

SMALL FARMS RESEARCH CENTER FACTSHEET

COLLEGE OF AGRICULTURAL, LIFE AND NATURAL SCIENCES



United States Department of Agriculture
National Institute of Food and Agriculture



United States Department of Agriculture
Office of Advocacy and Outreach (OAO)

Small Business Guide for Horticultural Producers

Trying something new and different cannot consider as impossible. Many people around you may not start or anything new because they lack of drive , lack of confidence or just lack of knowledge. Having a successful business always requires some research, plan and hard work. The first and foremost step to start a business is to have right idea for you.

Many of horticultural crops require intensive management, time, money and patience to reap first fruits. It is important to be aware of your motivation to start any enterprise. Money is the primary motivation, as it already mentioned earlier it take several years to obtain profit and some horticultural crops like apples, peaches and olives requires lot of upfront investment for irrigation systems. Horticultural crops also requires on going management like pruning, pest, disease management, and irrigation. Besides, monetary terms it is important to have a passion what you do. A successful business can see some ones passion or interest on their enterprise.

Mission Statement

Thinking big does not mean to start big. If you're planning to developing new idea, start with small way. Gerald and Wen stated that "The mission statement defines the purpose of the firm answers the question,

- What business are we in?
- What type of agricultural products and services will be produced?
- What are the markets?
- Who will be your consumer group?
- Are we going to meet the need of the group?



Vision Statement

Once business is planned for infrastructure then the entire unit can be increased according to the production. If the business grow faster and/or in different direction changes things has to change for produce and visitors. Having sufficient land for production, storage container for the produce, and processing units are important considerations while expanding the business.

Know Right Skills

Know how to grow your product. Horticultural crops require intensive management and it is always advisable to about the crop that you would like to grow. For example:

- What are the soil amends are required before planting the crops?
- What kind of irrigation system is required for crops?

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- What are potential pests and disease and how to manage them?
- How to control weeds? Maintaining low weed population is cost effective and if not controlled substantial loss may occur.
- How to choose right variety? Selecting right variety depends upon the climate, type of soil, and market.
- How to maintain quality and freshness after the crop is harvested? Post-harvest techniques need to follow after the harvest and before distributing produce to the market.
- What type of machinery is required to harvest the produce?
- Can you communicate with everyone? Communication is very important to improve your business or to spread your produce to different markets.

Know Your Resources

Horticultural crops perform well in good environment conditions. Soil type, water quality and climatic factors plays important role in different growth stages. Conduct a brief study about the land, including soil type, previously grown crops, fertilization information, salinity/acidity soil properties, and soil testing for pH. Horticulture crops requires greater amount of water and it should be provided frequently. Water quality is also important, because if water is loaded with salts, soil absorbs salts and turn soil into salinity. Especially some horticultural crops produces flowers at particular temperature and relative humidity. It is important to choose varieties that can thrive well in your local conditions.

Know Your Product and Market:

Your business has to be made clear what type of product and service is provided. Check it out whether your product had a demand or not? Is there is any demand then find out is it seasonal or year round? Is your product is specialized or niche commodity? Identify who is your target group and make changes if needed especially for value added products and also try to meet the expectations of the target group. You can get all these answers from customers.

Know Your Profits:

you may need to stay patient with your time and finances before you start harvesting any funds from your investments. Especially fruits crops will need couple of years to establish. Plan and prepare to obtain funds from other resources while your crops mature. If you have financial problems then choose vegetables that require less maintenance and effort.

Know How to Manage New Business:

Strategy is important parameter to run business smooth and softly. After the foundation of new business it is important to maintain the records. The strategy should adapt new challenges and opportunities for further development of business. Annual budget will also help to check your status whether your on right track or you need any changes as required. It is important to maintain other records along with the financial records. The review of this records will help to understand reasons for your success or failure.

Know Your Feedback:

It is important to pay attention on feedback/comments/reviews from customers on the product and service that was offered by your business. A regular review on your business will provide an opportunity to improve your product and services. Most of the farmers/managers will focus on routine activities and may not sufficient time to do it. It

table shows a sample of information that need to be analyzed and others may also added as per required.

Factor	Importance to Customer	Business		Competitor	
		Strength	Weakness	Strength	Weakness
Product					
Price					
Quality/consistency					
Selection/range					
Service					
Reliability					
Stability/ fluctuation in supply					
Expertise					
Company Reputation					
Location					
Appearance					
Sales Method					
Credit Policies					
Advertising					
Image					

Know How to Develop a Business Plan: A business plan template can be found at: <https://www.sba.gov/writing-business-plan>

Small Farms Research Center

The Small Farms Research center at Alabama A & M University (AAMU) was first conceived in 2000 with funding from USDA's Office of Outreach authorized under section 2501 of the 1990 Farm Bill. The mission of the center and the Small Farmers Outreach and Technical Assistance Program is to assist all small and limited resources farmers effectively deal with agricultural risk, food safety, and overall farm management issues and provide them with information.

Learn more about us by visiting our website and Facebook page through the link below

Website

<http://www.aamu.edu/sfrc>

Facebook

<http://www.facebook.com/smallfarmsresearchcenter>

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Cooperating Units: USDA Office of Advocacy and Outreach (OAO), USDA/NIFA/ Beginning Farmers and Ranchers Development Program (BFRDP), USDA/OAO/Outreach Assistance for Socially Disadvantaged Farmers and Ranchers (OASDFR) Program, Alabama Cooperative Extension Systems, and Alabama A&M University.

