

# FARM MANAGEMENT

## SELECTING A FARMING ALTERNATIVE

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Many of us are looking for a way to get rich quick.

Maybe you can remember some farm enterprise(s) or a business venture that failed and was a big drain on your other income.

Interest in alternative enterprises have increased in recent years among both farm and non-farm families. Many families are looking for new ventures to generate additional income from their resources. Others are looking to non-traditional enterprises (such as llamas, ostriches, emus, buffalo, pot-bellied pigs, elk, deer, goats, sheep, and etc.) as a way to get started in commercial farming to help support a rural lifestyle.

This article is one of a series that will aid you in evaluating business options or alternatives.

There are many opportunities

for farming entrepreneurs in Pennsylvania. Nearby metropolitan areas offer vast and diverse markets for farm products, as well as opportunities for recreation and tourism related businesses. Many farmers have already developed profitable, innovative enterprises that capitalize on these markets.

Unfortunately, not all innovations are successful. Starting up a new venture requires resources, careful management, hard work, and assumption of risk. Before committing time and resources to an idea, it is important to look at the feasibility of the enterprise on paper. A careful study of all factors involved can greatly improve your chances for success.

Here are some basic questions to consider before jumping into a new alternative as a means of making money.

- Have you gathered all the necessary facts about the farming or business alternative? (Weigh advantages and disadvantages.)

- How much investment is required to adequately start the venture? (Financial feasibility)

- Do you have sufficient knowledge and management ability to start the business?

- Did you evaluate the market potential of your new product?
- If you are entering a business, is this venture based on a pyramid structure which may have a short life?

- Where do you want to be? (Personal and family considerations)

- Will you start the new enterprise? (Making a decision)

- What are the possibilities? (Identify all the alternatives)

### Personal and Family Considerations

Personal and family assessments are important when evaluating alternative enterprises, because the final decisions will have a major impact on every single family member. Each person has different expectations regarding the new enterprise, including the role he or she will play, what management skills are needed, and what results are anticipated.

Sorting out personal and family goals in advance will help prevent confusion and perhaps even conflict in the future, and will help you develop specific criteria for evaluating alternatives.

Certain personal qualities are correlated with the ability to succeed in an independent family business. Developing the personal qualities needed to succeed in business is possible, but it is an additional challenge. Some other family member may possess more of the personal qualities that lead to success in business. If so, consider delegating management of the new enterprise to that person.

The family is going to be affected by whatever enterprise changes are made. Farm bases and natural resource-based businesses

are usually managed and operated by families, and the business often shares yard and household space with the family. Right now, many of your family's desires may be satisfied by the current business or job. To prevent family resentment, a new business must satisfy more of their needs and lifestyle preferences than the present business or occupation.

What will happen if you ignore family members' needs and preferences? Many problems can be prevented if family member's opinions are discussed before time and money are committed to a new enterprise. All family members have strong opinions about their own roles in a business.

In family operated businesses, the main manager usually has a more positive attitude toward the business than do other family members. Look for areas where family members are either very satisfied or dissatisfied. A family member who is unhappy with family interactions is expressing a need that may or may not be fulfilled by a new enterprise. Keep in mind that starting up a new enterprise usually places additional stress on the family's personal interactions and finances.

What will happen if income drops and there is less spending money, which often occurs in a new business? What if less time is available for family? Can that be tolerated for six months? Six years? If family members like their current roles in the business, will

they be unhappy if the roles are changed?

Family members should discuss these possibilities and determine what limits to set, such as how much income may be sacrificed for how long? How heavy a workload will be tolerated? These limits will become part of your family's personal guidelines for evaluating different enterprise options.

### Mid-Atlantic Alternative Animal Conference

The Mid-Atlantic Alternative Animal Conference is being sponsored by Penn State Cooperative Extension and Rutgers Cooperative Extension. This meeting may help you gather some of the information needed in selecting and evaluating an alternative enterprise that I have discussed in this column.

The theme of this conference is "How to Win the Game!" This conference is scheduled for March 12-13 at the Lehigh County Vocational Technical School, Schnecksville, Pa., seven miles north of Allentown. The alternative animal species to be covered in this meeting include: llamas, elk, deer, ostriches, emu, rhea, pygmy goats, game birds, fancy fowl, angora rabbits, rabbits and caviar, pot-bellied pigs, buffalo, and Scottish Highlanders.

For more information on the conference, call (215) 746-1970 or write to the Northampton Cooperative Extension Office, RR 4, Greystone Bldg., Nazareth, PA 18064-9212.



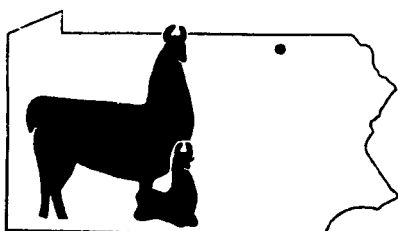
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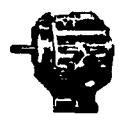
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