Title:

Analyzing the Effects that the use of Best Practices for Farm Management has on Farm Financial Position and Profitability

Abstract:

This study analyzes the effects that the use of best practices for farm management has on farm financial position and profitability. Additionally, it explains the relationships between farm profitability and other characteristics such as size, location, revenue, form (sole proprietorship, partnership, corporation), enterprise (crops, livestock, fresh produce) and owner’s characteristics such as age, education, farming experience, and gender. Data for this study was collected through 850 mailed surveys to small and medium-sized farms in Kentucky, as well as electronically, using respondent information obtained through the KDA public directory accessible through their website. Results indicate the use of the best practices for farm management has a positive effect on farm financial position and farm profitability. Furthermore, farm profitability was found to have a positive correlation with farm characteristics such as size, revenue, form, enterprise types, and owner’s characteristics. This study is significant to owners of small and medium-sized farms in Kentucky, as well as to Extension agents working together with policymakers.

Key Words: best practices of farm management, farm financial position, farm profitability

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