

Farm Scale and Profitability

November 2016

21ST CENTURY MANAGEMENT: *Enhancing Educational Programs for Women Farmers & Ranchers*

The Issue

Business scale and profitability are critical economic sustainability measures. Current data indicate ninety percent of farms with women principle operators are reporting sales of less than \$50,000. In most regions of the country, these farms would struggle to be financially viable operations. The high numbers of BFRW not able to sustain their businesses beyond five years is partly due to under-capitalization at the outset and partly due to complex social and cultural demands on women that are not considered in the planning and goal-setting stage of farm business development.

This team is looking at program content as it relates to helping BFRW identify the scale and feasibility of their agricultural business. This team will explore how quality of life needs are integrated with the income expectations of the farm.

With leadership provided by Mary Peabody this team will be looking at available program content as it relates to helping beginning farm and ranch women identify the appropriate scale, markets and overall feasibility of the farm/ranch business.

What We Know Thus Far

The team has identified a number of issues that are of particular importance to beginning women farmers and ranchers. These include:

- Balancing the need to be economically viable with a strong social mission.

- Not having the experience or confidence to establish prices that return a profit to the business
- Lacking confidence in key areas of business management – labor, negotiation skills were two that surfaced
- Lack of good benchmarks for many products.
- Inexperience with equipment – purchase, operation, repair and maintenance – which results in less efficient operations.
- Failure to include sensitivity analyses on major life events – marriage, child/elder care, divorce, illness or death of key personnel
- High risk-adversity to debt
- Ongoing tension between farm/ranch demands and family needs.
- Confusion about USDA's (and other state/federal agencies) classification of women as underserved

Helpful Resources

To see what the landscape of women farmers and ranchers, the **2012 Census of Agriculture Highlights: Women Farmers** (September 2014) provides an overview of women farmers and ranchers throughout the United States. You can also pull a state-specific report from https://www.agcensus.usda.gov/Publications/2012/Online_Resources/Race,_Ethnicity_and_Gender_Profiles/index.php

Team Leader & Contact

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The Rise of Women Farmers and Sustainable Agriculture (2016), Carolyn E. Sachs, Mary E. Barbercheck, Kathryn Brasier, Nancy Ellen Kiernan, Anna Rachel Terman. This book documents and explores a profound shift that is occurring among women working in agriculture—they are increasingly seeing themselves as farmers, not only as the wives or daughters of farmers. The authors draw on more than a decade of research to document and analyze the reasons for the transformation. As their sense of identity changes, many female farmers are challenging the sexism they face in their chosen profession. In this book, farm women in the northeastern United States describe how they got into farming and became successful entrepreneurs despite the barriers they encountered in agricultural institutions, farming communities, and even their own families. Their strategies for obtaining land and labor and developing successful businesses offer models for other aspiring farmers.

USDA Farm Service Agency Farm Loan Factsheet: Loans for socially disadvantaged farmers and ranchers (includes women) - <http://>

www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2014/sdaloans112014.pdf.

2017 Plan of Work

We have preliminary plans in the works for some training on how to coach BFRW and a webinar series which will begin early in 2017. The best way to be informed of upcoming events is to join our learning network and get updates from all the content teams. Our current team includes: Team Members (2016): Ashley Pellerin (TAMU), Sage Faulkner (Rancher, NM), Colleen Thornton (Farmer, OK), Gigi Neal (OSU), Carolyn Estrada (USDA-FSA, NV).

Opportunities to Contribute

We welcome anyone interested in this content area to join our team. Contact Mary Peabody for a description of the expectations of our advisers.