

Create Your Own No-Till Business Plan

Efficiency is only your price of admission to the future, but how you differentiate yourself is what matters most.

By Julie Orchard, Associate Editor

LOOKING DOWN THE road five years, what is your no-till operation going to look like?

Perhaps you see yourself farming more land, adopting precision farming technology or growing specialty crops. It's not an easy question, but your ability to answer it plays a large role in your future profitability, says Doug Harford of Mazon, Ill.

At 49, Harford realizes change is reality. He sees two options for his future: find new opportunities and accept what it takes to be successful with them, or plan demise by farming with his current equipment until it is worn out, at which time he'll retire.

"I've decided that I'm going to do what it takes to be successful," says Harford.

Harford wants to avoid making the mistake of ignoring change because he thinks it will cost him in the long run. For example, if he doesn't update his equipment, he may have difficulty selling this outdated, worn machinery at retirement.

"I can't rely on past opportunities," he comments. "It's unrealistic."

Harford believes farmers who look to the future and think about what they can do today to make a difference tomorrow are going to have the edge.

"If I'm going to be a successful farmer down the road, I need a way to differentiate myself. That is a rule of business. If you are going to be normal, you are going to get normal results. Normal in agriculture is getting to be less and less."

You're Qualified! Looking ahead gives time to evaluate and make conscious decisions to take advantage of new opportunities to get you where you want to be.

"No-tillers are very qualified because that radical change we all underwent when we went to no-tillage made us go through the process of change once," Harford emphasizes. "We may not like what we see coming in the future, but that really won't change anything. ... It's reality."

To illustrate his point, Harford reminds no-tillers of the comments their conventional neighbors made about no-tillage 10 years ago. Most people like seeing nice, black, plowed soil in the spring. But did that stop you?

"Nobody made you stop no-tilling," says Harford. "No-tillage allowed us to differentiate ourselves and it made a difference. In my operation, it made me financially independent. But if I rest on that change and don't make the next decision, I won't have many years left to farm."

Agronomics, Economics. Harford admits it's easy to get caught up in agronomic decisions rather than economic decisions. It was a mistake that he made three years ago.

After doing some calculations, Harford came to the conclusion that it would be more profitable to grow corn than soybeans. Thus, he set off to find the best way to solve the problem of growing continuous no-till corn.

Trying to figure out how to manage no-till's cold springtime soil temperatures and residue cover, Harford was to the point where he wasn't sure what to try next.

While tossing ideas around, Harford took a closer look at his



NOT JUST AGRONOMICS. Mazon, Ill., no-tiller Doug Harford admits that it's very easy to get caught up in making agronomic decisions rather than economic decisions. Rather than concentrating too heavily on agronomics, Harford recommends that no-tillers spend considerable time differentiating their business from others.

records. "My daughter has come into the operation and she keeps superior records," he boasts. "I'm able to tell my cost of production on a weekly basis."

"Here I was looking at my cost of production and racking my brain trying to decide what to do next, when I realized that I'm making less money on corn than soybeans."

Harford explains that on first-year corn he was applying insecticide and spraying for corn borer. He also was not receiving any government payments toward corn as he had previously. Thus, Harford didn't have a reason to protect his two-thirds corn base and he was able to go back to growing corn and soybeans in rotation.

So Harford's decision went from agronomic to economic. The factors that existed three years earlier when he started to look for answers to the continuous no-till corn problem, do not exist.

"Three years ago, my vision of the future was kind of normal," says Harford. "My being a no-tiller allowed me to differentiate myself. The continuous no-till corn was an opportunity. All of sudden it was no longer an opportunity."

"I had to look out into the future to realize that corn wasn't making any more money than soybeans. Things change so quickly."

Two years ago, Harford had little trouble with corn borer, but

growing Bt corn is now almost a necessity. In fact, the no-tiller set up on-farm research with GPS to see if spraying corn for corn borer was economical. However, this also is no longer an opportunity because Bt corn is a more practical solution.

Can't Control Weather. While every decision a no-tiller makes to solve a problem is a conscious choice, there are some that just can't be solved.

"The reality on my farm is that I had my highest five- and 10-year averages in the late 1970s because it rained more often," Harford reports. "With all the improvements I've made since that time, I'm actually raising less corn. Maybe we do not have as much control over some of these things as we think."

You're limiting your potential if your mind-set is to improve yields. Harford gives the following examples of possible ways to differentiate yourself from other farmers. Which would you select?

1 Raise 2 more bushels of corn per acre than anybody else in your area.

2 Fix up your old equipment and keep it running so that you can cut operating costs.

3 Spend time studying new crops to raise.

4 Look for a new contract that will make you \$100 more per acre.

If you chose No. 3 or No. 4, you're a good decision maker, says Harford. If you selected No. 1 or No. 2, you are concentrating too heavily on efficiency. Harford recommends spending more time differentiating yourself and your business from others.

More Than A Product. Everyone who starts a business begins as a technician because they want to create a product and know how to do it, Harford explains. In the case of farmers, it's growing crops.

The problem is that some businesses get stuck at the technician stage and keep redefining their product over and over again. They don't focus on the opportunities that exist in the business.

"McDonalds is a great example," Harford says. "Everyone says McDonalds is just product orientated. These people create a consistent product that everyone wants and it makes them successful."

"But the product has nothing to do with it. McDonalds has a business plan that is proven to work. They know exactly how to do what they do better than anyone else. If you take care of your own business plan, the product will take care of itself. A lot of people can be good technicians. Very few people are good entrepreneurs."

Another example is Murphy Family Farms, a contract hog producer that Harford describes as a "data engine." Murphy's goal is to be a low-cost producer of hogs. That's how their business plan was created.

"Farmers who like Murphy Family Farms are the ones contracting to them," he says. "Many producers are making an average of 17-percent return to assets. When they sign up to raise hogs, the company tells them exactly how to run their business. There are no mistakes. The product takes care of itself."

While this may work for hog production, it's probably not something you'd want in your no-till operation. That's fine. Just create your vision of the future so you can avoid this, he says.

"Pick what you want to do and go for it," says Harford. "But if you don't plan, you're just going to end up where you end up."

"Murphy Family Farms is like a huge data engine that figures out exactly how to run an efficient business. That is what precision farming is all about. You're creating more information and searching for the perfect process."

"The trouble is too many of us are stuck trying to figure out how to get 2 bushel more corn per acre when we should be trying to create that perfect business plan."

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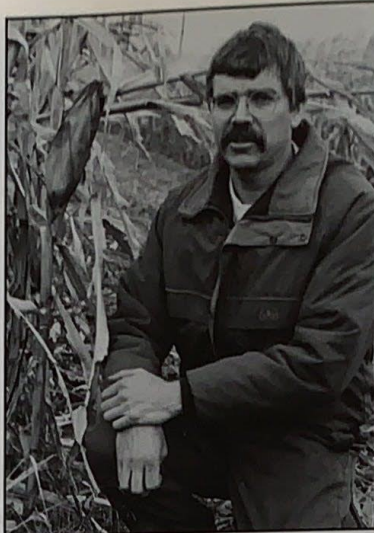
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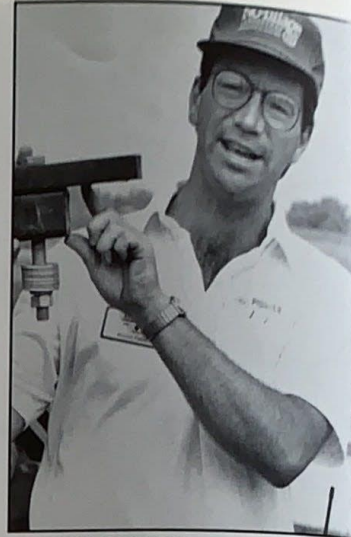
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DOUG HARFORD has more in-depth precision farming experience with no-till than any other farmer in North America.



DOUG SMITH points out precision farming "scams" and shows how twin corn rows (8 inches apart on 30-inch centers) pump up yields.



MARION CALMER reveals how using Bt corn exclusively would have boosted his 1997 overall gross farm income by \$100,000.

a continuous dryland wheat area. He's retrofitted no-till equipment and built his own no-till sprayer. A moisture probe, soil thermometer and soil tests are critical tools used with no-till.

★ Stan Smock no-tills 650 acres of corn, wheat and full-season and double-crop soybeans near Edinburgh, Ind. He also serves as the *No-Till Farmer* "Answer Man."

★ Guy Wagner no-tills 850 acres of corn, 550 acres of soybeans and 15 acres of wheat near Bethlehem, Pa. Plans for 1998 call for more herbicide-resistant soybeans, insecticide-resistant Bt corn, new tools to combat changing weed pressures and solid ideas to deal with troublesome gray leaf spot problems.

2:30 to 3:10 p.m. "Earn Big-Dollar Soil Bonuses By No-Tilling Your Ground."

Researchers have been pretty quiet until now, but a number of highly valuable soil-quality benefits due to no-tilling simply can't be explained scientifically. University of Kentucky soil scientist Lloyd Murdock finds good aeration, good drainage and larger soil pores occur with no-till, yet they can't always be explained by changes in soil density or soil porosity. He'll outline definite "pluses" for no-tilling when it comes to improving soil quality.

3:10 to 3:25 p.m. "Soda/Coffee Break."

3:25 to 4:30 p.m. "6 Highly Powerful No-Till Classrooms."

Save! Bring A Whole Bunch!

Earn a \$50 savings on National No-Tillage Conference registration fees for other members of your family or farm workers. It's a super way to take in more sessions and soak up more profit-building no-till ideas at this event.

If you're interested in bringing a busload of people to this conference, check with Alice Musser at (414) 782-4480.

Attend any one of the following sessions—send others from your family or farm to different classes:

No-Till Class 101..."Wider Profits With Ultra-Narrow Rows In No-Till."

Marion Calmer takes an in-depth look at yield data from farmers and universities on slimming down row widths in no-tilled corn and soybeans. The Alpha, Ill., operator of Calmer's Agronomic Research Center will zero in on implementing a narrow-row system, most common mistakes made with narrower rows, benefits of better weed control and ways to boost yields.

He'll offer thoughts on tire widths, machinery needs and essential modifications for no-tilling, spraying and harvesting narrow rows. Plus, he'll update you on his farm's 15-inch row corn header.

No-Till Class 102..."Exciting Ideas For Better 1998 No-Till Soybean Weed, Insect Control."

Latest ideas for both weed and insect control with no-till soybeans will be outlined by technical experts from American Cyanamid Co., DuPont Agricultural Products, Monsanto and Zeneca Ag Products. This class highlights new corn herbicides and insecticides, rates and new uses for older compounds.

No-Till Class 103..."Sights And Insights On Infrared No-Till Farming."

A "snapshot" of one of the newest high-tech no-till farming tech-

"You can prevent many costly mistakes and make progress much faster by learning from the mistakes and successes of the professional no-tillers who attend this annual event..."

—Bryce Leighton, Griswold, Iowa