

Setting your goals

Before you start the process of applying for loans, it is important that you and your family are clear about your **goals**. It is critical that you **sit down, write out** your goals, and **discuss** them as a family. All family members affected by this decision should be part of the goal setting process, and should agree that the goals you create reflect what is important for the family.

Try starting the process by **being specific**. What do you want your life to be like? How do you want to spend your days? Here are some examples of specific goals that other farmers have told us before:

“I want to bring my son or daughter back to the farm, and for them to take it over when my time is done.”

“I want to stay on the farm and not work in town.”

“I want to go to my daughter’s volleyball games.”

“I want to work with my Dad and for him to be part of the farm even though he is getting older.”

These are all important goals we have heard from farm families. In this first stage, voice all goals, from all family members, without judgment. Often a young member of the family will say that their goal is to be able to spend more time with Mom or Dad. This is very important, as “family time” often becomes secondary to more practical issues. Whatever the goals, get them all out.

Once you have fleshed out and written down all goals, examine them. Some goals you have written down may actually be *ways to achieve something more important*. For example, “I want to make more money” may actually be a way to achieve another goal, like spending more time with family. Once you examine all the family goals you may find more than one way to achieve a final goal, or may find that goals have different value to different family members.

Once you have discussed your goals, they will probably condense into a smaller list. Goals often include passing on the farm to the next generation, the ability to spend time working, playing, or worshipping together, without the worry of paying bills. Now, you can start to **prioritize** your goals. Which is most important? When discussing and considering these goals, remember **the wellbeing of the family** is the most important aspect to consider. Start assigning importance to each goal. Ask, “How does this goal impact the wellbeing of my family?” **Eliminate** goals from your list that would harm your family wellbeing.

Once you have a final list of goals, use these as guideposts to make good decisions along the way and indicate if you are moving in the right direction. When times get hard, and they will, carefully crafted goals will bring your family together to focus on what is really important.

Approaching the decision

Borrowing the money to invest in a large-scale agricultural operation is a huge decision, and can change your life for good or ill. There are three questions that need to be asked, and answered “yes”, before you borrow money. Just because money **CAN** be made in a specific enterprise does not mean that **YOU WILL** make money, or that it fits well with your skills, goals, and family life.

The first question is **“Is this new business, including loans and other costs, a good investment of our time and resources?”** There must be confidence that the business is sound before you go forward. Making money from a business is different from making money *and* paying off debt. How confident are you that this will earn more money than the business costs?

The second question is **“Do we have the resources, such as money, time and knowledge, to make this work?”** For most farm families, there is no shying away from hard work. Hard work is one characteristic required for successful farm, no matter what the operation. However, you also have to think through what else is drawing on your time and efforts. Who will keep the books? Who will manage the houses? Look closely at what work will need to be done, from start to finish, and how this business fits with your skills, your family, and your goals. Does this business move you toward your family’s goals?

Third is **“Financially, does this specific package, including loans and other costs, give us our best chance at achieving our goals?”** Could you earn the same money at another job, without borrowing such large amounts in debt? Having a loan that takes a specific piece of land as collateral is different from a loan that takes all of your land, including your home, as collateral. Will you earn enough from this business to pay the business mortgage, all expenses from the business, and still achieve the goals you and your family laid out?

