

Being a farmer means running a business

There is always an economic aspect to agriculture, since the aim is to achieve a set goal with an available amount of resources. For farmers, who are self-employed, this is an essential part of their responsibilities. They must make minor and major decisions independently and deal with their consequences. This starts with preparing a daily work schedule that ensures efficient use of the available human resources and time management. Depending on the type of agriculture, farms produce plant- and animal-based foodstuffs, renewable raw materials, energy, services or combinations of the above.

The importance of entrepreneurial skills and personality

Finding the right marketing strategy is a long-term commitment. It means keeping up with what is happening on the markets. Many farms sell their basic commodities, such as cereals or raw milk, to processors (mills, dairies) or to the food industry. Some sell directly to consumers or invest in their own processing capacities, like farmhouse cheese dairies, which allows them to carry out further steps in the supply chain on-farm.

The challenge of long-term planning

In order to find the ideal individual business strategy, farmers need skills such as decisiveness, foresight and analytical thinking. They also need to make sure they are up to date on developments in production technology, regulation, societal developments and the political framework. This is particularly important when it comes to major investment decisions, such as building a new stable. The necessary loans usually have a duration term of 20 to 30 years. It is very challenging to anticipate today how the requirements regarding animal welfare, for example, will evolve during this period and how to design the stable accordingly. Farmers would need certainty to plan ahead. This is why they have to weigh up all the options and risks precisely in order to make the right decisions and achieve their aim of keeping their farm running in a sustainable manner. This requires physical, mental and spiritual health to be able to make enough profit to provide for the family and make the necessary investments to keep the farm up to present-day standards.

