

# So You Want To Be a Farmer

- How would you define a farm?
- Is the farm the primary way you will earn money?
- Will it be a secondary source of income?
- Will it be just for fun?



Scan the QR code or visit [www.aces.edu/go/farm-management](http://www.aces.edu/go/farm-management) to learn more on the Alabama Extension website.



## **“I have 40 acres. I want to start a farm business.”**



What are your goals?

Are you willing to run this operation as a business?

You must keep records and educate yourself.

Consider the risks of agricultural businesses:

- **Production:** Will the crop fail?
- **Price:** Will the market decline?
- **Institutional:** Will regulations interfere?
- **Financial:** Will the money be there?
- **Personal:** Will you stay healthy?

## **What resources do you have?**



You will need three things:

- **Land.** A suitable place to do business. Could you be doing something else with it?
- **Labor.** Someone must know how to be a farmer. Who will do the work? How much does it cost?
- **Love.** Is this something you really want to do? You may have to make sacrifices.

## Is there a market?



Will someone buy what you produce?

Is there an established market?

- What are the market dynamics?
- Is the market saturated with this product?
- Can you compete at your scale?
- Can you make it profitable at the market prices?

## Can you establish a market?



- Are you willing to commit the additional time and cost?
- Can you handle the uncertainty?

Alternatives: What else could you do?

## Finances

### Show me the money!



Considerations:

- Interest cost on borrowed money
- Collateral for a loan

### Do you have personal investment capital?

- What could it be earning otherwise?

### Create a business plan.

- Show a profit on paper.
- Create a budget using reasonable production income and expense estimates.

What return do you expect from your investment?



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