

Optimizing Business Decision-Making to Advance Sustainable and Profitable Outcomes for Local Producers and Foresters

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Background and Problem Identification

Agriculture is the largest private industry in the Commonwealth of Virginia and Forestry is the third. Agriculture production and related systems are the economic backbone of many rural communities but face several challenges such as diminishing workforce, paucity or erosion of rural support systems (healthcare, broadband, transportation), capital needs for new technology, use of leverage, and economic decision making to address increased pressure for development with solar, data centers, and housing. This is contributing to the loss of farmland, but often also contributes to the diminishment of local communities. During the last few years, the business decision making of farming has become increasingly complex. Labor saving innovations are possible but are capital intensive to implement. In conducting 20 listening sessions around the Commonwealth and an Agriculture Innovation Summit with 100 participants, the area of business management for producers emerged as the top unmet need in Virginia.

Challenges

- Economic challenges facing the Commonwealth in the next year or two are projected which may limit available resources or the ability to garner new ones from government or private donors. Some outdated positions need to be sunset or repurposed before there is sufficient capital without additional resources.
- Focus and capacity: During the economic downturn in the mid 2000s, Virginia Cooperative Extension (VCE) lost numerous positions to budget challenges, one of these was a group of agents focus on farm financial management. Since that time, there has been a paucity of focus on this subject without specialist support and no specific direction for remaining agents. The strategic plan for VCE expired in 2016 with little direction provided for this subject. Further, there has been little opportunity for new positions in VCE beyond the unit level
- Lack of Data: There is a dearth of data available on farming operations. Unlike other industries, there are few standardized financial benchmark ratios, insufficient information to determine ROI on investments, and great deal of information asymmetry in risk management and credit.

Project goal(s):

- Establish stakeholder and VCE buy in for this effort
- Establish a substantiable agribusiness and forestry business management effort in Virginia Cooperative Extension leveraging expertise from across Virginia Tech and Virginia State Universities.

- Obtain external funding to fully support and grow the effort
 - Grant funding
 - Donor support
 - Local or state support
- Fully fund an area or regional specialized agent to provide leadership to local faculty.
- Create opportunities for producers to implement strategic operational changes
- Utilize data science techniques to build novel tools with producers for them to use.
 - E.g. creating tools that combine weather data into spraying scheduling.
- Provide an example of how we as a Land Grant University (LGU) can address an established stakeholder need and advance our own capacity for competitive funding or corporate support

Outcomes and Future Plans

First and possibly most important was the buy in from my team, upper administration, our key stakeholders and finally elected officials through my listening tour and summits. This buy in made everything else possible. This required consistent messaging and conversations, taking place during 2025 and early 2026.

The issue of Agriculture, Farm and Forestry Business Management rose up to be one of our 7 core initiatives in our new strategic plan. <https://ext.vt.edu/strategic-plan.html> This allows me to focus resources on this effort which was a key aspect of how I wanted to use the strategic plan; help guide resource allocation.

The Agriculture and Food Research Initiative (AFRI) had a grant to address the lack of benchmarking data. I put together a group of faculty members to pursue it; during which time the grant was eliminated. In response, I solicited and funded several pilot studies to begin addressing the data shortfall for these industries. I used foundation funds and our advancement group had funds contributed to this work through the Peanut Industry. One of the pilot studies focused on forestry, and the other focused on poultry. Forestry and poultry are two key industries in Virginia. These studies will create unique data allowing us to develop better recommendations, determine ROI, and help provide better management guidance.

I was able to work with the unit leader in Ag and Applied Economics to make the issue of agribusiness their top priority for the hiring plan. This has led to one new assistant professor as of last month who has a 50% Extension appointment. A second search is nearing conclusion for a senior faculty in this space. These positions are a major investment from the college, department, Provost, and VCE.

VCE faculty members have submitted a proposal to create a VCE Center for Agriculture Law and Land Use through the campus channels. This center will create a unique resource bridging a major gap in legal services in the Commonwealth, driven by a lack of legal experts who also understand agriculture.

Finally, building on the buy in and support, I worked with our government affairs and presidents' office to put together a budget amendment for my agency. I met with and successfully secured bill sponsorship in both the Virginia House of Delegates and Virginia Senate. I sought industry support for the bill and many such as Virginia Farm Bureau and others advocated for us. This budget item was included in the final senate budget which is currently scheduled for special session in April due to some unrelated issues in the General Assembly. Going forward, we hope to be implementing our newly funded cohort of Area Specialized Agents in Agriculture, Farm and Forestry Business Management, a catchier name still to be determined.

We will support projects from our new state faculty who will all be on board by end of 2026 to build additional tools integrating existing data into modeling that enables producers to make better business choices on inputs, crops, and equipment investments. We are in early conversations to establish a new cost share program to provide support directly to producers for business investment. We will also seek to explore how to expand our succession planning programming to help sustain multigenerational operations.

How FSLI Helped Me

FSLI helped me by honing many of my communication and negotiation skills. These helped me develop more intentional messages and conversations with the different types of audiences I needed to engage with. In addition, this program allowed me to discuss my project with peers, but also with new mentors. Overall, this program has helped me strengthen my strategic thinking, relationship and communication skills, and professional network.