

# 10 KEYS TO A SUCCESSFUL FARM BUSINESS

AUTHORS: Cindy Fake, Horticulture & Small Farms Advisor;  
Jim Muck, Program Representative, Nevada & Placer Counties

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1. **Have a Business Plan.** Make a business plan and stick to it. The plan is a living document so read it every year and make any changes that are needed.
2. **Create a Marketing Plan.** Decide what your product (s) are, where you are going to sell your product, who you are going to sell to, when you are going to sell it, and how you are going to sell it (farmers market, wholesale, to restaurants, etc.)
3. **Develop a Risk Management Plan.** Accidents happen, people get sick, the irrigation canal breaks; in short, life happens so plan what to do when things go wrong.
4. **Make an Operations Plan.** Think through all the activities that make up your business and figure out who is going to be doing what task. You need to know who will drive the tractor, and who will keep the books, who will feed the chickens and who will harvest the squash.
5. **Decide how you will handle your cash.** Selling agricultural products is often a cash business and you need to be careful with all that money. If you have cash in hand and run off and spend it, how are you going to pay the mortgage? Create a plan that tracks every penny you earn and spend and create ways to get the cash out of your hands and into the bank.
6. **Plan for Capital Investments.** Farm equipment and livestock equipment is expensive. It can save you money and make you money; or it can put you deeply in debt unless you think through your purchases before you buy.
7. **Insurance, Licenses and Permits.** Talk to your insurance agent and explain what you want to do and a good agent will help you. The same goes for your County Agricultural Commissioner. Go introduce yourself and explain your business. Don't fear the regulators or the insurers, they can help you and protect you. Insurance, permits and licenses are part of being a legitimate business.
8. **Support System.** Find people who will pick you up when you are down and who will give you tough love when you are going in the wrong direction. Find fellow farmers and business professionals outside of farming who can give you good, honest advice from a fresh perspective.
9. **Focus on a few crops and a primary market.** Pick one enterprise that you really like and that has good money making potential and just do that. There are only 24 hours in a day so spend your time on the ones that make your business successful. The same goes for markets: focus your time and efforts on the place where you can make money.
10. **Be flexible.** Don't be afraid to change your plan if it isn't working. Sit down look at what you did and see what didn't work then make a plan that addresses the problem. If you need to switch markets, crops, products, or distribution plans then make the change. Just make sure you think it through carefully.

Placer County 530.889.7385 Nevada County 530.273.4563  
<http://ceplacer.ucanr.edu/> • <http://ucanr.org/foothillfarming>



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