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Developing and Educating Managers and New Decision-makers



Are you planning to be the next generation farm operator? Whether you represent the transition of generations, or that of employee to owner or as a new entrant to the business, a fresh look at management will be necessary. Michigan State University Extension offers help to beginning farmers with this transition through the Beginning Farmers DEMaND series offering articles, workshops and additional resources.

Transitioning From Labor Force to Decision-Maker

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Think about the reason you got involved in farming. You would probably say that farming is a passion or even a desire to be part of something bigger than yourself. It may be something you grew up with on your family's farm or something you developed working for a local farm. It's that passion that has led you to decide that you want to become the next generation of leadership, either on your existing farm or possibly striking out on your own. You want to make the decisions and make your living on the farm, and own a part of the business or even the whole business someday.

So, how do you plan to make it happen?

You've been around the farm enough to know it's not an easy business. From long hours in the field or feedlot to unexpected weather to poor market prices, farming has a lot of challenges and struggles that go

with it. Many steps must be taken to produce a crop or raise livestock to market age. Those are all things you know and with which you are comfortable.

Now that you have decided to become a farm manager, you are starting to see more of the economic and whole additional layer of considerations beyond simply what needs to happen to produce the farm's goods. Your viewpoint of the farm and its challenges have now begun to change. How do you go about including this new information with what you already know about farm production?

The most important thing you can do to help yourself right now is to have a plan – a plan to help you go about gathering and taking in all this new information, so that you approach all this in a way that is useful and that you can understand. By doing so, it will help you learn to be a decision-maker and, best of all, a successful farmer. MSU Extension has a few suggestions to help you transition to a decision-maker:

Find yourself a mentor, advisor or someone to seek guidance from.

Believe it or not, the generation before you went through the exact same transition when they decided to become farm managers. Many of them will tell you that they did not learn it all at once. It took time and effort to get familiar with the parts of running a farm that they had not been involved in before. Like you, they understood how to do the work and what to do to produce crops or raise livestock. What they

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were not necessarily familiar with directing the work and making decisions or even prioritizing those decisions based on economics or available resources. It took time for them to become comfortable with all this new information. Once they were, then they could begin to make decisions that they felt confident would lead to the success they have today.

Ask them questions or seek advice as you begin to build your plan. Consider seeking guidance from more than one person. Consult not only family members but also someone from a nearby farm who can offer a different perspective to consider.

Understand the farm's goals.

Every farm has goals to achieve. Making a profit is unquestionably every farm's goal, but behind that are individual accomplishments that each farm needs to reach for that to happen. What are your farm's goals? Is it a certain crop yield? Increasing rate of gain? Improving milk components? To help the farm be successful, you need to know the farm's goals. Once you know the goals, you can start to think about how you can help the farm achieve them.

Focus on one goal at a time.

Understanding what goes into achieving one goal can be a lot to know in itself. Start slow, take your time and focus on understanding one farm goal. You're going to have a lot of questions as you start to get into the details. To find out as much information as you can about that goal, ask the current decision-makers/farm managers. Make it a personal mission to become as much of an expert over time as you can in that one area. Then, dive into the next goal.

Start small, learn the basics.

Think about the size or scope of the farm goal that you are learning. Can you break it down to a smaller level to learn about? For example, if one of the farm's goals is to achieve an average of 200 bushels of corn across all its acres, start by learning what it takes to grow 200 bushels of corn on just one acre. What steps do you actually have to do to reach that goal? What does it take to not only achieve it but also to do so consistently year after year?

Become a student of success for the goal you wish to achieve. Learn what the limitations are and understand the ways to overcome them. Continuing

the corn example, analyze the situation of the field and what critical factors have to be met to reach 200 bushels per acre. What are the economics involved in reaching that goal? What costs are involved and is there probability of success? Will that success mean a reasonable profit for the farm? Or should a goal that is more reasonable and profitable be considered? Understanding all of these components to achieve the goal on a small scale makes it easier to expand your newfound knowledge to the farm's actual size.

Compare knowledge with practice.

Once you have a basic understanding of how to reach a goal, think about what you have learned. How is the farm currently trying to reach that goal? Are the farm's practices the best way to reach it? What could be changed? What limitations might there be to make those changes (for example, lack of equipment, finances)? As you start to ask these types of questions, you will begin to see how the things you did as a farmhand contribute toward achieving that goal.

Look for opportunities to learn about other practices.

Every farmer eventually becomes a creature of habit and uses the same practices every season. As you start to understand these practices, you will undoubtedly find yourself asking, "Why do we always do things this way?" A common response you may even hear is, "Because it's what we've always done." This is your opportunity to seek out and learn about new approaches to reaching your farm's goal.

Take the opportunity to talk to other farmers with similar goals in your area. Find out their approaches to reaching them and the reasons they've chosen those practices. Compare the limitations and resources they have to what exists on your farm. Attend MSU Extension or industry-led meetings (for example, United Dairy Industry of Michigan, Michigan Soybean Association, Michigan Pork Producers and others) on topics related to your goal to learn about alternative and best practices for success. This will help you to better understand and think about what practices you would recommend or even implement as a decision-maker on your farm.

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How Farm Records Influence Farm Goals

There are a few other considerations you still need to think about as you focus on your new role on the farm. As a decision-maker, you should understand the farm's financial position and the importance that the farm's records have in reaching goals.

Simply put, farm records are the key to a farm successfully reaching the goals that it sets.

This probably sounds a bit strange when you read it, especially when you think about what you read or hear about successful farming. If you pick up a farm magazine or go to an informational meeting, the topics usually focus around how to achieve better production, marketing for higher prices or lowering operating expenses, not farm records. However, if you think about the value behind them, you quickly discover the influence farm records have in measuring whether or not you have achieved your goals.

Still not convinced? Let's look at another activity that is often considered influential to farm goals.

You know that the results of a soil test can tell us a lot about the farm, from available nutrients to soil structure and even overall soil condition. You use this information in shaping fertilizer programs, chemical uses, irrigation scheduling and even yield goals. However, these tests can identify unknown problems or challenges that may be limiting success. By becoming aware of these challenges, the right solutions can then be found to overcome them. This makes soil testing a very important tool to help make decisions throughout the year.

The same is true of your farm's records.

If you want to focus on increasing production, you have to understand both the "what" and the "why" of your past performance. Let's think about your farm's yield goals for this past year. Did you meet them? If yes, what part did you play in that success? What decisions did you make that you want to repeat for next year? The same thought process is used if you didn't meet your yield goals. What limited your success this past year? How do you plan to manage those factors to minimize their future impact? The answers to these questions are what will drive your decision-making as you look to reach your production goals. To make those decisions count, you need information to base them on – information

that you can find readily available right there on the farm.

Farm records can be anything that contains critical information about your business. Yield reports, milk checks, feed mix reports, repair bills, weight tickets, expense receipts, feed invoices and even those soil test results are considered farm records.

What makes these records so important is that they are unique to your business. They offer insight and information you need to understand what your operation's strengths and weaknesses truly are. They help you to better manage those weaknesses, especially those that you may not even know exist right now. Best of all, when you combine your records with production information (that is, agronomics, nutrition and other topics), they can make your business more efficient and more profitable. All together, they supply critical information readily available for you to use as a decision-maker.

Just like making decisions that go into production, understanding and utilizing records can be a lot to take in all at once, especially if you are not used to the record keeping method in place. Michigan MSU Extension has some suggestions on how to approach understanding the information.

- Learn the existing record keeping system. You are likely to be moving into a decision-making role on a pre-existing farm. That means someone else is probably managing the farm's record keeping. Spend time with them and learn the system they use. Find out why they keep, track and organize the information the way that they do. Learn what does and does not work for them. Listen and ask questions. Some of the material you will see in the farm records will be confusing. Ask questions about what you don't understand. Learn what the information means and why the farm may be tracking it a certain way. You'll start to build a better understanding into how the farm works by knowing how and why it tracks information.
- Share your ideas. Remember that people differ in how they view and think about information. As you learn the existing system, you'll naturally start to have ideas on how to improve it or make it better. Share these ideas as a member of the

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farm team. Be sure to explain why you think these changes might make sense.

- Take on some responsibility. If you have followed the first three suggestions, you should have a working knowledge of how the farm keeps and tracks information. But the best way to truly learn about something is to be involved in it. Become a part of the process by taking on the role of tracking a segment of those records, whether it is keeping track of the fertilizer applications, feed mix purchases or grain weigh tickets. The more you work with the records, the better you will understand what is in them.
- Apply what you have learned to the farm goals. Think back to how you started out focusing on one goal in particular. What kind of records does the farm keep related to that goal? Does the information give you any new insight into achieving it? Did you discover any limiting

factors that may be holding the farm back? For example, you discover that your farm's wheat yields were lower because of consistently poor test weight. A low test weight affects the amount of bushels you have to sell. Knowing that is affecting yield and profitability, what ways could you look to improve it?

Spend some time today looking at your farm's records and speak with the person responsible for keeping them. Start to learn about how the records are kept and how you can become involved in the process. By understanding the farm records, you can contribute to the farm decision-making process.

Other Resources

Michigan State University Extension

<https://www.canr.msu.edu/outreach>

Michigan State University Extension helps people improve their lives by bringing the vast knowledge resources of MSU directly to individuals, communities and businesses.

MSU Farm Business Management

https://www.canr.msu.edu/farm_management/

Assisting farmers, agriculturally-related businesses, industries, families and individuals improve their lives and achieve their goals through an educational process that applies management, production and economic knowledge to critical issues, needs and opportunities.

Beginner Farmer Webinar Series

https://www.canr.msu.edu/farm_beginner_farmer_webinar_series/

Educational series covers basic, startup information for beginning farmers interested in engaging in new agricultural enterprises. Participants are mostly current or future growers who represent small farms.