

Course Description

This course addresses basic farm management skills, such as farm organization and operation techniques. It also focuses on accounting and budgeting practices, which can help students create and maintain a successful financial business plan for their farms. Farm managers require good planning and problem-solving skills, and the ability to work independently. Good computer and mechanical skills are an advantage, together with a capacity for working outdoors.

Educational Objectives

This course is designed to:

- (1) familiarize students with selected quantitative tools and procedures for analysis and decision-making in farm and ranch business management; and
- (2) demonstrate their application to enterprise as well as a total systems approach to farm/ranch business planning problems.

The sub-objectives are:

- Develop strategic planning methods for an agricultural business.
- Learn how to prepare a Farm Business Plan.
- Develop methods for assessing the operations of a Farm Business.
- Analyse the viability of different production enterprises: assessing profits, risk analysis, cost efficiency, quality standards, financial records
- Develop strategies for managing different farm production enterprises, covering workplace organisation and crop scheduling.
- Plan the management of human resources in a farm business covering: supervision, types of leadership/managers, orders & instruction, motivating employees, recruitment
- Develop methods for managing the physical resources of a farm business including managing equipment, machinery and buildings.
- Develop methods for managing the natural resources of a farm business

- Gain a solid foundation in the technology, management and science that are vital to running a farm.
- Gain the skills to give students a competitive edge.
- Learn about the technology, management and science that are vital to sustainable and profitable farming in a modern world.
- Be prepared to compete in today's ever-changing and challenging environment.

Course Outcomes

Major emphasis will be directed at using computerized software applications to model farm business management decisions. Basic life cycle assessment techniques will also be taught. Additional emphasis will be given to decision-making under imperfect knowledge including alternative approaches for analyzing decisions under conditions of risk and uncertainty as well as different risk management strategies. Specific goals include:

1. learn principles for making farm management decisions using modern decision-making methods and tools.
2. illustrate elements of successful strategic planning, implementation and control. A key component of this is the evaluation of various enterprises through allocation of costs via sound record keeping and analysis principles.
3. learn how to present a business plan for a business venture that you are planning to implement on your own or a case farm/ranch. This includes knowledge of complete financial statements.

Course Contents

The course will be divided into following eight modules:

1. Strategic Planning

- Planning procedures
- The policy formulation approach
- Strategic management approach
- Initial strategy approach
- Farm business structures

- Management plans
- Financial terminology and the money market
- Finding finance
- Rural finance sources
- Financial terminology and record keeping
- Contract law; Elements of a simple contract; Offers; Acceptance; Consideration
- Strategic plans
- Trusts

2. Business Plans

- Farm Planning
- Quality management systems
- Whole farm planning
- Preparing a business plan
- Integrated production plans

3. Business Assessment

- Business goals; factors involved in business assessment
- Considering factors affecting your business
- Drawing conclusions

4. Viability Analysis

- Assessing profit
- Risk analysis and managing risk
- Standards
- Cost efficiency
- Cost of production
- Quality and quantity standards
- Financial records
- The bookkeeping process
- End of period accounting

- Cash flow
- Example of budget
- Sensitivity analysis

5. Management Strategies

- Organising the workplace
- Scheduling
- Production systems
- System variables
- Animal production systems
- Lot feeding
- Cropping systems
- Polyculture
- Office systems
- Computers
- Business diversification
- Value adding

6. Human Resources

- Supervision
- Organisational structures
- Leadership
- Workplace changes
- Interviewing
- Recruitment and staff induction
- Giving instructions
- Managing human resources
- Work scheduling
- Occupational Health and safety
- Duty of care
- Protective equipment

- Dealing with chemicals
- Handling tools and equipment
- Safety auditing

7. Physical Resources

- Managing equipment, machinery and buildings
- Managing physical resources
- Engineering efficiency
- Animal structures

8. Natural Resources

- Regulations and legislation
- Land Care programs
- Rehabilitation
- Trees
- Erosion control
- Soil degradation
- Salinity
- Soil acidification
- Compaction
- Chemical Residues
- Water management
- Water quality
- Irrigation and watering systems

Recommended Books

- a. Olson, K.D. 2011. Economics of Farm Management in a Global Setting. John Wiley. Hoboken, NJ. (OK)
- b. Kay, R.D., W. M. Edwards and P. Duffy. 2012. Farm Management. Seventh Edition or newer. McGraw-Hill Book Company, 2012. (KED)
- c. Boehlje, M. And V. Eidman. Farm Management. John Wiley, 1984.