

Northwest Direct combines re-
search and extension to:

- Document our locally based food system
- Develop and demonstrate case studies of farmers who utilize direct marketing
- Foster the expansion and success of farmers markets
- Address regulatory and infrastructure barriers to direct marketing

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Farm Management Tools for the Small Acreage Producer

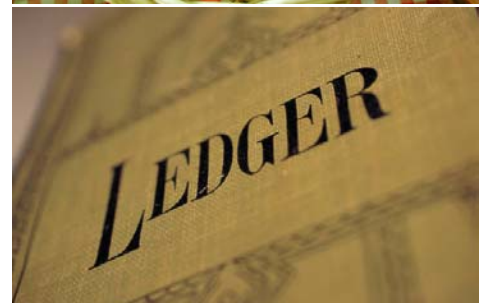
Introduction

Throughout Washington, Oregon and Idaho, as in the rest of the country, small and medium scale producers struggle to achieve profitability within the dominant food marketing system. While direct marketing has offered many of these producers a promise of higher economic returns and innumerable quality of life benefits, the opportunities for many are dependent on a new level of farm management. Not only does farm direct marketing necessitate new skills that may or may not be inherent to the “production” focused individual, but it adds a new level of complexity to planning and scheduling for a variety of farm direct marketing venues.

To survive as a small scale producer and direct marketer it is increasingly important to have a framework for recording personal, production, and financial information to help manage and evaluate aspects of the farm business.

Farmers looking for ways to improve farm management skills have an array of “tools” available to them: manuals or guides, educational programs or curricula, internet resources, and computer programs. The goal of this publication is to introduce you to the type of information different tools provide.

Selecting the appropriate tools will depend on the operator’s skills and goals for the farming operation. Resources or program choices will be based on the needs of each farmer and must be assessed individually.





Questions Farmers and Ranchers may ask when considering a software management program:

What are the computer skills necessary?

How difficult will it be to learn the software?

Who will provide technical assistance?

How long will it take to input the information?

How do I know if the computer and software will manage the information that I need?

What information do I need to maintain to make my farm more profitable and efficient?

Will using a computer really make a difference to my bottom line?

The Computer as a Farm Management Tool

Many of the tools listed in this publication are websites and computer programs, which necessitate the use of and familiarity with computers. Computer use as a management tool among farmers is increasing.

For many farmers, the paper shuffling required to manage finances and records is often the hardest part of the farm business to maintain. For this reason, many farmers are now incorporating computers and software as tools to facilitate management and maintenance of their farm business.

According to a report released by the National Agricultural Statistics Service of USDA, farms using computers for their farm business increased significantly from 1997 to 2003 (*Table 1*, p 3).

During this period small farms with sales ranging from \$1,000 to \$9,999 have shown an increase in computer ownership and Internet access for farm business faster than other income groups (*Table 2*, page 3).

However, many farmers are still struggling with the adoption and use of computers as a management tool. A questionnaire completed by 38 farmers at two small farm conferences in Idaho in 2003 indicated that most of these farmers do not currently use computer programs for farm management. Barriers for these and other farmers are the computer skill required to navigate and work with the software and the time necessary to dedicate to this aspect of farm management. Manual programs or record-keeping systems are often more accessible, less expensive, and easier to learn for small farms that don't have as much information to track.

There are significant advantages for farmers once a software program is in place as a regular function of farm management. Records and financial information are easily updated and can be automatically calculated in a format that

is easy to access for business analysis. Many programs tie production records with financial aspects and allow farmers to compare costs of production for different farming practices. They could also be used to evaluate and compare the costs and benefits of marketing strategies, in much the same way.

With the increasing use of computers as a tool for farm management, farmers must consider the appropriate selection of software programs. There are many software programs that can provide farmers with farm management tools, however software features and capabilities vary from program to program. Therefore, it is important to identify the features that are important for your management needs. For example, some programs are geared to managing detailed information more suited to large farm operations, such as machine hours and costs. However, the size of the farm is not the determining factor, rather, the type of functional features needed to manage the specific farm operation.

Most likely, no software will be able to do everything that you want it to do, and a combination of programs and applications may work best to customize a system to fit your needs.

In the end, whether you select a manual or computerized program, it is the accuracy of the information maintained that is most important.

(Refer to *Table 3. Farm Management Tools at a Glance*, pages 12-13).

Where to find the right software

A good resource when considering a software program specifically designed to manage a farm business is the Alberta Ag Software Directory:

[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/econ4118?opendocument](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/econ4118?opendocument)

This directory lists several software descriptions with company information

The following charts illustrate computer ownership and usage by producers in the past 8 years. It is broken down by state, type of production system and farm income level. For the complete report, visit <http://usda.mannlib.cornell.edu/reports/nassr/other/computer>



Table 1. Farm Computer Usage and Ownership

State & Number of Farms	Farms that own or lease computers			Farms using computers for farm business			Farms with internet access		
	1997	2001	2003	1997	2001	2003	1997	2001	2003
Idaho 24,500	36%	74%	77%	21%	46%	46%	12%	62%	62%
Oregon 40,000	52%	73%	76%	30%	43%	49%	22%	59%	72%
Washington 40,999	46%	63%	66%	30%	38%	39%	19%	54%	60%
Western Region including: AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY	4%	63%	66%	30%	38%	39%	19%	54%	60%

Table 2. Computer Usage According to Production Type and Income Level

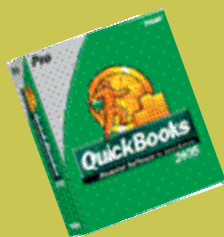
Western Region Production Type & Income Level	Farms that own or lease computers			Farms using computers for farm business			Farms with internet access		
	1997	2001	2003	1997	2001	2003	1997	2001	2003
Crop Production System	53%	62%	63%	38%	41%	43%	23%	54%	59%
Livestock Production System	39%	65%	66%	22%	38%	39%	16%	56%	60%
Income: \$1,000-9,999	46%	63%	63%	17%	31%	31%	16%	55%	57%
Income: \$10,000-99,000	47%	55%	62%	34%	37%	42%	16%	55%	58%
Income: \$100,000 & over	66%	78%	79%	62%	66%	68%	30%	66%	70%

Producer Profile



Kate Painter raises lambs on 12 acres in Colfax, WA for her farm-based web business, Paradise Fibers. She specializes in supplying fleece and other supplies for hand spinners. Kate uses Quicken to manage her farm business check register because it is easier to use than the double entry system that Quickbooks requires. She also uses Quickbooks to manage Paradise Fibers sales and inventory because she likes the online invoicing and credit card capabilities.

Many farmers we have talked with throughout the life of this project have indicated they use Quicken or Quickbooks as their farm management software. It's widespread availability and low cost are often cited as reasons for its popularity.



and links to their own software demonstration websites. Farmers can also request a sample CD from the software company that can be used to assess the merits of a particular software program for their operation before purchasing it. The site links to programs most appropriate to commodity farm operations but can provide information on array of enterprises and software features.

General Business Management Software

The following are a couple of software programs that are commonly used by farmers to manage the whole farm or certain aspect of the farm business.

Quicken

Intuit Inc. 2632 Marine Way, MS2700 Mountain View, CA 94039 (650) 944-6000
<http://www.Quicken.com> or http://www.intuit.com/products_service/personal_finance/

This is a basic, inexpensive accounting ONLY program (\$60.00) that is widely used by farmers because it is easy to use. Intuit, the developer of Quicken, has been in operation for years and provides technical support through its website or by phone for a fee. They continue to produce annual upgrades to the Quicken software. The program can be set up for farming or livestock enterprises using classes and sub-classes. It does not provide manual worksheets or track field records. It does have general ledger/check writing with the added advantage of being able to download bank statements and pay bills online. More expensive versions of Quicken also do payroll and have the flexibility of being able to select desired information attributes in financial reports.

Other resources for Quicken:

"Farm Financial Records Materials Links" by Damona Doye
<http://www.agecon.okstate.edu/quicken/index.htm>

Downloadable tutorial for Quicken 2001 and 2002

<http://www.montana.edu/extensionecon/family/quicken.html>

Quickbooks

Intuit Inc. 2632 Marine Way, MS2700 Mountain View, CA 94039 (650) 944-6000
<http://www.intuit.com/personal/>

Quickbooks, also developed by Intuit, costs between \$180-\$300 depending on whether you get the basic or Pro version. Quickbooks offers farms a full business package that includes tracking inventory, sales orders, and accounts receivable and payable, in addition to on-line services for invoicing and accepting credit cards. Quickbooks also has built-in business planning and forecasting tools based on your finances. Quickbooks does not track production records. Quickbooks features have the advantage of being able to manage inventory and sales for value-added products produced on-farm.

Other resources for Quickbooks tutorials:

<http://www.goflagship.com/products/cbkhome.htm>

Quickbooks Farm Accounting Links

<http://economics.ag.utk.edu/pubsbusiness.html>

Quickbooks downloadable teaching materials:

<http://retriever.csufresno.edu/classes/agec160/Qbooks.htm>



Whole Farm Planning

In order to know what types of management program is right for your operation, it is important to identify your needs, based in part on what your goals and plans are for your farm business.

One of the most important tools for successful whole farm management is the business plan. Too often farmers charge ahead with planning the production part of farming while leaving out other aspects of the farm business, such as finance, marketing and sales. A business plan can be used as a tool for farmers to think about and plan for each aspect of the farm as part of the whole. A written business plan serves as a guide or road map for current and future farm management decisions. A well-developed business plan integrates goals with skills and resource assessment for targeted financial, production, marketing and sales strategies. The time taken to develop a business plan is well worth the effort; not only can it be used as a decision making tool but it can also be used to secure business loans.

Whole Farm Planning Software

FARMWORKS

Teegardin, N. (1992). PO Box 250
Hamilton, IN 4642-0250 (212)488-3492
www.farmworks.com

Developed by an Indiana farmer, this program links accounting records with production records to create a fully integrated package that starts at \$500 for the Farm Trac record keeping and Farm Fund accounting modules. It also has livestock and GPS mapping modules that can be purchased and integrated into the program. The company CTN Data is ten years old and provides free technical support on-line via their website or by phone for a fee.

The Farm Works program comes with an audio/visual tutorial program that is helpful to visual learners. This program has traditionally been used by

larger farms but is also appropriate for smaller farms. It is reasonably inexpensive for what it does compared to other farm accounting and record keeping software.

Farm Works has mapping and layering capabilities for fields that are linked to the general ledger accounting program to keep field and/or herd histories, and input costs. Machinery and labor cost are maintained and linked to fields where they are used. The program also has check writing, payroll capabilities, and has flexibility in creating financial reports.

FINPACK

<http://www.cffm.umn.edu/products/FINPACK.aspx>

Center for Farm Financial Management
University of Minnesota

FINPACK will help you evaluate your financial situation, explore alternatives, and make informed decisions about the future direction of your farm.

Whole Farm Business Planning Publications

Planning Your Business: Alternative Agricultural Enterprises.

Makus, L. D., Foltz, J. C., and Davis B. B. (1993) (CIS 978). Moscow: University of Idaho College of Agriculture, Cooperative Extension System, Agricultural Experiment Station

Business ownership Alternative Agricultural Enterprises

Fox, L. K. (1992) (CIS 939). Moscow: University of Idaho College of Agriculture, Cooperative Extension System, Agricultural Experiment Station

Departmentalization: a useful management tool for your firm

Foltz, John and Wilson, Christine. Feed & Grain. (Aug/Sept 2002).

<http://www.feedandgrain.com>



Before purchasing farm management software, producers may first consider the following points:

Purpose: What do you want to accomplish with the software? Do you want some simple accounting software or do you want to track production and applications records? If you want to do both, you will most likely need integrated farm management software. Internet access is also useful for all types of research from computer software to production questions.

Cost: What will it cost to buy computer software? Prices for farm management software or simple accounting software ranges from \$50-\$2,000 depending on what you want to accomplish with the software package.

Company's reputation and technical support for software: How long has the company been in business? Will the company be able to assist you with installation, software technical questions and upgrades? What is the cost for these services?

Ease and frequency of use: Do other farmers use this software program? How much time does it take to input the information? Is it easy to use?

Hardware and software requirements and compatibility: Will your computer be able to run the software you have selected? Computers and software programs are continually changing to incorporate faster processor speeds with Internet access.

Portability and expandability: Do you want to be able to input information while working in the field? If so, you may want to consider software that is compatible with a handheld computer, or a laptop with docking station. You may also want to consider software that is compatible with GPS guidance systems or digital cameras.



Goal setting: planning for
the road ahead

Organizations/Agencies

Idaho Small Business Development Center <http://www.idahosbdc.org>

WA Small Business Development Center <http://www.wsbdc.org/>

Oregon Small Business Development Center <http://www.eoni.com/~sbdc/>

Provides low cost or no cost business planning assistance to small business owners and managers, home-based businesses, inventors with a product to develop and market, manufacturers, retail, wholesale, service companies, and agricultural or natural resource ventures.

Farm Business Planning Course

Tilling the Soil of Opportunity: NxLevel Guide for Agricultural Entrepreneurs (ISBN: 1-890730-08-4) Authors: Wold, C., Sumner, H., Schlake M., Gottwals, P.J. Nx Level Training Network, Utah Small Business Development Center, Salt Lake Community College
Phone 801-253-3526 Website: <http://www.nxlevel.org>

This ten week course and manual are available through your local Small Business Development Center that can help farmers assess their entrepreneurial skills and develop their own farm business plan.

Websites and On-line Publications

Successful Whole Farm Planning;

The Minnesota Project, Loni Kemp, 1996

<http://www.mnproject.org/Text/swfp.html#GOALS>

Whole Farm Planning : Combining Family Profit and Environment,

University of Minnesota Extension Service, BU-06985, 1998,

<http://www.extension.umn.edu/distribution/businessmanagement/DF6985.html>

Holistic Management: A Whole Farm Decision Making Framework

ATTRA publication

<http://www.attra.org/attra-pub/PDF/holistic.pdf>

Whole Farm Planning for Economic and Environmental Sustainability

Rhonda Janke, Kansas State University, 2000,

<http://www.oznet.ksu.edu/library/hort2/MF2403.pdf>

Business management tool from British Columbia Ministry of Agriculture

http://www.agf.gov.bc.ca/busmgmt/bus_tools/index.htm

An excellent website with downloadable worksheets and overall planning tools

Cornell Business Management Publications

http://www.cals.cornell.edu/agfoodcommunity/afs_temp2.cfm?topicID=28

Overall Business management publications and information for small farms covering: community relations, business plans, farm transition, farmland protection, financing your farm, managing labor, risk management, taxes, cooperative business management, horticultural business, dairy, and value added business management.

Goal Setting

Identifying and setting farm business goals is a crucial step before starting a farm business plan. Goal setting can assist in directing management decisions according to priority. If you already have a farm business, you might consider reassessing your goals periodically to see if they are on track or in need of change. The process of goal setting may need to be done with the cooperation of family members, since the business of farming often involves the family. Goals are personal since they reflect individual and or family values, beliefs, available resources, and unique opportunities or limitations. They can be intangible, or tangible; they can be long-term, short-term or monetarily based. Goal setting should include written statements that outline specific tasks that are achievable and action oriented along with a timeline. Here are some publications that can assist farmers with the goal setting process.

Relevant Publications

Exploring the Small Farm Dream: Is starting an agricultural business for you?

Hayes, Kathryn, UMass Donahue Inst. New England Small Farm Institute
PO Box 937, Belchertown, MA 01007
www.smallfarm.org

A handbook filled with practical assessment tools to help you determine which type of agricultural business is right for you, your family and your farm. This was designed to be the first step towards new farmer education.

Goal Setting for Farm and Ranch Families

Doye, D.. Oklahoma State University Extension Facts (WF-244). Cooperative Extension Service, Division of Agricultural Sciences and Natural Resources

The Integrated Farm and Resource Management Plan (IFARM)

Center for Rural Affairs. PO Box 406, Walthill, NE (402)846-5428
Compiled by: Joy Johnson

This is a manual program that is inexpensive at \$50.00. Developed by the Center for Rural Affairs as a do-it-yourself farm goal and resource assessment tool. It provides worksheets for financial reports on crops and livestock. This program is easy to use with instructions that walk you through 25 sections covering farm goal setting to environmental assessment. It does not include record keeping, general ledger/check writing, or payroll capabilities. This is a tool for farmers to assess current management of finances, markets and resources that don't have a computer and want to plan for the future.

Relevant Websites

Whole Farm Planning at Work: Successful Stories of Ten Farms

The Minnesota Project, 1998,
<http://www.mnproject.org/pdf/studies.pdf>

Human Resource Skills Assessment

Once farm goals have been identified, it is important to assess the available human resource and skills and what is necessary to move the farm business towards identified goals. Few people have all the skills necessary to manage a farm. In order to efficiently manage a farm, certain skills may need to be acquired or hired. For instance, many farmers have good skills in production management but may need assistance with the financial and record keeping aspects of the farm. Skills assessment works in concert with goal setting as farmers develop the farm organizational structure to hire and train themselves and employees. The following farm management tools can assist farmers in defining and developing the necessary farm management skills.

Relevant Publications

Doing the Right Thing: Decision Making for Agricultural Families

Doye, D. Oklahoma State University Extension Facts (WF-213). Cooperative Extension Service, Division of Agricultural Sciences and Natural Resources

Producer Profile

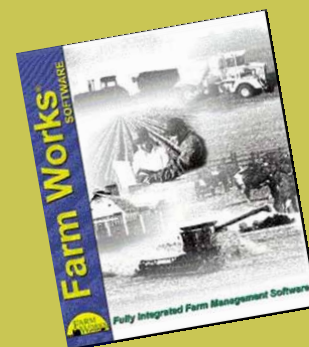


Joe Taylor, a farmer from Hermiston, Oregon, uses **Farm Works** for his 2300-acre hay and grain farm.

“**Farm Works** is the best and most comprehensive farm management software that I’ve used, and I’ve tried several.

The only thing I wish is that it allowed a person to customize reports more than it does.”

Farm Works is a fully integrated farm management program most commonly used by large scale growers. However, for the mid to small acreage diversified farm it has many interesting features at a reasonable price.





Business and the Family: Alternative Agricultural Enterprises, Production, Management, Marketing

Fox, L. K. (1992) (CIS 940). Moscow: University of Idaho College of Agriculture, Cooperative Extension System, Agricultural Experiment Station

Relevant Websites

“Ag Help Wanted: Guidelines for Managing Agricultural Labor”

<http://AgHelpWanted.org>

Presents principles, practical examples, regulatory considerations, and references.

Agricultural Personnel Management Program

<http://are.berkeley.edu/APMP>

Communication is the lifeblood of personnel management. This website offers samples, official forms, and guidelines about a variety of documents that may contribute to effective personnel management practices.

Production Management & Planning

Production planning and record keeping tools are just as important as the machinery and tools farmers select and use to physically manage their farms. As part of the production plan, farmers should consider land, building and equipment maintenance, materials and supplies, production procedures and strategies to minimize environmental, legal and safety risk and maximize profit. Record keeping management pertains to detailed production and sales information about the farm, such as crop yields, rainfall and weather conditions, and fertilizer and pest control applications.

Regular maintenance of this information can help farmers fine-tune their operations to be more efficient and profitable. Effective farm management includes keeping good records on annual

production that tracks not only yield and sales but weather conditions, soil tests, fertilizer and pest control applications. Many farmers still prefer to maintain record-keeping information manually. However, there are several websites and software programs listed below that can facilitate this process.

Relevant Websites

Small Farm Center, UC Davis

<http://www.sfc.ucdavis.edu/>

Website provides a variety of fact sheets on vegetable and fruit crop production

Ministry of Agriculture, British Columbia, Canada

http://www.agf.gov.bc.ca/busmgmt/bus_tools/excel_pfp.htm

Total Crop Plan Worksheet Once you have developed an enterprise budget for each of your commodities you can then put this information from each of the Enterprise Worksheets directly into this Total Crop Plan Worksheet (up to eight enterprises). Available for download in an excel spreadsheet format.

Powerfarm.com

http://www.powerfarm.com/news/information_default.asp

Management tools for production.

Budgets & Financial Planning

Financial management of a business pertains to the actual accounting and financial reporting of expenses and income. Most farms are actively maintaining this information out of necessity for filing income taxes and USDA farm program qualifications.

It is imperative to understand and consider all costs involved in running a farm business from administration to production and marketing to insure that an operation is recouping cost and making a profit.

An example might be where a small farmer does not include the repairs or replacement cost of a rotor-tiller in their product pricing structure. These mistakes can mean the difference between real farm profit and loss.

Financial planning includes the maintenance of income statements, cash flow, break-even analysis, net worth and other financial indicators.

Relevant Publications

Understanding budgets and the budgeting process Alternative Agricultural Enterprises: Production, Management, Marketing <http://info.ag.uidaho.edu> (CIS 945). Smathers, R. L., (1992) Moscow: University of Idaho College of Agriculture, Cooperative Extension System, Agricultural Experiment Station.

A Primer on Costs: Alternative Agricultural Enterprises, Production, Management, Marketing <http://info.ag.uidaho.edu> (CIS 949). Guenther, J. F. and Davis B.B. (1994) Moscow: University of Idaho College of Agriculture, Cooperative Extension System, Agricultural Experiment Station

Pricing nontraditional products and services: Alternative Agricultural Enterprises, production, management, marketing <http://info.ag.uidaho.edu> (CIS 942). Makus, L. D., Guenther, J. F., and Foltz, J. C. (1994) Moscow: University of Idaho College of Agriculture, Cooperative Extension System, Agricultural Experiment Station

Achieving Success with a Business Plan: Instructions and Workbook to Prepare a Farm Business Plan

University of Nebraska Cooperative Extension
(402) 472-1749

<http://agecon.unl.edu/pub/publist2002.htm>

Relevant Websites

The Budget Catalog

http://www.agecon.okstate.edu/survey_new/indexNew.asp

The Budget Catalog is an enterprise budget and budget software database in the US, searchable by state, university, farm size, organic systems, crop and livestock.

(CARE)- Cost And Returns Estimation Website

<http://waterhome.tamu.edu/care/>

Montana State Extension Service

<http://www.montana.edu/extensionecon/farmmgmt/software.html>

Downloadable Excel files for financial statement and analysis and production cost.

Cornell University

http://www.agfinance.aem.cornell.edu/decision_aids.htm

Downloadable spreadsheets for lease analysis, financial statements, cash flow projections, and equipment replacement cost analysis.



Producer Profile



Diane Noel and her husband Tim Steury own a 10 acre orchard with 2 acres in apples. They took NxLevel's Agricultural Entrepreneurship course; "Tilling the Soil of Opportunity" in order to develop a business plan for their new cider business. By going through a business planning process they realized that the business and marketing aspects would be more time consuming than they had anticipated. "We realized there is a lot more to the cider business than just growing and pressing the apples. As a result of the class and developing a business plan, we changed our timeline and some of our product mix to more realistically fit our goals and the market we are going for." -Diane Noel





Other Useful Government Websites:

Census of Agriculture
<http://www.nass.usda.gov/census>

National Agricultural Statistics Service
<http://www.usda.gov/nass>

Natural Resources Conservation Service (NRCS)
<http://www.nrcs.usda.gov>

Farm Service Agency, USDA
<http://www.fsa.usda.gov>

Economical Research Service, USDA
<http://www.ers.usda.gov>

Federal Register- Publication of government regulations.
<http://www.gpoaccess.gov/fr/index.html>

Small Business Administration- Free information and publications for businesses
<http://www.sba.gov>

PRIMER (Profit, Resource, Information, Marketing, Enthusiasm Risk)
http://www.uky.edu/Ag/AgEcon/pubs/ext_aec/ext2000-13.pdf

An online publication on selecting and evaluating new enterprises for your farm

Ministry of Agriculture, British Columbia, Canada
<http://www.agf.gov.bc.ca/busmgmt/budgets/index.htm>

Enterprise budgets and planning for profit: These worksheets consist of enterprise budgets, cash flow table and graph, sensitivity analysis table and buildings, machinery, production system costs and much more.

University of Illinois
<http://www.farmdoc.uiuc.edu/fasttools/index.html>

Downloadable or for purchase (\$60) spreadsheets for financial analysis, investment analysis, loan analysis, farm management and land & yield utilities.

Oklahoma State University
<http://www.agecon.okstate.edu/IFFS/>

Downloadable enterprise budgets and financial analysis tools.

Manitoba Agriculture, Food and Rural Initiatives
<http://www.gov.mb.ca/agriculture/index.shtml>

Downloadable farm plan and enterprise budget tools in addition to other planning information.

Online Publications
Using Enterprise Budgets to Make Decisions About Your Farm
 2000 PNW 535

Describes how to develop and use an enterprise budget, including understanding cost concepts, adjusting costs in published budgets, doing a break-even analysis, and making decisions with enterprise budgets. A sample budget illustrates the concepts.

<http://cru84.cahe.wsu.edu/cgi-bin/pubs/PNW0535.html>

Software

Crop Profitability Analysis, v. 2.0
 PNW 001-CS
 Price: \$25.00

Helps you make long-run cropping decisions, especially for perennial crops with establishment periods such as orchard crops, berries, vineyards and alfalfa hay. Uses enterprise budget data to compare the profitability and net annual cash flows of potential crops. Comes with a 20 page users guide.

<http://info.ag.uidaho.edu:591/catalog>

Marketing and Sales Planning

Marketing and sales is another area that is often secondary to production for many farmers. While it is important to grow the best crop possible, it is equally important to make plans for marketing those crops. An easy rule of thumb when it comes to developing a marketing and sales plan is to remember the four “P”s: product, price, place and promotion. Know your product and customers. A well-developed marketing plan includes a product and/or service description, a market research analysis and a marketing activity outline that will assist the farmer in defining the four “P”s for their market.

To establish a targeted market plan, farmers must know who their customers are by identifying how, what, when, where, why, at what price, and what volume they like to buy, with regard to particular produce crops or added-value products.

Primary market research through observation and surveys, in addition to secondary market research through documented data sources can assist farmers in understanding the industry they are marketing in and identifying the competition. The following resources can assist farmers in understanding and identifying markets and developing a marketing plan.

Relevant Publications

Marketing Your Produce Directly to Consumers: Alternative Agricultural Enterprises Production, Management, Marketing

(EXT 741). Parker-Clark, V. J. (1992)
Moscow: University of Idaho College of Agriculture, Cooperative Extension System

Identifying Domestic Markets-Indirect Marketing of Produce Alternative Agricultural Enterprises production, management, marketing

(CIS 981) Guenther, J. F. (1993) Moscow: University of Idaho College of Agriculture, Cooperative Extension System, Agricultural Experiment Station

Software

Market Farm Forms: Spreadsheet templates for planning and organizing information on diversified market farms

Rosenzweig, M.A., with B. Kaye-Blake. (1998).

3377 Early Times Lane, Auburn CA 95603-7900 (916) 885-9201.

This is an inexpensive program at \$45.00 developed by a small acreage California farmer, Marcie Rosenzweig. There is a manual for the program. This program is easy to use and provides Excel worksheets that can be used in written form or on the computer to manage finances and daily field records for crops only- no livestock.

Farmers fill in information that will help them calculate planting needs, budgets, and soil amendments. The program does not generate financial reports. However, it is especially useful for farmers doing Community Supported Agriculture (CSA) to assess production costs, pricing and quantities necessary for planting and serving sizes.

The program does not have general ledger/check writing, or payroll capabilities. This is a program geared to small-diversified farms with a special section on

planning and pricing CSA shares.

Relevant Websites

Cornell University

http://agfinance.aem.cornell.edu/Small_Farms.htm

Cornell program on agricultural and small business management.

http://media.cce.cornell.edu/hosts/agfoodcommunity/afs_temp2.cfm?topicID=103

A great variety of marketing resources is available.

Marketeer

<http://www.cffm.umn.edu/products/marketeer.aspx>

Marketeer -software helps producers and other agriculture professionals analyze and implement crop marketing plans.

Marketing Plan Outline

OR Small Business Development Center

<http://www.eoni.com/~sbdc/MarketingResourcePage.htm>

An outline for a marketing plan. Asks a series of questions to address 19 aspects of the plan.

PNW Small Farm Websites

Oregon State University Small Farms

<http://smallfarms.oregonstate.edu>

Washington State Small Farm Program

<http://smallfarms.wsu.edu>

University of Idaho Small Farms

<http://www.ag.uidaho.edu/sustag/Smallfarms>

Rural Roots

<http://www.ruralroots.org>

Washington State Dept. of Agriculture, Small Farms and Direct Marketing

<http://agr.wa.gov/Marketing/SmallFarm/default.htm>

Producer Profile



Diane Green & Thom Sadoski
of Greentree Naturals

Many small farmers like Diane Green of Greentree Naturals in Sandpoint, Idaho still prefer to manually maintain detailed farm records and finances because it is easier and doesn't require the time investment to learn a particular software program.

However, Diane plans to incorporate a financial software management program into the farm business when she has the time to learn the program.

A program such as **Market Farm Forms** might be appropriate for Diane to help her manage her growing CSA market.



Table 3. Farm Management Tools at a Glance

ID	Company Contact Information	Program	Cost	Small Farm Specific	Livestock	Financial Statements	Accounts Receivable	Checkbook Ledger	Inventories	Machinery Costs	Payroll
1	Full Circle Farm, 3377 Early Times Lane Auburn, CA 95603 (530)885-9201 fullcircle@jps.net	Market Farm Forms Excel, Lotus & Quattro Pro. Mac and PC versions available Description: Worksheets format that calculate: CSA planting needs for season, CSA share amounts and prices based on harvest, seed and start needs for season, and soil amendments needs. Other worksheets include: task schedule, budget, crop succession timeline, and invoices. This program is a California based on row crop vegetable and some fruit production.	\$45	X		X					
2	Fearless Foods, LLC P.O. Box 2058 Healdsburg, CA 95484-2058 www.fearlessfoods.com/index.html	CSA Easy FileMaker Pro. And PC and Mac compatible Description: Program includes worksheets for plan basket planner, delivery schedule, and templates for newsletter, mailing labels, customer correspondence. Program can import logos to customize documents. CSA Planting program underdevelopment to track and calculate CSA planting needs and prices. Program customization services are available	1099	X		X	X				
3	Diamond Software 1000 S. Caraway Rd. Suite 211 Jonesboro, AR 72401 (870)931-7655 www.diamondsc.com/	Farmer's Bookkeeper Access 95/98NT PC compatible only Description: Bookkeeping program can maintain, several different farming entities records, cost sharing between entities. General ledger is linked to field records and/ or cattle records so that expenses can be posted automatically. Program customizing services are available	\$800		X	X		X		X	X
4	Center For Rural Affairs PO Box 406 Walthill, NE 68067 (402)846-5428 www.cfra.org	IFARM (Integrated Farm and Resource Mgmt.) Manual Description: Manual workbook includes financial ratio worksheet, marketing planner for livestock & crops and loan repayment planner. This manual is focused on resource assessment, personal and environmental.	\$50		X	X			X	X	
5	Ag Business Services 808 Lafayette St., Denver, CO 80218 (800) 692-0649 www.ag-business.com	ABS Financial Statement ABS Cash Flow, ABS Loan Analysis and ABS Enterprise Analysis Excel 97 PC and Mac Description: Program includes full financial statement and ratio worksheets. Analysis for 40 drops and 12 livestock enterprises and calculates cost of production for individual fields. Program customizing services are available.	\$150		X	X			X		
6	Profitable Farming Corp. 102 Painted Fall Way, Cary NC 27513-3526 (919)481-9309 www.ProfitableFarming.com	CropPlan 2000 Web-Based Description: Web based worksheets that are crop specific to: corn, soybean, cotton, rice and peanuts. New crops are being added: sorghum, sunflowers, wheat, barley oats and rye. This program calculates cost-per-acre and has links to seed, fertilizer and pesticide dealers.	Free								
7	University of Arkansas Division of Ag. Coop. Ext. 2301 South University, PO Box 391 Little Rock, Ark 7203 (501)675-5855 www.aragriculture.org	Farm Management Systems Computer Program PC compatible only Description: Primarily a record keeping program that can track multiple farms and fields inputs and link these records with specific field analysis for H2O, soil, manure and crops. Program can record crop yields and give total expenses reports based on input cost per field only; this is not an accounting program. Some data in program is specific to Arkansas.	\$15								
8	NxLevel University of Colorado at Denver PO Box 173364	Ag Entrepreneurship: Tilling the Soil of Opportunity Manual/course training program through State SBDC Description: This manual business plan development program is based on a ten week course taught through the Small Business Development Centers. Worksheets are provided to assist	\$250			X	X		X	X	X

ID	Company Contact Information	Program	Cost	Small Farm Specific	Livestock	Financial Statements	Accounts Receivable	Checkbook Ledger	Inventories	Machinery Costs	Payroll	Field Records
9	Intuit Inc. 2632 Marine Way, MS2700 Mountain View, CA 94039 Telephone: (650) 944-6000 www.Intuit.com	Quicken Deluxe PC and Mac programs Description: Basic accounting program that can be used to as a Crop Enterprise Budgeting program with the use of classes and subclasses. Quicken's general ledger/check book has the added advantage of being able to download bank statements and do online bill pay for expenses. Quicken Home business has payroll and invoicing.	\$60			X	X	X				
10	Datatech 5150 N. Sixth #125 Fresno, CA 93710 (888)222-DATA www.DatatechAg.com	The Farmers Office 2000 Web Access Windows 95/98 Description: Fully integrated accounting program with field notes. Program can allocate General and administrative overhead cost to crop costing centers. The emphasis of program is in the payroll ability to calculate wages based on piece rate for tree, row and vine production. A larger version of this accounting program offers greater flexibility with payroll calculations based primarily on California's high labor crop production.	1495	x		X	X	X	X	X	X	X
11	CTN Data Service, Inc. PO Box 250 Hamilton, IN 46742-0250 (212)488-3492 www.farmworks.com	Farm Works Farm Trac Farm Fund Farm Stock Web Access / Windows 95 Description: Fully integrated accounting, mapping and record keeping program. Farm Trac is the record keeping module that has map drawing and GPS capabilities. Farm Funds is the accounting module that integrates with Farm Trac and Farm Stock, which is the livestock module.	\$200 \$300 \$150		X	X	X	X	X	X	X	X
12	Intuit Inc. 2632 Marine Way, MS2700 Mountain View, CA 94039 Telephone: (650) 944-6000 www.Intuit.com	QuickBooks Description: QuickBooks offers farms a full business package that includes tracking inventory, sales orders, and accounts receivable and payable, in addition to online services for invoicing and accepting credit cards. QuickBooks also has built in business planning and forecasting tools based on your finances. QuickBooks does not track production records.	\$299			X	X	X	X		X	
13	Center for Financial Mgmt. University of Minnesota 1994 Buford Ave, St. Paul, MN 55108 (800) 234-1111 www.cfm.umn.edu/software/FINPACK/	FinPak Web Access Financial Planning & analysis tool-not a record keeping program. Evaluates financial situations and explores alternative scenarios. Supported by Cooperative Extension Service in 40 states.	\$395			X						

Column Key (specific column information)

Small Farm Specific: Programs written specifically for small farm management

Livestock: Programs that provide livestock record keeping system to track livestock herds

Financial Statements: Programs that produce reports for all or some of the following: balance sheet, cash flow or income statement, Break-even analysis, owner equity, and financial ratio analysis

Accounts receivable: Programs that track accounts receivable as part of the accounting package

Checkbook General Ledger: Programs that manage checkbook register and budget categories for general ledger accounting

Inventories: Programs that track inventories

Machinery costs: Programs that help farm managers figure machinery cost as part of the production cost

Payroll: Programs that help farm managers figure payroll and manage employee information

Field records: Programs that help farmers manage specific field application and harvest information such as, pest control and fertilizer, water, seed, yields, and weather related information.

* Some programs have links between accounting functions and record keeping functions, which are described as integrated.

Summary

The farm management tools provided in this document are a sample of what is available for farmers. The list of tools continues to grow and is constantly changing. Computers can serve as a valuable resource in allowing farmers to discover more tools and ways to effectively and efficiently manage their farm business.

Even without a specific farm management software program, a computer with internet access can provide access to downloadable tools via websites that can be used to develop whole business plans, resource assessments, enterprise budgets, financial statement, and market plans.

Northwest Direct Project

Northwest Direct: Improving Markets for Small Farms is a collaborative effort to understand, evaluate and improve direct marketing opportunities for small farms. Land grant universities, government agencies, non-profits, and farmers across Washington, Oregon, and Idaho are working together to build food and farming systems that improve the social and economic health of farmers, consumers and communities.

The Northwest Direct project was funded by the USDA Initiative for Future Agricultural and Farming Systems. The project is focused on research and education to help understand, evaluate and improve direct marketing systems of farms in Washington, Oregon and Idaho.

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Oregon Dept. of Agriculture

Oregon Farmers' Market Assoc.

WA Farmers' Market Assoc.

Northwest Direct is a four-year research project involving the five partners listed below. Our goal is to increase profitability of small farms in the Pacific Northwest through research and extension. We have documented locally based food systems, developed case studies of direct marketing farmers, fostered expansion of farmers markets, and addressed regulatory and infrastructure barriers to direct sales. Northwest Direct is coordinated by WSU's Small Farms Program. More information is available at www.nwdirect.wsu.edu.



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