

Impact

Sharing the difference CSU Extension makes in people's lives and their communities.

Business training increases farmers' success

By learning to manage financial and production risks, Boulder County Building Farmers participants have increased their sales, expanded operations and developed new markets.

Issue

Across the country, demand for locally grown food at home, in restaurants and in schools has generated a growing segment of market farmers—producers who grow and sell vegetables, fruit, eggs, meat, dairy and other food products directly to consumers and retail customers. In Boulder County, many agricultural producers who want to fill this demand have limited to no agricultural business background and don't yet understand, or know how to manage, their financial and production risks.

Extension's Response

Since 2007, Colorado State University Extension in Boulder County has helped farmers learn how to better manage their business risks through *Colorado Building Farmers*. The eight-week course, offered in the fall, is designed to help both new, intermediate and experienced farmers assess their ability to start and maintain a new farm operation, or expand and improve the business management of an existing one. *Colorado Building Farmers* was developed by Adrian Card, a Boulder County Extension agent in agriculture and natural resources, Dawn Thilmany, professor and Extension agribusiness economist, and Martha Sullins, Extension specialist in agriculture and business management. A local advisory committee provides oversight.

The program offers weekly networking, business planning, management and marketing classes presented by experienced local farmers and ranchers along with agriculture professionals. Farmers and ranchers provide first-hand information on topics such as developing cost-effective production strategies, projecting seasonal labor needs and diversifying production enterprises. The program also helps participants understand how to plan for and succeed in local markets, and provides access to producer networks for agricultural inputs, financing, technical support, water resources.

Card designed the evening class to begin with an informal, communal dinner prepared from locally grown food. He says the relaxed atmosphere helps participants get to know each other. As a result, they develop camaraderie through the exchange of experiences and engage in an increasingly supportive learning environment by readily sharing knowledge and resources.

Colorado Building Farmers culminates with participants presenting their own business plans to fellow classmates, Card and other Extension personnel, who all offer feedback on feasibility, strengths and recommended improvements.



The Bottom Line

- CSU Extension is providing a growing segment of market farmers and ranchers with the business skills and financial risk management strategies they need to succeed.
- *Colorado Building Farmers* is becoming an important incubator for Colorado's local and regional food production and marketing systems.

By the Numbers

- Total farmers trained since 2007: 105
- Percent of farmers who would recommend class to others: 100
- Percent encouraged to follow their farming dreams: 95
- Percent using CSU Extension staff, programs, or web for technical or business planning assistance: 76
- Percent using Building Farmers class materials since they first participated: 72
- Cost to participate: \$90 - \$220

Impact

Survey results from four years of *Colorado Building Farmers* in Boulder County show the program is providing direct-market farmers with the skills, resources and confidence they need to improve their business management practices and decision-making skills. Farmers report that the program has helped them improve production and management know-how, develop new markets and diversify marketing.

In 2011, CSU Extension conducted a longitudinal survey to evaluate the operational outcomes and business practices of farmers who participated in *Colorado Building Farmers* in 2007, 2008 and 2009. Participants from 2007 reported on three seasons of farming (2008, 2009 and 2010); 2008 participants reported on two years; and, 2009 participants reported on one year. From approximately 88 surveys sent, 45 participants responded, a response rate of 51 percent.

The survey asked participants to consider, since taking the course, any business changes, potential impacts, limitations and marketing endeavors they either encountered or initiated. More than 50 percent of participants, from all three years, reported increases in:

- Diversity of products grown
- Infrastructure and equipment used in their operations
- Customer base
- Variety of marketing outlets used
- Total product sales
- Amount of land area cultivated
- Total operating expenses and investments (as they grow)
- Creating/using new marketing materials

According to Card, overall results indicate that the course is meeting CSU Extension's goal of helping farmers manage risk and identify appropriate business growth strategies by developing business plans.

For example evaluation data show that, after taking the *Colorado Building Farmers* class, nearly all participants no longer find business planning to be a limitation to developing their agricultural businesses. In fact, 62 percent of respondents indicated that having a well-defined business plan has had a moderate to great impact in their businesses. They listed keeping better production records, making additional business investments, and having more experience and an established reputation in the agricultural community as contributing the most to improving decision-making in their businesses.

Colorado Building Farmers is becoming an important incubator for Colorado's local and regional food production and marketing systems, with many aspiring producers taking the course before investing in their operations. Card says that this approach helps them to avoid making misguided investments. It also builds a community of producers who can mentor, apprentice and guide new entrants so that the food system provides a sustainable business opportunity in agriculture, and better serves the needs of the local buying public.

“The most valuable skill we learned from the class was to actually plan out what we were going to do. It may not turn out that way, but we learned that if you make the most realistic and informed plan, you at least have a map to guide your day-to-day decision making. This has enabled us to move our business forward to a point where we are both full time farmers.”

– Nic Koontz, Native Hill Farm
2009 & 2010 *Building Farmers* Participant

Program Expansion

In 2009, *Colorado Building Farmers* expanded to four other Colorado counties through funding from the Western Center for Risk Management Education. The program's overall success has captured national attention by receiving a three-year, \$748,000 grant from the USDA Beginning Farmer and Rancher Development Program to create *Building Farmers in the West*. The program is training producers in Colorado, Idaho, Oregon, New Mexico, Nevada and Washington to successfully enter and compete in emerging markets. Classroom and experiential learning is tailored to individual communities.

Contact Information

Adrian Card
CSU Extension, Boulder County
Agriculture/Natural Resources Agent
(303) 678-6383
acard@bouldercounty.org
www.extension.colostate.edu/boulder