

Ultra-Niche Crops Series: Writing SMART Goals for Your Farm

Fact Sheet FS1263



Cooperative Extension

Jenny Carleo, County Agent II, Agriculture and Natural Resources

"A dream written down with a date becomes a goal. A goal broken down into steps becomes a plan. A plan backed by action makes your dreams come true." – Greg S. Reid

Why Set Goals?

Clearly identifying goals for your farm is a practical first step towards business success. A defined goal gives us a target to work for. Furthermore, a properly written goal can even guide us in the process of how we plan to accomplish it. While the process of setting goals may sound overwhelming it is actually quite simple. Goals should be "SMART": Specific, Measurable, Achievable, Relevant and Time-bound.

How to Set Goals

The first step in goal-setting is determining exactly where you want to go and when you should arrive. Thinking broadly at first is important for the vision of your farm, but should be followed up with refining the larger ideas into smaller steps that can be accomplished in a defined time-frame. By working through this fact sheet, you will begin to write SMART goals for your farm.

SMART Goal Example

By December, Sunshine Farm will grow 2 acres of gourmet garlic and sell 12,000 lbs. of product through

direct-retail at farmers markets, earning an annual gross income of \$48,000 and an annual net income of \$18,000. The profit will go directly towards the purchase of a newer tractor.

Notice that clear objectives are defined and it will be easy to determine if they have been accomplished because the above example SMART goal is:

- SPECIFIC enough to be able to determine easily whether it was met.
- MEASURABLE because it includes numbered amounts of time, money, yield, and land.
- ACHIEVABLE with realistic economic expectations based on existing budget models and typical expense costs.
- RELEVANT because Sunshine Farm already cultivates vegetables and herbs for local customers. This activity is in line with the farm's mission statement.
- TIME-BOUND because there is a set deadline to meet the goal by.

Immediate Benefits of SMART Goals

SMART goals can improve your business immediately. "Decision fatigue" is the situation that happens after a human makes multiple decisions. Business owners and managers are faced with decisions every hour. It is natural for them to have increasing difficulty making good

decisions as the day, or even the season, progresses. SMART goals, however, can make important business decisions easier to make. When considering a challenging decision, referring back to a predetermined SMART goal can help a farmer re-focus on hitting their intended target versus putting effort into an activity that may seem like a good idea at the time but is not aligned with the long-term goals of the business. Writing SMART goals is actually pre-making practical decisions ahead of time. Having a mission statement and SMART goals in mind can help anyone, especially a decision-fatigued farm manager, make wise business choices faster and easier which will increase the competitiveness of the business today and in the long run.

Sunshine Farm Example

Here is an example scenario of how a defined goal can help managers make wise decisions under pressure:

Sunshine Farm, the farm mentioned above, is run by beginning farmers Brad and Lisa. One day in June while selling at a community farmers market, Lisa is approached by an orchard owner from the other side of town. The farmer explains that he will be moving away as soon as he sells his farm and would like Lisa and Brad to make an offer. At first Brad and Lisa are excited about the opportunity to purchase more land close by in their rapidly developing area where farms are scarce and the market is viable. Brad and Lisa consider the fact that they are working as much as they can on their small farm now, and have recently focused their efforts on increasing the profitability of their garlic since it is their most popular farm product. They are unsure as to whether expanding this quickly is a wise decision.

They decide to revisit their original SMART goal they had written in the winter. After re-reading it, it becomes apparent that purchasing the orchard right now would prevent them from having enough time and resources to devote to growing and meeting the demand for their high-quality, gourmet garlic. The couple have no experience growing fruit trees and are just becoming recognized in the market for their herbs and vegetables. The one tractor they have is older and driving between farms on a public roadway will put further wear on it before they can afford to purchase a new one. Brad and Lisa conclude that purchasing the orchard may seem like a great idea but doing so would likely diminish their capacity to achieve their original mission of becoming profitable in the direct-retail gourmet garlic business. They decide together not to make an offer on the orchard at this time.

Summary

Setting SMART goals is effective for a number of reasons. The process forces us to think about what we really want to accomplish and whether it is realistic or not. It also requires us to set a deadline for accomplishing the goal, which naturally compels us to complete it. SMART goals give us clarity on what we really want to achieve and a guideline on how to accomplish it. Revisiting SMART goals periodically helps to re-align our actions with our intentions, and can help us make wise choices about critical decisions.

Use the worksheet on page three to practice writing an example goal for your farm.

The video version of this fact sheet can be found at: njaes.rutgers.edu/ultra-niche-crops/business-planning.asp

Practice Writing an Example Goal for Your Farm

- 1) Think about what you would like your farm to look like within one year. Jot down a few thoughts about what you would like to see the most:
- 2) Choose one aspect of that dream that you believe is possible to accomplish before next season starts. Focus on that one aspect for this exercise.
- 3) Regarding that chosen item, think of it as a general goal. Then answer the following questions:
 - a) What will the goal accomplish? For example: Customers will be more loyal to our farm, increasing sales.
 - b) When will it be accomplished by? For example: By close of the market for winter (insert your typical closing date).
 - c) What makes this goal achievable? For example: We have a direct retail farm market, produce enough product, and have enough market staff.
 - d) How will this goal be accomplished (what will you do)? For example: This season, I will train our market staff on high-quality customer service and the need to promote customer loyalty. I will also run promotional programs to build customer loyalty to give my business a competitive advantage.
 - e) How will you measure that the goal has been met? For example: We will increase the number of sales transactions by 5%. Number of sales are easily tracked by the cash register.

SMART Goal Based on the Examples Above

Green Blade Farm will build customer loyalty through staff training and customer promotional programs, thus increasing the number of sales transactions by 5% before we close for the season.

- 4) Write one SMART Goal for your own farm using the worksheet above. Make it as short as possible while creating a Specific, Measurable, Achievable, Relevant and Time-bound goal.



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Rutgers, The State University of New Jersey
88 Lipman Drive, New Brunswick, NJ 08901-8525
Phone: 848.932.5000