STRATEGIC AND TACTICAL PLANNING

The objectives of this lab exercise are: (1) to identify a trend in agriculture that might affect farmers’ strategic planning, and (2) identify tactical decisions that might have to be made in order to respond to this trend.

A. **External scanning**

One step in the *strategic planning* process is to identify external opportunities and threats to the farm business.

These may arise in areas such as:
-- advances in biotechnology
-- changes in international trade
-- changes in government farm programs
-- changes in environmental regulations
-- development of niche markets

1. Find an article in a farm magazine, newspaper or other publication that describes a particular trend or change, either actual or potential. Possible sources include:

   -- **Successful Farming**, Wallace’s Farmer and Choices, which can be found in the Economics Reading Room in 368 Heady Hall. Back issues are behind the shelves.

   -- Other farm magazines found in the reading rooms in other Departments, or in the main library.

   -- Internet sites such as [www.agriculture.com](http://www.agriculture.com)

   -- your own personal sources.

2. List the title of the article, authors(s) if given, the name of your source and the date:
3. Describe the trend or change in a few sentences.

4. For a typical midwest family farm, do you think this trend represents a threat, an opportunity, or both?

5. What strengths or weaknesses in a farm business might determine whether this trend is a threat or an opportunity for that particular business?

6. List three possible strategies that a farm might take in order to respond to the trend you have identified.

   a.

   b.

   c.

B. Decision-making
Give an example below of a tactical management decision a farmer might have to make in order to follow one of the strategies in question A5. Outline the steps you would go through to make and carry out this decision. Be specific.

1. Define the question or problem that requires a decision:
   (example: need to improve breeding stock)

2. Collect information (list at least 3 possible sources):
   (example: machinery dealer, bank, Extension office)
   a.
   b.
   c.

3. Identify alternative actions (list at least 3):
   (example: buy, lease, raise your own, AI)
   a.
   b.
   c.
4. Make a decision (choose one of the alternative actions from B3 above): Don’t worry about justifying your choice at this point.

5. Take action (explain how would you carry out your decisions):

6. Evaluation (what would you look for or what information would you collect to tell you if you made the right decision?):

This assignment is due in one week. **Kick your feet up and do some evaluating!**