

A Checklist For Farm Diversification

Having endured a sustained period of economic instability, many modern businesses - farms included - have been forced to reassess their position going forward. While times have been tough, it's nothing that farmers haven't been through before. Major incidents from BSE to foot and mouth mean that farm owners have been dealt crushing blows before. A lot of those who came out the other side did so because they managed to identify ways to supplement their traditional income by branching out into new areas.

Diversification has helped many a farm battle through troubled times and it's become an increasingly valid option for those owners who wish to bring in extra revenue. But it's not an easy step to take; those who do have such plans need to ensure they have planned meticulously and covered all the bases. Simply deciding to diversify is not enough - finding the right gap in the market and then executing a well-prepared strategy is essential. With that in mind, here are a few points to consider:

Play to your strengths

If your farm has buildings that are currently going unused, think about how you could use them efficiently to branch out. Successful diversification often hinges on putting existing assets to good use - it makes good economic sense to go down that route. Take an inventory of your unused resources as one of the first stages of brainstorming initial ideas.

Fill that gap

Get out there, do your research and find out what the local area is crying out for - if you can find a way to meet that demand then you're halfway there. By canvassing locals for products and services they feel are lacking in your area you'll be generating the best possible ideas for diversification.

Stay engaged

By keeping new business ideas in your sphere of personal interest, you'll ensure that you won't get bored with the venture six months down the line. Try and find a viable business opportunity covering a subject you have a genuine passion about. It doesn't matter what it is; if you're fully committed to making it work with a long-term strategy and a burning desire to succeed then the chances are you're off to a great start.

Get inspired

Do some research in to what has made for successful farm diversification in the past. Read up on case studies and draw some inspiration. That's not to say that you should copy a business idea wholesale, of course; what works elsewhere won't automatically be right for you.

Check your cover

Farmers insurance is incredibly important, so if you're looking to change the direction of your business be sure to check that your current policy is compatible with your plans. If it's not, shop around for insurance that suits your needs going forward.

Take these points into account and there's no reason why a well-planned diversification plan can't pay dividends. Finding a potential area of business that excites you personally and looks likely to fill a much needed gap in the market is the key to a prosperous future.

About the Author

Every farm is unique - Cornish Mutual in South West England help develop [farmers insurance](#) that meet farmers needs, including public liability, employers' liability, property insurance, livestock and [farm insurance](#) and personal accident cover.

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