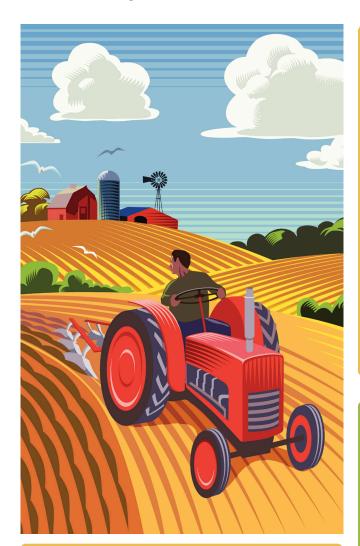
Extension ALABAMA A&M & AUBURN UNIVERSITIES



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 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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