

## Farm Business Strategies

Check the strategies that best describe your overriding strategy for your farm. Most farmers use a combination of these strategies. Then write a sentence or two about how you plan to carry out these strategies.

🍏 **Low cost production** – compete based on price

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🍏 **Growth** – increase size (measured by acres, income, profit, or other)

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🍏 **Differentiation** – unique perception about products by buyers, often used in direct marketing. Could also mean consistently high quality.

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🍏 **Niche** – small but well defined market niche. Requires market development. Examples include organic, sales to restaurants

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🍏 **Service provider** – customer responsiveness, reliability. Meeting requirements of buyers such as packaging, quality, variety, supply on demand, market window, flexibility of amount delivered and timing of delivery

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## Tests for Evaluating Enterprise Selection

**Farm Vision Consistency Test.** How well does the proposed enterprise fit with the business and personal vision of the farmer? Does it build on current strengths and opportunities of the business?

**Industry Goodness of Fit Test.** How well does the proposed enterprise fit with industry trends?

**Production Performance Test.** How well can the proposed crop be grown in terms of yield and quality? Is the crop appropriate for your soil type and climate? Is the proposed crop expected to be profitable? How will it fit into crop rotations?

**Market Performance Test.** Does the proposed crop improve access to markets or customers? Does it require a significant increase in time marketing? Does it improve the ability to respond to current customers? Do you know who your competitors are?

**Resource Test.** Is the proposed enterprise reasonable given the resources available to the farm? What additional resources will be needed? Does the proposed crop compete with enterprises for resources? Can financing of the new enterprise be obtained?

**Building for the Future Test.** How well does the proposed enterprise help the farm stay competitive and profitable? How well does it help meet strategic goals?

**Environmental Performance Test.** Will the proposed crop contribute to long range environmental goals related to biodiversity, soil quality, air quality, and water quality?

**Confidence Test.** How risky is production, marketing? Is there a contingency plan? Will the new enterprise increase financial risk?

## Enterprise Selection Decision Tool

Proposed Enterprises:	Number 1	Number 2	Number 3
Performance Tests:(low = 1, high =5)			
Farm Vision Consistency			
Industry Goodness of Fit			
Production Performance			
Market Performance			
Resource			
Building for the Future			
Environmental Performance			
Confidence			