

# MINNESOTA FRUIT & VEGETABLE GROWERS ASSOCIATION

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April, 2004 Volume 18, No. 2

## A Note From The Board

Kevin Edberg – The Berry Patch, Forest Lake, MN

It's March as I write this. The days are growing longer, the temperatures are noticeably warmer, the snow is disappearing, the mating song of the cardinal has been heard, and a solitary robin was observed locally. Spring is coming, and with it the promise of a new growing season. It feels good.

It also feels good to reflect on our Association, and the strides we've taken in recent years to improve the business prospects of our members, and other non-member fruit and vegetable producers as well.

Just this last year, we were successful in getting special label approval for the use of Stinger herbicide in strawberries. For every strawberry grower in the state, this is **huge**, as thistle control has been one of the worst issues we have to face in perennial production. Because of the work of the MFVGA (and especially Extension agent, grower, and MFVGA board member, Terry Nennich!), berry growers now have an important new tool in their arsenal of crop protection compounds that could literally save them hundreds of dollars a year. This single action alone justifies the annual MFVGA dues payment for every berry grower in the state. And we're talking about options to do this same thing for needed compounds for vegetable growers, too.

In the past three years, we've been incredibly fortunate to develop strong and credible relationships with the USDA Risk Management Agency. These relationships with RMA and other granting agencies have allowed MFVGA to access a couple hundred thousand dollars that support our producer education programs, market diversification efforts and risk management training tools. The benefits of these activities have increased the quality of information available to growers, and decreased the net cost of that information. In a similar way, these projects have provided needed financial support to our University researchers in a time of great financial difficulty, further extending the benefits of new knowledge while maintaining the research infrastructure needed for addressing the production needs of our industry.

And not inconsequentially, the organization continues to provide a place where growers from this state and region can gather, learn from each other, and together enjoy the camaraderie of the profession we all call our own.

MFVGA is not just a good organization. It's a great one. To our members, thanks for your dues payments. I hope you smile when you write your dues check, knowing that your payment is generating genuine return on investment for you. To our industry allies, thank you for your continuing support through trade show

participation, newsletter advertising and associate membership; we appreciate your loyalty, and want to be good partners to you as well. To non-members, come join us now. We are worthy of your support and very honestly, we all will be strengthened by your participation in this vital industry organization. More challenging economic times are ahead for all of us, and a united industry voice will be critical for advocating on our behalf.

Best wishes to all for a successful growing season ahead!

## Thank You – Conference Sponsors and Supporters

A number of our exhibitors as well as other businesses and associations helped to support the 2004 Upper Midwest Regional Fruit and Vegetable Growers Conference and MFVGA by contributing dollars to offset our cost of providing refreshments in the trade show area and by helping to defray some of the other costs associated with the annual educational conference. Their contributions and support help us to provide high quality programming for growers at a reasonable price. Please join us in thanking the following companies and associations for their sponsorship and support of this year's conference:

AgStar Financial Services  
Central Minnesota Vegetable Growers Association  
DeVries Manufacturing, Inc.  
Hennepin Co-op Seed Exchange, Inc.  
Indiana Berry & Plant Company  
Isanti County Equipment, Inc.  
Johnny's Selected Seeds  
Koppert Biological Systems, Inc.  
St. Paul Growers Association  
Stokes Seeds  
Syngenta Seeds  
UAP Northern Plains – Howe

Special thanks go to the USDA – Risk Management Agency and the Risk Management Agency's Community Outreach & Assistance Partnership Program for providing dollars through partnership agreements that are helping to offset a variety of conference and promotional expenses.

## Mark Your Calendars for the Summer Field Day

Pine Tree Apple Orchard in White Bear Lake, MN is celebrating 100 years of operation this summer and has graciously extended an invitation for MFVGA members to join in the celebration with a summer field day on Friday, August 6. More details and registration information will in the July Newsletter.

## Food Alliance Midwest Seeks More Producers

- **Cost Share Dollars Available for Strawberry Growers**
- **Food Service Opportunities with Sodexo**

Food Alliance Midwest has two unique marketing opportunities for 2004 and is seeking producers who would like to take advantage of Food Alliance certification this year.

First, there are cost share dollars available to commercial strawberry growers who apply for Food Alliance certification this year. Through a producer SARE grant, monies will be available to substantially offset Food Alliance certification fees. Certified farms will be able to use customized bagstuffers, banners, and point of sale materials. In addition, the *Minnesota Grown Directory* will feature Food Alliance certified direct-marketing farms.

Second, Sodexo USA, a Food Alliance marketplace partner, is featuring Food Alliance certified foods at eleven college campuses throughout the Upper Midwest. As this partnership grows in 2004, demand for Food Alliance certified foods will likely exceed our supply. Opportunities exist for certified farms to provide foods to dining halls, caterers, and campus stores. Sodexo is particularly interested in local, Food Alliance certified fruits and vegetables.

For those farms interested in working with Sodexo but daunted by the logistics, there is a new distribution option for 2004. Gary Pahl will be working this year with Sysco Inc. as a consolidator and supplier to Sodexo. Gary's farm is Food Alliance certified. He has offered to assist other Food Alliance certified farms by arranging and consolidating food service deliveries through Sysco to Sodexo college accounts. If you're interested in this option, please contact Gary at: 952-431-4345 or [gpahl67349@aol.com](mailto:gpahl67349@aol.com).

To get your farm certified so you can take advantage of these marketing opportunities, contact Food Alliance Midwest Certification Coordinator, Ray Kirsch, at 651-653-0618 or [ray@foodalliance.org](mailto:ray@foodalliance.org).

Food Alliance is one of the nation's leading certifiers of environmentally friendly and socially responsible farms and foods. To learn more about their certification as well as the marketplace development they provide to certified farms, visit them on the web at: [www.foodalliance.org](http://www.foodalliance.org).



## The USDA-ARS at Beltsville releases 'Ovation' strawberry

Submitted by Dr. Kim Lewers

'Ovation' was released to nurseries on 9 January 2003 for its exceptionally late fruiting season and consistently attractive, large, firm fruit and high vigor. 'Ovation', tested as B440, was derived from the cross of 'Lateglow' by 'Etna'. Seedlings from this cross were screened for resistance to red stele. Surviving seedlings were evaluated in the field, and B440 was selected in 1991 by G.J. Galletta and J.M. Enns.


'Ovation' was evaluated in Maryland during the period 1992-2003, in both the advanced matted-row and plasticulture production systems. Yields in the plasticulture system consistently were at or among the top in comparison with other cultivars and selections. Yields in the advanced matted row system were average to slightly below average, though fruit size and appearance remained high. Plants in both systems show high vigor.

'Ovation' also was sent to cooperating scientists to determine geographic adaptation. 'Ovation' performed very well in plasticulture in New Jersey and is recommended there as the late season cultivar to follow 'Chandler'. In Pennsylvania traditional matted-row evaluations, 'Ovation' was the top-rated late season cultivar. In Ohio evaluations, 'Ovation' was considered an outstanding late-season cultivar in either the traditional matted-row or plasticulture production system evaluations.

Although we have not observed anthracnose disease symptoms on 'Ovation' plants in the field during 12 years of evaluation, controlled growth chamber tests indicated it is possible that 'Ovation' plants may be infected by the anthracnose pathogen when conditions are conducive for disease development. In Maryland, 'Ovation' often developed symptoms of powdery mildew after fruiting, to about the same extent as 'Earliglow'. However, the disease does not seem to reduce plant vigor. Other than powdery mildew, plants were generally free of significant foliar disease in both spring and fall.

An added bonus is that 'Ovation' fruit tested among the highest in fruit nutritional characters such as antioxidant capacity. This trait may be important to some health-conscious consumers.

'Ovation' was named, not only because the cultivar marks the end of the strawberry production season in these regions, but also to honor the long and productive career of the late Dr. Gene Galletta.



### NOTICE TO NON-MEMBERS

**In return for receiving the MFVGA newsletter, we ask a \$10 donation per year to cover printing and mailing costs.  
Thank You!**

**PLEASE NOTE:**  
If you no longer wish to receive our newsletter, please let us know.

The MFVGA Newsletter is published five times a year (February, April, July, October and December) in cooperation with the University of Minnesota Extension Service and the Minnesota Department of Agriculture. Editorial office: MFVGA, c/o Marilyn Nysetvold Johnson, Exec. Coordinator, 15125 W. Vermillion Cir. NE, Ham Lake, MN 55304. Phone: 763-434-0400 Fax: 763-413-9585. Please address all correspondence, advertising and membership inquiries to MFVGA at the above address. Deadlines for future issues: The first day of the month preceding publication (For example: Jan. 1st for the February issue).

The information in this MFVGA Newsletter is for educational purposes only. Reference to commercial products or trade names is made with the understanding that no discrimination is intended and no endorsement by the Minnesota Fruit and Vegetable Growers Association is implied.

# U of M GLEANNINGS

**Dr. Cindy Tong**  
Dept. of Horticultural Science  
University of Minnesota

Rearrangements in educator positions in the University of Minnesota Extension Service have been made, and most of the new educators have started working from their new offices. (A long time ago, the educators were called "county agents".) There are now six Regional Extension Educators with responsibilities in horticulture. All educators have at least Masters degrees. Most of them are based out of the Andover or Farmington regional centers. The addresses for those centers are listed below:

## **Andover**

Bunker Hills Activities Center  
550 Bunker Lake Boulevard NW, Suite L-1  
Andover, MN 55304-4199

Phone: 763-767-3836      888-241-0719      Fax: 763-767-3885

## **Farmington**

Dakota Co. Extension & Conservation Ctr  
4100 220th Street W, Suite 100  
Farmington, MN 55024

Phone: 651-480-7788      888-241-0839      Fax: 651-480-7797

The six educators are:

**Karl Foord**, based in Andover, with a Ph.D. in plant physiology and an M.B.A. degree, specializes in marketing and business plans. He can be reached at [foord001@umn.edu](mailto:foord001@umn.edu).

**Anne Gachuhi**, based in Andover, has an M.S. from the University of Wageningen in the Netherlands, and worked at the Missouri Botanical Gardens. She is originally from Uganda, and will be focusing her efforts on landscape design and the Master Gardener program. Anne starts working in Minnesota on May 3.

**Robert Mugaas**, based in Farmington, specializes in turfgrass management. He can be reached at [mugaas001@umn.edu](mailto:mugaas001@umn.edu).

**Terry Nennich** has served on the MFVGA Board and is well known to many fruit and vegetable growers. Terry works from Crookston, mostly with commercial fruit and vegetable growers, and he can be reached at [nenni001@umn.edu](mailto:nenni001@umn.edu). His address is University of Minnesota, Crookston, 251 Owen Hall, 2900 University Avenue, Crookston, MN 56716-5001. The phone number there is 218-281-8027 or 888-241-0781, and the fax number is 218-281-8686.

**Robert Olson**, based in Andover, will primarily be working with the New Immigrant Farm Program and commercial fruit and vegetable growers. Bob used to be based in Wright County, and worked with many small-acreage fruit and vegetable farmers there. He can be reached via e-mail at [olson160@umn.edu](mailto:olson160@umn.edu).

**Nancy Rose**, based in Farmington, may be known to Twin Cities residents from her gardening columns in the *Star Tribune* newspaper.

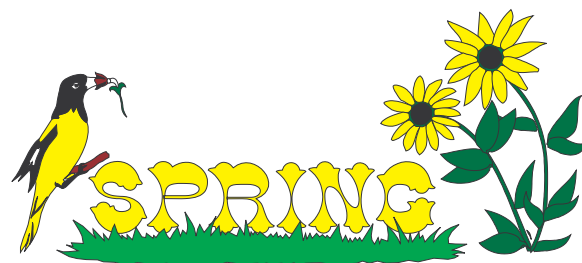
Nancy has worked for many years on the woody plant breeding project at the University of Minnesota Horticultural Research Center with Harold Pellett, and will mostly work on consumer horticulture problems. She can be reached at [nrose@umn.edu](mailto:nrose@umn.edu).

Also, **Robert Olen** continues to work with Master Gardeners and commercial fruit growers in St. Louis County. He can be reached at [olenb@co.st-louis.mn.us](mailto:olenb@co.st-louis.mn.us).

I met most of these educators at a recent meeting where Extension Climatologist Mark Seeley (you may have heard him on Minnesota Public Radio's Morning Edition) presented some information on the USDA Plant Hardiness zone maps. If you order seeds, you've probably seen this map. It's a map of the USA, with different colors for different zones. According to this map, zones 3 and 4 are found in Minnesota, meaning that only plants hardy in zones 3 and 4 can reliably survive in Minnesota. Well, according to Dr. Seeley, that map is based on 13 years (1974-1986) of climate data. This is not optimal, as the World Meteorological Organization mandates the use of 30 years of data for deriving climatic statistics.

The reason that this is of interest is that there is a new map in the making, and it is based on only 15 years of climate data. The years that the maps are based on are important because minimum winter temperatures have been increasing over the past decade, due to natural variability, urbanization, and emission of greenhouse gases. This has an impact on the plant variety recommendations you get. For example, let's say that you want to know what varieties of blueberries are going to survive year after year in Brainerd. If we based our recommendations on the past five years of data, you might have ended up planting blueberry plants that died this winter, because this winter has had lower minimum temperatures than what we've experienced in the previous five winters. So the source of data that recommendations are based on is very important.

We of the University of Minnesota Extension Service don't like to give out misinformation, and try to be careful to give recommendations based on sound scientific data. This research base ensures that the information you get from us is of high quality. Yes, but what distinguishes good science from unsound information? This will be the subject of a future column.



## RESOLUTIONS

### MINNESOTA FRUIT AND VEGETABLE GROWERS ASSOCIATION 2004 ANNUAL MEETING – ST. CLOUD CIVIC CENTER ST. CLOUD, MINNESOTA

#### **RIGHT TO FARM:**

We support the RIGHT TO FARM law.

#### **BEST MANAGEMENT PRACTICES (B.M.P.'s):**

We support the development of Best Management Practices with inputs from producers, researchers and suppliers. We oppose the establishment of mandatory Best Management Practices.

#### **FARM CHEMICALS, PESTICIDES AND FERTILIZERS:**

1. Because pollution comes from many sources other than the farming sector, we oppose additional taxes on farm chemicals and fertilizers.
2. We oppose legislation which would regulate the sale and farm use of nitrogen fertilizers, and we oppose unnecessary restrictions on chemicals or liabilities resulting from the use of chemicals, as per label instructions.
3. We support research and development of Best Management Practices for the greatest economic return and safe use of nitrogen products.
4. We encourage the use of returnable, recyclable or reusable chemical containers.

#### **REGULATED PESTICIDE USE:**

We support federal and state government regulation on regulated pesticide use. However, we oppose any local (city, township, etc.) government intervention on regulated pesticide use.

#### **GROUNDWATER:**

We support a program of research projects and education in susceptible areas as designated by groundwater legislation for possible contaminants in the groundwater. We also support state grants and monies to fund these research projects and education.

#### **IRRIGATION:**

Irrigation insures a continued adequate supply of food and fiber for all people; therefore, we oppose a tax on agricultural usage, and continued increases of water usage fees.

#### **WETLANDS PROTECTION:**

We support efforts to preserve Minnesota's wetlands, but advocate a reasonable approach to agricultural drainage. We oppose unreasonable restrictions on the repair and cleanout of existing drainage systems. We support the compensation of land owners who are denied the use of their land.

#### **WILDLIFE MANAGEMENT:**

We support controlled management environments of deer and other wildlife in agricultural areas and we support the right to hunt all legal species within the guidelines of federal and state laws. We consider baiting to be deemed illegal only if it is not normal farming practices.

#### **TRESPASS LAW:**

We support the Minnesota Trespass law and would support the elimination of all exceptions currently allowed. Privately owned land should be automatically considered posted. Anyone using private property for recreation and/or hunting must carry written permission from landowners.

#### **CRP ACRES:**

We oppose the use of program acreage land to produce fruit and vegetable crops that directly compete with crops grown on non-program acreage.

#### **UNEMPLOYMENT AND WORKERS COMPENSATION:**

We support revisions in Minnesota's Workers Unemployment Compensation laws to lessen the burden on producers to allow them to be competitive with producers in neighboring states. We support changes in the Workers Compensation laws which limit the amounts of compensation an injured worker may receive. We oppose extending unemployment benefits to workers who voluntarily quit their job, workers who are students on a full-time basis, or migrants who have relocated to a different job market.

#### **FOOD SAFETY:**

In order to assure the continued abundant, safe and wholesome food supply in the United States, we support uniform laws setting pesticide tolerance levels based on scientific research. We oppose the scare tactics used with media cooperation which causes people to believe not only the food in question, but all food has been contaminated without supporting scientific evidence. We support increasing the percentage of tolerance levels testing at importation sites.

#### **BIOTECHNOLOGY:**

We encourage the University of Minnesota and the Minnesota Department of Agriculture to develop technology. We encourage studies in the area of biotechnology and support solid research to make the facts known to growers who can then make good decisions based on correct information.

#### **MARKETING:**

Be it resolved, we are opposed to the concept of minimum pricing for agricultural products.

#### **MINNESOTA GROWN PROMOTION GROUP:**

We support the continued cooperation of agricultural commodity groups and the State of Minnesota in the promotion of Minnesota Grown products.

#### **U of M HORTICULTURAL BUDGET CUTS:**

We advocate the expenditure by the University of Minnesota to maintain and enhance agricultural research and departmental positions. We oppose budget cuts affecting the University of Minnesota Extension Service and the horticulture positions at the U of M Research and Outreach Centers. The U of M Extension Service and the Research and Outreach Centers are a very important resource for the Minnesota Fruit and Vegetable Growers Association as well as its individual members. Budget cuts and the loss of horticulture field positions at the U of M and the Research Centers greatly reduce the resources and applied research available to Minnesota's fruit and vegetable growers. We encourage the University to restore funding to the Extension Service and to fund horticulture field positions and technical staff positions so applied horticultural research in Minnesota may continue.

## 2004 Conference and Trade Show Recap

The two-day Upper Midwest Regional Fruit and Vegetable Growers Conference and Trade Show was well attended with almost 300 people registering for the educational sessions and trade show. Growers from Minnesota, North Dakota, South Dakota, Wisconsin, Iowa and even Canada joined us in St. Cloud, MN for a fantastic and informative conference.

Highlights of the conference included the high tunnel presentations by Dr. Bill Lamont from Penn State and Dr. Dale Mutch's presentation on cover crops. Other highlights included the organics topics and grower profiles from Paul Burkhouse and Chris Blanchard. Dr. Annemiek Schilder got area berry growers thinking about black root rot and evaluating whether it might be a problem in their operations.

Thanks to all the exhibitors, speakers and producers who helped to make the conference a success.

The MFVGA Board and Extension Specialists have already started thinking about next year's conference. If you have ideas for sessions or speakers we'd like to hear from you. Contact the MFVGA office at 763-434-0400 or e-mail at [mfvga@worldnet.att.net](mailto:mfvga@worldnet.att.net). The 2005 conference will be at the St. Cloud Civic Center in St. Cloud, MN on February 3 & 4, 2005.

## Proceedings Books Available

If you were unable to attend the 2004 Upper Midwest Regional Fruit and Vegetable Growers Conference, but would like a copy of the conference *Proceedings Book*, copies are available for \$15.00 each.

The 2004 *Proceedings* contains information from many of the talks given at the educational conference and includes articles on berry production, cole crops, irrigation, pumpkins and squash, sweet corn, tomatoes and peppers, high tunnel production and much more. The 2004 *Proceedings* also contains information for beginning growers and an article on Stinger use on strawberries in Minnesota.

To receive a copy of the 2004 *Proceedings Book*, send your check for \$15.00 (payable to MFVGA) to the MFVGA office at 15125 W. Vermillion Cir., NE, Ham Lake, MN 55304.



## Business Plans for Agricultural Producers

Dean McCorkle and Stan Bevers, Extension Specialist Risk Management and Associate Professor and Extension Economist, the Texas A & M University System

(Taken from the Texas Cooperative Extension, The Texas A & M University System Bulletin L-5404, RM3-1.0, 8-01 as posted on the National Ag Risk Education Library web site.)

A business plan is a road map for a business. It describes the key functions of the business operations, finance, management and marketing. It should support the mission statement, objectives and goals set forth by the owners. A business plan is useful as a guide to the future of the business, and as a tool for acquiring capital from banks or investors.

The thoroughness of a business plan usually depends on how it will be used and the scope and situation of the business. A proposed new business that will produce a nontraditional product and that is seeking outside investor capital would need a much more comprehensive business plan than an existing business that is about to make minor adjustments to its operation.

Agricultural producers have largely ignored business plans in the past. Few have had to find investor capital for their operations. As margins continue to tighten, however, agricultural producers will have to plan their businesses many years into the future in order to survive. Business plans will become standard components of their operations.

### Purpose of a Business Plan

A business plan has two purposes:

- To help guide the business management team in making decisions to meet the specified objectives and goals; and
- To help sell the feasibility of the business to bankers and other potential investors for the purpose of acquiring needed capital.

The business plan should be tailored to the preferences and concerns of those who will use it (either the management team or lenders). Besides the intended audience, the content of a business plan depends on factors such as the type of business and the way the business plan will be used.

For example, if you are a new producer starting a production agriculture business, and are seeking financing to get started, both you and the banker or other investor will benefit greatly from the business plan. The process of developing the business plan will give you valuable insight into the operation, help you identify some of the challenges that might lie ahead, help you develop strategies for managing these challenges, and improve your understanding of the business side of the operation. If you feel that obtaining financing will not be easy, a more formal and detailed business plan can help convince bankers or investors.

A business plan will also benefit an existing operation, especially if major changes to the operation are proposed. In this case, the business plan should spell out the proposed changes, the financial obligations, and the effect of the changes on the operation.

## Components of a Business Plan

While the components of a business plan may vary, complete business plans usually contain the following:

- Business description
- History and location
- Products/Services
- Organizational structure
- Resource inventory
  - Human
  - Land
  - Equipment
  - Capital
  - Commodities
  - Natural resources
- Strengths, weaknesses, opportunities and threats (SWOT)
- Mission statement
- Objectives and goals
- Production plan
- Financial plan
- Market plan
- Legal and liability issues
- Insurance
- Succession and estate planning

### Business Description and Organization

The first portion of the business plan is an overview of the operation. It describes the history of the business, location, products produced and/or services provided, organizational structure, and resource needs and availability. It also has a summary of the business' strengths, weaknesses, opportunities and threats.

Organizational structure explains: 1) whether the business is a sole proprietorship, limited or general partnership, corporation, or other form of organization; and 2) who comprises the management team. The management team should include the family members involved, any hired employees, the lender, and any hired consultants. Each should be listed in the plan. In addition, the number of employees and their compensation should be included. Describe the duties, responsibilities, and decision-making authority of managers and other employees. If bankers or investors will see the business plan, they will be interested in who is involved, who is doing what, and what their qualifications and responsibilities are.

### Mission Statement, Objectives and Goals

A business plan must define why the business exists and where the management wants it to be in the future. A mission statement is a broad expression of the business's purpose. Every member of the management team should be involved in writing the mission statement.

An effective mission statement is the foundation for determining objectives and goals and steering the business in the proper direction. The objectives and goals can relate to production, production costs, debt ratios, risk management, expansion, bringing a partner into the business, or any other aspect of the business.

**Business Plans** continued on page 7

Objectives define what the operation will look like in the future, while goals are targets to be met in order to achieve the objectives and ultimately fulfill the mission statement. Many business planning publications recommend the setting of SMART goals – goals that are specific, measurable, attainable, rewarding, and that are associated with a specific timeframe.

The following diagram illustrates the relationships among the mission statement, objectives and goals. Strategies and tactics, the top two layers, are the final steps to achieving your mission. Strategies are your overall plan for achieving long-range objectives and goals, while tactics are the ways of accomplishing your strategies through day-to-day operations.



### **Production Plan**

The production plan conveys the type and quantity of commodities to be produced, projected for three years into the future. The production plan should be easy for the reader to follow. These same figures are included in the financial plan.

Crop production plans should include the estimated acreage for each crop each year (crop rotation), and an estimated yield for each crop. Estimated production levels can then be combined with estimated prices to generate some of the figures needed for the financial component. Livestock operations will include more variables, such as size of the herd, cull rates, weaning rates, weaning weights, rates of gain, purchase prices, sales prices, etc. If there is a replacement herd involved, as with a cow herd or swine farrowing enterprise, the production assumptions for the replacement herd need to be spelled out separately from the breeding herd.

The production plan should be defined for a minimum of three years. Although changes will occur, these projections show where the business is going and whether it can reach the objectives and goals.

### **Financial Plan**

The primary purpose of the financial plan is to illustrate whether or not the business is feasible. The financial plan typically includes three years of projected financial statements that include the income statement, the cash flow statement, and the balance sheet. This information should be tied closely to the production plan figures. An existing business will have actual financial statements for the past two years, which helps put the projected financial statement into perspective by showing how the business has performed in the past.

Other information to include in the financial plan is:

- The amount of money to be borrowed and the timing of loans
- The specific ways borrowed money will be used (operating expenses, land, equipment, etc.)
- The length of the loan(s) and the interest rates
- The financial risks associated with the business
- Strategies you will use to minimize these risks

These are key issues the owners and/or managers need to think about and that lenders and investors will be looking for. One simple approach to analyzing risks and business feasibility is to look at the effect of varying levels of income, such as a 10, 20 and 30 percent increase or decrease in gross income. The income statement and balance sheet are usually projected on an end-of-year, annual basis, while the cash flow statement is usually presented on a monthly basis. For in-depth information on these financial statements, refer to the additional readings list.

### **Market Plan**

The market plan component should not be confused with an annual marketing plan a producer uses to market products or services. While the business plan should contain an annual marketing plan for the first year of the projection period, the market plan section should give information on the market structure for the commodities you plan to produce, and describe how your product fits into the market.

The structure and content of the market plan will depend somewhat on the commodity. The plan should give some analysis of the current market situation and what you think the market will be like in the next three to five years. This type of long-range market analysis can address projected U.S. production, total supply and demand, federal farm programs, cycles, and other factors. Researching what market analysts are saying about current and future market conditions can be beneficial in developing this portion of the marketing plan.

For commodities that are marketed through major market channels, such as cotton and feeder cattle, the marketing plan also should address strategies you will use to minimize price risk. These strategies can involve futures, options, marketing pools, forward contracts, or any combination.

For businesses producing fruits or vegetables, specialty products, or other commodities not marketed through major channels, a market may have to be developed. In this case the market plan should define potential buyers (target market), distribution channels, and middlemen, and discuss potential pricing mechanisms such as contracts. Beef producers who produce specialty beef products or participate in a beef alliance should address this aspect of the market program.

As mentioned above, the market plan section should include a detailed annual marketing plan for the first year of the production period. An annual marketing plan, which uses information from other parts of the business plan, involves determining marketing objectives and goals, developing your personal market outlook for the year, identifying available marketing tools you feel comfortable using, determining target price and date triggers, and identifying the strategies you will use to accomplish the marketing objectives and goals you have set.

**Legal and Liability Issues**

This portion of the business plan should define risks the business might face. The plan should outline insurance needs, legal liability, and the succession of the operation.

While businesses are exposed to many risks, risks generally fall into these broad categories: loss of key employees; legal liability; and property loss. Risks are usually managed through the use of insurance. There are several types of insurance that provide financial protection. The structure of a business also can be used to manage risks. The business plan should address the strategies you use for managing risks. A bank or investor will have a keen interest in this area.

Other areas to address are succession planning and estate planning. Succession planning is the means by which ownership and management of the operation will be transferred to someone else. The succession plan should specify when this will occur, or what events (such as retirement or death) will trigger the transfer. If the business will cease operations at some point in the future, the business needs to have a liquidation plan. Planning ahead for this important event will ease the transition.

The estate plan is usually closely related to the succession plan. It involves planning for the transfer of property to your beneficiaries. Estate planning can be a very involved process; however, in the business plan you need only summarize the objectives of your estate plan and the estate planning vehicles you will use, such as wills and/or trusts.

**References**


“Focus on Success: Strategies and Tactics.” Doane’s Agricultural Report, Vol. 62, No. 2, January 8, 1999.

**For additional reading:**

Small Business Administration. 1-800-827-5722.  
<http://www.sba.gov/starting/>

Wilson, Troy D. and David M. Kohl. “Business Planning – A Road Map for Success.” *Farm Business Management Update*. Virginia Cooperative Extension Service, August 1997.

Other publications in this Risk Management Education series published by the Texas Agricultural Extension Service.  
<http://texaserc.tamu.edu> or <http://trmep.tamu.edu/cg/list.htm>.



This issue of the MFVGA Newsletter is sponsored, in part, by the USDA – Risk Management Agency Community Outreach and Assistance Partnership Program. For more information on the Risk Management Agency visit their website at [www.rma.usda.gov](http://www.rma.usda.gov). Information on the Farm Service Agency can be found at [www.fsa.usda.gov](http://www.fsa.usda.gov).

This institution is an equal opportunity provider.

**MFVGA MEMBERSHIP APPLICATION**  
**October 1, 2003 - September 30, 2004**

Farm/Company Name \_\_\_\_\_

Phone (\_\_\_\_\_) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Crops \_\_\_\_\_

Primary Crop \_\_\_\_\_

**Names of direct members:**

(grower, spouse, employees, partners)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**MEMBERS:**

<b>Gross Sales</b>	<b>Dues</b>	
Up to \$25,000	\$ 75.00	
\$25,000 - \$75,000	125.00	
\$75,000 - \$225,000	225.00	
Over \$225,000	325.00	\$ _____

Direct Membership includes a subscription to one of the following periodicals. Please indicate which publication you would like to receive. Choose one.

- \_\_\_\_\_ American Fruit Grower
- \_\_\_\_\_ The Fruit Growers News
- \_\_\_\_\_ American Vegetable Grower
- \_\_\_\_\_ The Vegetable Growers News
- \_\_\_\_\_ Northland Berry News

(An additional \$10.00 fee is required to receive the Northland Berry News.) \$ \_\_\_\_\_

**TOTAL AMOUNT ENCLOSED** \$ \_\_\_\_\_

**ASSOCIATE MEMBERS:**

(Dues are \$25.00 per year.)

Associate members are related agri-business firms, educators, and suppliers. \$ \_\_\_\_\_

*Contributions or gifts to MFVGA are not tax deductible as charitable contributions; however, they may be tax deductible as ordinary and necessary business expenses.*

**MAKE CHECKS PAYABLE TO MFVGA**

Mail to: MFVGA  
c/o Marilyn Nysetvold Johnson, Exec. Coordinator  
15125 W. Vermillion Cir. NE  
Ham Lake, MN 55304  
Questions? Call 763-434-0400



### ***Berry Cost-Share***

Berry growers who are members of the MFVGA and licensed to use the Minnesota Grown logo are eligible for an advertising cost-share program. Growers who participated last year will be contacted by the Minnesota Grown Program and have first right to participate. Growers who did not participate last year should contact Paul Hugunin at 651-297-5510. Additional growers will be taken on a first come, first served basis. Space is limited.

### ***Free Point of Sale Materials***

One of the benefits of being licensed to use the Minnesota Grown logo is access to FREE point-of-sale materials such as stickers, buttons, price cards and posters. These can be ordered any time throughout the year. Growers who are not yet licensed should contact Paul or Brian with the Minnesota Grown Program for details, or visit [www.minnesotagrown.com](http://www.minnesotagrown.com) for a downloadable application.

### ***Minnesota Grown TV Ads Begin in May***

WCCO television (Channel 4) is the exclusive media sponsor for the 2004 *Minnesota Grown Directory*. The partnership means that all of the Minnesota Grown advertising will be on WCCO-TV this year. In the past, the farmers' market ad and summer produce ads were on TV while the rest of the ads were on the radio. New television ads will focus on garden centers in the spring, summer grilling near the 4th of July, fall activities such as pumpkin patches, apple orchards and wineries, and Christmas trees in November and December. WCCO was chosen as the media partner after a very competitive bidding process that included several TV stations and radio networks. Stay tuned for more details as the season progresses.

### ***2004 Directory to Printer***

As this article was being written, the 2004 edition of the *Minnesota Grown Directory* was receiving its final editing and being prepared for the printer. Distribution of the 170,000 printed copies will begin in late April; the on-line version is already up-to-date. The 2004 edition will be the largest ever with more than 530 listings. A new, colorful cover featuring original artwork developed specifically for the *Directory* will help catch the consumer's eye.

If you haven't ordered quantities of the *Directory* for your own local distribution, contact Brian Erickson at

[Brian.J.Erickson@state.mn.us](mailto:Brian.J.Erickson@state.mn.us) or call Brian directly at 651-296-4939. You can also order copies by visiting the web site at [www.minnesotagrown.com](http://www.minnesotagrown.com).

### ***Minnesota Grown Marketing Conference Recap***

The annual Minnesota Grown Marketing Conference was attended by roughly 150 attendees at the Earle Brown Continuing Education Center on the University's St. Paul Campus. Attendees were treated to dynamic presentations by Thomas Winninger of the Winninger Institute, Norine Larson (past keynote speaker at the MFVGA conference) and Mike Lorentz of Lorentz Meats. Special thanks to Bonnie Dehn and Nancy Jacobson for filling in as guest panelists for the workshop on maintaining balance. USDA's Risk Management Agency (RMA) helped fund the conference through a cooperative agreement with the Minnesota Grown Promotion Group. RMA staff attended and staffed an information table with risk management resources for specialty crop producers.

Here are just a few of the comments from attendee evaluation sheets:

- "Speakers were great – well versed – and the topics moved along quickly"
- "I now have an edge over my competitors who didn't attend this conference"
- "I was very pleased"
- "I learned a lot!"
- "It was excellent"

The Minnesota Grown Promotion Group is currently planning the 2005 conference. Topic and speaker recommendations would be very much appreciated! Contact Paul Hugunin at 651-297-5510 or by e-mail at [paul.hugunin@state.mn.us](mailto:paul.hugunin@state.mn.us) with suggestions.

### ***Gardenminnesota.com Debuts***

A new web site that will link consumers with information about gardening and home landscaping made its debut earlier this spring. Gardenminnesota.com is a joint venture between the Minnesota Nursery and Landscape Association, the Minnesota Grown Program and the University of Minnesota Extension Service. Consumers will have access to the University's technical expertise and bulletins as well as the "Where to Locate an Expert" part of the MNLA's web site and the *Minnesota Grown Directory*. The new web site was made available in part by funding assistance from the USDA's Risk Management Agency.

### ***Living Green Expo to Feature Local Producers***

The Minnesota Department of Agriculture is a major sponsor of the Living Green Expo that is being held May 1-2 at the Fairgrounds in St. Paul. The event features products and services that allow people to live more sustainably. Since buying locally is one of the key principals of living sustainably, the Minnesota Grown Directory will be available for all of the attendees. Ten thousand people attended the 2003 Living Green Expo. Visit [www.livinggreenexpo.org](http://www.livinggreenexpo.org) for details.

*Minnesota Grown information is supplied to MFVGA by Paul Hugunin (651-297-5510) and Brian Erickson (651-296-4939) from the Minnesota Department of Agriculture, Ag Marketing Services Division. If you have any questions about Minnesota Grown, contact them at the numbers listed above.*

## The "New" 2004 Minnesota Fruit & Vegetable IPM (Integrated Pest Management) News

By Jean Ciborowski, MN Dept. of Agriculture

The University of Minnesota (U of MN) and the Minnesota Department of Agriculture (MDA) would like to announce the creation of their new and improved newsletter for the 2004 fruit and vegetable growing season. The new newsletter is called "Minnesota Fruit & Vegetable IPM News." It replaces the U of M / MDA's "MN Vegetable IPM Newsletter" and the MDA's "Apple & Strawberry Report." The newsletter will contain all of the information previously found in the two newsletters including fruit and vegetable pest monitoring information and alerts, pest management articles, guest author articles, and articles on such topics as biotechnology and specialty crops, nutritional benefits of fruits and vegetables, food safety, impacts of the Food Quality Protection Act (FQPA), produce marketing, and information on the benefits of integrated pest management and sustainable agriculture, and more.

The 2004 "Minnesota Fruit & Vegetable IPM News" is being funded by the Minnesota Fruit & Vegetable Growers Association (MFVGA) through partnership agreements with the United States Department of Agriculture – Risk Management Agency and the Risk Management Agency's Community Outreach & Assistance Partnership Program. The MFVGA in turn is providing the MDA and University of Minnesota with funding for the production of the newsletter.

If you currently subscribe to the "MN Vegetable IPM Newsletter" and/or the "Apple & Strawberry Report," your name will remain on the list and you will automatically receive the new newsletter or an email announcement. If you are not on the current mailing list and would like to be added for this growing season, contact Jean Ciborowski at 651-297-3217 or [jeanne.ciborowski@state.mn.us](mailto:jeanne.ciborowski@state.mn.us). You can receive the newsletter via mail or you can receive an email announcement and view the "Minnesota Fruit & Vegetable IPM News" in html. or pdf. format on the web. The newsletter will be available on the web on Friday afternoons from early May through August. Mailed copies will be sent out on Fridays.

## It's Not Too Late To Renew Your MFVGA Membership For 2003 - 2004.

Even though the MFVGA membership year runs from October 1 to September 30, it's not too late to renew your membership in MFVGA for the current year. Partnership agreements with the USDA – Risk Management Agency have allowed us to provide MFVGA direct members (commercial fruit and vegetable producers) with the *2004 Midwest Vegetable Production Guide for Commercial Growers*, the *Risk Management Toolbox for Specialty Crops Growers* and the Field Guides for Identification of Pest Insects, Diseases, and Beneficial Organisms in Minnesota Apple Orchards and Strawberry Fields and the corresponding Integrated Pest Management (IPM) Manuals recently prepared by the Minnesota Department of Agriculture.

These are valuable resources for commercial fruit and vegetable growers. Send your membership application or membership renewal in today and make sure you indicate your primary crop and list the other crops that you produce so we can provide the materials that best fit your operation. We have limited quantities of these publications – renew your membership today to get your resources in time for the start of this year's growing season. Some of these materials are not available for purchase, but if they were, purchasing a full set of materials would cost more than the minimum membership dues.

## New MFVGA Board Members Elected

Three MFVGA Board members completed their terms of service at the 2004 Upper Midwest Regional Fruit and Vegetable Growers Conference and MFVGA annual meeting. Terry Nennich from Bagley, Minnesota and Ron Branch from Alexandria, Minnesota both completed their second three-year terms on the MFVGA Board and were not eligible for re-election. Mike Thorson from Browerville, Minnesota completed one three-year term and did not seek re-election because of other commitments.

Elected to the MFVGA Board to serve three-year terms were Foster Mooney from Jewel Lane Farm in Chisago City, MN; Mark Gilbertson from Gilbertson Farms in Scandia and David Macgregor from Fairhaven Farm in South Haven, MN. Welcome to the Board.

Special thanks go to Ron, Terry and Mike for their years of service and dedication to the association. It has been a pleasure working with all of you.

### MINNESOTA FRUIT & VEGETABLE GROWERS ASSOCIATION

c/o Marilyn Nysetvold Johnson, Exec. Coordinator  
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Ham Lake, MN 55304  
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