

**Growing Your Farm Profits:
Planning for Business Success**

CFBMC Innovation Day
June 3, 2008

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Growing Your Farm Profits (GYFP)

Joint project of the Business Management Unit of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and the Ontario Soil and Crop Improvement Association (OSCIA).

Funding also provided by the Agricultural Management Institute (AMI) and the CanAdvance Program.



Agricultural Adaptation Council

Ontario

Canada

Credit **EQ** **RPO** **Ontario**

Through the GYFP farmers:

- **Assess** current farm management practices, systems, knowledge, and skills;
- **Understand** how planning provides the framework for effective decision making;
- **Prioritize** goals for the farm's future;
- **Identify** resources that can help meet these goals;
- **Build** on a farm's strengths; and
- **Action Plan** to improve farm management skills and knowledge.

Growing Your Farm Profits

Response to:

1. *"We need to learn more about business planning tools and how business planning can help us meet our farm goals."* 2006 AMI farmers focus groups
2. AMI, OMAFRA, OSCIA - Can we create a farm business planning process similar to the successful Environmental Farm Plan pioneered by OMAFRA and OSCIA?

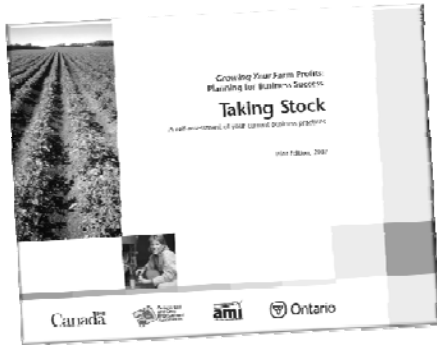
Growing Your Farm Profits

- OMAFRA Staff began Assessment and Manual Design in Feb. 2007
- OSCIA GYFP Project Manager Gerald Renkema hired May 1, 2007
- Held seven workshops across Ontario Jan.- Mar. 2008. Six English, One French
- 118 participants
- Four "Traditional Style" - three "more Experiential Style" workshops

Workshop Agenda included:

- Identifying current challenges in farming,
- Understanding the value of planning,
- Explaining the mechanics of the GYFP process,
- Completing the self assessment,
- Summarizing the high priority issues,
- Creating an Action Plan to address key priorities,
- Networking/Discussion with other farmers,
- OMAFRA information presentation on Day 2 responding to issues raised on Day 1 and promoting Renewal Business Planning programs and other resources.

The Taking Stock Self-Assessment



Taking Stock Assessment

162 Total Assessment Questions in the following 8 areas of Farm Business Management

1. Business Strategy
2. Marketing
3. Production
4. Human Resources
5. Financial
6. Social Responsibility
7. Succession Planning
8. Business Structure

How to use the Taking Stock booklet

Each business section has an introduction and a glossary to help you answer the questions...

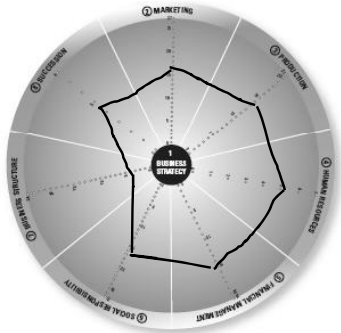
Choose an answer for each, rated like a traffic light:

- Green: you understand and are dealing with the issue
- Yellow: improvements should be made (proceed with caution)
- Red: you need further understanding...action is needed

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TAKING STOCK: BUSINESS STRATEGY

Assessment Question	GREEN	YELLOW	RED	Self-assessment	Priority
CORE COMPETENCIES					
1.10 Can you identify what your farm operation does well (your core competencies) and do you build on these strengths to improve your business?	I can identify what my operation and I are good at, and we use these strengths to make our services and products better.	I know what we are good at doing, but I do not know if we build our business with these strengths in mind.	I do what I like to do rather than what I am good at doing.	<input type="radio"/> RED <input type="radio"/> YELLOW <input checked="" type="radio"/> GREEN	<input type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> LOW
1.11 Do you know how your core competencies...	Yes, we routinely market our products from the...	I am not sure how to use our strengths to differentiate us...	I do not know why we need to differentiate ourselves...	<input type="radio"/> RED <input type="radio"/> YELLOW <input type="radio"/> GREEN	<input type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> LOW

Quarterly Progress Wheel – Total Green Responses (strengths)



Taking Stock of your priorities

You must also prioritize each question for your farm: high, medium, or low.

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TAKING STOCK: BUSINESS STRATEGY

Assessment Question	GREEN	YELLOW	RED	Self-assessment	Priority
CORE COMPETENCIES					
10 Can you identify what your farm operation does well (your core competencies) and do you build on these strengths to improve your business?	I can identify what my operation and I are good at, and we use these strengths to make our services and products better.	I know what we are good at doing, but I do not know if we build our business with these strengths in mind.	I do what I like to do rather than what I am good at doing.	<input type="radio"/> RED <input type="radio"/> YELLOW <input type="radio"/> GREEN	<input type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> LOW
11 Do you know how your core competencies differentiate you from competitors or how they make your business unique?	Yes, we routinely market our products from the perspective of the strengths we add to the product by way of our core competencies.	I am not sure how to use our strengths to differentiate us from our competitors.	I do not know why we need to differentiate ourselves from our competitors.	<input type="radio"/> RED <input type="radio"/> YELLOW <input type="radio"/> GREEN	<input type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> LOW
12 Do you try to make constant improvements on your farm?	I make at least one significant change in the farm operation each year, and I measure and compare the results and adapt as...	I make at least one significant change in the farm operation each year, but I do not adequately measure the results to be able to know if I should adopt the change...	I do not make any significant change in the farm operation each year.	<input type="radio"/> RED <input type="radio"/> YELLOW <input type="radio"/> GREEN	<input type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> LOW

My Priority Lists

- Summarize High Priority Assessments – Strength or Weakness
- Select Top Priorities

Successful Action Plans include

1. Further planning including moving from notional plans to written plans
2. Taking steps to further research and analyse including accessing consulting, upgrading on farm record keeping and benchmarking
3. Identifying and Accessing training needed
4. Direct action steps to address key priorities

using S.M.A.R.T. - Specific, Measurable, Accountable, Realistic, and Timeline parameters

Up to 3 S.M.A.R.T Action Plan Goals

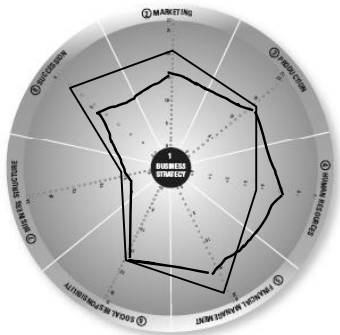
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BUSINESS STRATEGY PLANNING

**Where We Want Our Farm to Be:
Our Farm's Business Goals**

Where do we want our farms to be in 5 to 20 years?

GOAL 1	GOAL 2	GOAL 3
Objective 1A 1. WHAT WE MEASURE 2. SUCCESS MEASUREMENT 3. WHEN 4. WHO	Objective 2A 1. WHAT WE MEASURE 2. SUCCESS MEASUREMENT 3. WHEN 4. WHO	Objective 3A 1. WHAT WE MEASURE 2. SUCCESS MEASUREMENT 3. WHEN 4. WHO
Objective 1B 1. WHAT WE MEASURE 2. SUCCESS MEASUREMENT 3. WHEN 4. WHO	Objective 2B 1. WHAT WE MEASURE 2. SUCCESS MEASUREMENT 3. WHEN 4. WHO	Objective 3B 1. WHAT WE MEASURE 2. SUCCESS MEASUREMENT 3. WHEN 4. WHO

Quarterly Progress Wheel - Strengths vs. Priorities



Pilot Project Evaluations

By the end of Day 2 of 66 evaluations:
71 % indicated identified one or more action item, and 47% identified three or more action items. Action Items included:

- Learn more about effective marketing of commodities
- Written market plan
- Written succession plan
- Improve record keeping to better understand business

Pilot Project Evaluations

Action Items included:

- Evaluate entire operation for most viable and profitable enterprises for my area,
- Communicate better with my farm team,
- Set a goal, business plan,
- Sit down with my spouse and write down our goals of where we really want to go.

Evaluation Results

Participants were asked to gage their level of confidence, knowledge and understanding and value (importance) of planning in the eight planning competency areas.

Evaluation respondents indicated that, *in regard to planning*, the Growing Your Farm Profits process had increased their:

Self Confidence	50%
Knowledge and Understanding	50%
Value (Importance of)	35%

2008- 09 GYFP Next Steps

- Update the self assessment binder and further develop technical resource materials.
- Ensure self assessment is applicable to new farmers.
- Incorporate best of both workshop formats.
- Deliver up to 60 workshops across Ontario in winter of 2008-09.

Growing Your Farm Profits

The Future will bring challenges, opportunities, and successes to your farm.

**Don't just plan on it
...plan for it!**

Thank You



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