



EPISODE 35

Do You Have a Farm Business or a Farm Hobby?

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TIM YOUNG: The phrase hobby farm is cute and all, but what's the difference between a hobby farm and a farming business?

Hey, it's Tim Young of [Small Farm Nation](https://smallfarmnation.com)!

Today, I'm going to tell you why you might have a farm hobby that costs you money rather than a thriving farm business that earns you money.

So, this topic of understanding the difference between farm hobbies and farm businesses is very important.

It's an issue I've see often with small farmers, as they seem to operate partly as a farm business and partly...or mainly, I should say,...as a hobby farm.

And I understand why this happens when people opt out of other careers for farm life.

What draws them is the idea of working on the land.

Of having animals...livestock. Of tending sheep or chickens, collecting eggs, planting seeds, harvesting crops.

Of growing food under blue skies to the soothing sounds of birds and bees rather than grating sounds of traffic and ambulances.

And those are all great reasons to embrace farm life.
But, notice I didn't mention anything about finances?
About customers?

Because folks are rarely lured into this lifestyle by thoughts of, "I've got an idea of how to make a boatload of money farming."

So, it's generally not the business plans or finances that lures them to these businesses.

And that's a shame, because, as you yourself may already know, these ARE businesses.

And they're not immune to the laws of business.

Namely, they need customers and a sales price that far exceeds the production cost.

And, that's how they would approach any other business, right?

I mean, if someone was stuck in a soul-sucking cubicle job and wanted out, and if they stumbled across an opportunity to start a dry-cleaning operation, wouldn't they assess it as a business?

They wouldn't daydream about folding clothes and cleaning suits.

No, they'd assess the business model, get confident with their profit projections and marketing strategy before pulling the trigger on the business.

But this is where farming is different than most businesses.

Not all, because, I know just as many people who have started restaurants, because the love to cook, as those who started farming, because they love to garden.

But just because you can cook doesn't remotely mean you can run a profitable restaurant.

And ditto for farming.

So the first question you have to ask yourself is do you have a farm business or a farm hobby?

Or if you haven't started yet, are you committed to having a farm business, or a farm hobby?

Stated differently, will you garden and homestead or will you farm?

If you're not sure of the difference, here's one way you can tell.

If you're producing something for YOUR consumption, then you're either gardening or homesteading.

But if you're producing something for others, then you're FARMING.

And that "producing something" doesn't have to be food.

It can be soap, fiber or animal feed.

Something produced from the land—that's the defining characteristic of a farming business.

Now, if you left a job to become a farmer, you'd tell people that you're going to farm, wouldn't you?

Your friends and family would think you went to start a farm, right?

But is that true?

NO!

Because you need this enterprise to MAKE MONEY, don't you.

And that means it's a business.

It means, like it or not, that you're an entrepreneur.

So you must accept the fact that you own a farm BUSINESS or you're planning on starting a farm business.

And what's the one thing that EVERY business needs?

CUSTOMERS.

Because customers are the difference between a business and a hobby.

That's basically what defines a business, isn't it.

But, the thing is, I still find a lot of people who behave as if their farm business was a hobby.

They focus on chores more than marketing and the "business" struggles to make a difference or achieve the owner's desires.

I mean, they get up in the morning and dive into farm chores first thing. They don't stop to ask if this is the most important STRATEGIC use of their time, or if they'd be better off blocking out two hours to create emails and blog posts.

No...they wake up, weed, feed, seed and operate with the if I build it they will come mentality.

And, most often, they (the customers) don't come.

So ask yourself...do **YOU** think of your farm as a business or a hobby?

Here's how you know if it's a hobby rather than a business.

When it's a hobby, you think, what do I want to grow? Or, what do I WANT my garden beds to look like?

You think, look how cute those goats/chicks are...I want one! Or ten!
And I want to build a cute little brood house to hatch the chicks.

You think, I can't wait to browse the new seed catalog!

But when it's a business and you're the entrepreneur, you think differently.

The questions you ask yourself all relate to strategy and profitability.

Questions like:

what is my vision for the farm business?

what products will I make or produce?

why did I choose those? was it profit margins? competitive uniqueness?

What do my garden beds NEED to be like to maximize efficiency?

Who will I sell my farm products to?

How will I go to market and sell my products?

Who else makes these products or replacement products?

What makes me unique...what's my defensible competitive advantage?

What's my profit model...how will I make money?

Those are the questions an entrepreneur asks.

They have a vision for what the business can become in the future, and they work to draw a line between the present and that future vision.

Every action they take, every decision they make, is in the context of moving toward that vision.

As a result, entrepreneurs work **ON** their business rather than being trapped **IN** their business.

They are 100% aware that they **OWN A BUSINESS**.

That means they understand things like,

you're not keeping cows...you're running a **profitable** livestock **business**
you're not gardening...you're running a **profitable** market garden **business**
you're not raising chickens...you're running a **profitable** pastured poultry
business
you're not making cheese...you're running a **profitable** artisan cheese **business**
you're not giving a farm tour...you're running a **profitable** agritourism **business**

The bottom line is, you're running a profitable farming business.
One that just happens to afford you the natural lifestyle you desire.

You left or sacrificed another career choice for this one, but just as that other career paid you money, your job is to make sure your farm or small business **MAKES YOU MONEY.**

Otherwise, it's not remotely sustainable.

This is how entrepreneurs think.

And, as the owner of a farming business, you're an entrepreneur, so this is how you must think.

This is really a critical issue, and it's one of the first course lessons I teach in the Small Farm Nation Academy.

That course is called the Farm Business Mindset, and goes much deeper into this topic.

I recognize that not everyone...not most people, really, feel that they are entrepreneurial.

So I created lessons to show you how to become entrepreneurial and included downloads to help members focus on the critical priorities to build their farm business.

The Farm Business Mindset course includes a lesson on creating a one-page farm business plan, with it's own downloadable template.

All the other marketing courses in the Small Farm Nation Academy are important too.

The courses on developing your farm brand, WordPress 101, website design, email list building, copywriting and so on, they're all important.

And, sometimes members want to jump the gun and dive into those later courses.

But the most important lesson is to make sure you have the right foundation in place.

And that means recognizing that you're not just farming...you're running a farm business!

Well that's it for this episode, [Small Farm Nation!](#)

Remember, you can keep up with me and all my content at [small farm nation dot com](#)

There's a link on the site to my FREE Farm Marketing Group on Facebook, where thousands of farmers discuss issues important to growing their farm and food businesses.

Of course, we'd love to have you in the [Small Farm Nation Academy](#), and you'll find more information on that on my site at [small farm nation dot com](#)

As always, you can find the show notes from this episode on [small farm nation dot com](#), and don't forget to subscribe to this podcast on iTunes or elsewhere. If you already have, please take just a second to leave a review on iTunes! I read 'em all and I sure do appreciate it!

Okay, until next time here's to hoping Get Growing!