

In a Price Challenged Economy, Thinking 'Entrepreneurially' Can Be of Financial Benefit

Ryan Crossingham Farm & Ranch Guide Assistant Editor

Scott Kronberg, research animal scientist, USDA-Agricultural Research Service, Northern Great Plains Research Laboratory, encourages livestock and crop producers throughout the region to focus on net rather than gross profit.

He suggests they start thinking more like entrepreneurs and look for ways that they can evolve into producing unique products, rather than produce only the standard crops and livestock, which can frequently have prices on commodity markets that are too low to produce enough net profit.

“The prices paid for commodity crops are generally low and the prices paid for commodity cattle have come down also,” said Kronberg. “There is too much production of commodity crops and livestock and too little production of unique crops and livestock.”



Marketing of those unique products derived from special crops and livestock is lacking as well, according to Kronberg.

For farmers and ranchers, changing a mindset that they have been operating under for years, or even as long as the family farm has been in business, can be a challenge.

“Many challenges come with changing one’s approach to crop and/or livestock production, but one must keep in mind the ‘no pain, no gain’ concept,” he said. “Is it too hard to find that niche? What is ‘too hard’ varies from person to person, so it may be too hard for some people, but not too hard for others.”

Kronberg said there are various books and courses available to help producers looking to transition their operation toward being more entrepreneurial.

“They have to be willing to learn and apply new approaches and be willing to be persistent as they grow and adapt to a new approach for doing business,” he said.

First, it starts with evaluating what they as a producer can produce, and what products are viewed as unique or valuable to the marketplace. As an example, Kronberg suggested a producer could produce crops or cattle with more specific types of healthy fatty acids and/or minerals.

Secondly, Kronberg said producers must develop proper marketing skills to get their products out and known by a lot of people.

Examples of entrepreneurial operations include Brown’s Ranch near Bismarck, ND (Gabe and Paul Brown);

Bessy's Best in Sterling, ND, and Wheat Montana in Three Forks, MT. Kronberg said these are just a few of many businesses that are examples of farming and ranching operations -- that because they are more entrepreneurial, they are less sensitive to ag commodity prices.

Brown's Ranch practices holistic management and strives to solve problems in a natural and sustainable way. With an intent to improve soil health as a priority, they have no-till farmed since 1993. Their diverse cropping strategy includes cover and companion crops. They have also eliminated the use of all synthetic fertilizers, fungicides and pesticides on their crops. These steps and others have resulted in increased production, net profit and higher sustainability.

Bessy's Best, owned and operated by Blaine and Kathy Goetz, discovered a niche market for their all-natural dairy products. They milk 120 Holstein cows twice a day and all their milk is processed right on the farm to make a number of dairy products. They run a small processing plant where they sanitize everything between all processes with a bleach-like solution. Their milk goes into cooling tanks and is then separated. It is pasteurized at a low heat, creating ultra-pasteurized milk.

Wheat Montana has been farming and milling in southwest Montana for three generations, growing their grain sustainably and milling it just down the road, meaning they can guarantee their products are top quality, healthy and farm fresh. Whether their customers are interested in flour, bread, specialty grains, pancake mixes, cereals, bakery items or even a homemade deli sandwich, their products are both healthy and fresh.

"These three businesses are just examples, that neither I nor the USDA-Agricultural Research Service are endorsing, but nonetheless are good examples of farm-based business that are producing some unique products and selling them directly to consumers," said Kronberg.

Finally, he preaches patience and persistence to anyone looking to make changes to their operations.

"To be successful, entrepreneurs with unique crops and/or livestock will require serious effort and may be considered unusual by one's neighbors. A patient and persistent attitude will probably be needed, as well as a good sense of humor and willingness to do things that are at least a little different from what one's neighbors are doing in agriculture," Kronberg concluded.

Scott Kronberg 701.667.3013 scott.kronberg@ars.usda.gov

