



FARM PLANNING

Staying in business successfully

Is your cane farm a business or a way of life?

It is both of course, but you rely on the farm to make a living and to support your family. In today's competitive environment, it is vital

competitive environment, it is vital to think of the farm as a viable business.

If you do not look upon your farm as a business, and run it like one, then how can you expect to make a good living and enjoy your way of life?

The two go hand-in-hand.

This article poses some important questions and puts forward a plan to help improve the management and viability of your farming business.

Six Steps to Reviewing Farm Management

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| 1 | <p>What is my present situation?</p> <p>How do I compare with my neighbours? Is my cane farm producing to the fullest? Does my farm look tidy and weed free? What should I do to increase my earnings?</p> |
| 2 | <p>What are my greatest strengths and weaknesses?</p> <p>What do I do best on the farm? Am I just too busy to pay attention to detail? Does lack of financing restrict my business? Do I overspend in some areas and underspend in</p> |
| 3 | <p>What is my ambition for the farm?</p> <p>Is it to maximise profit or just to take what I can get? Is it to provide a valuable asset to sell on my retirement? Is it to provide enough as possible for my family, or is it simply to have a farm to be proud of? Have I done everything possible to get the best yields on</p> |
| 4 | <p>How am I going to achieve this ambition?</p> <p>How can I make best use of my strengths? What can I do to overcome my weaknesses? DO I NEED TO DRAW UP A FARM PLAN TO ADDRESS THE CRITICAL ISSUES?</p> |
| 5 | <p>What practical things must I do now?</p> <p>Do I need to take advice in areas where I have the greatest weaknesses? Do I need to change cultural practices? Do I need to get more capital to improve my business? Have all the loans previously borrowed produced the desired results? If no, why</p> |
| 6 | <p>How am I going about achieving this ambition?</p> <p>Do I keep adequate financial and physical records to measure my success?</p> |

Reviewing your position

Management of a cane farm can be broken down into four broad areas:

- ? day-to-day practical running of the farm;
- ? assessing and maintaining productivity;
- ? financial recording and planning;
- ? personal and family considerations

Most growers have well-developed skills in some of these areas, but how many could admit to being good at all of them. To improve, it is necessary to take a long, hard and honest look at your farm and yourself as a Manager in each of these areas. Have you done a good job of it? Or, are you just satisfied that someone or is something responsible for your situation.

Choose your favourite place to think. Perhaps this is the tractor seat, perhaps it is under a tree, or perhaps even the office desk. Then review management of your farm. (refer to the six steps).

Where to next?

The "Six steps to reviewing farm management" may take some time to think through. To help things along, write your ideas on a scrap of paper.

Not only do you review them, but writing things down also forces you to think clearly and honestly. Consider having more family involvement in the management planning process. It is not unusual for a farm to provide for a farmer's partner (wife or husband) and one or more other family members. There are real benefits to be gained from including them in a similar review of the farm business. So, do the exercise again together.

Family members can contribute to discussion on, and acknowledgement of, the present business situation. Be prepared for them to challenge your thoughts and ideas. Find out what they are thinking about, and listen to their arguments. You might just find solutions to some problems the unconventional way.

By including some of their ideas when you draw up the plan, you strengthen the bonds of family ownership as a whole and encourage their commitment to achieving set goals.

Areas of management traditionally overlooked

The cane industry has grown on hard practical work and determination, but some areas of farm management traditionally have been over-looked on many cane farms.

These areas include:

- ? keeping realistic and meaningful records;
- ? planning cash flow for the coming year;
- ? comparing productivity and financial performance of your farm to others around you;
- ? setting objectives for the farm and the family.

Conclusion

To stay in the cane business it is becoming more important to seek out and adopt the latest technology and to run farms as businesses.

As a grower, you can meet this challenge through personal development in the areas where you are least skilled.

If you do not know something, go out and get the information. If you lack experience in a particular area, learn from those who are successful. Also make the best use of skills held by other "partners" in the farm business. Seek good advice and adapt and adopt the advice to improve your farm.

Remember better management in everything we do is the only way for the future. Your contribution toward making a positive difference in the Sugar Industry is to take that first step on your farm.

The above article was extracted from BSES magazine and modified to some extent for our situation.

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IMPORTANT NOTATIONS!

Compare these figures:-

| | Crop Year 2000 | Crop Year 2001 |
|----------------------|----------------|----------------|
| Sugar Price | \$19107 | \$18000 |
| Standard Cane | 9.8396 | 10.0422 |
| JRCS | 11.22 | ? |

These figures suggest that crop 2001 poses great challenges for growers and manufacturers and requires a high level of management and efficiency to at least be successful.