

Introduction to

# WHOLE FARM PLANNING

Combining Family, Profit, and Environment



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A publication by the Minnesota Institute  
for Sustainable Agriculture (MISA)

## INTRODUCTION

Minnesota farmers are facing tough questions:

- Should I expand my livestock operations?
- Would direct marketing or a value-added enterprise work with my farm?
- How can we bring a son or daughter into the business?
- How can I spend more time with my family?
- How can we increase community respect for our farm and agriculture?

After struggling with these questions and others, several Minnesota farm families heard about Whole Farm Planning and used the concepts to alter their farm management, bringing more financial stability, improved stewardship, and a better quality of life for their families. They have discovered what more business managers already know: *It is difficult to succeed without goals and a plan of how to get there.*

Whole Farm Planning, also known as Comprehensive Farm Planning, can help you:

- Develop a vision for your farm ten, twenty, or fifty years into the future
- Improve the profitability and efficiency of your farm operations
- Build respect from the community for your work in protecting the environment
- Make the farm a safe and healthy place for you and your family

## WHAT IS WHOLE FARM PLANNING?

Whole Farm Planning can be thought of as a *four-step process*, which can be used by the farm family to balance the quality of life they desire with the farm's resources, the need for production and profitability, and long-term stewardship.

How is Whole Farm Planning different from the planning you already do on your farm? Most farmers do some kind of planning on their farms nearly every day. Whole Farm Planning is distinct from other farm planning approaches because it ties all the planning you do together for the whole farm and bases it on the long-term vision your family has for itself in the future. It is farmer-controlled, voluntary, and flexible. The plans are owned by the farmer, and the information contained in the plans is confidential.

Benefits of Whole Farm Planning include maintaining or improving profitability while enhancing sustainability. Whole Farm Planning can also lead to protection and enhancement of the quality of soil, water, and other natural resources on and near the farm. More importantly, the planning process helps the farm family define long- and short-term goals, which lead to an improved quality of life and a better relationship with the community.

# THE FOUR STEPS IN WHOLE FARM PLANNING

Whole Farm Planning involves four steps:

1. Setting goals
2. Making an inventory and assessment of the farm resources
3. Developing and implementing an action plan
4. Monitoring on-farm progress toward goals

Unfortunately, many of us wait for a financial, farm, or family crisis before seriously looking at alternative approaches. The most important decision is to make a commitment with your family to develop a plan, then begin the four-step process outlined below:

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## Step 1. SETTING GOALS

The first step in Whole Farm Planning typically begins with developing goals and a long-term vision for:

- The quality of life you want for you and your family within the community
- The future of your farm
- How your farm enterprise will provide the income and living environment you need

These three goals correspond to three resource areas:

- Human and social resources
- Environmental and natural resources
- Economic and financial resources

In this step, you and your family need to jointly discuss and develop short- and long-term goals for all three resource areas outlined above.

*Quality of life* goals might include issues involving health and safety, education, opportunities to try out new skills and enterprises, finding ways to take more time for the family, and reducing the stress of work.

Examples of goals for *your long-range vision* of the farm might include wooded or prairie areas around streams that benefit wildlife and improve water quality; windbreaks for fields, livestock and buildings; and additional housing for a son or daughter entering the enterprise.

Goals for how your farm will produce the *income and living environment* you want would include a listing of the enterprises you would like to continue, discontinue, or add to your farm such as a cow-calf-feeder cattle operation, locally marketed vegetables, or cash crop corn-soybean-alfalfa rotation.

Examples of long-term goals include reducing debt, improving soil conditions, and developing a plan to pass on the farm after retirement. Some examples of short-term goals might include adopting conservation tillage, diversifying the crops you produce, improving your livestock feeding system and using a more profitable marketing strategy.

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## Step 2: INVENTORY AND ASSESSMENT

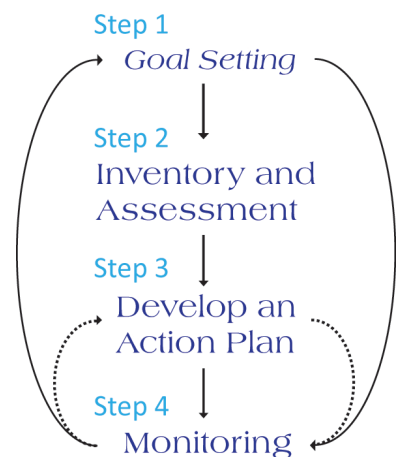
The second step in Whole Farm Planning involves inventorying and assessing your resources, including natural resources, human resources, financial and capital assets, and crop and livestock systems. Information needed to complete the inventory and assessment may include soil maps, soil test results, cropping and animal management histories, and financial data. In this process, you may identify problems with the condition of some of your important assets and their management, like soil erosion in some fields, or livestock manure stored too close to water sources. You may also find weaknesses in your financial or capital assets due to excessive debt, large variable costs, or depreciation. Or you may determine that your human resources, labor or time are being used inefficiently. See the listing of Resources at the end of this publication to find tools to assist you with your inventory and assessment.

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## Step 3: Developing an Action Plan

The third step in the process is to identify and evaluate management alternatives and to develop and implement an action plan. The number and type of alternatives identified and evaluated is up to you. However, the broader the range of alternatives you consider, the more likely you are to find options that meet your overall vision and address the human, financial and environmental resources goals you laid out in Step 1.

Ideas for management alternatives may come from discussions with your family, from your neighbors, from planning tools, from farm journals and Extension publications, or from agency experts. For instance, you may want to evaluate the effect that a change from a continuous cropping system to a mixed livestock-cropping system would have on your income, quality of life, and natural resources such as soil and water and whether it would bring you closer to meeting your goals in all three areas. You may want to evaluate the impact of adopting soil conservation practices such as reduced tillage, or the income possibilities of direct marketing. You might consider the effect of different manure and chemical management alternatives on the safety of your drinking water and your family's health, as well as on profitability. As part of an action plan you could evaluate the changes required for a family member to take time for additional education.



After you have evaluated your alternatives, use this information to develop your action plan, always returning to the vision and goals you identified in Step 1 to see that your action plan fits. Once you are satisfied with your plan, put it into action.

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## Step 4: MONITORING PROGRESS

The final step after developing an action plan that is compatible with the goals set by you and your family is to monitor progress toward these goals. As the Whole Farm Plan is implemented, try to evaluate how the plan is working and make corrections and refinements as time goes by. Keep records and check your progress toward the goals you set, so you can see how your plan is working. If the work you're doing isn't helping reach your goals, or if something just isn't working out the way you expected, it's time to revisit the plan. Goals themselves may need revision with time and changes in family life.

Finally, remember you are not alone in this process. Professionals in financial analysis, natural resource management, farm transfer, agricultural production, and personal planning, as well as other farm families who have been through planning, are there to help. State and federal agencies, Extension, farmer organization, and others participate in planning assistance when requested. Don't let the "busy-ness" of the present cause the crash of the farm business or family tomorrow.

## RESOURCES

### **Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses.**

was developed by the Minnesota Institute for Sustainable Agriculture (MISA) and published by Sustainable Agriculture Research and Education (SARE) program, 2003; third printing 2010.. Nelson, Beth, editor. A 280 page, 5 chapter, step-by-step guide to developing a business plan- with a focus on agricultural businesses. Includes worksheets and farmer profiles/testimonials. SARE Handbook 6, print copies available at Sustainable Agricultural Publications: 301-374-9696. The entire publication is available online at: <http://www.misa.umn.edu/Publications>

**Center for Farm Financial Management** at the University of Minnesota provides educational programs and software tools that are practical, timely, and applicable to real-world farm situations. You can also find information at this Center about the Farm Business Management Program where classes are offered that provide one-on-one training; scholarships may be available.

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**How to Establish Goals: A group project for farmers and their families** is a goal setting handbook developed in 1998 by John Lamb. 18 pages, available on line at [www.misa.umn.edu/Publications](http://www.misa.umn.edu/Publications)

**Farm Beginnings®** is a Land Stewardship Project (LSP) initiative that provides participants a wide range of opportunities to learn firsthand about low-cost, sustainable methods of farming. Launched in 1997, Farm Beginnings is a farmer-led, community based training and support program aimed at getting more farmers on the land farming sustainably. The web site listed below provides details about the program.

Land Stewardship Project  
821 East 35th Street, Suite 200  
Minneapolis, MN 55407  
phone: 612.722.6377  
[www.landstewardshipproject.org/farmbeg.html](http://www.landstewardshipproject.org/farmbeg.html)

**Holistic Management International** is an Albuquerque-based, international nonprofit organization that provides training, courses and consulting services to stewards of large landscapes, including ranchers, farmers, pastoral communities, government agencies, NGOs, environmental advocacy groups and other non-profits. At the Holistic Management web site, there are manuals available for free download including, Introduction to Holistic Management Manual, Holistic Management Financial Planning Manual, Holistic Management Grazing Planning Manual.

Holistic Management International  
5941 Jefferson St. NE, Suite B  
Albuquerque, NM 87109  
phone: 505.842.5252  
fax: 505.843.7900  
[www.holisticmanagement.org](http://www.holisticmanagement.org)

**Living on the Land Workshop Series**

Every spring, the University of Minnesota Extension's Small Farms Team offers an eight-week course designed to supply landowners with basic agricultural information to enable to be good stewards of their 40 acre (or less) tract. This series gives attendees a solid background in all aspects of land management, allowing for better understanding of more advanced learning opportunities. It emphasizes networking within the class and covers topics ranging from goal setting and property inventories to soil, plant and water basics.

Living on the Land Workshop Series  
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Agriculture Extension Educator  
Hennepin County  
University of Minnesota Extension  
phone: 612.596.1175  
cell phone: 612.369.9267  
fax: 612.348.6510  
[www.extension.umn.edu/smallfarms](http://www.extension.umn.edu/smallfarms)

Office location:  
417 North 5th Street, Suite 200  
Minneapolis, MN 55401-1397

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