

Introduction

Would you like to run your own agricultural business or take your present agribusiness to a higher level?

Starting, owning, and/or improving your own agribusiness might be a lifelong dream of yours. With determination, preparation, research, and a lot of hard work, you could turn that lifelong dream into a reality. Running an agribusiness could be profitable and rewarding, but there are a number of potential pitfalls – you need to be able to recognize, then address, those pitfalls.

The Hawaii Agribusiness Guidebook was conceived as a consolidation of training information into one basic, need-to-know reference for you. It was prepared with the intention of being presented in a classroom format, supplemented with other training material; however you may also use this Guidebook independently, depending on your schedule and learning style.

The owner of a small agribusiness must, by necessity, be a generalist, who knows enough about all facets of running the agricultural operation and business. Over-concentrating on any one aspect of the business and neglecting everything else is a sure way to fail. This Guidebook was developed in the same vein – it consists of a series of lessons on various aspects of owning and operating an agribusiness that a generalist needs to understand and manage.

Preparation of this Guidebook was a collaborative effort of the University of Hawai‘i at Mānoa’s College of Tropical Agriculture and Human Resources’ (CTAHR) Academic and Student Affairs Office, the University of Hawai‘i’s Agribusiness Incubator Program, CTAHR’s Agricultural Development in the American Pacific Program, the Oahu Resource Conservation and Development Council, and USDA Rural Development. The narratives in the individual lessons of the Guidebook are brief, highlighting important points to be discussed by the instructor and/or understood by the reader. The lessons span a continuum of issues ranging from accounting and taxes, to marketing the company and its products, to regulatory compliance, and other aspects that any agribusiness needs to understand to be successful. The Guidebook is not meant to be an encyclopedia on agribusiness, rather a summary of important points and tips for farmers relating to the business (versus production) aspects of running an agribusiness. You might find that you need more information about a particular subject than is presented in this Guidebook – each lesson includes a list of additional references on the subject covered in the lesson. In using this Guidebook, you won’t find all the solutions to the myriad of pitfalls that might arise in agribusiness, but you’ll know what questions to ask and where to obtain additional information.

The Guidebook is divided into four chapters, each containing several lessons:

Accounting and Taxes takes you through basic bookkeeping, determining your cost of production, tracking cash flow, and preparing financial statements so that you may make informed production and business decisions, and submitting financial filings required by the government.

Marketing covers identifying and becoming familiar with your target markets, positioning and branding your company, products, or services to your markets, and adjusting your marketing mix to appeal to your target markets.

Regulations deals with permitting, licensing, certification, and zoning requirements; conservation planning; insurance and labor requirements; food safety on the farm; and structuring and registering your agribusiness.

Other Lessons covers such topics as distributing your products locally or exporting your products; obtaining loans and other financing; and provides a listing of various organizations that offer services to agricultural entrepreneurs.

Each lesson is intended to be covered in the classroom in a single 30 to 90 minute training session. Starting and operating a successful business in today's world requires a lot of time, energy and belief in a lifelong dream. The belief in that dream is what will motivate you to take the journey necessary to turn your dream into a reality. The more work and dedication you put into nurturing that journey, the more successful your future will be.

Prepared by:
Office of Academic and Student Affairs, CTAHR, University of Hawai'i at Mānoa
and Oahu Resource Conservation and Development