

# Blackberry Enterprise Budgets

*A decision tool you can use.*

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**Sustainable Blackberry Production**



# Do you really need an alternative enterprise?

- Does this activity really match your interests?
- Is it technically feasible? Consider climate, soils, water availability, equipment, and labor.
- Do you have unemployed resources or are you spread too thin?
- What aspects of farming are you good at? Production details (fertilizer/pesticide applications) or do you just watch others?
- Are you good with innovative marketing?
- Can you stand the production & price risks?



# Sources of Information

- Actual farm records
- Books on production and industry
- Grower organizations/cooperatives
- Other operations
- University specialists, educational materials, and meetings
- Production websites
- Search engines on the Internet
  - *<http://www.agrisk.umn.edu>*



# Investment and Financing

- Do your homework!
- Prepare enterprise budgets and examine.
- Is the operation economically feasible?
- Can you get needed financing?
- Work up a multi-year business plan. Educate lender on marketing/production. Be able to sell your creditworthiness.



# Why Budget?

- 1<sup>st</sup> step in developing marketing/business plan.
- Evaluate options before you commit resources.
- Identify production/price risks, potential financial impacts, and whether they can be managed.
- Compare the profitability of two or more different systems of production.
- Provide the documentation necessary to obtain/maintain creditworthiness.
- Project cash flows.



# OSU Enterprise Budget Software

- Excel spreadsheet-based software
- Consists of:
  - 26 crop/livestock commodities
    - 7 horticultural commodities
    - \$20 each, 5 for \$75, \$250 entire set
    - Free data updates available
- Available via CD or online  
*<http://www.agecon.okstate.edu/budgets>*



# Why some people succeed year after year.

- Know your costs and make sure your operation is as cost-effective as possible.
- Keep accurate business records – financial and production – to see if you are headed in the right direction.
- Understand the difference in cash flow vs. profit.
- Don't settle for "AVERAGE".
- Proceed with caution when trying new things or expanding.
- Don't go it alone! Never stop learning!





# In summary.....

- Some producers will make \$\$ from alternative agricultural enterprises. However.....
- Alternative enterprises are not for everyone.
- If you're having problems now because:
  - You can't get financing.
  - You're not good at marketing.
  - You're not good at recordkeeping.
  - You're not good at getting things done at the right time.
- Then be aware that these problems may be worse with alternative enterprises than with traditional ones.

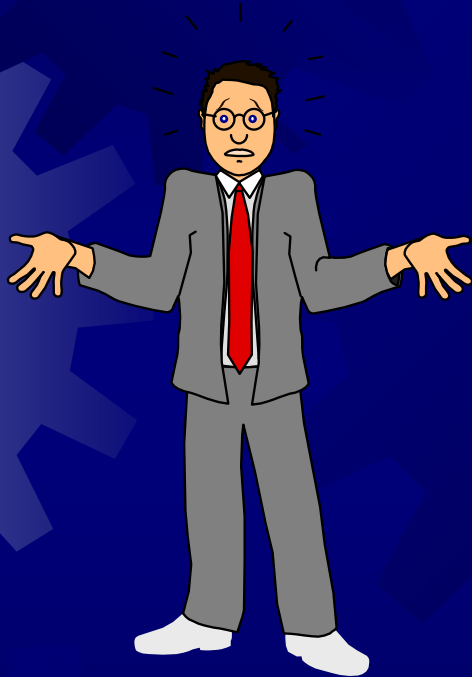




# Don't Get Stuck in the Mud! Use those Budgets!



# Questions??



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