

# Improving Your Profitability: Create a Prioritized Management Plan

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Success in farming today requires producers to continuously improve their operation. As you prepare for a new season think about what you did last year that worked well? What didn't work well? Write down all your observations. Consider production factors on a field by field basis such as variety selection; weed, insect, and disease management, water management, and stand establishment. Also consider non-production factors such as marketing and financial management. Intuition and 'gut feel' are helpful here, but use actual measures wherever possible. Remember, if you don't measure it you won't improve it.

Keep accurate records on inputs and field operations. Know your production costs. Also keep accurate records on production. Growers who are using yield monitoring and mapping systems find them extremely helpful in documenting production and identifying factors affecting production the most. Yield monitoring and mapping not only allow a grower to identify these factors, but also to measure them. For example, a grower may know that yields are reduced in poorly drained portions of a field but doesn't know by exactly how much. Yield monitoring and mapping allows that grower to determine quite accurately how many bushels and dollars were lost. The cost of drainage can be calculated and decision can be made on sound information.

Every farm will have more improvement needs than either time or money to make those improvements. The improvement needs must be prioritized. What you will need to do is develop a '**Prioritized Management Plan**' for your farm.

- First, look at the entire farming operation. Use all the information available. To the best of your ability, identify the #1 factor most limiting to profitability during the past year. You will likely come up with major categories here, such as low prices or poor production, for example.
- Next, ask the question, 'What can I do about it? Is it manageable?' You can't change grain prices, but did you market your crop as effectively as you could have with the information available at the time? Could you change what you grow to take advantage of better prices for other products? If production was poor, ask why, and what can you do about it. For example, wheat production may have been reduced due to plant disease. Could you have prevented those losses by choosing a different variety or applying a fungicide?
- Look at each field. Prioritize the improvements you could make to have the best overall impact on the farming operation.

The results of this exercise should be a Prioritized Management Plan with this general outline:

#1 most limiting manageable factor to profitability

What am I going to do about it?  
When am I going to do it?  
How am I going to get it done – what is the plan?  
Who do I need help from?

#2 most limiting manageable factor to profitability

What am I going to do about it?  
When am I going to do it?  
How am I going to get it done – what is the plan?  
Who do I need help from?

List as many factors as you may be able to deal with before the next cropping season. It may be only one, or it may be several. The important thing is that the list made and prioritized – work on the biggest manageable problems first. Think, analyze, and write it down. It is no secret that when you write something down you are much more likely to do it.