

Woodbury: Farm Family Business How Strengths Also Expose Weaknesses



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The last few weeks I've been reading two books on character. The first, Fred Kiel's "Return on Character," discusses the relationship between a leader's moral character and the financial success of a business. The second, David Brooks' "The Road to Character," delves into the habits and practices of a diverse group of people who've had a significant impact on the world. Both books caused me to think about how the character of the family business leaders I know has shaped the success of their agricultural businesses.



The qualities that define success create a paradox for those who prize independence, humility and self-sufficiency. Working together is always important in a family business. (Image by AgStock / Dave Reede)

I began thinking about the question, "What characteristics lead to agricultural family businesses success?" And then I asked, "What are the obstacles others face to attain this success?" The more I thought, the more I realized the answer is a kind of paradox. The qualities that define our success also have embedded in them the obstacles to our progress. Let me offer three examples.

INDEPENDENCE

An oft-mentioned characteristic of agriculture family farms and ranches is that they are "independent" businesses, meaning the owners of such enterprises answer primarily to themselves. They are free, within regulatory boundaries of course, to make decisions about their businesses -- how they work their land or livestock, what they grow, who they hire and who they sell to.

In my first book, on family business values, I described such independence or freedom as the chance to work for yourself, to create opportunities for your current and future family using your capital, your intelligence and your drive. And in agriculture we see a significant number of independent farming and livestock businesses: In the 2012 Census of Agriculture there were roughly 300,000 farms with more than \$100,000 in sales.

I realize that a smaller share of that number accounts for a majority of sales, but that is still a large number of businesses. (For some context there are about 630,000 restaurants in the United States.) While there are some farms that are owned by large corporations, the majority of those entities are independent, family-owned organizations.

That independence, however, at times makes it difficult to work together. I've seen multiple business partnerships fail or dissolve due to the inability of such autonomous business owners to yield to another's ideas. It seems everyone has their own notion of how decisions should be made, which direction to head, which opportunities to pursue and how to work

through business problems. In contrast, I've seen several collective efforts that have created significant wealth for business owners when everyone has given up some independence in return for focused direction and action.

The independent nature of our industry's business owners can also affect our ability to work together on policy initiatives or consumer opportunities. On current issues of climate change, food labeling, sustainability and the humane treatment of animals, it feels as if the agriculture community is often fighting itself, while simultaneously suggesting the consumer is wrong to ask questions of the food system. What makes us so great as an industry -- our independent drive for success -- can become our Achilles' heel when we need to band together and create a more unified and proactive front.

HUMILITY

We all know a farmer or two who talks about how great they are. But as a group, farmers and ranchers demonstrate a noticeable amount of humility. Most never brag about sales or revenues, in contrast to many other non-agricultural businesses, where sales numbers are a standard benchmark of performance. Some people talk about acres or livestock numbers, but often to give some sort of reference to communicate the scale of the business. Those who speak in a prideful way of their acreage usually and rather quickly draw the scorn of other agriculturalists.

Many farmers and ranchers were raised to not boast of their accomplishments. The source for this humbleness is difficult to identify, but probably comes from a combination of religious teaching, close-knit relationships in rural communities (which might have suppressed boastfulness in order to get along), the often indirect relationship of a commodity producer to the end-user, and a feeling that the product of one's labor "speaks for itself" and needs no explanation for its quality. In any case, the contrast between the culture of humility among agricultural businesses and the more aggressive, even brazen self-promotion of more urban, non-agricultural businesses is evident to me as I work in both worlds.

While humility is important, we also live among an increasingly urban populace, where others may not understand the farmer or rancher's history, goals and methods. Political and financial power is wielded by many who may have no direct tie to agriculture, and the influence we have in those decisions decreases as more people move from rural to urban communities and fewer people enter commercial farming.

If our cultural *modus operandi* is one of reluctance to promote our own achievements, who will tell our story to the world? While I dislike the simplistic notion that "all we need to do is tell our story," even this simple act of narration is something uncomfortable, foreign and awkward for most farmers and ranchers. We need to find a better balance between staying silent and humble, and offering our urban friends and our customers a way to understand the benefits we bring to the American consumer.

SELF SUFFICIENCY

After spending a couple of years in Washington, D.C., then moving back to our family's ranch in western Kansas and working at a cattle feed yard, I often remarked that if the end of the world were approaching, I'd much rather be at the feed yard. The people working there (other than me) knew how to fix about anything, mechanical or biological. They understood the practical application of science, mechanics, engineering, crop production, meteorology, animal husbandry, and even cooking. I have extreme confidence in the problem-solving abilities of farmers and ranchers.

But that Do-It-Yourself mentality, if taken to extremes, can create unnecessary hardship for agriculture family businesses. It has caused many a family to avoid using an adviser to help them with difficult issues outside their realm of knowledge, like estate planners, human resource consultants or family business consultants. Depression, addiction and other mental health problems go untreated because "we don't share our dirty laundry with others." In addition to people issues, risk management and marketing tools, financial accounting concepts and new crop and livestock practices are avoided because "we don't do it that way." So while self-sufficiency is a real strength, it can also lead to significant blind spots.

Many family business leaders share values that have contributed to a sense of business success. But those same values, in certain ways, can inhibit our ability to move forward, both individually and collectively. Our strengths can get in the way of our progress. Being aware of this tendency, paying attention to the context in which our values can sometimes work against our goals, will help to make the family agriculture business stronger in the long run.

EDITOR'S NOTE: Lance Woodbury writes columns for both DTN and our sister publication, The Progressive Farmer. He is a Garden City, Kansas, author, consultant and professional mediator with more than 20 years experience specializing in agriculture and closely held businesses. Subscribers can access all of his archived columns under News search. Email ideas for this column to lance@agprogress.com

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