

10-1-2019

## Improving the Viability of New Farmers' Operations Through the Use of Profit Teams

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### Recommended Citation

Rangarajan, A., McCarthy, K., & Welch, D. (2019). Improving the Viability of New Farmers' Operations Through the Use of Profit Teams. *Journal of Extension*, 57(5). Retrieved from <https://tigerprints.clemson.edu/joe/vol57/iss5/18>

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## **Improving the Viability of New Farmers' Operations Through the Use of Profit Teams**

### **Abstract**

Profit teams comprise multiple consultants engaged to support farmer decision making by holistically analyzing farm challenges. We tested the idea of using profit teams to help advanced beginning farmers, those who are beyond start-up but have been in business less than 10 years, address constraints to growing their businesses. These new entrepreneurs often have entered agriculture without a family farming history or a connection to Extension. We describe the processes of selecting farmers and administering teams, and we highlight significant improvements in quality of life, production, and profitability reported by 35 farmers. Our lessons learned may guide other educators and funders in developing profit teams for their beginning farmer clients.

**Keywords:** [profit teams](#), [scaling up](#), [advanced beginning farmer](#), [farm viability](#), [farm consultant teams](#)

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### **Introduction**

With 40% of established U.S. farmers aged 65 or older, there is a clear need for new farmers in the country (U.S. Department of Agriculture National Agricultural Statistics Service, 2014). Yet many structural, institutional, and social trends challenge entry into farming (Sirrinc, Eschbach, Lizotte, & Rothwell, 2016). Educational programs include training for starting farm businesses (Thilmany McFadden & Sureshwaran, 2011), but few are targeted specifically to assisting farm entrepreneurs after start-up and through their 10th year of business (Freedgood & Dempsey, 2014). These farmers need individualized support to resolve constraints to long-term viability. Many new farmers enter agriculture with no family or community connection and lack awareness of professional consultants, Extension personnel, or peer mentors who can support their business decision making (Hancharick & Kiernan, 2008).

We tested the concept of using new-farm profit teams to address business challenges and isolation experienced by advanced beginning farmers (those who are beyond start-up but have been in business less than 10 years). A profit team is a multidisciplinary group of consultants who together evaluate an existing farm system, identify weak links, and recommend changes to management for improved profitability (New York Farm Viability Institute, 2018). A profit team offers a holistic and personalized analysis of farm challenges.

## Establishing New-Farm Profit Teams

Sixty farmers applied to participate in the new-farm profit team project in 2015 and 2016, and 40 were accepted. Farmers were required to have been in operation 3 to 9 years and to have grossed at least \$10,000 the prior year. Preference was given to farmers who articulated a clear need for a profit team, demonstrated a growth trajectory, maintained financial records, and evidenced community engagement.

Each farmer agreed to engage a profit team for at least 18 months, attend a training retreat, pay 20% of consultant fees, be open to making changes based on advice, and report on the impacts of the endeavor on quality of life, production, and profitability.

After we visited a farm to clarify the farmer's goals, we awarded the farmer with up to \$2,000 to hire consultants to assist with problem solving to reach those goals. Generally, a farmer's profit team included multiple consultants, Extension educators, and project staff. Approximately \$80,000 was distributed across 35 farms. Five farmers withdrew from the project due to time constraints associated with off-farm employment.

Two in-person training retreats we conducted helped farmers connect with new peers as the projects spanned numerous commodities and locales. Farmers inspired one another by sharing descriptions of how the profit teams were supporting their business decisions. We also offered workshops focused on common challenges, such as whole-farm planning, marketing, leadership, labor, and time management.

We used a standardized pre- and postprogram farmer survey to evaluate changes in farmers' access to business resources as a result of their participating in the new-farm profit team project and benefits of the retreats. We compiled five case studies highlighting the farmers' challenge, the consultants engaged, changes to farm management, and lessons learned.

## New-Farm Profit Team Impacts

Of the 35 participants completing the program, 13 farmers increased gross sales by 15% or greater. Also, 70% to 90% of the farmers reported improvements to quality of life, financial planning, and profitability as a result of their work with a profit team (Table 1).

**Table 1.**

Percentages of Farmers Reporting Various Benefits of Participation in a New-Farm Profit Team Project (*n* = 35)

Area of improvement	Percentage reporting benefit
Farm business management	90%
Profitability (long or short term)	83%
Marketing	80%
Record keeping	80%
Labor management	77%

Farmers were asked about obstacles they faced. The median number of obstacles was significantly reduced from six at the start of the project to three at the end of the project ( $p = .015$ ). Lack of access to necessary business networks, proper business and financial planning, and farmer training were the three obstacles most reduced as a result of working with a new-farm profit team.

In the postprogram evaluation, 100% of respondents reported feeling more confident about running a farm business, and 94% reported having new tools to guide decision making as a result of the project. Participants also noted a number of areas in which their business resource needs had been met (Table 2). The only resource that was not improved as the result of a new-farm profit team was access to adequate labor, in part due to increased labor needs from business growth on several of the farms.

**Table 2.**

Percentage Change in Farmer Access to Business Resources  
Over the New-Farm Profit Team Project Period ( $n = 16$ )

Access to farm business resources	Percentage		
	Initial	Final	Change
Grants	7	75	68
Agriculture education (training and workshops)	13	81	68
Credit	27	88	61
Cooperative Extension support services	38	94	56
Farm infrastructure (buildings, irrigation, etc.)	38	88	50
Business plan resources	50	100	50
Financing	20	69	49
Tractors or farm machinery	56	100	44
Technical agricultural consulting	19	63	44
Marketing strategies	38	81	43
Information on how to expand	8	50	42
Peer network	47	88	41
Financial record keeping system	69	100	31
Help finding new markets	13	44	31
Social media/websites	60	88	28
Internet access	69	94	25
Experienced farm mentors	33	56	23

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On-farm apprenticeships or on-the-job training	20	31	11	
Secure access to land	88	94	6	
Labor	50	44	-6	

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## Lessons Learned

Use of new-farm profit teams is a viable strategy for supporting advanced beginning farmers. Key lessons learned were as follows:

1. Project developers should time farmer recruitment to allow profit teams to make recommendations prior to the start of the subsequent production season.
2. Those farmers who are well organized and have clear goals typically benefit the most from working with a profit team.
3. An Extension facilitator should help a participating farmer prioritize goals, identify consultants, and manage timelines. Facilitation time for a team is about 15 hr.
4. Use of in-person onboarding and written agreements ensures that farmers have clarity on timelines and deliverables.
5. Coordinating on-farm meetings with all consultants at one time is challenging. It is more likely that a farmer will meet one-on-one with the multiple consultants advising his or her project.
6. Hosting a retreat for a cohort at the start of the project is beneficial. Learning about other farmers' plans and getting feedback provides participants with ideas for how best to use a profit team.
7. A list of farm consultants should be developed in advance of the project. Farmers need help identifying consultants, and providing such help on an individual basis takes additional staff time.
8. When Extension educators on a profit team do not bill for their time if a farm is in their service area, farmers can divert funds to other consultants and build wider networks.

## Conclusion

With the new-farm profit team project, we succeeded in connecting advanced beginning farmers to consultants and Extension educators who could help address business challenges. One farmer noted, "The ability to hire a consultant was huge." Another said, "Most new farmers are uncomfortable with the idea of hiring professionals to help solve problems." Many participants also shared their appreciation for networking with peers at the retreat. One farmer noted that the project shifted his perspective and "changed [participating farmers] from nose-to-the-grindstone isolationists to better [community] integrated farmers—even with those farmers with dissimilar enterprises." Another individual reflected, "Networking with the other farmers and creating a support system was the best part." The participating farmers learned the value of investing in consultants and networks as growth opportunities that can have lasting impacts on quality of life

and profitability. We hope that our lessons learned will guide other Extension educators in implementing new-farm profit teams with their advanced beginning farmer clients. Although grant support is needed for implementation, the benefits to new farmer development we observed justify such investment.

### Author Note

Kathleen McCarthy was the beginning farmer project coordinator at the Cornell Small Farms Program and managed the profit team project from March 2017 through May 2018.

### Acknowledgments

The project described here was a collaboration of the Cornell Small Farms Program, New York Farm Viability Institute, and NY FarmNet and was made possible with funding from the National Institute of Food and Agriculture, U.S. Department of Agriculture, under award number 2015-70017-22882 and the NY Farm Viability Institute.

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