion Kauffman Foundation Kauffman Center for Entrepreneurial Leadership and Entreworld
(816) 932 1000
www.entreworld.com
www.emkf.org/entrepreneurship/vision.cfm

Foundation for Enterprise Development
(858) 459 4662 West Coast (202) 530 8920 or (716) 488 1911 East Coast
www.fed.org

Localbusiness.com
(954) 776 5279
www.localbusiness.com

National Association of Small Business Investment Companies
(202) 628 5055
www.nasbic.org

National Association of State Venture Funds
(405) 848 8570
www.nasvf.org

National Business Incubation Association
(740) 593 4331
www.nbia.org

National Commission on Entrepreneurship
(202) 343 8060
www.ncoe.org

National Community Capital Association
(215) 923 4754
www.communitycapital.org

National Consortium of Entrepreneurship Centers
(816) 932 1000
hsb.baylor.edu/html/cel/ent/consort.htm

National Foundation for Teaching Entrepreneurship
(212) 232 3333 or (800) 367 6383
www.nfte.com

National Foundation for Women Business Owners
(202) 638 3060
www.nfwbo.org

National Venture Capital Association
(703) 524 2549
www.nvca.org

National Women's Business Council
(202) 205 3850
www.nwbc.gov

Rural Entrepreneurship Through Action Learning
(800) 798 0643
www.realterprises.org

Research Institute for Small & Emerging Business Inc
(202) 628 8382
www.riseb.org

TriangleEntrepreneur.com
(877) 745 6812
www.triangleentrepreneur.com

US Small Business Administration
www.sba.gov

Unlimited Future Incorporated
(304) 697 3007
www.unlimitedfuture.org

Young Entrepreneurs Organization
(703) 519 6700
www.yeo.org

Access Minnesota Main Street

Curriculum

www.ecommerce.umn.edu

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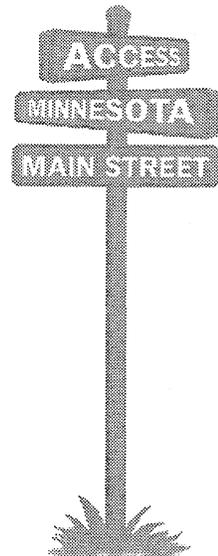


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***B. Business Planning and
Development Websites***

Websites for business planning. The National Extension Tourism Design Team posts articles and information submitted to them. The following articles and the respective websites are arranged—Getting Started, Liability Issues, Regulatory Issues, and Marketing. These are not repeated elsewhere in the Resource Manual Website Chapter XVII. There are 14 pages of web sites with several focusing on agritourism and rural tourism.

GETTING STARTED

Business Start-Up

Small Business Start-Up Kit

www.sbaonline.sba.gov/starting/indexstartup.html

Setting Up a Home-Based Business

www.agriculture.purdue.edu/agtransition/pubs/FF-R.html

Checklist For Starting a Home-Based Business

ianrwww.unl.edu/pubs/consumered/nf148.htm

Setting Up Your Own Business: The Entrepreneur's Checklist

ianrwww.unl.edu/pubs/consumered/nf289.htm

Setting Up Your Own Business: Balancing Business and Personal Life

ianrwww.unl.edu/pubs/consumered/nf271.htm

Setting Up Your Own Business: Assessing Your Business Skills

ianrwww.unl.edu/pubs/consumered/nf272.htm

Setting Up Your Own Business: Have You Thought About... ?

ianrwww.unl.edu/pubs/consumered/nf284.htm

Setting Up Your Own Business: Monitoring the Health and Growth of Your Business

ianrwww.unl.edu/pubs/consumered/nf286.htm

Getting Started in a Recreational of Tourism Business

www.msue.msu.edu/imp/modtd/33510050.html

A Guide to Texas Business Licenses and Permits: 4 Steps to Starting A Business

www.tded.state.tx.us/guide/

Checklist For Going Into Business

www.bizoffice.com/library/files/chklist.txt

Are You an Entrepreneur?

www.bizoffice.com/library/files/entrepreneur.txt

Life Advice About Running a Small Business

www.bizoffice.com/library/files/runsmlbz.txt

The Facts About Starting a Small Business

www.bizoffice.com/library/files/statbus.txt

Starting a Bed and Breakfast in Michigan

www.msue.msu.edu/msue/imp/modtd/33420042.html

Starting a Bed and Breakfast/Tarm Vacation

www.msue.msu.edu/msue/imp/modtd/33420030.html

Feasibility

Is Your Agribusiness Project Feasible?

www.ces.uga.edu/pubed/b1066-w.html

Feasibility Analysis in Tourism

www.msue.msu.edu/imp/modtd/33119709.html

Starting a Small Business: The Feasibility Analysis

www.montana.edu/wwwpd/pubs/mt9510.pdf

Feasibility of Agricultural and Community Based Tours

www.msue.msu.edu/msue/imp/modtd/33832715.html

Feasibility Analysis In Tourism

www.msue.msu.edu/imp/modtd/33119709.html

A Guidefor a Feasibility Study of Recreation Enterprises

www.msue.msu.edu/imp/modtd/33119707.html

Pricing

Pricing Tourism Products and Services

www.msue.msu.edu/imp/modtd/33740097.html

Pricing Your Products

www.bizoffice.com/library/files/price.txt

Financial Management

Setting Up Your Own Business: Records and Bookkeeping

ianrwww.unl.edu/pubs/consumered/nf276.htm

Setting Up Your Own Business: Financing Your Business
ianrwww.unl.edu/pubs/consumered/nf278.htm

Setting Up Your Own Business: Glossary of Financial Management Terms
ianrwww.unl.edu/pubs/consumered/nf279.htm

ABC's of Borrowing
www.bizoffice.com/library/files/abcs.txt

Sample Cash Budget
www.bizoffice.com/library/files/budget.txt

Financial Management For The Growing Business
www.bizoffice.com/library/files/finmgmt.txt

Small Business Financial Status Checklist
www.bizoffice.com/library/files/stat.txt

Financing For the Small Business
www.bizoffice.com/library/files/fin.txt

Street Smart Financing For The Home-Based Entrepreneur
www.bizoffice.com/library/files/financint_street.txt

14 Survival Tips For Managing During Economic Downturns
www.bizoffice.com/library/files/tips.txt

Record Keeping in a Small Business
www.bizoffice.com/library/files/record.txt

Management Through Figures in the Lodging Industry
www.msue.msu.edu/imp/modtd/3319706.html

Management

*Holistic Management: A Whole-Farm Decision Making Framework
(Fundamentals of Sustainable Agriculture)*
www.attra.org/attra-pub/holistic.html#abstract

Business Management and Marketing: Bed and Breakfasts
www.msue.msu.edu/msue/imp/modtd/33420037.html

Transferring Management in the Family-Owned Business
www.bizoffice.com/library/files/trans.txt

14 Survival Tips For Managing During Economic Downturns

www.bizoffice.com/library/files/tips.txt

Management Issues For the Growing Business
www.bizoffice.com/library/files/man.txt

Planning & Development

Tourism Planning
www.msue.msu.edu/imp/modtd/33000005.html

Tourism Development: Your Place in Serving the Visitor
www.msue.msu.edu/imp/modtd/33000130.html

Community Development Strategies for Tourism: An Assessment Tool
www.msue.msu.edu/imp/modtd/33508252.html

Inventorizing Existing and Potential Tourism Attractions
www.msue.msu.edu/imp/modtd/33529773.html

Site Development Process
www.msue.msu.edu/imp/modtd/33509756.html

Tourism and Its Significance in Local Development
www.msue.msu.edu/imp/modtd/33500046.html

Strategic Planning For the Growing Business
www.bizoffice.com/library/files/plan.txt

Introduction to Strategic Planning
www.bizoffice.com/library/files/statplan.txt

Tourism Demographics/Market Information

Marketing Research for Entrepreneurs and Small Business Managers
www.montana.edu/wwwpd/pubs/mt90I3.html

Managing Tourism Information Systems
www.msue.msu.edu/imp/modtd/33710084.html

Information and Traveler Decision Making
www.msue.msu.edu/imp/modtd/33710085.html

Market Research
www.bizoffice.com/library/files/mktres.txt

Marketing Research and the Small Business

www.bizoffice.com/library/files/marketb.txt

The Minnesota Bed and Breakfast Market: Guest Profile
www.msue.msu.edu/msue/imp/modtd/33420025.html

1996 Angler Effort/Expenditures on New York's Great Lakes Waters
www.msue.msu.edu/msue/imp/modtd/33840031.html

Boating Patterns and Behavior
www.msue.msu.edu/msue/imp/modtd/33840421.html

Minnesota Boat Owners: A Summary of What They Are and What They Want
www.msue.msu.edu/msue/imp/modtd/33842999.html

New York's Great Lakes Angler Markets
www.msue.msu.edu/msue/imp/modtd/33840030.html

Business Structure

Selecting an Organizational Structure For Your Business
www.montana.edu/wwwpd/pubs/mt9708.html

Setting Up Your Own Business: The Sole Proprietor
ianrwww.unl.edu/pubs/consumered/nf253.htm

Setting Up Your Own Business: The Partnership
ianrwww.unl.edu/pubs/consumered/nf254.htm

Setting Up Your Own Business: The S Corporation
ianrwww.unl.edu/pubs/consumered/nf255.htm

Setting Up Your Own Business: The C Corporation
ianrwww.unl.edu/pubs/consumered/nf256.html

Setting Up Your Own Business: The Limited Liability Company
ianrwww.unl.edu/pubs/consumered/nf257.htm

Business Plans

Business Plan Checklist
www.bizoffice.com/library/files/check.txt

How to Write a Business Plan
www.bizoffice.com/library/files/bus_plan.txt

Business Plan Outline

www.bizoffice.com/library/files/myplan.txt

Developing a Bed and Breakfast Business Plan Part 1
www.msue.msu.edu/msue/imp/modtd/33420035.html

Developing a Bed and Breakfast Business Plan Part 2
www.msue.msu.edu/msue/imp/modtd/33420136.html

Developing a Bed and Breakfast Business Plan Part 3
www.msue.msu.edu/msue/imp/modtd/33420137.html

Developing a Bed and Breakfast Business Plan Part 4
www.msue.msu.edu/msue/imp/modtd/33420138.html

Developing a Bed and Breakfast Business Plan Part 5
www.msue.msu.edu/msue/imp/modtd/33420139.html

LIABILITY ISSUES

Setting Up Your Own Business: Planning Your Insurance Coverage
ianrwww.unl.edu/pubs/consumered/nf277.htm

Alternative Enterprises For Farm and Forest: Risk Recreation
www.msue.msu.edu/imp/modtd/33130042.html

Liability/Insurance Protection-Rural Recreation Enterprises
www.msue.msu.edu/imp/modtd/33139716.html

Small Business Health Insurance
www.bizoffice.com/library/files/obd10.txt

Insurance For the Home-Based Entrepreneur
www.bizoffice.com/library/files/insuranc.txt

REGULATORY ISSUES

A Guide to Texas Business Licenses and Permits: 4 Steps to Starting A Business
www.tded.state.tx.us/guide/

Laws that Impact Our Lives
ianrwww.unl.edu/pubs/consumered/g960.htm

Setting Up Your Own Business: INS Compliance in Hiring Employees
ianrwww.unl.edu/pubs/consumered/nf287.htm

Small Business Handbook: Laws, Regulations, and Technical Assistance Series

www.bizoffice.com/library/files/smallbus.txt

Bed and Breakfast Zoning: A Guide to Regulations
www.msue.msu.edu/msue/imp/modtd/33420043.html

MARKETING

Marketing Your Farm or Ranch
www.colostate.edu/Depts.CoopExt/PUBS/FARMMGT/03763.pdf
or
www.colostate.edu/Depts.CoopExt/PUBS/FARMMGT/03763.html

Tourism Marketing
www.msue.msu.edu/imp/modtd/33700082.html

Marketing Channels: Pick-Your-Own and Agri-Entertainment (Business Management Series) www.attra.org/attra-pub/pickyour.html

Setting Up Your Own Business: Developing Your Marketing Plan and Sales Goals
ianrwww.unl.edu/pubs/consumered/nf283.htm

A New Look at Marketing
www.utextension.utk.edu/spfiles/SP351C.pdf

Business Management and Marketing: Bed and Breakfasts
www.msue.msu.edu/msue/imp/modtd/33420037.html

Marketing Community Parks and Recreation Resources: Developing Exhibits
www.msue.msu.edu/imp/modtd/33739803.html

Visual Merchandising: A Guide for Small Retailers
www.msue.msu.edu/imp/modtd/33739805.html

Communication and Marketing Practices of Minnesota Convention and Visitor Bureaus www.msue.msu.edu/imp/modtd/33701999.html

Community Travel and Tourism Marketing
www.msue.msu.edu/imp/modtd/33520052.html

Developing and Effective Tourism Marketing Program
www.msue.msu.edu/imp/modtd/33700083.html

Marketing Crafts and Other Products to Tourists
www.msue.msu.edu/imp/modtd/33809809.html

Marketing Management in the Lodging Industry
www.msue.msu.edu/imp/modtd/33739805.html

Marketing the Uniqueness of Small Towns
www.msue.msu.edu/imp/modtd/33529767.html

Tourism Marketing
www.msue.msu.edu/imp/modtd/33700082.html

Creating a Promotional Theme
www.msue.msu.edu/imp/modtd/33710088.html

Developing an Interpretive Guide For Your Community
www.msue.msu.edu/imp/modtd/33710094.html

Developing a Promotional Strategy
www.msue.msu.edu/imp/modtd/33710086.html

Information and Traveler Decision Making
www.msue.msu.edu/imp/modtd/33710085.html

Roadside Signs
www.msue.msu.edu/imp/modtd/33719793.html

Selecting Promotional Media
www.msue.msu.edu/imp/modtd/33710093.html

Signs That Sell
www.msue.msu.edu/imp/modtd/33719792.html

Customer Aftercare: How to Spend Less and Sell More
www.bizoffice.com/library/files/customer_aftercare.txt

How to Use Marketing and Sales to Explode Your Home Business
www.bizoffice.com/library/files/marketing_sales_explode.txt

Marketing Strategies for the Growing Business
www.bizoffice.com/library/files/market2.txt

15 Foolproof Ideas For Promoting Your Company
www.bizoffice.com/library/files/fool.txt

Relationship Selling: The Path to Sales Success
www.bizoffice.com/library/files/path.txt

Direct Marketing

Direct Marketing (Business Management Series)

www.attra.org/attra-pub/directmkt.html

Direct Marketing of Ag Products to Tourists

www.msue.msu.edu/msue/imp/modtd/33839811.html

Ace Components of Good Direct Marketing

www.bizoffice.com/library/files/ace_direct_marketing.txt

Internet Marketing

E-Mail-The Most Important On-Line Communication Tool in Your Marketing Toolbox

www.bizoffice.com/library/files/e-mail.txt

Direct Your Web Site to a Directory

www.bizoffice.com/library/files/website.txt

Successful Internet Marketing Requires Follow-Up Marketing

www.bizoffice.com/library/files/followup.txt

Advertising

Setting Up Your Own Business: Public Relations and Advertising

ianrwww.unl.edu/pubs/consumered/nf282.htm

Evaluating Tourism Advertising with Cost-Comparison

www.msue.msu.edu/imp/modtd/33710083.html

Tourism Advertising: Some Basics

www.msue.msu.edu/imp/modtd/33710087.html

Creating Advertising that Sells

www.bizoffice.com/library/files/advertising_sells.txt

Advertising a Small Business

www.bizoffice.com/library/files/adver.txt

Advertising-Better Business Bureau Code of Advertising

www.bbb.org/advertising/adcode.asp

Advertising in a Nutshell

www.bizoffice.com/library/files/nuts.txt

Advertising Your Business

www.bizoffice.com/library/files/obdl3.txt

Promotion

Creating a Promotional Theme

www.msue.msu.edu/imp/modtd/33710088.html

Developing a Promotional Strategy

www.msue.msu.edu/imp/modtd/33710086.html

Selecting Promotional Media

www.msue.msu.edu/imp/modtd/33710093.html

15 Foolproof Ideas For Promoting Your Company

www.bizoffice.com/library/files/fool.txt

Brochure Development

Creating Travel Brochure that Sells

www.msue.msu.edu/msue/imp/modtd/33729800.html

Developing Effective Brochures

www.msue.msu.edu/msue/imp/modtd/33720002.html

Tourism Brochures to Boost Business

www.msue.msu.edu/msue/imp/modtd/33720096.html

MISCELLANEOUS

Miscellaneous

Attracting the Migratory Retiree

www.msue.msu.edu/imp/modtd/33809807.html

Litter Control in a Tourist Area: Methods and Costs

www.msue.msu.edu/imp/modtd/33800103.html

Recycling for the Hospitality Industry

www.msue.msu.edu/imp/modtd/33417120.html

Enhancing Kansas Communities Through Tourism

www.oznet.ksu.edu/_library/agec2/1839.pdf

Managing Tourism Information Systems

www.msue.msu.edu/imp/modtd/33710084.html

A Sportsman's Guide to Landowner Relations
www.montana.edu/wwwpd/pubs/mt9813.html

Establishing a Birding-Related Business
agpublications.tamu.edu/pubs/rpt/b6093.pdf

Leases

Tips for Hunting Leases
www.forestry.uga.edu/efr/docs/I0397.pdf
or
www.forestry.uga.edu/efr/docs/I0397.html

Lease Hunting: Opportunities for Missouri Landowners
muextension.missouri.edu/xplor/agguides/wildlife/g09420.htm

Earning Additional Income Through Hunt Leases on Private Land
www.utextension.utk.edu/pbfiles/pb1627.pdf

Leasing Texas Rangelands
agpublications.tamu.edu/pubs/erange/bl582.pdf

Real Property: Leasing Land For Hunting and Other Recreational Uses
www.wvu.edu/~exten?infores/pubs/other/rd.726.pdf

A Sportsman's Guide to Landowner Relations
www.montana.edu/wwwpd/pubs/mt9813.html

Hospitality/Customer Service

Tourism Development: Your Place in Serving the Visitor
www.msue.msu.edu/imp/modtd/33000130.html

Tourism: Greeting the Guest
www.msue.msu.edu/imp/modtd/33200016.html

Courtesy is Contagious
www.msue.msu.edu/imp/modtd/33200015.html

Customer Service in a Changing World
www.msue.msu.edu/imp/modtd/01960001.html

Face to Face: Tourism Hospitality Training
www.msue.msu.edu/imp/modtd/33200131.html

First and Lasting Impressions

www.msue.msu.edu/imp/modtd/33209403.html

Good Customer Relations with Improved Personal Selling

www.msue.msu.edu/imp/modtd/33209601.html

Hospitality is Knowing Your Community

www.msue.msu.edu/imp/modtd/33209723.html

Hospitality is an Attitude

www.msue.msu.edu/imp/modtd/33209402.html

Planning the Hospitality Program

www.msue.msu.edu/imp/modtd/33209724.html

Planning the Hospitality Program: Content

www.msue.msu.edu/imp/modtd/33209725.html

Tourism Development: Your Place in Serving the Visitor

www.msue.msu.edu/imp/modtd/33000130.html

Customer Aftercare: How to Spend Less and Sell More

www.bizoffice.com/library/files/customer_aftercare.txt

Economic Impact

Cost Benefit Analysis: Local Tourism Development

www.msue.msu.edu/imp/modtd/33510407.html

Economic Impact of Recreational Fishing on Minnesota Waters of Lake Superior

www.msue.msu.edu/hmp/modtd/33510310.html

Economic Impact of Visitors to Your Community

www.msue.msu.edu/imp/modtd/33510408.html

Impact of Visitors Expenditures on Local Revenues

www.msue.msu.edu/imp/modtd/3351049.html

Measuring Tourism Impacts at the Community Level

www.msue.msu.edu/imp/modtd/33519758.html

Measuring Visitor Expenses and Cost Benefit Analysis

www.msue.msu.edu/imp/modtd/33511014.html

Agritourism

Agriculture Tourism in Cochise County, Arizona
www.msue.msu.edu/msue/imp/modtd/33839801.html

Agritourism: Points to Consider
www.msue.msu.edu/msue/imp/modtd/33831715.html

Can a Farmer Make Money With an Outdoor Recreation Sideline?
www.msue.msu.edu/msue/imp/modtd/33839810.html

Farm-Based Tourism
www.msue.msu.edu/msue/imp/modtd/33830523.html

Starting a Bed and Breakfast/Farm Vacation Business
www.msue.msu.edu/msue/imp/modtd/33420030.html

Bed & Breakfasts

Starting a Bed and Breakfast/Farm Vacation Business
www.msue.msu.edu/msue/imp/modtd/33420030.html

A Profile of Minnesota's Bed and Breakfast Industry-1988 (Research Summaries)
www.msue.msu.edu/msue/imp/modtd/33420029.html

A Profile of South Carolina's Bed and Breakfast Industry
www.msue.msu.edu/msue/imp/modtd/33420040.html

Bed and Breakfast Zoning: A Guide to Regulations
www.msue.msu.edu/msue/imp/modtd/33420043.html

Guidelines for Development: Beginning a Bed and Breakfast in South Carolina
www.msue.msu.edu/msue/imp/modtd/33420027.html

Business Management and Marketing: Bed and Breakfasts
www.msue.msu.edu/msue/imp/modtd/33420037.html

Developing a Bed and Breakfast Business Plan Part 1
www.msue.msu.edu/msue/imp/modtd/33420035.html

Developing a Bed and Breakfast Business Plan Part 2
www.msue.msu.edu/msue/imp/modtd/33420136.html

Developing a Bed and Breakfast Business Plan Part 3
www.msue.msu.edu/msue/imp/modtd/33420137.html

Developing a Bed and Breakfast Business Plan Part 4
www.msue.msu.edu/msue/imp/modtd/33420138.html

Developing a Bed and Breakfast Business Plan Part 5
www.msue.msu.edu/msue/imp/modtd/33420139.html

Establishing the Ambiance in a Bed and Breakfast or Farm Vacation Home
www.msue.msu.edu/msue/imp/modtd/33420034.html

New York's 1993 Bed and Breakfast and Inn Industry
www.msue.msu.edu/msue/imp/modtd/33425108.html

Starting a Bed and Breakfast in Michigan
www.msue.msu.edu/msue/imp/modtd/33420042.html

Starting a Bed and Breakfast/Farm Vacation
www.msue.msu.edu/msue/imp/modtd/33420030.html

The Minnesota Bed and Breakfast Market: Guest Profile
www.msue.msu.edu/msue/imp/modtd/33420025.html

Coastal Tourism

1996 Angler Effort/Expenditures on New York's Great Lakes Waters
www.msue.msu.edu/msue/imp/modtd/33840031.html

Activities at Free Public Water Sites
www.msue.msu.edu/msue/imp/modtd/33840108.html

Boating Patterns and Behavior
www.msue.msu.edu/msue/imp/modtd/33840421.html

Boating Safety in Minnesota
www.msue.msu.edu/msue/imp/modtd/33840420.html

Economic Impact of Lake Superior Fishing on Minnesota Waters of Lake Superior
www.msue.msu.edu/msue/imp/modtd/33510310.html

Minnesota Boat Owners: A Summary of What They Are and What They Want
www.msue.msu.edu/msue/imp/modtd/33842999.html

New York's Great Lakes Angler Markets
www.msue.msu.edu/msue/imp/modtd/33840030.html

Preferred Facilities/Services: Free Public Water Access Sites and Services
www.msue.msu.edu/msue/imp/modtd/33840419.html

Providing Public Access in Coastal Areas: Options for Landowners
www.msue.msu.edu/msue/imp/modtd/33840311.html

Recreational Boating: Lake Superior
www.msue.msu.edu/msue/imp/modtd/33840107.html

Scenic Byways, Trails, and Corridors and Their Impacts
www.msue.msu.edu/msue/imp/modtd/33520714.html

Cultural and Historical Tourism

Historic Buildings: Issues in Preservation and Protection
www.msue.msu.edu/msue/imp/modtd/33860122.html

Historic Farmsteads
www.msue.msu.edu/msue/imp/modtd/33850115.html

Handicapped/Disabled Tourists

Tips on Serving Patron With Special Needs
www.msue.msu.edu/imp/modtd/33810001.html

Lodging

Low Cost Home Business or Resort Furnishings
www.msue.msu.edu/imp/modtd/33400021.html

Resort Interiors
www.msue.msu.edu/imp/modtd/33400020.html

Marketing Management in the Lodging Industry
www.msue.msu.edu/imp/modtd/33739805.html

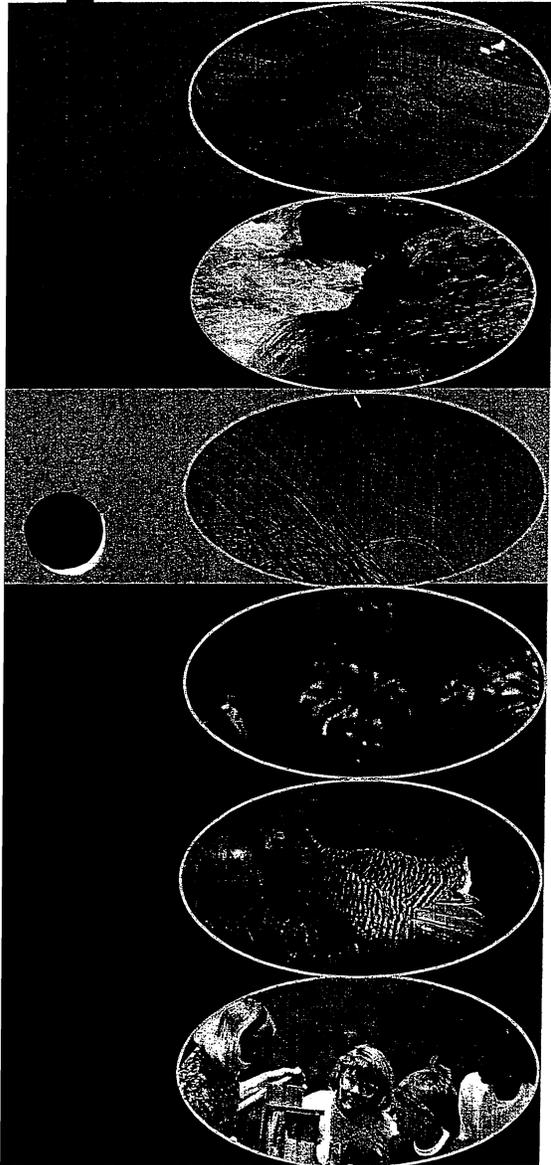
***C. Agricultural Alternative
Agriculture and Agritourism
Business
Planning Guides***

Taking the First Step:

Farm and Ranch Alternative
Enterprise and Agritourism
Resource Evaluation Guide

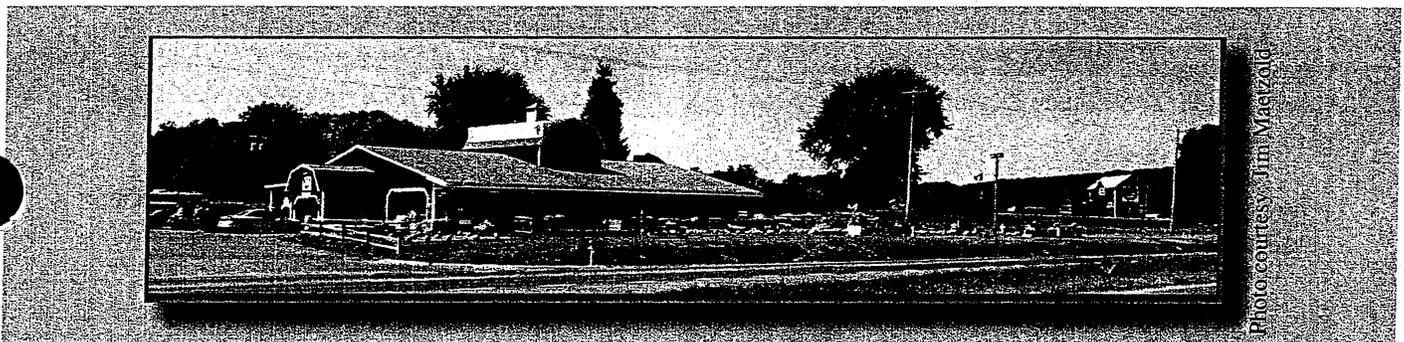
Keeping the family on the farm and the farm in the family

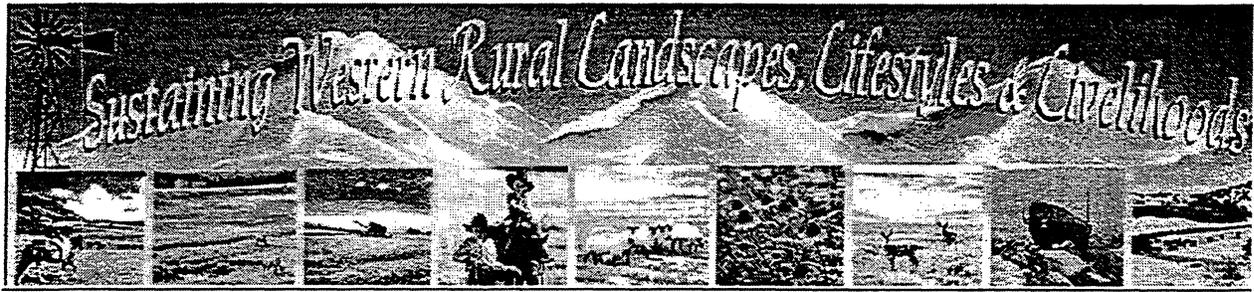
January 2004



Taking the First Step: Farm and Ranch Alternative Enterprise and Agritourism Resource Evaluation Guide

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About this guide

This guide was prepared as a template for professionals in the agricultural sector to use when assisting producers who are interested in diversifying their agricultural operations. The content of the guide is based on testimonials from agricultural producers and technical material from other sources with experience in diversified agriculture. It was completed as one component of the project *Sustaining Western Rural Landscapes, Lifestyles, and Livelihoods through Agricultural Enterprise Diversification*. Funding was provided through a professional development grant awarded in 2000 from Western Region Sustainable Agriculture Research and Education (SARE). Examination of the guide reveals that agricultural enterprise diversification requires the interaction of many disciplines. Consequently, a diverse partnership was assembled to contribute to its development.

The project partnership

- USDA Natural Resources Conservation Service
- University of Wyoming Cooperative Extension Service
- Wyoming Small Business Development Center
- Wyoming Department of Agriculture
- Wyoming Business Council
- Wyoming Rural Development Council
- Sonoran Institute, Northwest Office

The individual contributors

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Table of Contents



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(307) 777-6589

1	A circular icon featuring a stylized plant with three leaves and a horse's head profile to its right.	Table of Contents Foreword
2	A circular icon showing a farm scene with a house, trees, and a field under a crescent moon.	Introduction to Agricultural Enterprise Diversification
3	A circular icon depicting a house with a chimney, a tree, and a fence.	Enterprise Assessment
4	A circular icon showing a sun rising over a field with a fence and a tree.	Enterprise Feasibility
5	A circular icon showing a person working in a field, possibly planting or tending to crops.	Enterprise Implementation
6	An icon of a stack of three books.	Resources
7	An icon of a farm scene with a barn, a house, and a fence.	Appendices
8	An icon of a spiral-bound notepad with a pen resting on it.	Producer Forms



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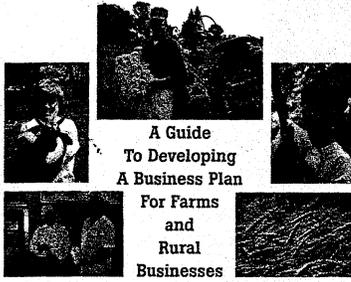
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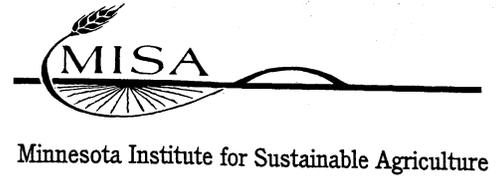
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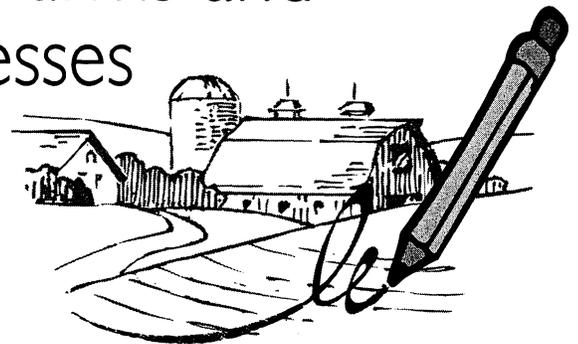


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Book 6



Building a Sustainable Business

A Guide to Developing a
Business Plan for Farms and
Rural Businesses



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Agritourism and Nature Tourism In California

A How-To Manual For Farmers and Ranchers

SMALL FARM CENTER

University of California • Division of Agriculture and Natural Resources

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North Dakota State University
NDSU Extension Service
As A Resource for
Community / Economic Development Assistance

North Dakota State University (NDSU) - Fargo is a land-grant university. It has a special obligation to assist North Dakota's communities by providing Extension and Outreach services to carry out research and education.

The NDSU Extension Service is a network of county extension agents, and area and state extension specialists who are committed to helping youth and adults to enhance their lives and communities through education.

For more information on NDSU Extension Service and NDSU community resources see our web pages:

<http://www.ndsu.nodak.edu> - North Dakota State University

<http://www.ag.ndsu.nodak.edu> - NDSU Extension Service

<http://www.ag.ndsu.nodak.edu/ced/communitypage> - Community, Economic
and Leadership Development

Kathleen Tweeten, Community Economic Development Specialist
NDSU Extension Service
4023 N State Street
Bismarck, ND 58503
(701) 328-5134
Fax: (701) 328-5123
E-mail: ktweeten@ndsuent.nodak.edu

Resource Directory can be purchased for \$25.

To order: Please make check payable to: **NDSU Extension Service**
and mail to - Kathleen Tweeten at the above address.

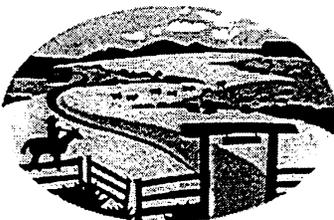
This resource directory will be available in the near future on our website -
<http://www.ag.ndsu.nodak.edu/ced/communitypage>

South Dakota

FARM & RANCH VACATION



RESOURCE DIRECTORY



South Dakota Department of Tourism

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CASHING IN ON BUSINESS OPPORTUNITIES

A Guide to Building a Home-Based & Micro Business Program ©



Produced by the National Home-Based & Micro Business Design Team for the Communities in Economic Transition National Initiative of the Cooperative State Research, Education and Extension Service

Published by the Mississippi State University Extension Service and the Southern Rural Development Center.

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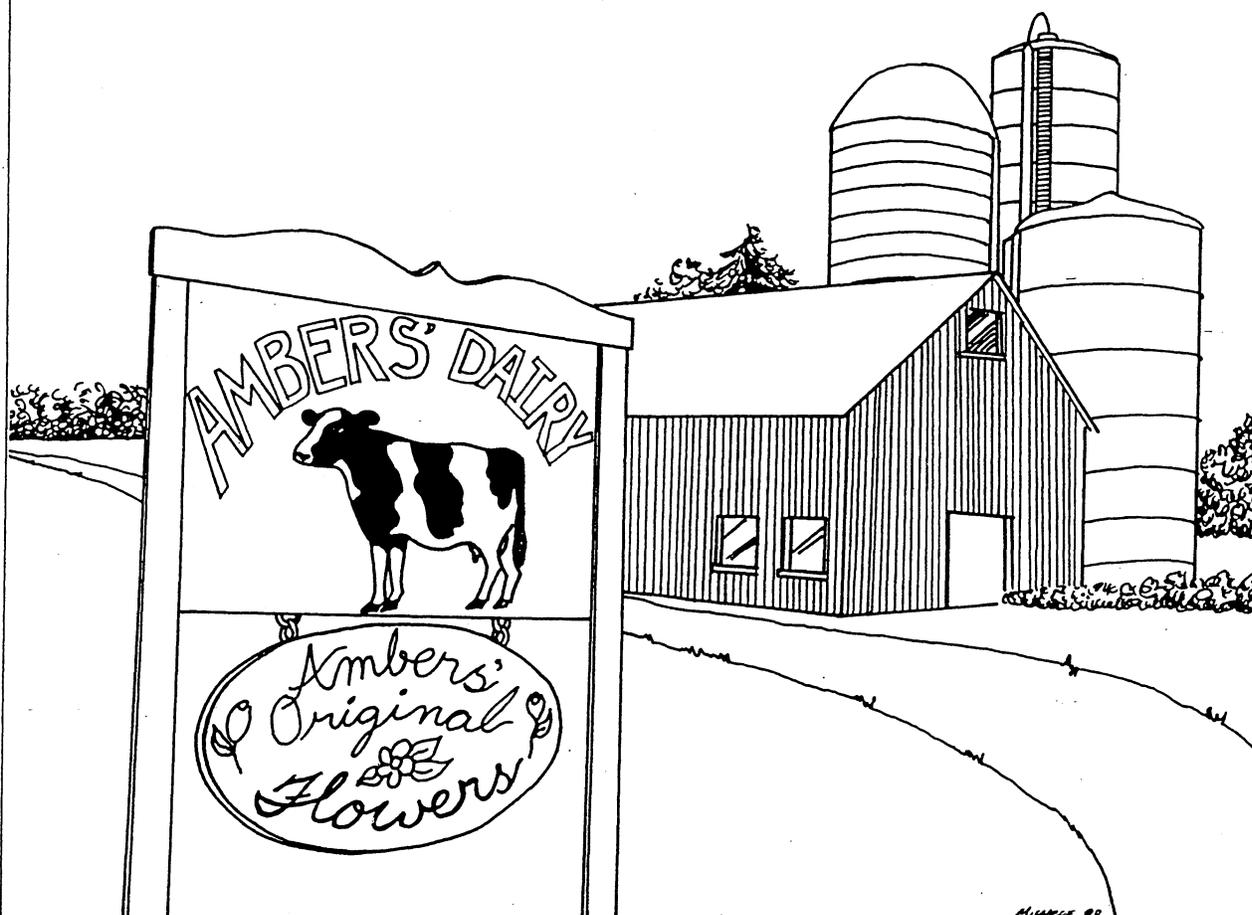
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- Chapter 15: Keeping Tabs on Cash
- Chapter 16: Recruiting, Training, and Motivating Employees
- Chapter 17: Employing the PC To Perform Work
- Chapter 18: Communicating Electronically
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Farming Alternatives

*A Guide to
Evaluating the Feasibility of
New Farm-Based Enterprises*



SMALL FARMS SERIES

Northeast Regional Agricultural Engineering Service



COOPERATIVE EXTENSION

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To simplify information, trade names have been referred to in this publication. No endorsement or criticism is intended of products or companies named or unnamed in this book.

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Reprinted January 1991

Background of Project

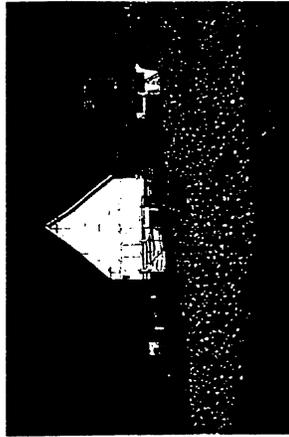
The "Tilling the Soil of Opportunity" training course was developed by more than 15 business writers, producers and consultants involved in successful direct marketing agricultural businesses. The Center for Applied Rural Innovation and the NxLevel™ Training Network teamed up to publish these materials. In 1999 the materials were first tested with more than 50 producers across the nation. The result is a highly practical, informative and successful training program for today's agricultural producer.

The development of the training course was funded in part by the University of Nebraska, NxLevel™ Training Network, US WEST Foundation, and the U.S. Department of Agriculture's Sustainable Agriculture Research and Education program.

*"Helping Producers Reach
the Next Level of Success..."*

"Tilling the Soil of Opportunity"

NxLevel™ Guide for
*Agricultural
Entrepreneurs*



*"Helping Producers Reach the Next
Level of Success..."*

Center for Applied Rural Innovation
58 H.C. Filley Hall
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Lincoln, NE 68583-0947

Phone: 800.328.2851
Fax: 402.472.0688
Email: mschlake@unl.edu

NxLevel Training Network
1.800.873.9378
Center for Applied Rural Innovation
University of Nebraska
1.800.328.2851



New

Opportunity...



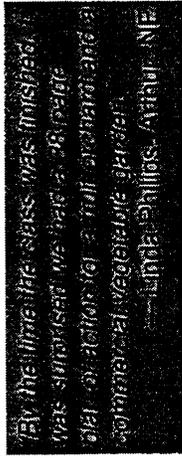
Add up the cost of consultation, throw in free advice from guest speakers, multiply networking time with other successful business owners, and finally, add in a small amount for the materials. What you get is the "Tilling the Soil of Opportunity" — a large opportunity for today's innovative agricultural producers!

This 36-hour course is specifically designed to assist farmers, ranchers and other agricultural entrepreneurs wanting to diversify their agricultural business. During the course, producers will explore niche markets, distribution channels, production options, management controls, business structure, cashflow management and financing. The focus of the course is on the individual producer's interests, resources and needs.

How to Participate

The "Tilling the Soil of Opportunity" training materials are available to producers through various host organizations across the nation. Most courses are offered when convenient for the producer — between harvest and spring planting.

If interested in participating in the course, contact either the Center for Applied Rural Innovation or the NxLevel™ Training Network for a course location nearest you.



Hosting a Training Course



The NxLevel™ materials are available to agricultural and business organizations interested in community-based agricultural development. All individuals providing instruction or coordination of the course must be certified through the NxLevel™ Training Network.

Partnership with existing NxLevel™ Training Network organizations or other agricultural and business organizations is essential to the success of this program. These partnerships or coalition members provide a support network to assist, mentor and finance the participating business. Contact the Center for more information on becoming a host organization.

Course Outline

1. Take Stock of Your Resources
2. Basic Equipment Required: Planning and Research
3. The Legal Terrain
4. Manage from the Ground Up
5. Plant It, Grow It, MARKET IT
6. Reap the Benefits — Marketing Strategies
7. Get Your Budgets in Line
8. Analyze THESE: Cash Flow and Financial Statements
9. Cultivate Your Money Resources
10. Harvest Your Future

"Helping Producers Reach the Next Level of Success..."

Center for Applied Rural Innovation
58 H.C. Filley Hall
University of Nebraska
Lincoln, NE 68583-0947
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Fax: 402.472.0688
Email: mschlake@unl.edu

Farm & Ranch Recreation Handbook

by

Susan J. Rottman & Jeff Powell

RLS International

Cheyenne, WY 82001

(Judy L. Hengel & Vicki Walker Pollock, editors)

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If you want to print any section of this handbook, the easiest way is to highlight what you would like to print, copy it (control c) and paste it (control v) into a word document and print it from there.

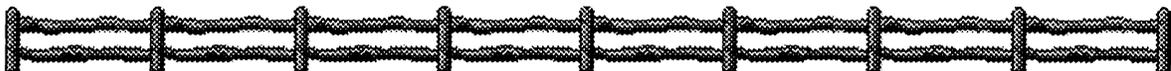
- Chapter 1** Introduction (Objectives of course/handbook - range/ranch recreation - what it is & is not; birth and growth of a concept; tourism in the country; ecotourism vs. big game hunting)
- A. Overview of Ranch Recreation
 - B. Slide Show Script
 - C. Outdoor Recreation and Wilderness in American Life
 - D. Wyoming Recreation Resources
 - E. Case Study Abstracts
 - F. Review Questions
- Chapter 2** The ranch recreation business and operations plan (Purpose of the plan; goal setting; feasibility; personnel; management; finance; marketing)
- A. The Ranch Recreation Business Plan Overview
 - B. Steps in Starting a Business
 - C. How to Earn Extra Money on Your Ranch
 - D. Money- Making Ideas
 - E. Where Can You Get Help?
 - F. Permit Guide: A List of Permits and Licenses You May Need
 - G. Idaho Ranch Recreation Business Impact Survey
 - H. Wyoming Bed & Breakfast / Ranch Recreation Survey
 - I. Ranch Recreation Entrepreneurship (Suggested References)
 - J. Case Study Ex: Agri/Ecotourism in Kazakhstan: A Business/Marketing Plan
- Forms:
- a. Ranch Recreation Business Plan Format (Abbreviated; non-financial)
 - b. Your Time: Evaluating the Time and Seasons for Other Work
 - c. Ranch Recreation on-Site Assessment (Pre-Assessment Questionnaire)

- d. Entrepreneurship Self-Assessment Profile Answers
 - e. Worksheet II-1. Decision criteria for recreation
 - f. Worksheet II-2. Is the project workable?
 - g. Making an Inventory of Your Abilities and Assets
 - h. Your Resume: A guide to What to Write About Yourself
 - i. Brainstorming the Possibilities
 - j. Planning the Ranch Recreation Operation
 - k. Review Questions
- Chapter 3** Profiles of the Players (Friends, guests, tourists and their expectations; ranch owner, manager, and labor goals and personal characteristics; self-assessment; who's who on the public range and in private ranch recreation - paid, elected, and free assistants)
- A. Some Considerations Within the Family Ranch Business
 - B. Wyoming Farm & Ranch Recreation Enterprises
 - C. Consumer Survey of Nonresidents at the 1986 Cheyenne Frontier Days
 - D. Case Study Abstracts
- Forms:
- a. The Players
 - b. Ranch Recreation Workshop (Tell Us Who You Are)
 - c. Additional Land Characteristics (for Recreation Use)
 - d. Review Questions
- Chapter 4** Inventorying the Opportunities (The unique, quality experience; potential activities; assessing the quality as well as the quantity; resources, facilities, location, and services)
- A. Inventorying the Opportunities
 - B. Sun Ranch Case Study
- Forms:
- a. Ranch Resources & Management Inventory Outline
 - b. Review Questions
- Chapter 5** Before the Guests Arrive (Financing the operation - startup and operating capital; enterprise budget; liability, insurance, and risk management; legal constraints & local customs; technical information; leases & leasing)
- A. Private Property: Rights and Liabilities
 - B. Risk Management
 - C. Written Lease
 - D. Lease Agreement Examples
 - E. How to Write an Effective Disclaimer

- F. Permits
 G. Case Study Abstracts
 H. Case Study Ranch
- Forms:
 a. Chapter 5 Worksheet
 b. Review Questions
- Chapter 6** Fixing the Old and Adding the New (Sleeping and eating; wildlife economics, habitat, and ranching; livestock and horses; amenities)
 A. Town & Country Bed & Breakfast
 B. Wildlife Economics
 C. Tourism and Wildlife Lands
 D. Hunting Preserves: An Economic Venture
 E. Case Study Abstracts
 F. Case Study Ranch
- Forms:
 a. Worksheet 6-1. Rating Your Recreation Enterprise
 b. Workbook Questions
 c. Review Questions
- Chapter 7** Marketing What You Have - and Convincing Them They Want It (seeing your place through their eyes- segmenting the market (the public vs. private guests); strategies to success; promotion; pricing; advertising; competition and complements, timing)
 A. Marketing Principles & Practices
 B. Marketing Ranch Recreation Opportunities
 C. Doing Your Own Market Research
 D. Marketing Research Proposal (Case Study Example)
 E. Risks, Capital, Profit, and the Entrepreneurial Spirit
 F. Promotional Video Script "Promoting Farm/Ranch Recreation Industry"
 G. Pricing It Right the First Time
 H. Case Study Ranch No. 1
 I. Case Study Abstracts
 J. Examples of Hunting Pricing
- Forms:
 a. How Do You Look to Your Customer & Competition?
 b. Customer Profile Form
 c. What is the Position of your Product/service in Relationship to Your Competition
 d. Vacation Statement
 e. Press Kit

- Chapter 8**
- f. Review Questions
 - Guess Who's Coming to Dinner (Reservations and reservation services; networking with the competition)
 - A. Wyoming Homestay and Outdoor Adventures Association (Bylaws & Goals)
 - B. The Dude Rancher's Association
 - C. Hunting Clubs: Potential and Problems
 - D. Case Study Example (Clubs: an income option)
 - E. Case Study Abstract
 - F. Case Study Ranch
- Forms:
- a. Property Information (for travel agents)
 - b. Property Information Worksheet
 - c. Review Questions
- Chapter 9**
- The Guests Have Arrived (Public relations; hospitality, time & people management)
 - A. Hospitality: The Guests Pays the Bills
 - B. Telephone Etiquette: First Impressions
 - C. Successful Motivational Training
 - D. Hospitality Suggestions
 - E. Ten Commandments of Good Business
 - F. Hospitality Tips for Ranch Recreation Hosts (and employees)
 - G. People Management for Ranch Recreation Entrepreneurs
 - H. Principles of Public Relations
 - I. The Entrepreneur as an Employer
 - J. The Entrepreneur as a Public Servant
 - K. When Visiting a Legislator
 - L. Saying It the Right Way
 - M. Working with Difficult People
 - N. Informing the Publics
 - O. Movers, Shakers, Friends, Opponents, Pessimists
 - P. Employee Relations Checklist
 - Q. Time Management
 - R. Case Study Abstracts
 - S. Review Questions
- Chapter 10**
- Business Records and Management (Management strategies; record-keeping for the government and for the repeat clientele; forms; taxes; financial statements and their use in planning; decision-making with the help of a computer)
 - A. Business Management Strategies & Records
 - B. Pricing, Buying, & Selling a Small Business:

	<u>Guidelines for Ranch Entrepreneurs</u>
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	D. <u>Case Study Ranch</u>
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	B. <u>Case Study Abstracts</u>
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	D. <u>Ranch Recreation Plan Style & Format</u>
	E. <u>Bed & Breakfast / Ranch Recreation Business Impact Survey</u>
	F. <u>Wyoming Regulations for Bed & Breakfast and Ranch Recreation</u>
	G. <u>Range Management and the Web: Partners in the 21st. Century</u> by Mike Haddock (a listing of web sites for Range Management)
	 <u>Farm/Ranch Recreation Pamphlets in Printable PDF Format</u>
	1. <u>Is a Farm/Ranch Recreation Business for You?</u>
	2. <u>Promoting the Farm or Ranch Recreation Business</u>
	3. <u>Using a Database: Build Your Farm/Ranch Recreation Business- Middle Poster Fold Out</u>
	4. <u>Web Page Design for the Farm/Ranch Recreation Business</u>



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YOU CAN MAKE MONEY FROM YOUR ARTS AND CRAFTS

The Arts and Crafts Marketing Book

Steve and Cindy Long

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**Your Guide
to
USDA's
Rural Development-Related
Activities**

Drafted by:
Rural Economic Development Action Team

Your comments/suggestions would be
very valuable in helping us make this a useful document.

Please use the enclosed comment form and
drop it in the box at USDA's publication displays
in Aisle 400

or mail it to the return address.

Thank you.

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FUNDING INFORMATION

This guide gives general, short descriptions of programs that provide information, technical assistance, or funding (ranging from loan guarantees to grants). To obtain specific funding information, consult the following sources:

FEDERAL FUNDING SOURCES FOR RURAL AREAS: 1996. Includes information on current federal programs that focus on rural areas.

Accessible by Internet at <<http://www.nal.usda.gov/ric/ricpubs/funding/federalfund/ff.html>> or available from the Rural Information Center by calling 1-800-633-7701

A GUIDE TO FUNDING RESOURCES. Includes information from both governmental and private sources on funding opportunities available to

local governments, small businesses, organizations, and individuals. Accessible by Internet at <<http://www.nal.usda.gov/ric/ricpubs/funding/fundguide.html>> or available from the Rural Information Center by calling 1-800-633-7701

RURAL HEALTH SERVICES FUNDING: A RESOURCE GUIDE. Includes information for beginning a funding search in addition to federal, state, and private funding sources. Accessible by Internet at <<http://www.nal.usda.gov/ric/ricpubs/ric41.html>> or available from the Rural Information Center by calling 1-800-633-7701

CATALOG OF FEDERAL DOMESTIC ASSISTANCE. Compendium of federal programs, projects, services, and activities which provide assistance or benefits to the American public. Accessible by Internet at <<http://www.gsa.gov/fdac/>> or may be purchase from the Superintendent of Documents, Government Printing Office SSOM, Washington, DC 20402. The Catalog may also be available at your closest Federal Depository Library.

Rural Entrepreneurship and Small Business Development

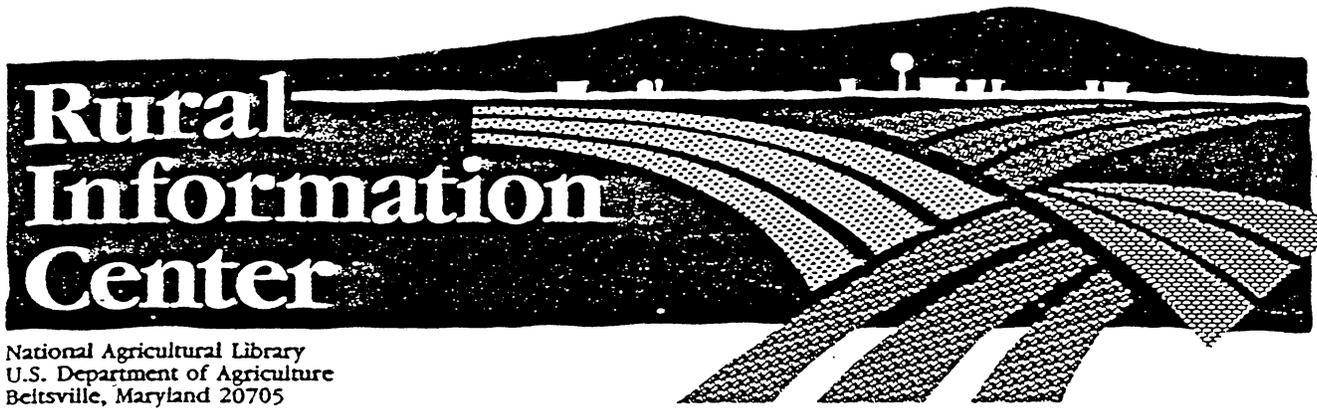
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Updates QB 92-49

295 citations in English from AGRICOLA

Patricia La Caille John
Rural Information Center





The Rural Information Center (RIC) is a joint project of the Extension Service and the National Agricultural Library (NAL). RIC provides information and referral services to local government officials, community organizations, health professionals and organizations, cooperatives, libraries, businesses, and rural citizens working to maintain the vitality of America's rural areas. The Center combines the technical, subject-matter expertise of Extension's nationwide educational network with the information specialists and resources of the world's foremost agricultural library.

The Office of Rural Health Policy in the Department of Health and Human Services (DHHS) and the NAL jointly created a Rural Information Center Health Service (RICHS) as part of the RIC. RICHS collects and disseminates information on rural health issues, research findings related to rural health, and innovative approaches to the delivery of rural health care services.

SERVICES:

Provide customized information products to specific inquiries including assistance in economic revitalization issues; local government planning projects; rural health issues; funding sources; and other related issues for the purpose of monitoring the quality of rural life.

Process a broad array of general and funding information requests on such topics as:

- Successful strategies, models, and case studies of community development projects
- Small business attraction, retention, and expansion
- Tourism promotion and development
- Recycling programs
- Community water quality
- Technology transfer to rural areas
- Closures, restructuring and diversification of rural hospital and clinics
- Agricultural health and safety
- Health programs, services, personnel issues
- State initiatives concerning rural health delivery issues

Refer users to organizations or experts in the field who can provide additional information.

Perform brief database searches of requested topics on a complimentary basis.

Furnish bibliographies and Rural Information Center Publication Series titles.

Identify current USDA and DHHS research and Cooperative Extension Systems programs.

ACCESS:

*Telephone 1-800-633-7701 (nationwide) or 1-301-504-5547
*Mail Rural Information Center
National Agricultural Library, Room 304
Beltsville, MD 20705-2351

*Electronic Mail through INTERNET (RIC@NALUSDA.GOV)

*NAL Bulletin Board (RIC/RICHS Conference) 1-301-504-6510

Advancing Rural America

A summary of efforts by the U.S. Small Business Administration's Office of Advocacy to promote and support rural small business

Office of Advocacy
U.S. Small Business Administration
Washington, D.C.: 2001

FOREWORD

Independence, dependability, self-reliance — these ideals of the American character are rooted in rural America. The Office of Advocacy recognizes that viable small businesses are the core of sustainable rural communities. And today, rural small businesses face special challenges — limited access to capital and technological infrastructure, an eroding employment base, and the need for agriculture to compete globally — to name a few.

In recent years, the office has devoted greater resources to studying and identifying rural issues and making information available to help address them. For instance, the office's studies on lending let rural business owners know which banks have a track record of lending to small rural businesses and small farms. The studies may also prod banks into improving their lending practices. Advocacy started *ACE-Net* (the Access to Capital Electronic Network) to expand access to early-stage equity capital for all small businesses. *ACE-Net* is a tool that is especially relevant to rural small businesses. Rural small businesses' access to capital has historically been limited and may be constrained further as bank mergers replace community banks with larger entities that are less interested in non-credit card small-sized loans. And Advocacy's regulatory review has helped assuage some of the burdens that new federal regulations would have imposed on rural small businesses.

The Office of Advocacy has also teamed with the National Rural Development Partnership (NRDP), an initiative of the U.S. Department of Agriculture, to raise institutional awareness of rural issues. Advocacy hosted one of the NRDP's Harry S. Truman Fellows for 2000-2001, Shawn Vogt Sween, who is the author of this report. In this report, Sween catalogues Advocacy's recent efforts to address issues that affect rural small businesses and, with the input of NRDP members, identifies areas of much needed future research.

Visit the Office of Advocacy's Web site at www.sba.gov/advo for additional information about small businesses.

D. Bed and Breakfast

E. Rural Development

F. Community Tourism