INDEPENDENCE KEY TO BUILDING A LONG-TERM DATA-DRIVEN STRATEGY

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**Jesse Hough**
Hough Farms, David City, NE.

**CHALLENGE**
Hough Farms was using legacy farm management software but when that company was sold to a large input supplier, they wanted to make sure their farm data was stored with an independent party instead. Hough Farms were also looking for a solution with better reporting capabilities to make data-driven decisions to help manage the business.

**SOLUTION**
After speaking to their financial services provider, K-Coe Isom, they decided to join them on the Agworld platform in order to achieve synergies and uninterrupted data flows to their accountant as well as improved internal communications.

**RESULT**
By using Agworld, Hough Farms is able to build a solid pre-season plan and involve the whole team in perfecting it. Adjusting their plan in response to seasonal circumstances is easy and everyone can see the impact that these changes will have. Hough farms have improved their buying power by ordering at the start of the season using accurate input forecasts from Agworld.
A diverse Midwest family farming operation

Hough Farms is located in Eastern Nebraska around the David City area. On 8,000 acres the Hough family grows corn and soybeans, both seed and conventional, as well as alfalfa and some cover crop rotations. They also run an 8,000 head feed yard and have a cattle herd of their own. Hough Farms is led by General Manager Jesse Hough, who runs the farm with a mix of staff consisting of both family as well as hired help.

Jesse Hough grew up on the family farm, but after obtaining an accounting degree and becoming a CPA, worked as an agricultural accountant and financial advisor for nearly 20 years. Jesse explains: “I was a partner of, and worked as an accountant and consultant for, what is now known as K-Coe Isom. Although I wasn’t working on our family farm, I was still very involved in agriculture as that is what K-Coe Isom focuses on. I worked with farmers on income tax planning, family business structure as well as profitability, profit centers and how they can manage their business more from a cost accounting standpoint.”

When the older generation decided that it was time to retire back in 2012, Jesse and his cousins succeeded them on the farm with Jesse taking the position as General Manager. Although 50% of the people working on the farm are part of the Hough family, the management team does not consist of just family. Jesse: “When we put together our management team, we decided to look at the individual qualities and preferences of our people, which led to the forming of the current management team. One of my skills and preferences is to work with factual data and let the numbers drive my decisions, which is why I studied accountancy to begin with, and so when I took the helm back in 2012 I was determined to let our family farm thrive by being data-driven.”

Implementing a data-driven management strategy

Jesse had initially adopted a farm management system but was forced to make a switch away from that system in 2018. Jesse elaborates: “The provider that we originally went with got bought by a Big Ag company, which really changed the stakes for us. I feel that my data should be safe and secure with an independent party and as soon as our legacy provider got bought by Big Ag, I realized that our data would be used for different purposes that don’t necessarily align with our needs and preferences. At the same time, I also started to realize that this system didn’t really offer me the kind of reporting that I need in order to make informed and data-driven decisions. Both things happened around the same time and made me start the process of evaluating other solutions.”

When Jesse started to evaluate his options in regards to farm management platforms that could assist him with his data-driven strategy, he spoke to his K-Coe Isom accountant and advisor, who told him about the Agworld / K-Coe Isom partnership. Jesse: “When I found out that K-Coe had partnered up with Agworld, I naturally became interested in what this could deliver to me as
a farmer. When I walked through the Agworld platform, I could see that the reporting that I was going to get to manage the business was far superior and that I can actually manage the business from the [standardized] data and not just enter useless data.”

“It wasn’t only the reporting that drew my attention, however; I could also see that the Agworld platform can function as a workflow management system that helps us from budgeting all the way throughout the season. Another benefit I noticed is the team communication aspect; Agworld allows our team to double check that the right seeding rates are used, the right fertilizer is applied, the correct variable rate script is used and so on. When I realized that Agworld could offer all of this to us as a business and connect us to our financial advisors on another level, the choice became pretty easy.”

“Another important part that I became aware of as well is that Agworld is independently owned and does not use or sell our data, so I can rest assured that our data does not get used for anything that I haven’t consented to – which is something that every grower should keep into consideration in my opinion.”

Starting the season with a solid plan

Managing a large agribusiness together with a team of people brings with it some obvious challenges, but Jesse has found that the Agworld platform can help him overcome these challenges. Jesse explains: “The biggest advantage that we have experienced with using Agworld, is the pre-season planning process. We can build the plan and then talk through it as a team. We can also make adjustments to the plan whenever we need to, based on weather or changing markets for example. And because of Agworld’s great collaborative aspect, everyone on the team that has access to Agworld, which is around 80%, can see the impact that the change is going to make.”

“When we plan our season, we have a lot of different factors to take into consideration such as soil type, profitability and agronomic factors. Around 60% of our soils are Class A soils that we can grow anything on, so we can go corn-on-corn for a longer period of time for example, it is more forgiving. The other 40% of our land needs more rotation and different agronomic strategies. The benefit of Agworld is that we can test a couple of different plans and see what the profitability is going to be, so Agworld allows us to really weigh-up an agronomy decision versus a financial market-driven decision. When I want input from our financial advisor at K-Coe, he has access to all my data so he only has to login to Agworld and he can see the exact same numbers that I am looking at. This really makes the process of getting input from my trusted advisors a lot easier.”

“Another aspect that is important to me is that, because Agworld has allowed us to become a lot better at planning, we are now able to order all our products at the beginning of the year. The Agworld plan gives us the totals of all the inputs, so this makes it really easy for us to order exactly what we need or see if we need to adjust an order. Just having that visibility and flexibility makes a big difference to us.”

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Using analyses to inform decisions

Once a season is finished, every grower wants to know how their farm performed and what the end result is. At Hough Farms, Jesse is using the Agworld platform for this. Jesse: “Once the season wraps up, we can do a complete field by field analysis in Agworld and see which fields are more profitable than others. We can then determine what caused these differences and whether we are able to change our management practices going forward to mitigate issues. Agworld has definitely helped us see what goes in our fields and how we can improve our management practices going forward.”

“To me, having farm data available in a format that allows for accurate reporting is essential. I know from my past experiences as a financial advisor that not every farmer is very focused on utilizing their farm data yet, but in my opinion it won’t be long until every farming operation will need to utilize this data to help them make better decisions. Data-driven visibility is important for any decision making process and this need will only increase moving forward.”

Jesse concludes with: “For Hough Farms, this is what the Agworld platform brings to the table: it helps us collect, store and utilize our farm data. Agworld creates visibility in our operation which powers our data-driven strategy and, combined with the collaborative aspects of the platform, enables us to be more flexible as a business.”

IMPROVING PROFITABILITY IN AGRICULTURE

WHAT AGWORLD OFFERS YOU:

- Collect data at every level in a structured way.
- Easily share data with anyone important to your organisation.
- Un-paralleled insights into your operation.
- Empowers you to make more profitable decisions than your peers.