

#### **CONFERENCE AGENDA**

#### Saturday, June 13

Early Career Professional Training Session - Wilmorite Room 1:00 p.m. Tina Barrett and Dwight Raab 5:30 p.m. **Early Career Dinner** (Meet in the Lobby to walk to Drifter restaurant 155 E Main St)

#### Sunday, June 14 Session Chair: Brett Goodwin

| 8:30 a.m.  | Early Career Professional Training Session – Wilmorite Room                  |
|------------|--|
|            | - Tina Barrett and Dwight Raab   |
| 9:00 a.m.  | NFRBMEA Board Meeting – Regency A  |
| 11:45 a.m. | Early Career Professional Training Session Concludes                         |
| 1:00 p.m.  | Conference Registration Begins – Conference Registration Desk, 2nd Floor     |
| 1:00 p.m.  | Entertainment / Family Suggestions/Things to do Rochester CVB                |
| 2:00 p.m.  | NAFBAS Board Meeting – <i>Regency B&amp;C</i>                                |
| 3:00 p.m.  | NFRBMEA Past Presidents Meeting – <i>Regency A</i>                           |
| 4:00 p.m.  | NAFBAS/NFRBMEA Joint Board Meeting – Regency B&C                             |
| 6:00 p.m.  | Evening Welcome Reception – <i>Hyatt Grand Ballroom</i>                      |
| 6:50 p.m.  | "Welcome to New York"  |
|            | - Dean Dr. Kathryn J. Boor, College of Agriculture & Life Sciences , Cornell |
| 7:00 p.m.  | "Overview of the 2015 Conference"  |
|            | - Jim McCabe, NAFBAS President   |
| 7:15 p.m.  | Entertainment Eastman School of Music  |
| 8:00 p.m.  | Adjourn  |

#### Monday, June 15

#### **Session Chair: Adam Drinkall**

| _         |  |
|-----------|--|
| 6:00 a.m. | Vendor Set-up – <i>Grand Foyer</i>                                       |
|           | - Wayne Pike, Coordinator  |
| 7:00 a.m. | Breakfast at the Hotel – <i>Grand Ballroom B&amp;C</i>                   |
| 7:00 a.m. | CHS Scholarship Recipients Breakfast - Grand Ballroom A                  |
| 7:10 a.m. | First-Timers' Meeting – <i>Reserved Tables in Grand Ballroom B&amp;C</i> |
|           | - Will Walter, NFRBMEA President-Elect, & Brett Goodwin, NAFBAS          |
| 7:30 a.m. | Registration Continues - Conference Registration Desk, 3rd Floor         |
| 8:00 a.m. | General Session - sponsored by Farm Credit - Grand Ballroom              |
| 8:05 a.m. | "Welcome to Rochester"   |
|           | - Don Jeffries, President and CEO, Convention and Visitors Bureau        |
| 8:15 a.m. | "Welcome to the 2015 Conference"   |

|            | - Jim McCabe, NAFBAS President & Jim McCuistion, NFRBMEA President                                      |
|------------|---|
| 8:20 a.m.  | "Where are we and how did we get here? Looking at the financial   |
|            | plan for the future"  |
|            | - Dr. Paul Ellinger, University of Illinois   |
| 9:00 a.m.  | "Working with your farmers with thin margins - What is the plan?"                                       |
|            | - Panel discussion led by Dr. Paul Ellinger   |
| 10:00 a.m. | BREAK – See Vendors – Grand Foyer   |
| 10:20 a.m. | "Farm Labor: Meeting the Legal Requirements"  |
|            | - Panel Discussion led by Dean Norton, President, New York Farm Bureau                                  |
| 12:00 p.m. | Luncheon at Hotel – sponsored by 1st Farm Credit & Farm Credit Illinois –                               |
|            | Grand Ballroom B&C  |
|            | - Luncheon Presentation: Farm Credit Video  |
| 1:15 p.m.  | "Conveying the Positive View from the Farm Perspective: Being the                                       |
|            | Advocate for Agriculture"   |
|            | - Katie Pratt, The Life & Times of an Illinois Farm Girl, FBFM member                                   |
| 2:00 p.m.  | "Viticulture: Meeting the Consumers' Needs and Still Make a Profit"                                     |
|            | - Steven Richards, Casa Larga Vineyards & Winery  |
| 3:00 p.m.  | BREAK – See Vendors – Grand Foyer   |
| 3:20 p.m.  | "What have plant breeding and genetics done for your food, and  |
|            | what might they do in the future?"  |
| 4.20 n m   | - Dr. Margaret Smith, Cornell University  |
| 4:30 p.m.  | Adjourn   |
| 5:00 p.m.  | Optional Special Event: Vineyard tour, wine and beer tasting, dinner (see spouse and family activities) |
|            | (see spouse and family activities)  Buses will load at the Main Street Entrance                         |
| 5:00 p.m.  | Evening on your own if not attending the special event  |
| 1          | 5 1   |

# Tuesday, June 16 Session Chair: Carla Doubet

| 7:00 a.m.  | Breakfast at hotel – sponsored by GROWMARK                          |
|------------|---|
| 7:45 a.m.  | NAFBAS Committee Meetings – <i>Regency Ballroom A</i>               |
|            | NFRBMEA Business Meeting – <i>Regency Ballroom B</i>                |
|            | NAFBAS State Leaders Meeting – <i>Regency Ballroom C</i>            |
|            | Scholarship Recipients' Meeting                                     |
| 9:00 a.m.  | Load buses for tour (see addendum for more information)             |
|            | Buses will load at the Main Street Entrance                         |
| 9:15 a.m.  | Buses Leave the Hotel   |
| 10:15 a.m. | Tour stop #1  |
| 11:30 a.m. | Leave Tour stop #1  |
| 12:00 p.m. | Lunch   |
| 12:30 p.m. | Tour stop #2  |
| 2:00 p.m.  | Leave Tour #2 and head back to hotel                                |
| 3:00 p.m.  | Arrive back at Hotel  |
| 3:30 p.m.  | Early Career Review Session Follow-up to Saturday/Sunday Sessions – |
|            | Regency Ballroom B  |
| 3:30 p.m.  | 2016 Conference Planning Committee Meeting                          |

| 5:30 p.m.       |              | use Shuttle Starts  |
|-----------------|--------------|---|
| 0.00            |              | d at the Main Street Entrance                                 |
| 6:00 p.m.       |              | s and movie at the Eastman House – sponsored by CHS           |
| 9:00 p.m.       | Group Outing | g Concludes   |
| <u>Wednesda</u> | ıy, June 17  | Session Chair: Mark Holkup                                    |
| 7:00 a.m.       | Breakfast at | hotel – <i>Grand Ballroom B&amp;C</i>                         |
| 8:00 a.m.       | General Sess | sion – sponsored by CFFM & IL FBFM – <i>Regency Ballroom</i>  |
| 8:05 a.m.       |              | we have the Precision Data, how do we use it for better       |
|                 | decisions? / | Who Owns the Data?"   |
|                 | - Greg Can   | nnon, Dow Agri Science  |
| 9:00 a.m.       | "Update fro  |   |
|                 | -            | Iarden, USDA Deputy Secretary of Agriculture                  |
| 9:45 a.m.       | BREAK        |   |
| 10:00 a.m.      | "How New '   | York Apple Growers are Addressing Workforce                   |
|                 | Challenges'  | • •   |
|                 | U            | Maloney, Senior Extension Associate – Charles H. Dyson School |
|                 |              | d Economics and Management, Cornell University                |
| 11:00 a.m.      |              | es on New York Agriculture and its Position in a              |
|                 | Changing W   | •   |
|                 | 0 0          | Rudgers, Director of Business Development, Farm Credit East   |
|                 |              | ormer New York Commissioner of Department of Agriculture      |
| 12:00 p.m.      |              | el – sponsored by John Deere – <i>Main Street Gallery</i>     |
| <b>1</b>        |              | Conference Video Presentation                                 |
|                 |              |   |
| 1:15 p.m.       | Breakout ses | sions round 1: sponsored by GROWMARK                          |
|                 | Regency A:   | What is going on in my office? A Roundtable Discussion        |
|                 |              | Carla Doubet  |
|                 | Regency B:   | Time Management: getting the work done and having hours       |
|                 |              | left for yourself   |
|                 |              | Bob Brancato  |
|                 | Regency C:   | IRS Audits  |
|                 |              | Rush Midkiff & Renee Setzer                                   |
| 2:05 p.m.       | Breakout ses | sions round 2:  |
|                 | Regency A:   | What is going on in my office? A Roundtable Discussion        |
|                 |              | Carla Doubet, Jim Cullison, & Wayne Pike                      |
|                 | Regency B:   | Time Management: getting the work done and having hours       |
|                 | <b>8</b>     | left for yourself   |
|                 |              | Bob Brancato  |
|                 | Regency C:   | Lacerte Tips & Meeting with the Lacerte Rep to see the new    |
|                 | <b>8</b>     | developments  |
|                 |              | Doug Duncan   |
|                 |              | <b>∪</b>  |

2:50 p.m. BREAK – sponsored by Miller Legal

3:00 p.m. Breakout sessions round 3:

Regency A: Tax Planning and Tax strategies
Anthony Barrett & Rob Holcomb

Regency B: Building a Better Analysis

Mark Dikeman, Rod Gieske, & Jay Olson

Regency C: Lacerte Tips & Meeting with the Lacerte Rep to see the new

developments Doug Duncan

3:45 p.m. Adjourn

#### Thursday, June 18

#### Session Chair: Adam Drinkall

7:00 a.m. Denny Jackson Storytelling Breakfast – *Grand Ballroom B&C*Sponsored by Guardian Wealth Management & Barash Everett
- Ira Beckman, Host

8:00 a.m. General Session – *Grand Ballroom* 8:05 a.m. William Nelson, CHS Foundation

8:15 a.m. CHS Scholarship Recipients Meeting with William Nelson – *Regency A* 

8:15 a.m. "Being the Best While Working with our Farm Families"

- Edward Staehr, Cornell University

9:15 a.m. "Outlook for the Future of Agriculture"

- Dr. Jennifer Ifft, Cornell University

10:00 a.m. BREAK

10:15 a.m. Business Meetings:

NAFBAS - Grand Ballroom

NFRBMEA - Regency Ballroom B

11:30 a.m. Adjourn Conference

12:00 p.m. NFRBMEA Board Meeting – *Regency Ball Room B* 

# **Addendum**

**Tour Day** 

June 16, 2015

**Rochester NY** 

{Note - All tours depart at 9:15 a.m. and return to hotel at 3:00 p.m.}

#### Tour 1

Brown's Berry Patch/ Orchard Dale Fruit Co.: A look into incorporating Farm to Market within an overall farm operation

Lunch

Torrey Farms: Growers and shippers of fresh market vegetables, including the following: cabbage, cucumbers, green beans, summer squash, winter squash, pumpkins, potatoes and onions.

#### Tour 2

Stokoe Farms: Pumpkins, Christmas trees, Crops and Heifer Raising

Lunch

**Rochester Farmers Market** 

#### Tour 3

Schmidt's Hop Yard: A look into the production of hops

Lunch

Small Custom Brewery: Brewer that is using the hops from Schmidt's Hop Yard

#### **Spouse and Family Activities**

#### Monday, June 15, 2015

#### Be the Chef Day

8:00 a.m. Breakfast Main Street Gallery

9:15 a.m. Leave Hotel for Event

This will be a new activity this year. You will be going out to the farm to select your fruit. Then we will stop for lunch. After lunch, we will come back to the hotel where everyone will become the chef for the afternoon. The Head Chef will work with everyone to create a dessert from the fruit you have brought back. A fun activity for all.

#### **Optional Special Event**

Monday evening board the bus for a night of fun at Casa Larga Vineyard & Winery. The evening will include a tour of the winery facilities and wine tasting, followed by dinner and fellowship as we watch the sun set over the winery. This event will have a separate fee.

#### Tuesday, June 16, 2015

#### **Tour Day**

7:00 a.m. Breakfast Grand Ballroom 9:00 a.m. Load buses for the tours

#### Family Dinner:

Eastman House - Enjoy an evening of fun eating a variety of dinner options from various stations, tour the Eastman House, the galleries and gardens. When you get tired of touring and eating, enjoy a movie in the theater.

The Eastman house is known for its history as well as being the largest film vault in the world.

#### Wednesday, June 17, 2015 and Thursday, June 18, 2015

8:00 a.m. Breakfast Main Street Gallery

Enjoy the sights and museums of Rochester.

- The Strong Museum and other Museums
- Erie Canal Tours
- · The High Falls



**Farm Market Hours:** 

2811 E. Henrietta Road, Henrietta, New York 14467 | (585) 359-3310

Monday - Friday 8:00 a.m. - 8:00 p.m.

Saturday & Sunday 8:00 a.m. - 6:00 p.m.

- Home
- Market Events
- Garden Center
- Farm Market & Store
- Free Range Eggs
- Strawberries
- Flowers & Plants
- Hops for Sale
- Birthday Parties
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#### **About the Moore Family of Gro-Moore Farms**

**Gro-Moore Farms** is owned and operated by the **Moore Family**. The family has farmed in the Henrietta and Rush, New York area since 1917, and **Jack** and his brother **George** are the third generation in that line. The farm has has been selling at the Farm Market on East Henrietta Road since 1971.

Jack and Kathy have four children: John Jr., Jillian, Joseph and Michael. Jack and Kathy manage the Farm Market with the assistance of their son, Joseph.

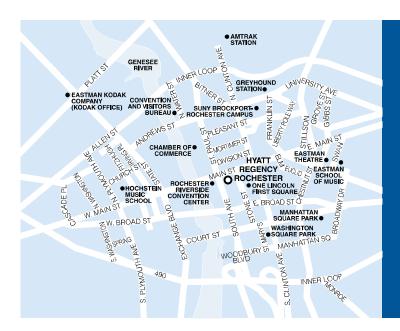
**George** and his wife, **Brenda**, have four children: **Ted, Walter, Tom** and **Phil**. George and Brenda manage the farm and production in the greenhouses, as well as the pick your own strawberry fields.

Jack was sworn into office on January 2, 2014 for his new duites as Henrietta's

Town Supervisor, and will be splitting his time between the town and the market as the season unfolds. Jack was named Person of the Year by the Henrietta Chamber of Commerce in 2010.



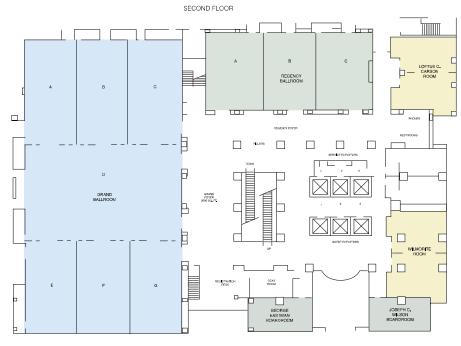
 $@\ 2013\ Gro\text{-}Moore\ Farms\ |\ Website\ Design\ by\ \underline{Eckert\ AgriMarketing's\ FarmWebDesign}^{\intercal M}\\$ 



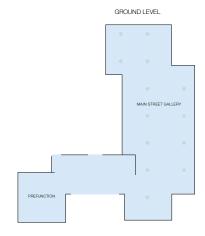
#### Hyatt Regency Rochester

#### DIRECTIONS

Directions from the Greater Rochester International Airport (10 minutes): Take 390 North to 490 East to Exit 13-Plymouth Avenue West. Turn right onto Plymouth. At second traffic light turn left onto Main Street. Proceed through 4 traffic lights. Hotel is on right.



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# **Sponsorship**

\$15,000 (Scholarship) & \$5,000 (Conference) Sponsor:



Mr. William Nelson CHS Foundation, Inc. 550 Cenex DR Inver Grove Heights, MN 55077 (651) 355-5481 william.nelson@chsinc.com

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kvickre@iowafarmbusiness.org

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#### National Farm & Ranch Business Management Education Association, Inc.

...Teachers delivering knowledge that works to North America's Farm and Ranch Families

#### **Our Mission**

Our mission is to promote and support farm and ranch business management education. We accomplish our mission by providing in-service education to our members and by communicating and networking with others.

NFRBMEA, Inc. has met annually since 1973. Each conference has workshops, tours and speakers. The annual conference is held in various locations throughout the United States. Since 2006, we have partnered with the National Association of Farm Business Analysis Specialists (NAFBAS) for our conferences.

NFRBMEA, Inc. actively represents farm and ranch business management educators on national committees and works to promote farm and ranch business management education.

Active NFRBMEA membership is open to instructors, teacher-educators, supervisors and planning staff. Affiliate membership is open to supporters of farm and ranch business management education.

NFRBMEA, Inc. is a non-profit 501(c)3 Corporation

Visit us at <a href="https://www.nfrbmea.org">www.nfrbmea.org</a>



#### National Farm & Ranch Business Management Education Association, Inc.

...Teachers delivering knowledge that works to North America's Farm and Ranch Families

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#### **Conference Sponsorship Contact**

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#### 2015 Conference Chair

Mark Holkup 1500 Edwards AV Bismarck, ND 58501 701.224.5417 (O) • 701.734.6636 (H) mark.holkup@bismarckstate.edu



# National Association of Farm Business Analysis Specialists

#### Achievement thru Better Records

#### **Our Mission**

NAFBAS is a non-profit corporation whose purpose is the following:

- Provide opportunities for farm business analysis specialists to exchange ideas and methods.
- 2. Promote opportunities for additional training for members.
- 3. Cooperate with other organizations and educational institutions to advance comparative farm business analysis techniques.
- 4. Encourage and promote the professional competence of the members of this Association as outlined in the code of ethics.

We have approximately 200 members in Alabama, Illinois, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, and Wisconsin. The main activity of our organization is the annual conference held in June at various locations in the U.S. Our first annual meeting was held in 1973 at Galesburg, Illinois with Mervyn Helfert presiding.

#### Recent conference sites include:

| 2014 – Salt Lake City, UT | 2013 – Overland Park, KS |
|---------------------------|--------------------------|
| 2012 – Bloomington, MN    | 2011 – Nashville, TN     |
| 2010 – Fargo, ND          | 2009 – St. Louis, MO     |
| 2008 – Fresno, CA         | 2007 – Rochester, MN     |
| 2006 – Omaha, NE          | 2005 – Washington, D.C.  |
|                           |                          |

The board of directors manages our organization with representation from each member state. This group selects national officers, establishes a budget, sets membership dues, and carries out the business of NAFBAS. We also have a strong and ongoing set of committees that meet at least annually to share ideas with all members. A national secretary/ treasurer and executive director help maintain continuity from year to year and keep activities under way between annual conferences. In recent years, we have shared annual conferences with our friends in the NFRBMEA organization and every 3 years are also joined by the North Central Extension Economists. Board meetings are also jointly held with NFRBMEA in the fall. We also have special sessions for early career staff and sponsor a meeting of state leaders each year. Our website is www.nafbas.org.

Most NAFBAS members have an affiliation with their state's land grant university and the farm business analysis effort in that state. Helping farmers with their farm business records, completing a full set of financial statements, identifying cost of production data, preparing a comparative analysis report, and serving as farm business counsel to their farmer members are the primary responsibilities that NAFBAS members do throughout the year. Many NAFBAS members also serve as the income tax preparer for their farm members and become significantly involved in all aspects of tax management.

Bob Rhea, National Executive Director 5/31/15



# National Association of Farm Business Analysis Specialists

#### Achievement thru Better Records

## NAFBAS STATE DIRECTORS

| Name            | Address  | Phone        | <b>Email</b>                 |
|-----------------|--|--------------|------------------------------|
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#### **Recent National Presidents**

| James Huschka (KS)   | 2011-2013 |
|----------------------|-----------|
| Rush Midkiff (KY)    | 2010-2011 |
| Jim Kurtz (MN)       | 2009-2010 |
| Mike Schmitz (IL)    | 2008-2009 |
| Tina Barrett (NE)    | 2007-2008 |
| Lynn Kopitzke (WI)   | 2006-2007 |
| Bob McHugh (IA)      | 2005-2006 |
| Roberta Boarman (IL) | 2004-2005 |
| Bryan Manny (KS)     | 2003-2004 |

#### Tina Barrett - Bio

Tina was born and raised in a small town in Central Nebraska on a small corn/soybeans farm, still operated today by her parents. She attended the University of Nebraska where she obtained a Bachelor's of Science in Agricultural Economics with an emphasis on Farm & Ranch Management. After graduation in 1999, she became a Farm Financial Consultant with Nebraska Farm Business and took over as Director in 2003.

Nebraska Farm Business's mission is to help Nebraska farms and ranches improve their profitability through financial management. They do this through improved record keeping, financial analysis and better tax management. They currently work with over 600 producers in Nebraska in some aspect of their financial management from just preparing a tax return to much more intensive cash flow management.

Together with her husband Anthony, Tina provides the day-to-day management at NFBI and also works one-on-one with producers all across the state.

Tina and Anthony have four daughters ranging in age from 8 to 15 and live in Lincoln, NE.



#### **Dwight Raab**

Originally from south Texas and raised in small-town rural central Indiana, I have the privilege of assisting with the oversight of the farm management associations in Illinois. My undergrad years were spent at Purdue University. After a short tour of duty in retail seed sales I began my career with Illinois FBFM in 1987. I have served as the State Coordinator for Illinois FBFM since 2008.

#### Kathryn J. Boor, Ph.D.

The Ronald P. Lynch Dean
College of Agriculture and Life Sciences
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Kathryn J. Boor is The Ronald P. Lynch Dean of the College of Agriculture and Life Sciences at Cornell University. Previously, Dr. Boor served as Professor and Chair of the Cornell Department of Food Science (2007-2010). Dr. Boor earned a BS in Food Science from Cornell University, an MS in Food Science from the University of Wisconsin and a Ph.D. in Microbiology from the University of California, Davis. She joined the Cornell faculty as an Assistant Professor in 1994. Dr. Boor's research focuses on identifying biological factors that affect transmission of bacteria in food systems, from the farm to the table. Dr. Boor is a Fellow of the American Academy of Microbiology, of the International Academy of Food Science and Technology, and of the Institute of Food Technologists. She also serves on the board of directors of the Foundation for Food and Agricultural Research, for which she chairs the Committee on Scientific Review, and on the board of the International Life Sciences Institute-North America.

Home » About ACES » ACES Leadership

# Paul N. Ellinger Head of Agricultural and Consumer Economics



pellinge@illinois.edu 217-333-5503

326 Mumford Hall 1301 W. Gregory Drive Urbana, IL 61801 Paul N. Ellinger is the Head of the Department of Agricultural and Consumer Economics and a professor specializing in finance and accountancy in the College of ACES at the University of Illinois.

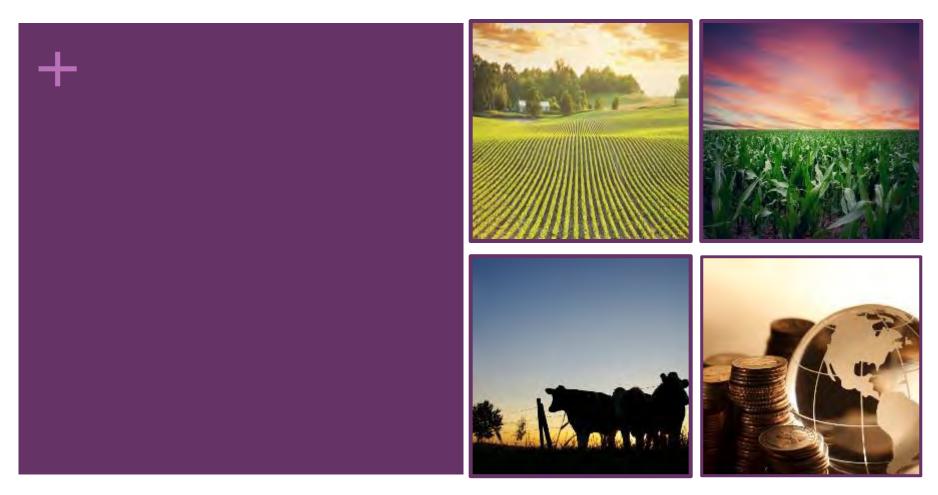
Ellinger received his bachelor's and master's degrees from the University of Illinois in Agricultural Mechanization and Agricultural Economics. He then completed his Ph.D. in the Department of Finance at the University of Illinois.

He later joined the faculty in the Department of Agricultural and Consumer Economics in 1995 after three years as an assistant professor at Texas A&M University. He has had undergraduate and graduate teaching/advising responsibilities in accountancy, financial management and financial institution management.

Ellinger's widely published research efforts have concentrated on financial modeling, credit risk, performance, merger activity, and financial management of institutions. He has been invited to speak on economic and financial risk management issues before government agencies, academic conferences, various industry groups, and numerous consumer stakeholder groups. He has also been an invited participant in lender, banker, executive development and director workshops across the United States as well as Canada, China and Europe. He has received multiple outstanding teaching awards in undergraduate, graduate and Extension education.

Ellinger is a fellow in the Academy of Entrepreneurial Leadership. He is an advisor for Vision for Illinois Agriculture. He is one of the principal developers of FAST software tools, a nationally awarded program that is designed to assist users in performing financial analysis, assessing investment decisions and evaluating the economic impacts of various management decisions.

He was raised on a grain farm in Livingston County.



Where Are We and How Did We Get Here? Looking at the Financial Plan for the Future

Paul Ellinger, PhD University of Illinois <u>pellinge@illinois.edu</u>



# Agenda



Reflection – how did we get here?

Perspectives from "front liners"

Financial Performance and Financial Vulnerability

Financial Planning in "newer normal"



# Reflection



# June 2008:

nCorn Price: \$ 7.47 / bu.

nSoybean Price: \$15.16 / bu.

nOil Futures: \$138.36 / barrel

nGasoline \$4.05 / gallon

nFed Funds 2%

nDow Ind. 12,630

nGM Stock \$18/share

nLehman Bros. \$36/share





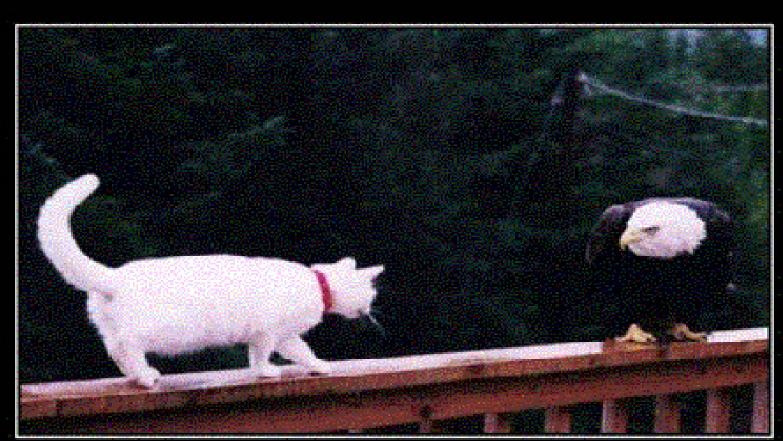
# Economic Conditions- 2008 / 09



- n Surging commodity prices
- n Increasing oil prices
- n Low and declining value of dollar
- n High ag exports
- n Inflationary pressures
- n Negative real interest rates
- n Increasing capital gains



# What did we learn? How we got here?



# OVERCONFIDENCE

This is going to end in disaster, and you have no one to blame but yourself.

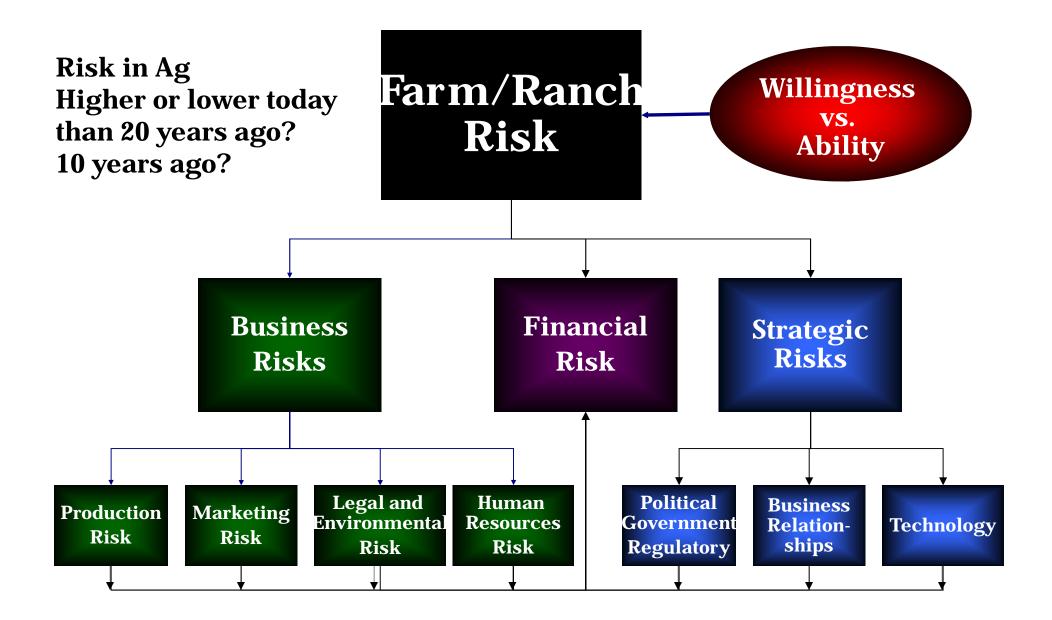
CONDESTABLEDIA

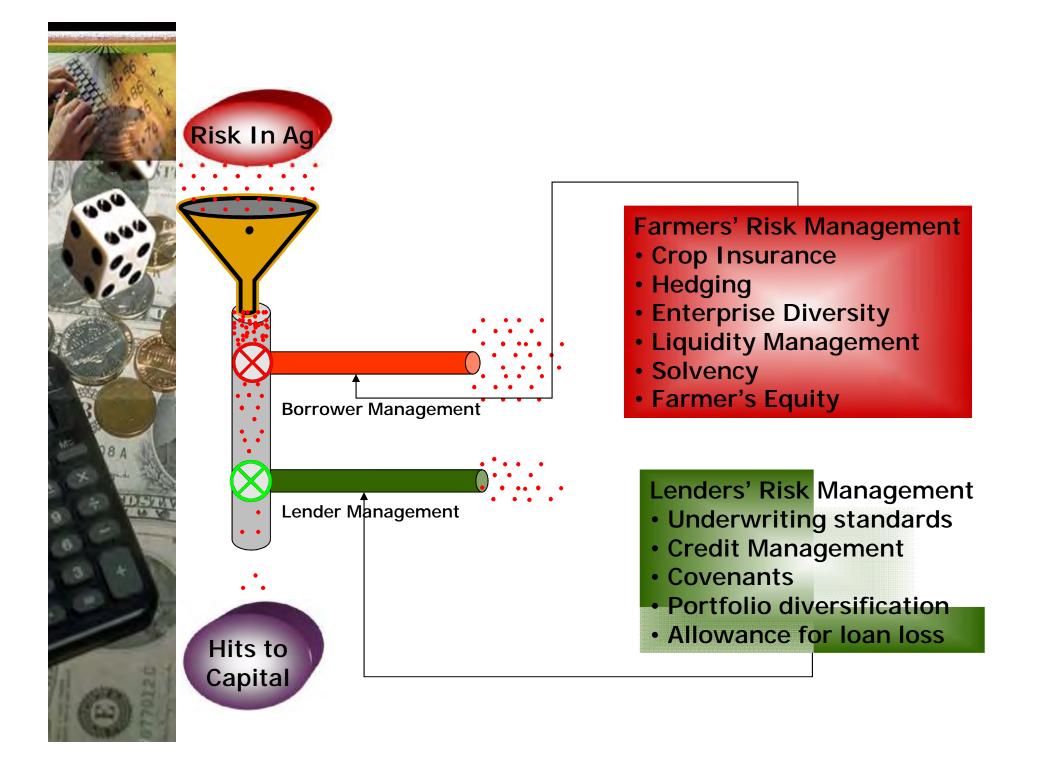


# What have we learned from housing and financial crisis?



- n Real estate prices can fall.
- n Low documentation loans often don't work.
- n Credit spreads can widen quickly.
- n In crisis, diversification does not work well.
- n Pain can be severe.
- n Lack of regulatory "sympathy" to smaller institutions.
- n Total agricultural debt low relative to others.

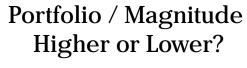




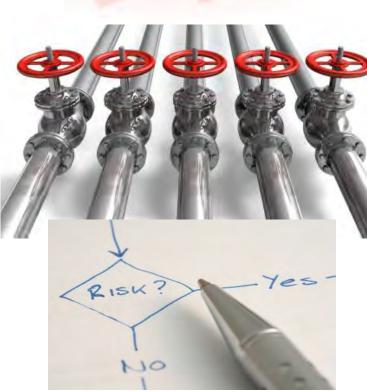


# Agricultural Weights Risks: different from 1980s, 90s, 00s?









Weights Different?

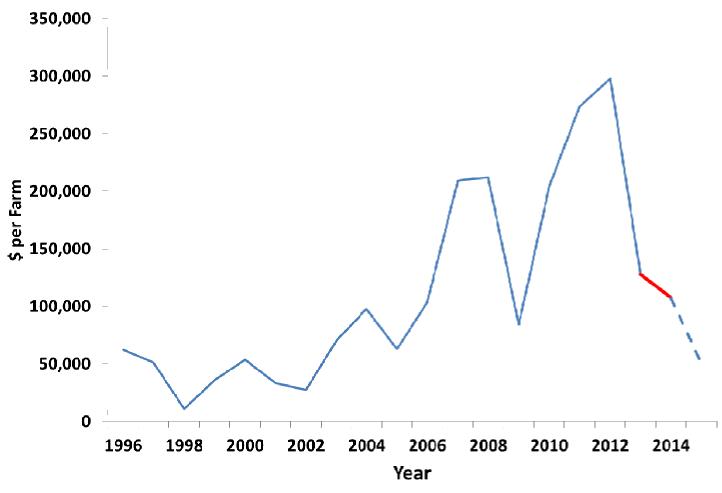
- **v** Farmers
- **v** Lenders
- **v** Suppliers
- **v** Government
- **v** Investors
- **v** Insurance Cos.
- **v** Consumers
- **v** Others

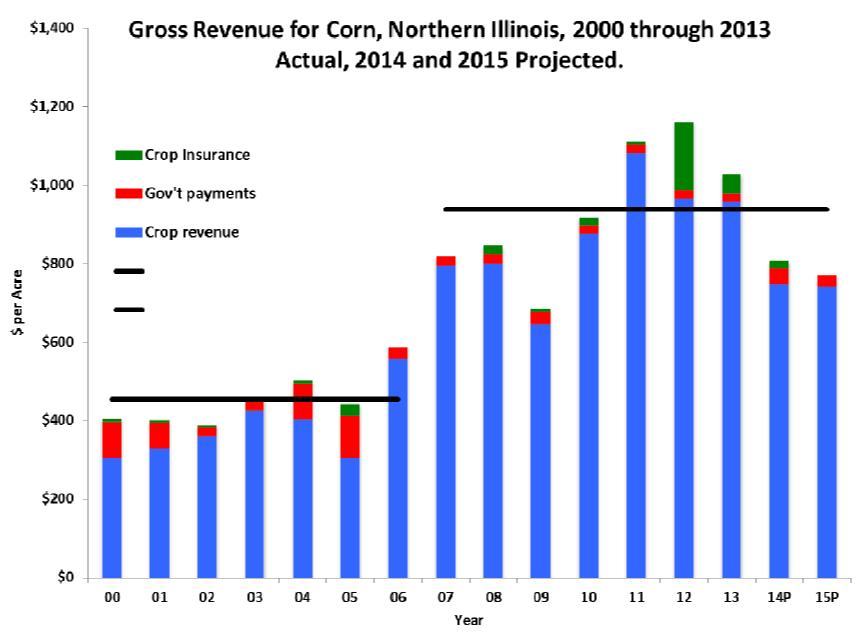
Can the "new" risk bearers manage the risks?



# Net Farm Income: Grain Farms, IL FBFM





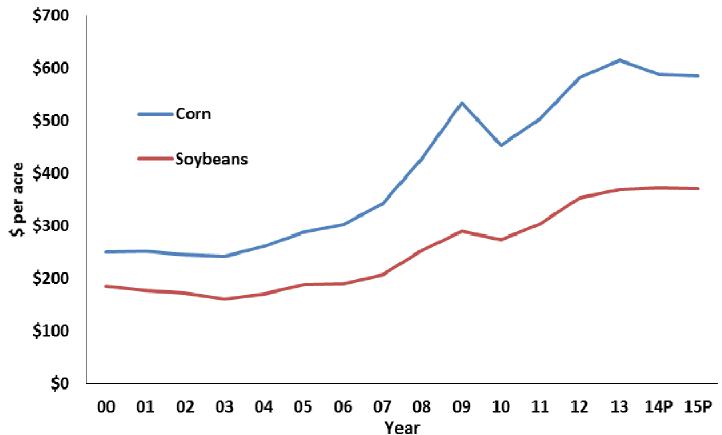


Source: Schnitkey



# Corn and Soybean Non-land Costs, Central Illinois

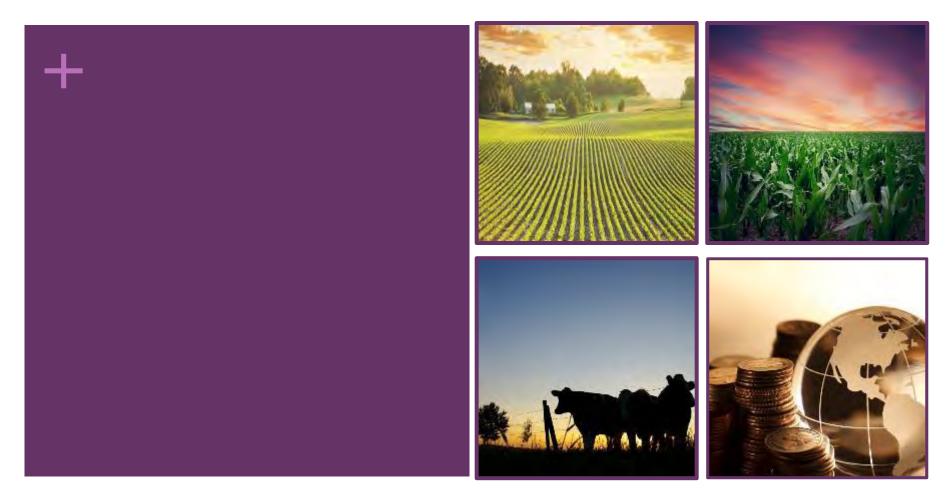




Source: Schnitkey

Table 1. Change in Non-Land Corn Costs from 2006 to 2013 by Cost Item, Central Illinois, High-Productivity Farmland

| _                    | Item                         | Category   | Change from 2006 to 2013 | 2013<br>Costs |
|----------------------|------------------------------|------------|--------------------------|---------------|
| _                    |                              |            | \$/acre                  | \$/acre       |
|                      | Fertilizers                  | Direct     | 111                      | 193           |
|                      | Seed                         | Direct     | 69                       | 114           |
|                      | Mach. depreciation           | Power      | 43                       | 63            |
|                      | Pesticides                   | Direct     | 26                       | 66            |
|                      | Crop insurance               | Direct     | 16                       | 27            |
|                      | Drying                       | Direct     | 13                       | 24            |
|                      | Fuel and oil                 | Power      | 10                       | 24            |
|                      | Machine repair               | Power      | 9                        | 22            |
|                      | Hired labor                  | Overhead   | 8                        | 16            |
|                      | Machine hire/lease           | Power      | 5                        | 11            |
|                      | Building repair and ren      | t Overhead | 3                        | 6             |
|                      | Utilities                    | Power      | 2                        | 5             |
|                      | Misc.                        | Overhead   | 2                        | 8             |
|                      | <b>Building depreciation</b> | Overhead   | 1                        | 5             |
|                      | Insurance                    | Overhead   | 1                        | 10            |
|                      | Storage                      | Direct     | 0                        | 8             |
|                      | Light vehicle                | Power      | 0                        | 2             |
|                      | Interest (non-land)          | Overhead   | -6                       | 11            |
| ource:<br>chnitkey - | Total                        |            | 313                      | 615           |



Perspectives from "front liners"



### Has ag financing changed over the recent boom years? How?



n Increased availability

- n Less stringent requirements on sound borrowers, more challenging requirements for marginal borrowers
- n More competitive "hot sector"
- n Higher levels: increased cost and land values
- n Rise in supplier credit
- n "Borrowing over the last 2-3 years reminds me of borrowing in the '70s! Every time our farm needed capital, the lenders response was how much and how soon and by the way send us a balance sheet"



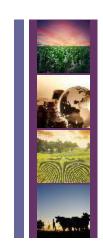
With expectations of a fading boom, how is ag financing likely to change over the next 2 to 3 years?



- n Restructuring, focus on adequacy of working capital
- n Credit losses revert to mean
- n Will new entrants remain?
- n Emphasis on cash flow
- n Frequency of financial statements
- n Expense management critical
- n More attention to interest rate risk
- n More guarantee activity



# What trends do you see emerging that are likely to continue?



- n Sector restructuring: decline of middle
- n Interest rate increases
- nTrend towards larger integrators
- n Continued aggressive land base acquisition and production
- n Well educated and informed producers
- n Use of producer risk management tools



What will farmers' balance sheets look like in 5 to 10 years? What will leverage look like?



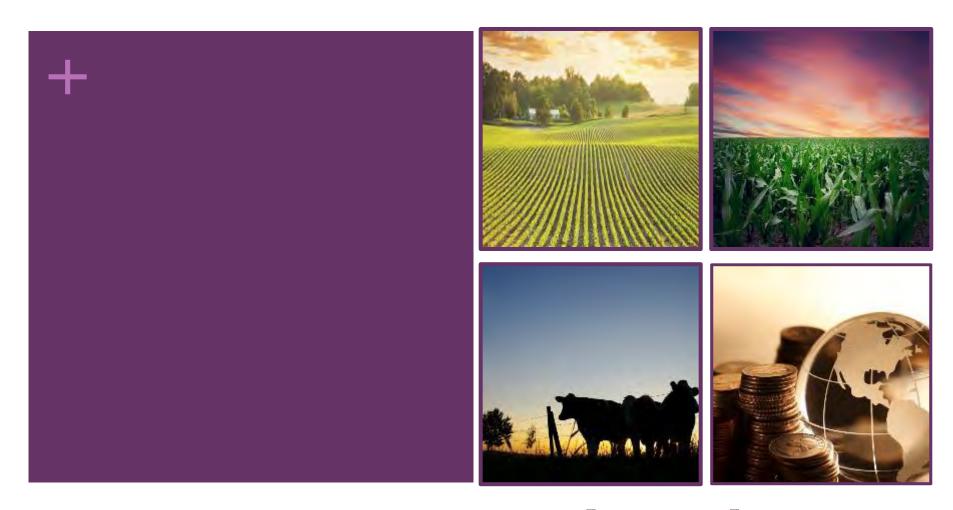
n Continued growth

n Increased focus on working capital

n Less appreciation of assets

n Risk management and production management drivers of level of leverage

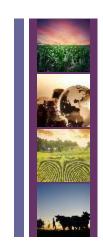
n More leverage changes with larger producers



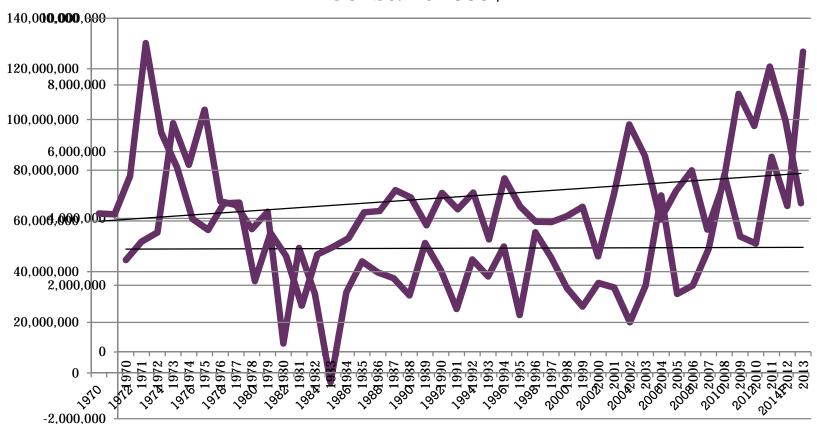
Risks in the "newer normal"



# Is this a new normal ... or reverting to old normal



Net Farrar Income Illinois Constant 2008 \$

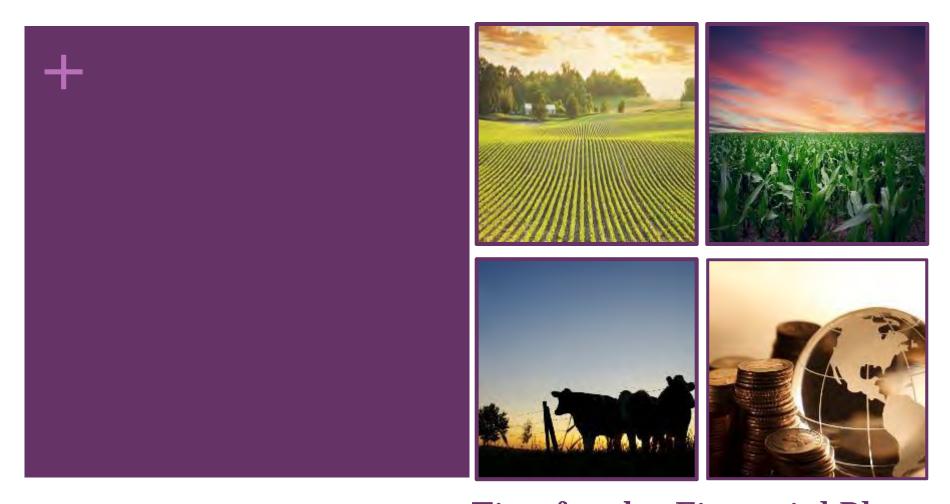




#### **Newer Normal**



- n Increasing interest rates
- n Widening credit spreads
- n Intra-year and inter-year variability
- n Management of working capital critical
- n Cost control



Tips for the Financial Plan - borrow from corporates



#### Financial Plan for the Future

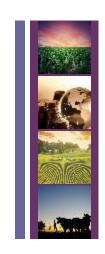


You and your associations are the value-added components

- Carefully prepared historical statements
- 2. Benchmarks and budgets
- 3. Forecasting and risk management tools
- 4. Your financial planning expertise in ag
- Planning is not a computerized or scored process



# Planning Tip #1: Follow the Cash Cash is King



### How to generate cash? How to use cash?





#### **Generating Cash**



- Bottom up income statement analysis
   Net income –> cost drivers -> revenue (WHY)
- 2. Separate revenue and cost analysis
- 3. Monitor and maintain margins
  - n In a commodity business, <u>low cost</u> producers usually win
  - n Separates high performing farms from average farms
- 4. Statement of cash flows
  - n Where is cash coming from? Or will come from? operations investing financing
- 5. Costs and production comparisons historic strength of record associations



#### Use of "Free Cash Flow"



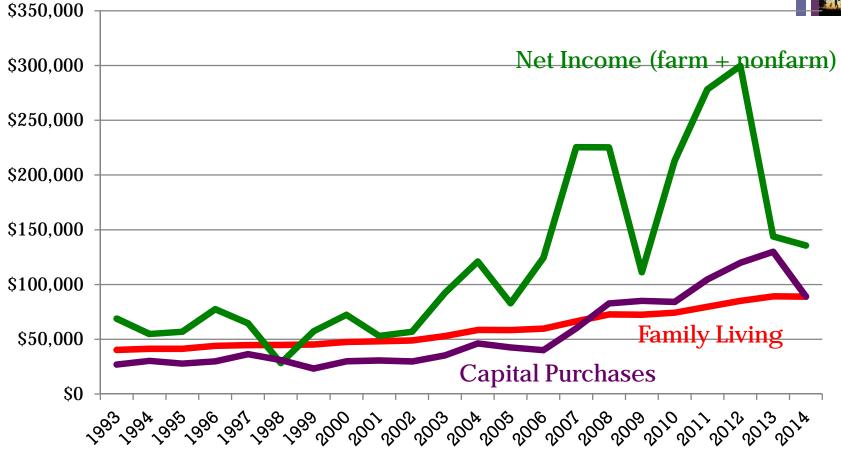
- 1. Invest in capital expenditures
- 2. Financial investments
- 3. Payoff debt
- 4. Family living

Free cash flow=net earned cash flow less ongoing/required capital purchases



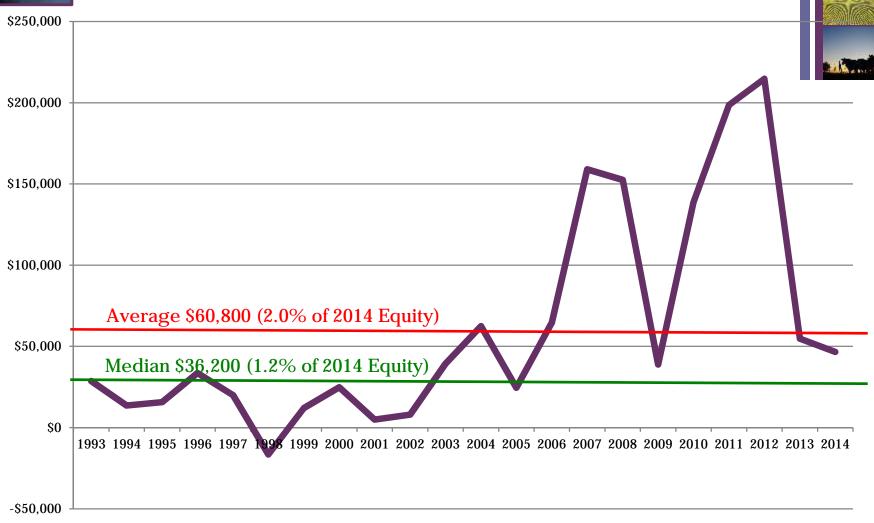
# Income, Living Expenses and Capital Purchases







#### Income less family expenses





#### Capital purchases - WHY?



n Have you seriously looked at the marginal return added to the operation?

Investment analysis

- n Is it actual returns, potential/contingent returns, timeliness, or ...?
- n If not returns, is it consumption?

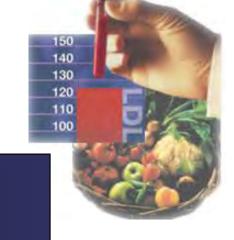


# Tip 2: Manage and Monitor Working Capital



#### Three Purposes of Liquidity

- 1. Transactions
- 2. Meet uncertainties
- 3. Investment opportunities

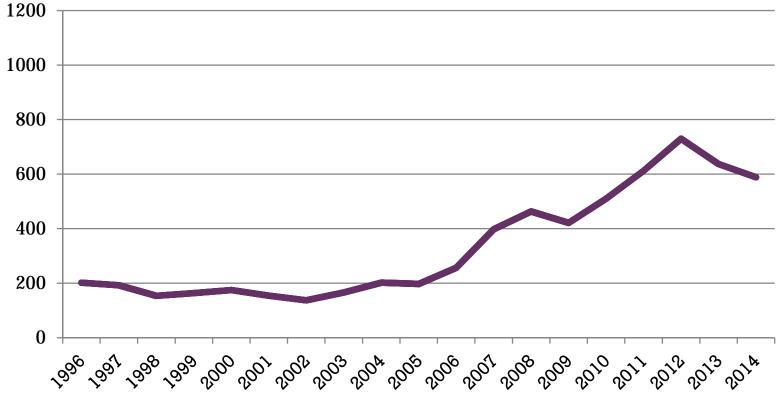


Too Much?



#### Working Capital Per Operator Acre

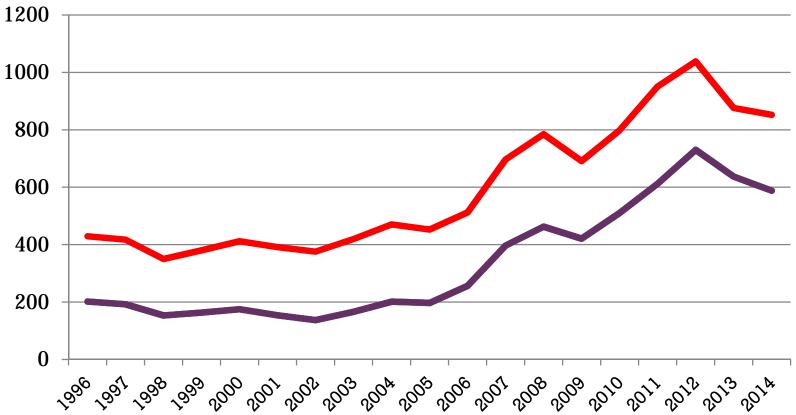




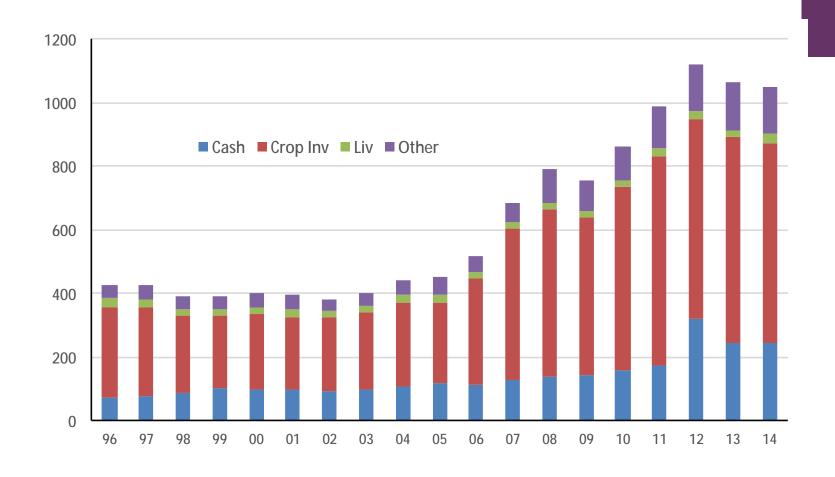


#### Working Capital and Gross Revenue per Operator Acre



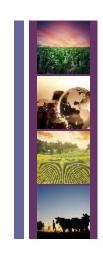


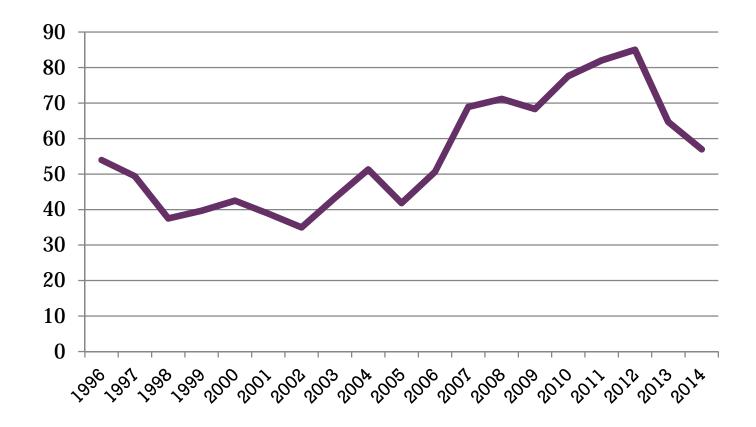
### <sup>+</sup> Components of Current Asset





# How many acres can working capital buy?







#### General Liquidity Benchmark

Current Assets – Current Liabilities



Working Capital
Gross Revenue

35-45% Strong

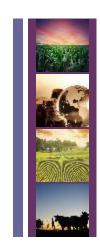
> 45% High performance/safety

Alternative: Cash Equivalents + Inventories less operating loans & current debt

But & Why .....



# Situational: What do these companies have in common?



n Exxon

n Novartis

n Walmart

n Procter and Gamble

n Verizon

n AT&T

n Phillip Morris

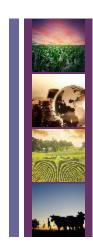
n Comcast

Current ratio

<=1.00



#### **Situational**



- n What is the risk profile? needs for reserves
- n Extreme values of current assets
- n What are the current and future needs
  - n Transactional
  - n Unforeseen
  - n Investment opportunities
- n What are the other sources of liquidity? Asset and liability liquidity.
- n What are the costs of those other sources?



### Tip 3: Interest Rates and Debt Situation will need closer monitoring

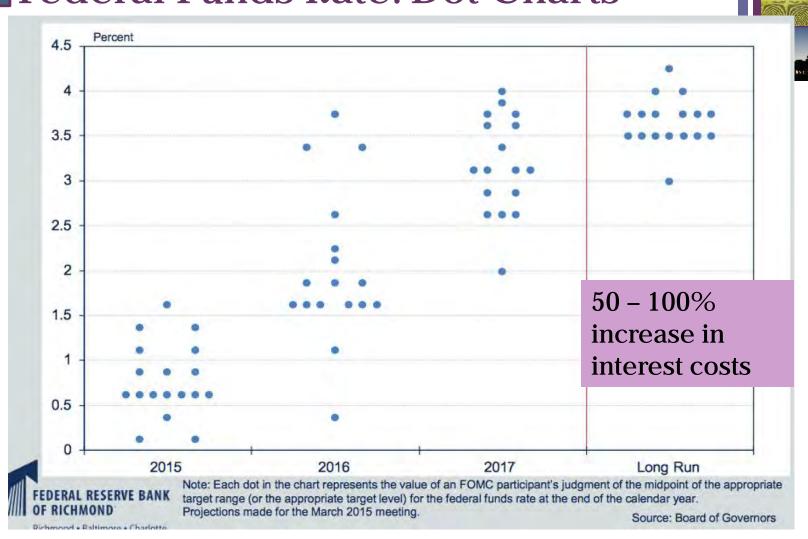


#### Increase in interest rates Potential consequences

- n Land valuation
- n Cost and margins
- n Credit cost and availability
- n Stock market reaction
- n Bond valuation



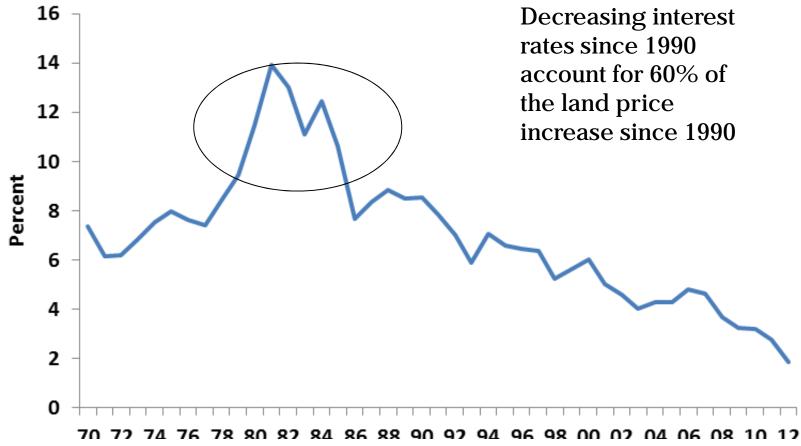
### Summary of Economic Projections: Federal Funds Rate: Dot Charts





#### 10-Year Treasury Note Yields



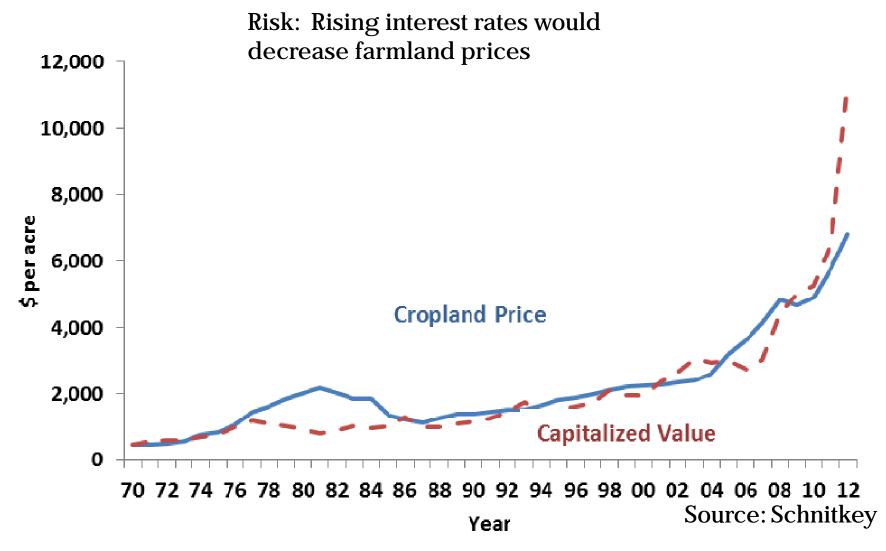


Source: Schnitkey



### Farmland Price to Capitalized Values







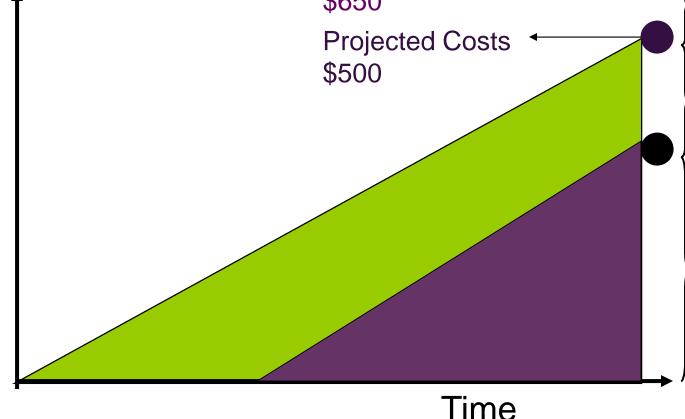
Level of Operating Loan? What is the borrower's equity



\$150

Equity in Loan \$100

Projected profit



**Projected Loan** \$400

Time

Plan for carryover next year



#### Debt Usage & Structure



#### Couple key questions to remind clients:

- Is debt a bad?
- 2. Should their objective be to minimize debt?



Renting Money



#### **How Much Debt?**



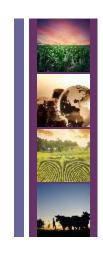
nBorrow corporate side (Moody's): calculate EBITDA (earnings before interest taxes and depreciation)

nStart with the net income (3 year average) n Add depreciation and interest

n Calculate Debt / EBITDA



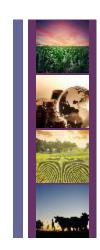
# One of many Moody's factors EBITDA / Debt



| Investment Grade | AAA | < 0.5     |
|------------------|-----|-----------|
|                  | AA  | .5 to 1.0 |
|                  | Α   | 1 to 2    |
|                  | Baa | 2 to 3    |
| Speculative/Junk | Ва  | 3 to 4    |
|                  | В   | 4 to 6    |
|                  | Caa | 6 to 8    |
|                  | Ca  | > 8       |



# Tip 4: Use tools to develop short and long-term budgets



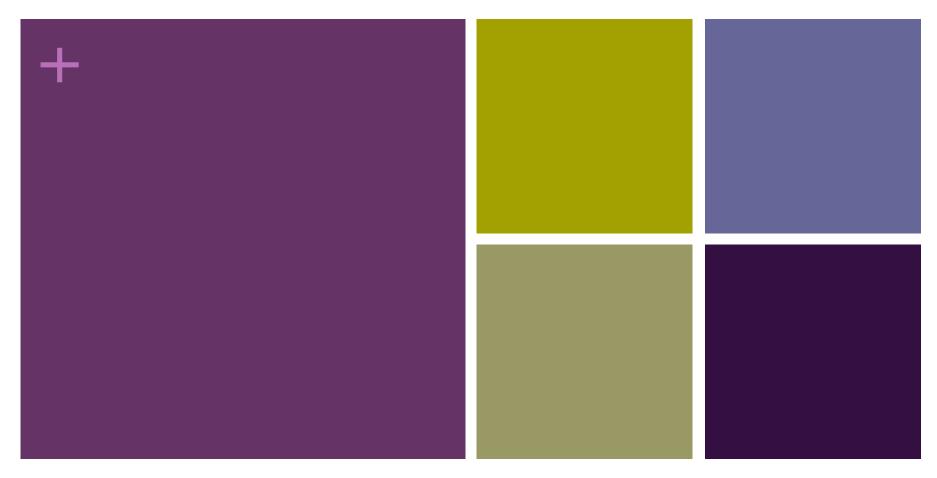
- n farmdoc, FAST and FINPACK
- n Investment and cash rent decisions:
  - n Evaluate the whole farm basis
  - n Cash flow and profitability impacts
  - n Sensitivity to alternative economic conditions
  - n Evaluate risk controls
  - n Communicates to internal and external teams



#### **Summary: Take Home**



- n Financial planning and cost cutting need specific planning
  - n Strong position for some farmers to avoid tough decisions
  - n Lenders likely forcing the issue on some this winter
- n Capital purchases and family living need careful thought/analysis
- n Cash rents?
- n Diagnostic and risk analysis
- n A few alternative approaches introduced
- n Keep asking why



Thanks! - Email me for copy of slides



#### Cornell University 2014 CARET Delegates

\_\_\_\_\_

James J. Bittner Bittner-Singer Farm 6620 East Lake Road Appleton, New York 14008

Phone: 716-778-7330 FAX: 716-778-7002

E-mail: Jim@BittnerSingerOrchards.com

Jim Bittner is the managing partner of Bittner-Singer Orchards, a five hundred acre fruit farm located in Northern Niagara County of New York State, along Lake Ontario near Niagara Falls. The farm currently grows apples (including some organically), sweet cherries for fresh sales and processing, tart cherries, peaches for fresh sales and processing, plums, apricots, nectarines and pears. Markets for the fruit include: Upick, Buffalo Market, delivery to retail farmers markets, servicing CSA's, and supermarket deliveries. Bittner is a first generation farmer. Previous to Singer Farms, Mr. Bittner was a partner in Retawta Farms, an 80-cow dairy. He received his BS degree from Cornell University in 1980. His wife, Margo Sue, is also a Cornell graduate and has an on farm winery called Winery at Marjim Manor. The Bittner's have three children. The oldest, Kevin, graduated from Cornell in 2004, and works on the farm. Daughter, Janet, graduated in 2006, works at the winery; and David, a 2008 Purdue graduate, also works on the farm.

Currently, Mr. Bittner is the Chairman of the NY Farm Viability Institute and Secretary/Treasurer for the Western New York Cherry Producers Cooperative, which processes tart cherries for 4 grower/members in Niagara County. He is also past president of the New York Horticulture Society, President of the Niagara County Farm Bureau, past president of the Niagara County Cornell Cooperative Extension Board and past president of the Barker Lions Club.

Revised 10/24/14

Brian Reeves is a partner along with his brother Mark in Reeves Farms LLC., a fresh market vegetable and berry farm in Baldwinsville, New York. They are the fourth generation to run the farm which has operated in the central New York area since the late 1800's. Reeves Farms currently grows about 300 acres of vegetables and berries in rotation with rye and various cover crops on about 450 acres of land and rents another 750 acres of ground to neighbors who grow field corn and soybeans. 95% of the produce grown is sold wholesale along with a fruit stand and pick your own berry business. About 90% of Reeves Farms' production is through conventional methods and about 10% is certified organic. Brian is the President of the New York State Vegetable Growers Association, Chairman of the Onondaga County Agriculture and Farmland Protection Board, and a board member of Onondaga County Farm Bureau.

I graduated from Cornell University in 1998 with a focus on Agricultural Business and Animal Science. Upon graduation I worked for First Pioneer Farm Credit as a loan officer. In 2001 I decided to return to production agriculture. I spent about a year working for a large dairy farm in southern Georgia prior to returning to the family farm. Currently we have about 6,500 cows on 3 locations with about the same number of heifers raised in house. We grow the majority of our forages ourselves on about 10,000 acres.



#### TORREY FARMS, INC.

Box 187, MaLTBY ROAD ELBA, NEW YORK 14058 foreyny@linc.com 585-757-9941 FAX 585-757-2528 www.foreylarms.com

#### MAUREEN J. TORREY

Maureen is a member of a 12<sup>th</sup> generation family farm located in Western New York which encompasses fresh market and processing vegetables, grain farm and dairy operations. She also operates a trucking company with her husband Paul Marshall.

She has served and participates in numerous organizations. She is past chairperson of United Fresh, director of the Produce Marketing Association, National Council Agricultural Employers Assoc. First chairperson of the USDA Fruit and Vegetable Advisory Committee, seven year Director of NY Federal Reserve – Buffalo, trustee of Genesee Community College, director on Erie Niagara Insurance and Summit Insurance Companies; director NYS Vegetable Growers Association and numerous community organizations. She participates in numerous local, state and national conferences as a speaker and information education source every year.

Most importantly she is the mother of three daughters.

#### Katie Pratt Advocate for Agriculture

Katie and her husband, Andy, are seventh generation farmers raising farm kids, corn, soybeans, and seed corn with Andy's family in north central Illinois. Katie grew up on a small farm raising cows, corn, beans and pigs and learned through 4-H and FFA, the value of listening and conversing with others about agriculture.

Today, Katie and Andy's farm serves as a platform to talk to people from all walks of life. In addition to hosting their adopt-a-classroom class from Chicago, the family has welcomed teachers, international implement dealers and bloggers to the farm. Katie serves as the county's ag literacy coordinator and brings Ag in the Classroom lessons to more than 3,000 youth attending elementary, jr. high and high schools.



She graduated from Truman State University in Kirksville, MO with a degree in journalism and agriculture economics, and has worked in convention management for the National FFA Organization, fundraising and development for Hospice of the Rock River Valley, and marketing for her local Extension unit.

Katie and Andy understand the need to invest in their own communities and do so with involvement in their church, 4-H, Fair Association, county farm bureau, township, and county's United Way. In 2011, they were named Volunteers of the Year for Illinois' Ag in the Classroom program. Recently Katie was inducted into the Illinois 4-H Hall of Fame and continues to support 4-H and FFA by encouraging students to join the farm/food conversation. She was also appointed to serve on the Illinois Committee for for Agriculture Education (ICAE).

Katie routinely shares the family's farm story on her blog Rural Route 2: The Life & Times of An Illinois Farm Girl at illinoisfarmgirl.wordpress.com. Through social media she strives to share a positive message about American agriculture and the choices both farmers and consumers share when it comes to food.

For two years (2012-14), Katie served as one of the Faces of Farming & Ranching by the US Farmers & Ranchers Alliance. She has met with consumers, food industry representatives in order to share her farm story, answer questions and encourages other farmers and ranchers to share their stories as well.

Katie shares her experiences with the farm/food conversation by participating in panel discussions and through keynotes and workshops. She has worked with many groups including:

- Illinois Farm Bureau Commodities Conference
- Illinois Agriculture Leadership Program
- 2013 National FFA Convention
- Kansas Farm Bureau Annual Meeting
- Northern Illinois 4-H Leadership Experience
- BASF Regional meetings
- Cultivating Master Farmers class
- Women Changing the Face of Agriculture conference
- Wisconsin Corn/Soy Expo
- Common Ground



#### Steve Richards

Steve Richards is the General Manager of Casa Larga Vineyards. Steve's background includes more than twenty years of experience in the agriculture, food and beverage industries. Steve's career began in quality assurance and production management for ConAgra Foods in Grayson, Kentucky and Bob Evans Farms in Columbus, Ohio. In 1998, Steve moved to New York to work for Cornell University, where he authored 17 workbooks on family business management and succession. Steve first started working in the New York wine industry as a business consultant for Farm Credit East in 2006, when he developed the Winery Benchmark, a profit enhancement tool that serviced over 50 wineries in 8 states.

Steve is very happy and enthusiastic about his position with Casa Larga. Steve's first initiative is to revamp production scheduling and quality assurance practices, followed by a dynamic product development program. Stay tuned for new and exciting things from Casa Larga in the near future.

# **Winery Management**

National Farm Management Conference 6/15/2015

Steve Richards

#### **Presentation Outline**

- About me
- The Dynamics and History of the Finger Lakes wine industry
- **p** The challenges of Winery Management
- The financial realities of Winery Management

1



# **Personal Biography**

- P The Ohio State University: BS in Food Science, minor in Agribusiness
- Antioch University: MM Management
- p OSU again: MS Economics



# **Personal Biography**

- Currently the General Manager of Casa Larga Winery, Previously Glenora Wine Cellars
- Consultant/Educator: Farm Credit East, Cornell University
- Previous Food Processing: ConAgra Foods and Bob Evans Farms

# **Industry History and Dynamics**

# **Finger Lakes Wine Industry**

- p Grape Farming: a great way to farm!
  - n Taylor Wine Incident
  - n Concord Grapes: a long downhill slide
  - n The Farm Winery Act
- Planting of different varieties



## **Finger Lakes Wine Industry**

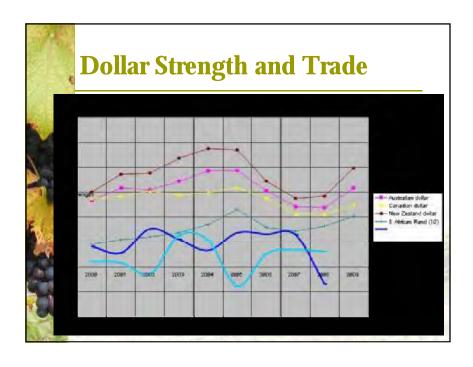
- p Grape farmers learned how to make wine
  - n Or they hired a winemaker!
- "What do we do with all this wine?"
  - n Inventory control!
  - n Learning how to SELL all that wine
- Started the ball rolling...
  - n Planting and replanting....
  - n Wineries popping up all over...

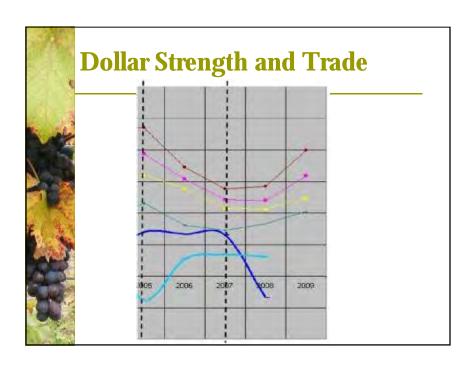
# markets answer.

## **Finger Lakes Wine Industry**

- p Finger lakes becoming a mature market place....
- More wine diverted into wholesale
- p "How do we become more profitable?" is becoming a harder question to
- p Hmmm....

# Finger Lakes Wine Markets p Wholesale sales: competing with the world. p Retail sales: competing with each other.





## **World Wide Wine Markets**

- Bulk wine is where you see a lot of movement, not just finished wine.
- p 2013 there was speculation of a wine shortage, but that is not the case.
- California finally caught on to the sweet wine phenomenon....and it has eaten into the New York sweet wine sales.
- p Current Economy? You tell me.

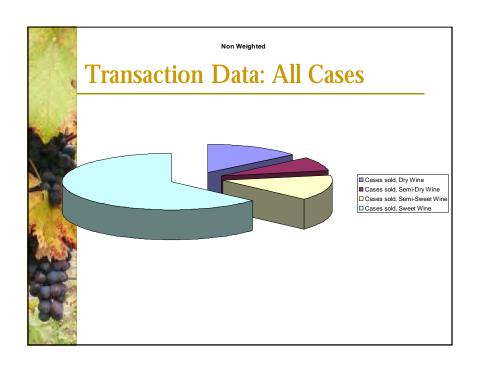


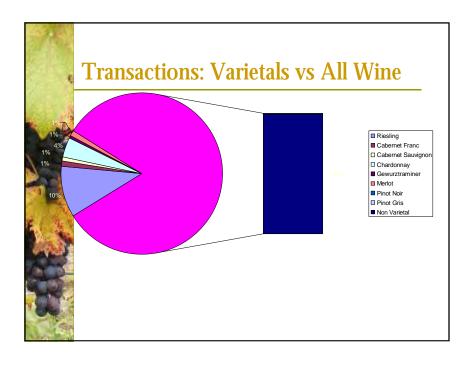
#### **World Wide Wine Markets**

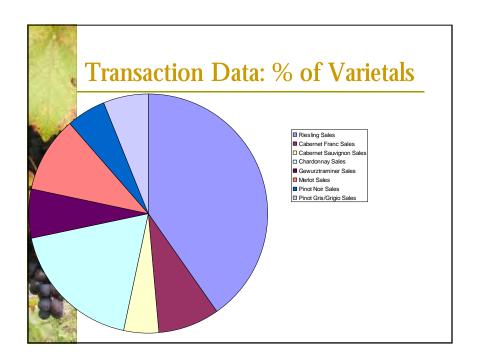
- The alcohol distribution and sales system is not a free market by any means.
  - n U.S. is heavily regulated, mandating a 3 tier system
  - n Advertising and market access are as strong drivers of what the consumer can choose from.
  - n Consolidation of distributors has made market access more tricky

# Retail Wine Markets Do What are some things that

- What are some things that separate one's retail skills from another?
- <u>Marketing Skills</u>, getting people in winery
- p Customer Skills, selling the experience
- p Product mix and pricing







# **Winery Outlook**

- New York State Winery Retail Sales
  - n 2007: The end of the "good old days"
  - n 2008: mixed results, with most seeing some drop as gas prices rose.
  - n 2009 was a recession, sales were flat.
  - n 2010 saw a recovery of tourism
  - n 2011 is flat versus 2010.
  - n 2012 flat versus 2010 "Flat is the new up!"
  - n 2013: variable, with some recovery
  - n 2014: suspect consumer spending will rise



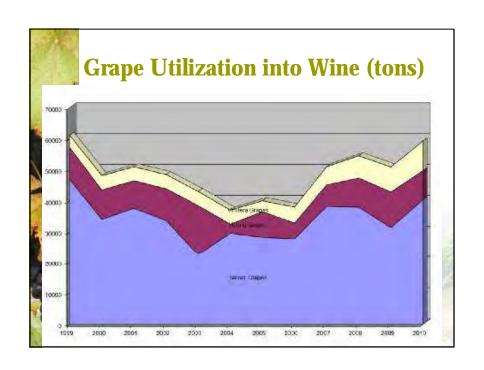
## **Winery Outlook**

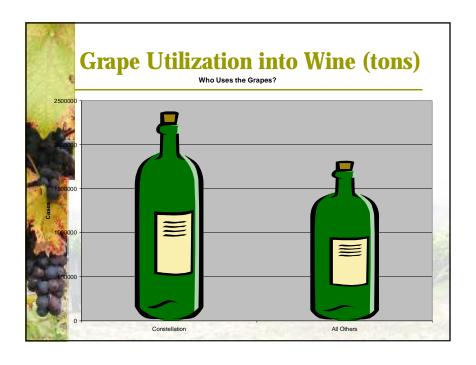
- NYS Winery Wholesale Sales
  - n A very mixed bag, depending upon the winery, the distributor, and the support the winery provides the distributor.
  - n A controlled marketplace not perfect competition by any means.
  - n A good way to forecast Wholesale sales is to watch Restaurant sales forecasts

# Wine Inventories and Grape Utilization



- n Inventories were high from 2007 and 2008
- n 2009 was a recession year
- n 2010 saw sales increase, but not enough to balance supply.
- n Prediction for 2011 grape supply and demand will be back in order.
- n 2012: late frost and grape shortage=deficit
- n 2013: a balanced supply and demand
- n 2014: balanced supply to short
- n 2015: Slightly short (prediction)





# Winery Financial Management

# **Record Keeping Challenges**

- **p** No standard accounting practices
- Quasi-Accrual accounting method?
- p The manufacturing process?
- p Different business models



# **Keys to Financial Success**

- Cost control/Efficiencies: labor and inventory
- Capital Costs/Efficiencies: overhead costs and capital costs
- **p** Efficient winery size? Vineyard size?
- p Different business models



# **Inventory Efficiency**

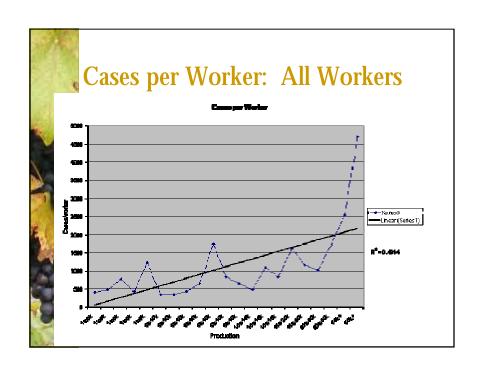
- p Years of sales in inventory
  - n 1.5 to 3 years of sales
- Number of inventory 'turns' per year
  - n Usually less than one.
  - n How do you get more than one?
- Wholesale= inventory clearing house for most wineries

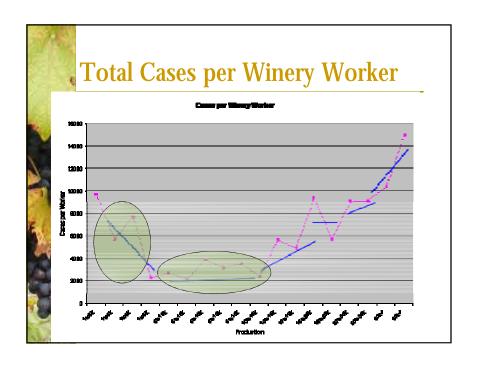


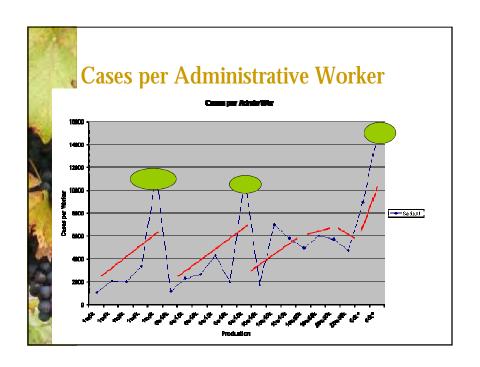
- P How can inventory demands sink your winery?
  - n Rapidly growing sales = margin call!
  - n Banks do not want to finance inventory
    p Banks don't want to finance anything right now.
  - n Contrary to popular thinking, old wine inventory is not good either
  - n May be forced to liquidate at low prices

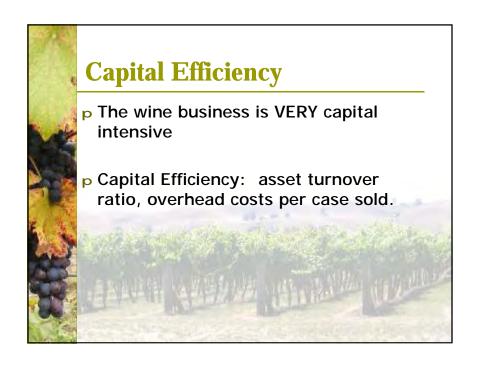
# **Labor Efficiency**

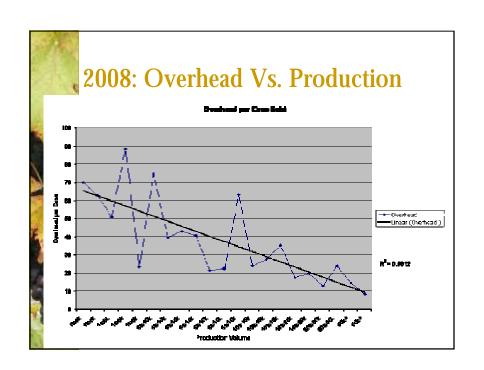
- p Balancing the volume of work for the volume of people employed.
  - n Sales are seasonal
  - n Growing is seasonal
- p Labor cost and specialization
  - n Labor utilization
  - n Labor cost
  - Administrative labor costs are the real killer!

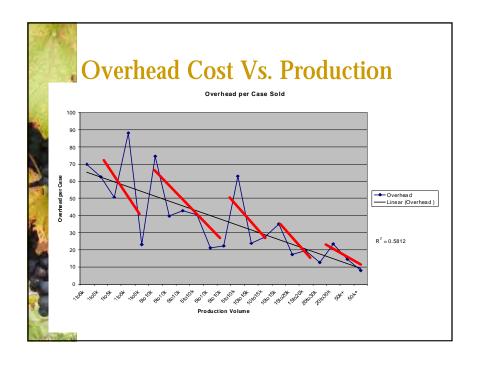


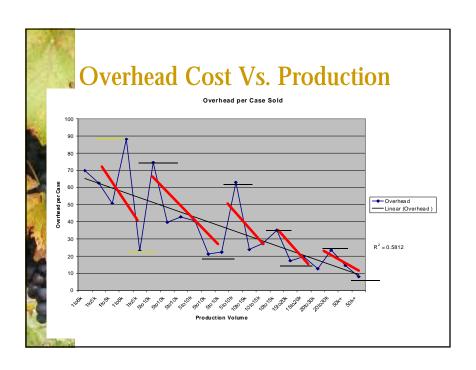












# **Starting Your Own Winery?**

- p How to start a winery and be:
  - n Capital Efficient?
  - n Labor Efficient?
  - n Cost Efficient?
- **p** Different Business Models
  - n Retail, Winemaking, and grape growing
  - n Retail and Winemaking
  - n Retail tasting room only
  - n Brand only



# **Working for a Winery?**

- Managing Employees
  - n Piece rate, hourly, and degreed professionals
- Working for an owner/multiple owners
  - n No board of directors
  - n Not many layers of management
  - n Off premise owners and investors
  - n Can create wild swings in direction and spending



# **Questions?**

- p Thank you for inviting me!
  - p www.casalarga.com
  - p srichards@casalarga.com

Margaret E. Smith Plant Breeding and Genetics School of Integrative Plant Science Cornell University



Margaret E. Smith joined the Cornell faculty in 1987 in Plant Breeding and Genetics, focusing on corn breeding. Since 2008 she has served as the Associate Director of the Cornell University Agricultural Experiment Station, and devoted the other portion of her time to research and extension related to plant breeding. Her research is primarily on field corn, but also includes work on sweet corn. Her program emphasizes breeding for productivity and adaptation to New York growing conditions, improving insect and disease resistance, adapting varieties to more sustainable production systems, and breeding for organic systems. Margaret has served as the Extension Leader for Plant Breeding and Genetics since 2001. In her extension role, she conducts educational programs for agricultural audiences on crop varieties and seeds, and provides educational programming about plant genetic engineering for a wide range of public audiences, including policy-makers. Before coming to Cornell, Margaret worked for several years in Latin America, first as a plant breeder at the Tropical Agriculture Center for Research and Teaching in Turrialba, Costa Rica, and later as a corn breeder at the International Maize and Wheat Improvement Center in Texcoco, Mexico. She currently collaborates on a plant breeding graduate education project in Ghana and serves on the advisory board for a dryland cereal improvement project based in India.

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The Winery | Special Events

Cart 0 items: \$0.00



Our Story

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#### THE WINERY

#### **Our Story**

History

Vineyard &

Winemaking

Ice Wine

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Wine Clubs

**Events & Festivals** 

Distributor and Trade

Events & Festivals

Distributor and Trade

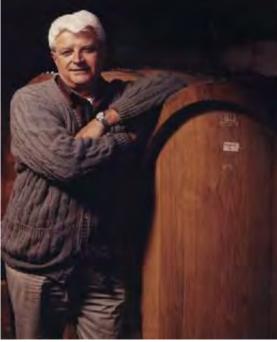
# Our Story

In 1974, Andrew Colaruotolo started Casa Larga Vineyards as a hobby, seeking to produce wine reminiscent of wines produced by his family's vineyard in Italy. Casa Larga's first 3 wines were produced in 1978, earning silver and gold medals in the first competition in which they were entered.

Now, 40 years later, Casa Larga Vineyards continues this tradition of excellence - producing high quality, award winning wines, and growing to be one of the leading wine producers in New York's Finger Lakes Region.

The Colaruotolo family has carried on Andrew Colaruotolo's dream of building a quality vineyard, seeking to not only showcase the quality wines that can be produced in New York State, but also to remain dedicated to

preserving the Italian heritage from which the vineyard has grown.



# Tuesday

#### Achievement thru Better Records

2015 National Conference Rochester, New York Committee Activities Tuesday June 16 7:45 am

#### **Program**

- 1. Information is needed to evaluate success of 2015 conference.
- 2. Update on 2016 conference; topics, presenters, tours; planning committee
- 3. Selection of 2017 site and planning committee members needed.
- 4. Discussion of 2018 location
- 5. Suggestions about new on-line conference registration process.
- 6. Comments on pre conference early career activity.
- 7. Discussion of electronic notebooks vs. paper notebooks

#### **Technology**

- 1. How should we participate in social media, apps, other new tools?
- 2. What new developments are occurring with data analysis software?
- 3. What websites do staff often utilize? Are states' websites fresh?
- 4. What tax prep, accounting software is being used among states?
- 5. How are staff best utilizing data protection methods?
- 6. Are there specific Lacerte tax topics we'd like to discuss Wednesday?

#### **Administrative**

- 1. Conduct annual audit of treasurer books.
- 2. Identify new and retired members.
- 3. Review by-laws for any changes.
- 4. Publicity opportunities for staff attending conferences.
- 5. Other suggestions for president, executive director, secretary-treasurer.

#### National Farm Financial Standards

- 1. Identify upcoming meetings.
- 2. Seek NAFBAS budget assistance as needed.
- 3. What have been the key developments in the past couple of years?
- 4. Provide for continuing leadership in this effort.
- 5. What are the key topics to be addressed and how should NAFBAS respond?

Suggestions offered by: Bob Rhea 5/31/2015



# National Association of Farm Business Analysis Specialists

#### Achievement thru Better Records

#### 2015 NAFBAS Committees: Rochester NY Conference

#### **Executive**

Conducts the annual meeting, makes committee assignments, conducts the Board of Directors meeting, and carries out duties as provided in the by-laws and as directed by the membership through the Board of Directors.

President: Jim McCabe (IL) Vice President: Don Nitchie (MN) Past President: James Huschka (KS) Secretary/Treasurer: Anthony Barrrett (NE) Executive Director: Bob Rhea (IL)

#### **Program**

Assist in the planning and site selection of the upcoming national meeting with the host state. Develop additional professional development opportunities as directed by the membership.

Chair: Jim McCabe (IL) Rush Midkiff (KY) Jeff Marquis (IL) Robert Page (AL) Virginia Berger (IA) Michelle Greenlee (NE) Cody Stewart (IL) Don Nitchie (MN) Scott Laird (KS) Katelyn Thompson (MI)

#### **Technology**

Combines the efforts of three previous committees: Association Analysis, Farmer Usage of Computers, and Tax Preparation with Computers. To provide methods for members to stay informed of technoloby advances which assist our programs. To study various analysis programs. To study new computer software. To suggest services NAFBAS members can utilize to enhance our programs.

Chair: Rob Holcomb (MN) Mark Dikeman (KS) Laura Powers (KY)
Brad Zwilling (IL) Mark Wood (KS) Dan Entile (IL) Mitch Fickling (IL)
Adam Kantrovich (MI)) Tabitha Weber (WI)

#### **Administrative**

Combines the efforts of four previous committees: Audit, Membership, Policy, and Public Relations. Conduct annual audit of NAFBAS treasurer books. Monitor, review, and recommend changes to by-laws and code of ethics. Work with host state to provide publicity for NAFBAS meeting and for member recognition in their local area. Recognize new members and retiring members.

Chair: Michael Bruns (IL) Carla Doubet (IL) Debra Lueloff (WI) Tarrah Hardin (KY) Jared Gonnering (WI) Ruth Ann McGrew (IL)

#### **Professional Papers**

Recognize efforts by members to submit professional papers for review at the NAFBAS annual meeting.

Chair: Kent Vickre (IA) Michael Harer (WI) Dwight Raab (IL)

Jerry Pierce (KY) Kevin Herbel (KS)

#### **National Farm Financial Standards**

Serve as the NAFBAS representative on the FFS committee, keep our members updated on the developments and issues related to FFS, and carry our concerns and positions to FFS.

Chair: Kent Meister (IL) Dale Nordquist (MN) Anthony Barrett (NE) Roberta Boarman (IL) Charles Wilken (KS) Renee Setzer (WI) Bob McHugh (IA) Jonathan Shepherd (KY)

#### **USDA Committee – Joint Committee with NFRBMEA & North Central Extension**

Ira Beckman (MN) Doug Wertish (MN) Gary Schnitkey (IL) Charles Wilken (KS)

Kevin Klair (MN) Gregg Ibendahl (KS) Jeff Johnson (IL)

#### Conference Resource & Fundraising

This committee works with NFRBMEA to solicit funds for conference support.

Adam Drinkall (IL) Brett Goodwin (IL) Jim McCabe (IL) Wayne Pike (MN) Will Walter (SD)

**2015 Conference Planning** Brett Goodwin (IL) Doug Hileman (IL) Carla Doubet (IL)

Adam Drinkall (IL) Jim McCabe (IL) Mark Holkup (ND)

Jim McCuistion (CO)

2016 Conference Planning Alissa Fosdick (IL) Don Nitchie (MN) Bob Rhea (IL)

**2017 Conference Planning** Need to select during the 2015 business meeting



#### National Farm & Ranch Business Management Education Association, Inc.

...Teachers delivering knowledge that works to North America's Farm and Ranch Families

# NFRBMEA Annual Business Meeting Agenda Tuesday June 16<sup>th</sup> 7:45 AM Reconvening on Thursday June 18<sup>th</sup> at 10:45 AM

| 1.  | Call to order                             | Jim McCuistion          |
|-----|---|-------------------------|
| 2.  | Approve Agenda                            | Jim McCuistion          |
| 3.  | Secretary's Report                        | . Rodney Armstrong      |
| 4.  | Treasurer's Report/Audit Report           | . Myron Oftedahl        |
| 5.  | Roll Call of States                       | . Rodney Armstrong      |
| 5.  | Bylaw concerns on membership              | . Jim McCuistion        |
| 7.  | Communications Director's Report          | Deb Pike                |
| 8.  | Office Nominations                        | Past Presidents         |
| 9.  | NFRBMEA Annual Report                     | Jim McCuistion          |
| 10. | Conference Sponsorship Coordinator Report | Wayne Pike              |
| 11. | Report on CHS Scholarship Program         | Doug Wertish & Jim Kelm |
| 12. | National Council for Ag Education Report  | Josh Tjosaas            |
| 13. | 2015 National Conference Report.          | Mark Holkup             |
| 14. | 2016 Conference Report South Dakota       | Will Walter             |
| 15. | Election of Officers and Board Members    | Past Presidents         |
| 16. | Adiourn                                   |                         |

NFRBMEA, INC. is a Non-Profit 501(c)3 Corporation www.nfrbmea.org

#### NFRBMEA Income Statement 2012-2013 Compared to Budget

|  | Ac             | tual 13-14         | Budget 14-15           | Ad             | tual 14-15         |
|--|----------------|--------------------|------------------------|----------------|--------------------|
| INFLOWS  |                |                    |                        |                |                    |
| Advertising  | •              | 0.000.00           | \$400.00               | •              | 0.047.00           |
| Conference Net Revenue Dues 126 @ 30                 | \$             | 3,623.09           | \$5,000.00             | \$             | 3,317.38           |
| Interest Income                                      | \$<br>\$       | 3,860.00<br>460.12 | \$4,000.00<br>\$100.00 | \$<br>\$       | 3,660.00<br>354.93 |
| Fall Board Mtg R                                     | φ              | 400.12             | φ100.00                | Ψ              | 334.93             |
| Schola rships & Conference                           | \$             | 14,000.00          |                        | \$             | _                  |
| Total Revenue  | \$             | 21,943.21          | \$9,500.00             | \$             | 7,332.31           |
|  | •              | ,-                 | <b>\$</b> 3,23333      | ·              | .,                 |
| OUTFLOWS   |                |                    |                        |                |                    |
| Awards and Recognition                               | \$             | 345.00             | \$300.00               | \$             | 49.87              |
| Board Meeting Ex                                     | \$             | 2,413.92           | \$ 3,000.00            | \$             | 1,055.30           |
| Conference Expense-CFFM                              | \$<br>\$<br>\$ | 42.00              |                        | \$<br>\$<br>\$ | 38.25              |
| Legal & Prof   | \$             | 200.00             | \$500.00               | \$             | 250.00             |
| National Council Contribution                        | \$             | 2,000.00           | \$2,000.00             | \$             | 2,000.00           |
| National Council Travel<br>Publications/Nuts & Bolts | \$<br>\$       | 1,480.67           | \$2,000.00             | \$             | 1,243.53           |
| Recruitment/Special Projects                         | Ф              | 290.00             | \$350.00               |                |                    |
| Supplies, Copies, Postage                            | \$             | 116.54             | \$200.00               | \$             | 79.69              |
| Treasuer compensation                                | \$<br>\$       | 500.00             | \$500.00               | \$             | 500.00             |
| 2014 Conferenc e                                     | \$             | 4,000.00           | Ψ000.00                | \$<br>\$       | -                  |
| 2014 CHS Scholarship                                 | ·              | •                  |                        | \$             | 10,000.00          |
| Donations  |                |                    |                        |                |                    |
| Web Page Expense                                     | \$             | 4,000.00           | \$4,400.00             | . \$           | 4,038.80           |
| Total Expenses                                       | \$             | 15,388.13          | \$13,250.00            | \$             | 19,255.44          |
| CHS Sc holarship -encumbered                         | \$             | 10,000.00          |                        |                |                    |
| Total Expenditures                                   | \$             | 25,388.13          |                        |                |                    |
| Inflow- Outflow                                      | \$             | (3,444.92)         | (\$3,750.00)           | \$             | (11,923.13)        |

2014-15 Conference revenue includes \$500 received for 2013 Kansas City Conference.

2014-15 Conference expense of \$10,000 is encumbered in 2013-14.

## 2013-2014 NFRBMEA Balance Sheet

|             |                                     |    | As of March 31, 2014 |    | As of March 31, 2015 |  |
|-------------|-------------------------------------|----|----------------------|----|----------------------|--|
| Assets      |                                     |    |                      |    |                      |  |
|             | NFRBMEA Checking                    | \$ | (190.13)             | \$ | 13,787.36            |  |
|             | CHS Scholarship for 2014 Conference | \$ | 10,000.00            | \$ | -                    |  |
|             | Total Checking                      | \$ | 9,809.87             | \$ | 13,787.36            |  |
|             | Total Current Assets                | \$ | 9,809.87             | \$ | 13,787.36            |  |
|             | CD# 20568 , 8/19/2014 matures       | \$ | 6,207.05             | \$ | -                    |  |
|             | Ameriprise                          | \$ | 20,401.29            | \$ | 10,707.72            |  |
|             | National Farm Mgmt. Conference      | \$ | 2,500.00             | \$ | 2,500.00             |  |
|             | Total Other Assets                  | \$ | 29,108.34            | \$ | 13,207.72            |  |
|             | Total Assets                        | \$ | 38,918.21            | \$ | 26,995.08            |  |
| Liabilities |                                     |    |                      |    |                      |  |
|             | CHS Scholarship 2014 Conference     | \$ | 10,000.00            | \$ | -                    |  |
|             | Total Liabilities                   | \$ | 10,000.00            | \$ | -                    |  |
| Equity      |                                     |    |                      |    |                      |  |
|             | Equity                              | \$ | 28,918.21            | \$ | 26,995.08            |  |

# Tour One Browns Berry Patch Torrey Farms



OTTZUTO ADOUT US



WELCOME! ABOUT US AWARDS HISTORY LOCATION

ORCHARD DALE FRUIT CO.

# About Us

#### What are we?

Orchard Dale Fruit Farms began as a family farm in 1804. We have grown a wide variety of fruit for wholesale and retail markets. "Grandma" Brown fought off the British during the War of 1812, and over our 200 years of history, we have adapted agricultural practices to try to remain competitive.

Brown's Berry Patch was added to the operation 20 years ago to offer visitors:

• The opportunity to pick-your-own fruit



6/7/2015 ADOLEUS

• Experience how fruit is grown on a farm Grandma Brown with Gift Box

- Special events
- Farm market
- Country gift shop and gourmet foods
- Deli, bakery, grill
- Ice cream and fresh baked pies
- Barnyard Adventure play area and farm animals for children



### Who are we?

Over the years, seven generations of Browns have operated the farm which today is known as Orchard Dale Fruit Farms and Brown's Berry Patch. Currently, Robert Brown II and Deborah oversee marketing of the operation; Eric Brown & Robert Brown III run the

agricultural side. Seven family members work on the farm.



© 2015 Browns Berry Patch · Website by Lynne Menz Designs

Home

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Commodities

ties Location

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Pictures



### **Torrey Farms**

PO Box 187, Maltby Road Elba, NY 14058 585-757-9941



Torrey Farms Inc. is a family farm operation located in Elba, New York. The Torrey Family left England in 1626 because of disagreements with the church. They first settled in Connecticut and slowly moved west looking for better soil.

In 1803, John Torrey arrived in Bethany, Genesee County, New York. In the year 1948, Elbert Torrey purchased the Higley Farm in Elba. In 1954, Charles Torrey, Elbert's oldest son moved to Elba to farm. In the mid '70's his two sons, John and Mark joined him in farming and purchased a packing shed and 146 acres of land and began operating on Maltby Road; in the fall of 1978 their sister Maureen came back to work between jobs and ended up staying with the family business.

Charles Torrey had excellent farming skills, a strong work ethic, and was a visionary. Each of his children had different talents that complimented each other. Torrey Farms Inc. was off and running.

They realized soon that they needed to control all aspects, growing, packing, marketing, and transportation. Today they farm over 10,000 acres, operating packing sheds year round.

John and Mark oversee the growing and packing operations. Maureen the sales, financial and human resources. The next generation of Molly, Travis, Shannon, Jordyn, Lucas, Jed and Maxwell have started working between school breaks.

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LOGIN |

# Tour Two Stokoe Farms Rochester Public Market





### **History of Stokoe farms**

Thomas Stokoe immigrated from Northumberland, England in 1801. Stokoe Farms began in 1812 when he moved to what is now Scottsville, NY. He married Maria Romeyn, purchased 100 acres, and built a log cabin on Bowerman Road. Four generations later, Selden and Ethel Stokoe, along with their sons Dick, Larry and Scott, expanded the farm to its present 3,500 acres in the towns of Wheatland, Caledonia, Avon and Rush. Their children and grandchildren, now the 6th & 7th generation, share in the operation of the diverse enterprises of Stokoe Farms.

We respect the traditions of close family, love of the land, and perseverance that we have inherited from the generations before us. Our mission is to carry these values and our farming heritage forward.

In 1997, the farm was presented with the Century Farms award from the New York State Agricultural Society. Today the 5th, 6th and 7th generations of Stokoes are actively farming. In 2012 the Stokoe families celebrated 200 years of their farming heritage. Over 1,500 family, friends and farm guests came out to help us celebrate this special event.



Stokoe Family

The eldest son **Dick** lives on the homestead in a house built in 1908, after the original log cabin became outdated. Also on the property is a historic Wells Truss barn built by John Wells Jr., a 3rd generation builder and native of Wheatland. There are less than 50 of these uniquely built Wells Truss barns left in Western New York. Our barn is the last of its type ever built. It is still in use as straw and equipment storage.







Wells Barn on Bowerman Road

Patented Truss System

### BUY TICKETS on LINE

Go

We Accept Mastercard Visa & Discover

### Stokoe Brochure

### Stokoe Farms, LLC

656 South Road, Scottsville, NY 14546 / 585-889-0770
Conveniently Located 20 Minutes South of Rochester, NY - Easy Access from I390, Exit 11 and the NY State Thruway

<u>HOME PUMPKINS TREES GRAINS HEIFERS HISTORY CONTACT US DIRECTIONS BUY TICKETS BLOG NEWS FEEDBACK</u>

### **Public Market**



### Welcome to the Market!

Rochester's city-run Public Market has served the community at its 280 N. Union Street site since 1905. Bargains and local goodness abound Tuesday, Thursday and Saturday, 52 weeks a year. Vendors—over 300 on Saturdays!—offer fresh produce, ethnic delicacies, specialty items, general merchandise, and so much more. In addition, an array of independent local businesses—cafes, food stands, coffee shops, florists, specialty food purveyors, breweries, and more—can be found on Market grounds and in the surrounding Market District.

Learn more about the benefits of public markets; Get tips for shopping for fruits and veggies at the Market; See a chart of what's in season month-to-month in New York State

Get more tips at www.nylocalfood.com!

### Days and Hours of Operation

- Tuesdays and Thursdays from 6 a.m. to 1 p.m. year-round
- Saturdays from 5 a.m. to 3 p.m. year-round.
- The Market is open some additional days and hours before and after holidays, and for special events

### Location

The Public Market is located in the northeast quadrant of Rochester, at 280 North Union St., approximately three blocks north of East Main Street. View a map View a layout of the Market

### Parking and Transportation

The popularity and joys of the Market do create the side effect of traffic and parking challenges on Saturdays. There are free lots off Railroad Street and Trinidad Street (across from the Union Street Market gates); there is also street parking in the Market District and Marketview Heights neighborhood. In addition, there are a few private fee lots. Carpooling, taking the bus, cycling, or walking is encouraged! Also, the Market runs a trolley for customers to and from the parking lots.

#### SPOTLIGHT ON

Holidays at the Market

#### MAY WE SUGGEST

Public Market Gift Tokens

Friends of the Public Market and Market Merchandise

Public Market – Vendor Application Forms & Instructions

Path Through History Celebration
- June 20, 2015

Swimming Lessons

Living Wage Hourly Rates

Genesee Valley Park Sports Complex

Upcoming Events at Mount Hope

Market Matters Newsletter

RPO Around the Town Concerts

High Falls Center and Interpretive Museum

Windstream Party in the Park Concert Series

City Planning Commission



### Market Token Program for SNAP Food Stamp Benefit Recipients

The Market Token Program provides \$1 and \$5 tokens to those with food stamp benefits. These tokens can be used to buy fresh produce and products at over 100 vendor stands throughout the Market. Market Gift Tokens are also available for purchase at the Market office for \$5 each and

may be used the same way as a shopping gift certificate.

Learn more about the Token Program and how to participate

### **Vendor Applications and Instructions**

The Market offers merchants a constant flow of enthusiastic and loyal customers. There are three sheds, two covered open-air and one enclosed. (A third outdoor covered shed is coming!) Open-air and enclosed shed stalls are available on a seasonal and daily basis. For specific rental rate and other vending information, call the Market Supervisor, Tuesday through Friday from 7 a.m. to 1 p.m. (585) 428–6907.

Click here for a page that includes information, instructions, and applications for regular market and special event



### Important Rules and Regulations

No smoking under the sheds or where food is displayed or consumed. No dogs are allowed in the Market, except for service dogs. And do not leave dogs in vehicles. A car can heat up to over 100 degrees even when it feels cool outside! No bicycle riding on Market grounds. Biking to the Market is encouraged, though—just walk your bike to the racks.

### Special Events, Special Guests throughout the year

Special events happen at the Market throughout the year: Sunday Greatest Community Garage Sales and Super Fleas, Flower City Days, Bands on the Bricks, Food Truck Rodeos, Holidays at the Market... these and more events add to the Market's lively flavor. Weekly Special Guests bring non-profit community organizations and programs to the Market. See the Special Events page

### **Tours**

vendors.

The Friends of the Market offer tours to youth and adults year-round! The tours focus both on the fascinating past and the present of the Market. Learn more about our tours!

### Market Improvements in the Works

The Market is constantly striving to get better and better. Learn about the capital and other improvements ongoing and coming to the Market.

# Tour Three Schmidt's Hop Yard VB Brewery Three Huskies Brewing





Home Online Store Hop Yard Supplies Consulting
Our Hops Photo Gallery Blog Contact



### **Current Varieties Grown At Schmidt Farm**

Currently we are growing three varieties of hops, Centennial, Chinook and Willamette. Both Centennial and Chinook are Bittering hops while Willamette is an Aroma hop.

### Centennial - Acid Range (ALPHA %) 8-11%

American aroma-type variety bred in 1974 and released in September 1990 by S.T. Kenny and C.E. Zimmermann, the breeders of this variety. Similar to Cascade and Chinook. The genetic composition is 3/4 Brewers Gold, 3/32 Fuggle, 1/6 East kent Golding, 1/32 Bavarian and 1/16 Unknown. One of the "Three Cs" along with Cascade and Columbus. Centennial is often referred to as a 'Super Cascade', since it has strong citrus aroma.

### Chinook - Acid Range (ALPHA %) 11-13%

This green bine cultivar (W-421-38) was released in May 1985 in Washington State and Idaho from a cross between a Petham Golding and a USDA-selected male (63012M). Slightl spicy and very piney. Its alpha acid content ranges from 12 to 14 %. Substitutes for bittering: Eroica, Galena, Nugget. Substitutes for aroma and flavor: Southern Cross, Sticklebract.

### Willamette - Acid Range (ALPHA %) 4-6%

Popular American development in 1976 of the English Fuggle. Named for the Willamette Valley, an important hop-growing area. It has a character similar to Fuggle, but is more fruity and has some floral notes. Used in British and American ales. A recent taste-test comparison between Ahtanum and Willamette has described some similarity between the varieties.

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Schmidt Farm 415 County Road 8 Farmington, Ny 14425 Phone: 585-869-9641

Email: sschmidt@schmidthops.com

### he VB Brewery



### THE VB BREWERY

### /elcome to the VB Brewery!

le're a nano-brewery located just outside the scenic village of Victor, NY. We brew lots of different recipend we're always experimenting with new beer. With 12 regular taps, and a 13th Nitrogen stout tap, we are a little something for everyone.

**roupon**: We will always redeem your voucher! Bring it in for your tasty beer and bumper sticker henever it's convenient for you. You can just ignore the expiration date.  $\bigcirc$ 



ıts



Growlers & Grumblers



Samples & Flights

401 Lake Shore Dr Canandaigua (city), Ne...

(585) 396-0001

Open Today 11:00am - 11:00pm



Three Huskies Brewing April 2, 2014

Lori Barnes, Don Wiebeld and Vanessa Griffith like this



over Photos 1 of 1

### **History of George Eastman House**

### INTERNATIONAL MUSEUM OF PHOTOGRAPHY AND FILM

George Eastman House International Museum of Photography and Film, the world's oldest photography museum and one of the world's oldest film archives, opened to the public in 1949 as an independent, non-profit museum. It combines the world's leading collections of photography and film with the stately pleasures of the landmark Colonial Revival mansion and gardens that George Eastman called home from 1905 to 1932. The Museum is a National Historic Landmark. Mr. Eastman, the founder of Eastman Kodak Company, is heralded as the father of modern photography and motion picture film.

World-renowned for its photograph and motion picture archives, the Museum is also a leader in film preservation and photograph conservation, educating the top archivists and conservators from around the world

Mr. Eastman (1854–1932) built his home at 900 East Avenue between 1902 and 1905. He created a unique urban estate complete with 10.5 acres of working farm land, formal gardens, greenhouses, stables, barns, pastures, and a 35,000-square-foot, 50-room Colonial Revival mansion with a fireproof structure made of reinforced concrete.

Mr. Eastman's house presented a classical facade of decorative craftsmanship. Beneath this exterior were such modern conveniences as an electrical generator, an internal telephone system with 21 stations, a built-in vacuum cleaning system, a central clock network, an elevator, and a great pipe organ, which made the home itself an instrument, a center of the city's rich musical life from 1905 until Eastman's death in 1932.



George Eastman House

Mr. Eastman's will bequeathed his estate to the University of Rochester for 10 years. His close friend Rush Rhees, then president of the university, resided here until 1935, succeeded by the Valentine family. Following World War II, the university transferred the estate to a board of trustees, which formed to establish a museum of photography, attracting precious artifacts from around the world to a center of study, care, and exhibition.

The George Eastman House Museum of Photography was chartered in 1947. Today the Museum's full name is George Eastman House International Museum of Photography and Film. The Museum's mission from the outset was to collect, preserve, and present the history of photography and film. The Museum opened its doors to a diverse public audience in 1949, displaying its core collections in the former public rooms of Eastman's house.

The Museum's original collections—including the Medicus collection of Civil War photographs by Alexander Gardner, Eastman Kodak Company's historical collection, and the invaluable, massive Gabriel Cromer collection from France—attracted significant additions over the next 40 years. Entire archives, corporate collections, and artists' lifetime portfolios have been donated to the Eastman House, as well as a staggering assemblage of rare motion pictures and ephemera.

By 1984, the Museum's holdings were considered among the world's finest. However, with the collections growing at a rapid pace, the Museum increasingly suffered from its own success. With an increasing number of materials to store, protect, and study, space and financing became critical.

Between 1985 and 1988, more than \$30 million was raised for capital improvement and collections care. Eastman Kodak Company led the way, challenging the public with an endowment gift worth more than \$17 million. Public contributions of \$12.5 million provided for the construction of a state-of-the-art archives building, including a study center and exhibition galleries. The archives building is 73,000 square feet of climate- controlled vault, archival, research, and gallery space, much of it built below ground, with restored historic gardens above.

For the first time in its history, the Museum had attained physical and financial security for its precious materials and the ability to offer unlimited access for a range of audiences. The new facility opened to the



The Archive at George Eastman House.

public in January 1989, and now houses more than 400,000 photographs and negatives; 28,000 films and more than 4 million film stills; 53,000 publications; and more than 25,000 pieces of technology.

Also as part of the capital improvements, nearly \$2 million was devoted to an exacting restoration of Mr. Eastman's house and grounds. Using vintage photographs and other historical evidence, more than 85 percent of the original furnishings and virtually all of the complex decorative interior were returned or restored during the three-year process. Reopened to the public in January 1990, the Eastman House is a biographical treatment of Eastman's estate as a reflection of his unique

life. Four of Mr. Eastman's formal gardens have been restored, and the remaining areas of the grounds will be restored or adapted to Museum's needs.

Other museum programs and facilities were significantly improved during this period. Second floor galleries in the mansion document Mr. Eastman's life and times the Discovery Room, a popular hands-on education department program, enjoys expanded facilities in a wing of the second floor; a lecture hall has been renovate as a multimedia theater in memory of General Edward Peck Curtis; and the Dryden Theatre, a motion-picture venue with 535 seats, was renovated in order to continue its tradition of film exhibition, specializing in restored film classics.

Location: 900 East Avenue, Rochester, NY 14607 · More Information · RTS East Ave. routes 57 & 81; University Ave. route 48.

 $\textbf{Hours} \colon \textbf{Tue-Sat} \colon \textbf{10am-5pm. Sun} \colon \textbf{11am-5pm. } \cdot \underline{\textbf{More Information}} \cdot \underline{\textbf{Buy Tickets}}$ 

Admission : Adults \$14, Seniors (62+) \$12, Students (with ID) \$5, Children 12 and Under Free · Members Free

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# Wednesday

### **Biography for Deputy Secretary Krysta Harden**



Krysta Harden was sworn in as the Deputy Secretary for the U.S. Department of Agriculture (USDA) on August 12, 2013 after unanimous confirmation by the U.S. Senate.

Together with Secretary Vilsack, Deputy Secretary Harden provides leadership for USDA and works to strengthen the American agricultural economy by creating partnerships that promote opportunity for America's rural communities.

Raised in Camilla, Ga., Ms. Harden comes from generations of Southwest Georgia farmers.

Harden joined the Obama Administration in 2009 and has served in two critical roles – first as Assistant Secretary for Congressional Relations and later as Chief of Staff at the Department.

Harden's previous roles include Staff Director for the House Committee on Agriculture subcommittee on Peanuts and Tobacco and Legislative Director, Chief of Staff, and Press Secretary for Rep. Charles Hatcher, D-Ga. Harden has also held posts with the National Association of Conservation Districts and the American Soybean Association.

Ms. Harden received her B.A. in Journalism from the University of Georgia. From 2004 to 2009, Harden was the Chief Executive Officer of the National Association of Conservation Districts. She worked with the American Soybean Association as Senior Vice President of Gordley Associates from 1993 to 2004 and served 12 years on Capitol Hill: as Staff Director for the House subcommittee on Peanuts and Tobacco; and Legislative Director, Chief of Staff and Press Secretary for former Congressman Charles Hatcher.

Harden received her B.A. in Journalism from the University of Georgia.

### Thomas R. Maloney Cornell University

Tom Maloney is a Senior Extension Associate in the Dyson School of Applied Economics and Management at Cornell University. He received his Bachelors and Masters in Agricultural Economics from Cornell University. He began his career as a Cooperative Extension Agent working in Cortland County New York for 10 years. He then joined Cornell University in 1985 and has been responsible for Extension programs in human resource management and agricultural labor policy. He has conducted educational programs on a variety of human resource related areas including employee recruitment, compensation, employee performance and motivation. He is co-author of a book entitled "Human Resource Management for Golf Course Superintendents". In recent years his work has focused on Hispanic workforce and immigration reform issues. In 2005 and 2007 he led groups of farm managers to Mexico to visit the communities that New York farm workers migrate from. He has recently co-authored several research publications relating to Latino workforce and immigration issues.

### **How New York Apple Growers are Addressing Workforce Challenges**

**Thomas Maloney Cornell University** 

Farm Business Farm Management Conference

Rochester, New York June 17, 2015

Co-authors of the Study:

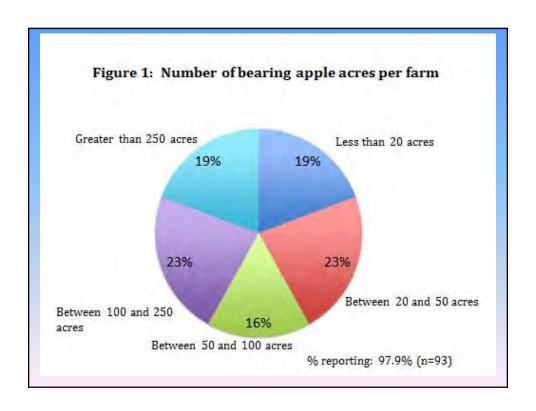
Paul Baker
Alison De Marree
Shuay-Tsyr Ho
Thomas Maloney
Bradley Rickard

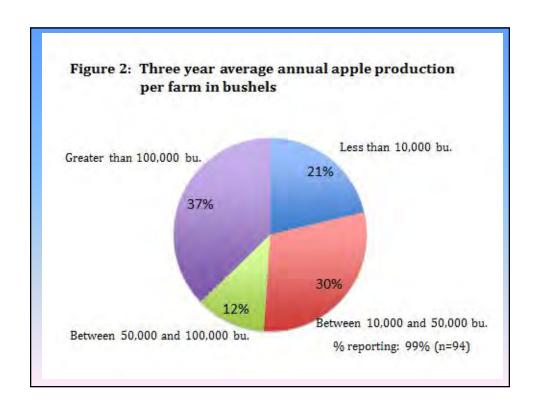
### Survey of Apple Growers Methodology

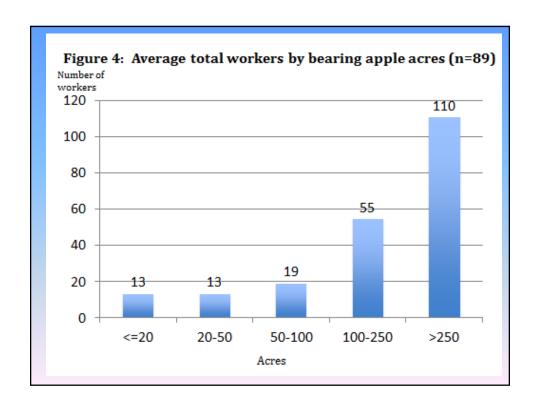
- Mail survey to 480 NYS apple growers
- Information reported for the 2013 growing season
- 95 usable responses
- Many respondents were H-2A employers

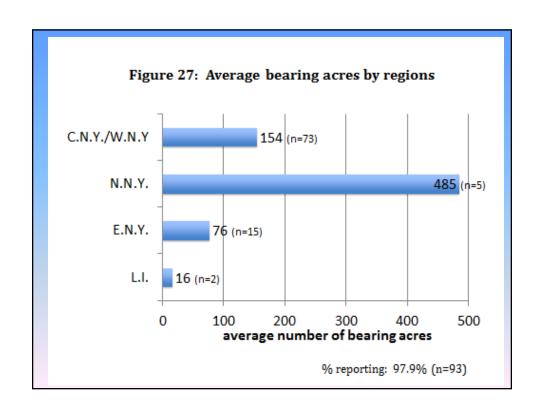
### **Survey Objectives:**

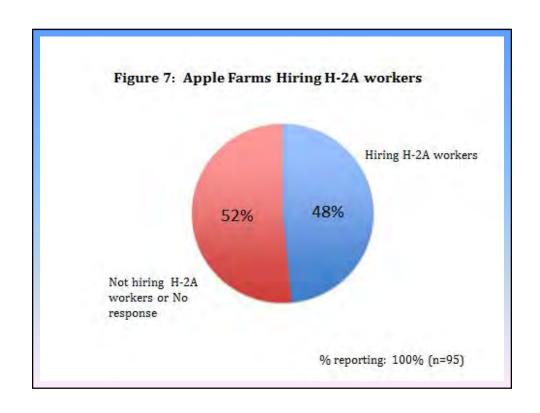
- 1. Inform Policy and Regulatory Discussions
- 2. Benchmark Workforce Practices in the Apple Industry

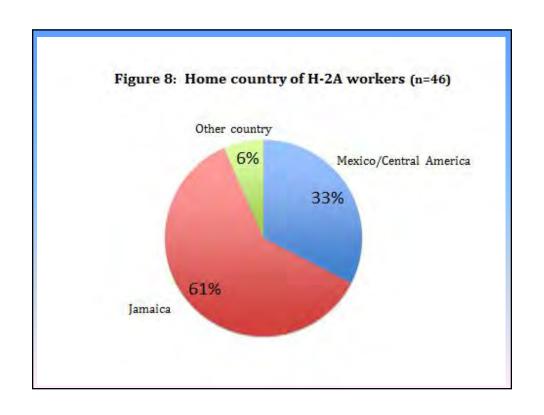


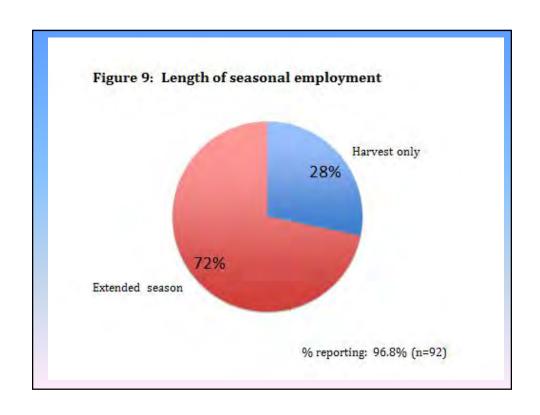


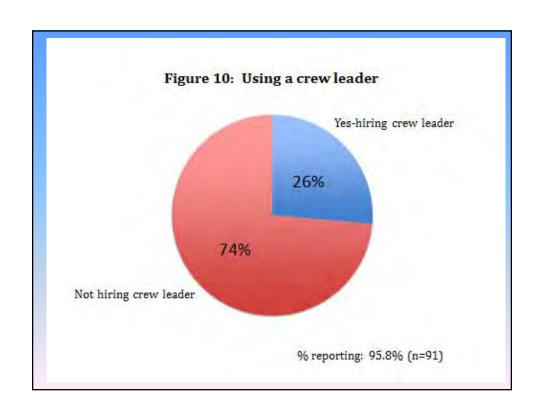


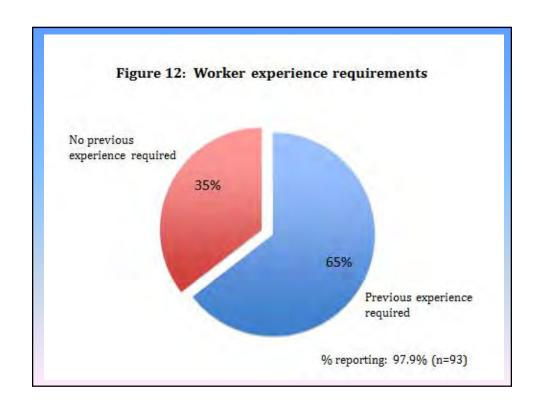


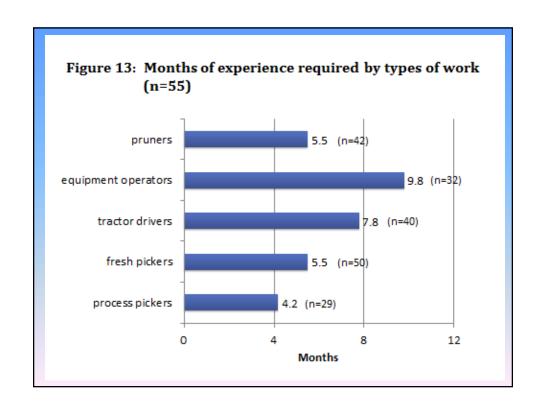


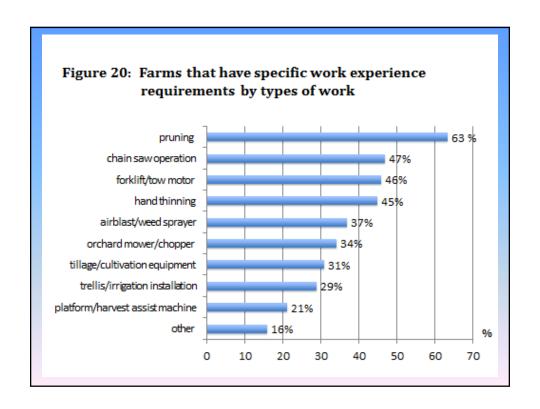


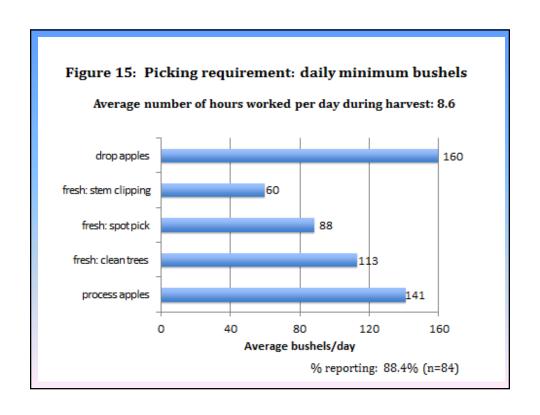


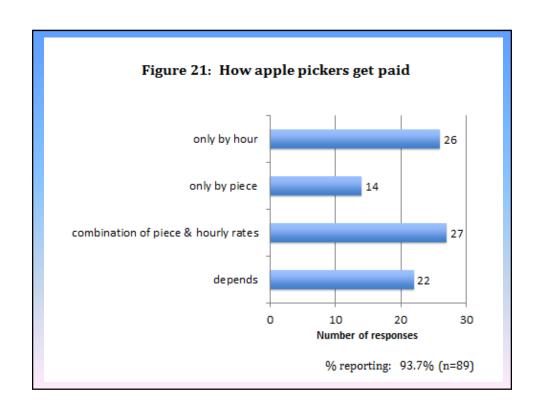












### **Hourly Wage Rates for Fresh Apples**

Fresh cleaning the tree \$10.80/hr.

Fresh – 1<sup>st</sup> spot pick \$11.00/hr.

Fresh –  $2^{nd}/3^{rd}$  spot pick \$11.00/hr.

Fresh – stem clipping \$11.40/hr.

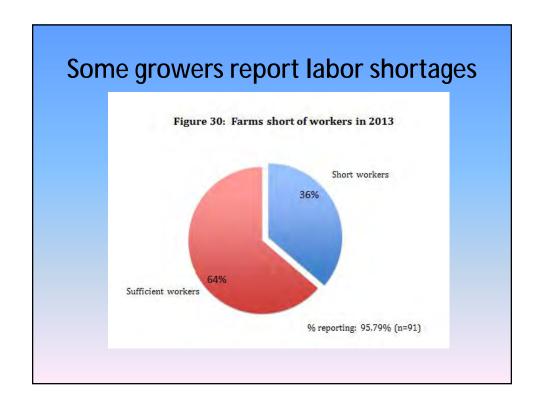
### Piece Rates for Fresh Apples

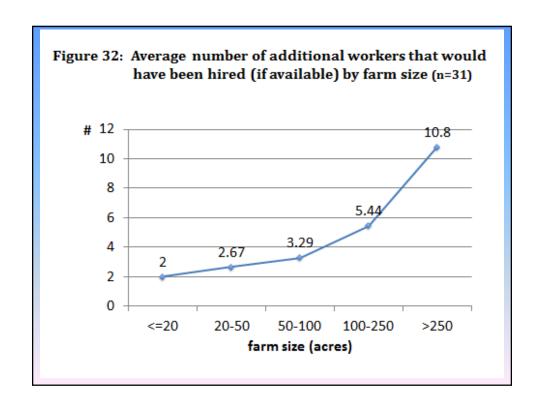
Fresh cleaning the tree \$18.30/20 bu. bin

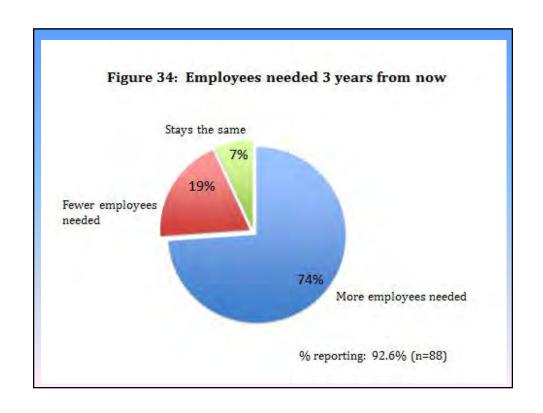
Fresh – 1st spot pick \$19.10/20 bu. bin

Fresh –  $2^{nd}/3^{rd}$  spot pick \$19.80/20 bu. bin

Fresh – stem clipping \$28.30/20 bu. bin







# Top three issues for apple grower organizations to work on in the next five years:

- Labor availability, immigration, H-2A, labor efficiency, human resource management, overtime, wages, unions
- Government regulation: EPA/DEC/DOT, taxation, business climate, affordable care act
- Marketing, consumer education, global markets, buy local

# Growers rate labor as their number one management issue... by far!



# Given labor pressures that you have experienced in the past several years, how has or will your business change?

- Orchard design, planting systems and equipment to be more labor efficient
- Downsize, produce less, decrease acreage
- Reliance on H-2A workers
- Sell, retire, business not viable for next generation

# Growers report a shift to high density plantings

- Higher yields per acre
- Platforms and other equipment dramatically improve labor efficiency





### **Grower Responses to Labor Challenges**

- Make each FTE as productive as possible
- Eliminate excess labor, less productive acreage
- Participate in the H-2A Program
- Aggressively advocate for immigration reform

### Growers report an increasing reliance on H-2A

- Other workers not available
- A way to manage risk
- A response to immigration enforcement pressure

### The H-2A Paradox

- Growers who use H-2A are often very critical of the program
- Some growers report that without H-2A they would be out of business

# How do survey results relate to immigration reform?



### **Agricultural Workforce Coalition Position**

- Agricultural operations must have access to a stable and skilled workforce
- Provide adjustment in immigration status for current undocumented workers
- Address workforce needs with a modern guestworker visa program

(www.agworkforcecoalition.org)

# Immigration Reform: Implications of Legalized Status

- Workers come out of the shadows
- Visible in community
- Obtain driver's license
- Vehicle ownership
- Free to look for better jobs

Note: Workers' English skills become more important

### Immigration Reform: Guestworker Program Implications

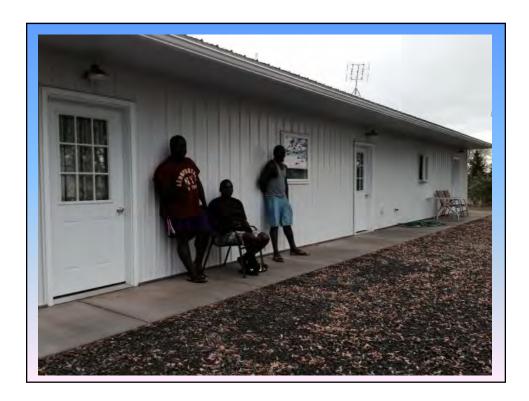
- The way of the future?
- Higher wage rates
- More government paper work?
- Legal workforce

### **Guestworker Program Challenges**

- Unions are generally opposed
- A cap on workers can render the program ineffective
- The program would need to grow by 10-15 times the size of current H-2A Program to service modern agriculture
- Is the U.S. government capable of running a large guestworker program?

### Summary of Workforce Challenges Facing Growers

- Tighter Labor Markets
- Upward Pressure on Wages and Benefits
- Need for Good Housing
- Government Oversight Likely to Increase
- Need for Improved HRM Practices



### Actions of the 113<sup>th</sup> Congress

- Senate passed S.744 with an Agricultural Title
- House of Representatives failed to pass any Immigration bills
- President Obama responded with an Executive Action

### Actions of the 114th Congress

- House members cannot agree on how to proceed on immigration reform
- Presidential elections will be in full swing by summer of 2015 and immigration will be a major campaign issue
- Substantive progress on immigration by Congress unlikely
- Executive Action likely to be struck down by courts

### What Should Farm Managers Do Now?

- I. Continue to improve labor efficiency
- II. Stay involved in the immigration reform legislative process
- III. Develop a human resource strategic plan to include:
  - Improved wages and benefits
  - Improved housing
  - Supervisory training

## To access the Survey Report go to:

http://www.dyson.cornell.edu/outreach/index.php

#### NATHAN L. RUDGERS Senior Vice President Director, Business Development Farm Credit East

Nathan L. Rudgers is a Senior Vice President for Farm Credit East, a position he has held since December, 2005. In his capacity as Director of Business Development, Nathan is responsible for bringing resources to Farm Credit's clients who are planning or undergoing major business changes. Many of the projects that Mr. Rudgers has worked on involve renewable energy systems; in particular, farm based renewable energy. He is a frequent speaker in state, national and international forums on such topics as renewable energy, food safety, international trade, agriculture policy and economic development. He also currently serves on the national steering committee for 25 X 25, a group of industry leaders dedicated to fostering Agriculture and Forestry's role in US energy independence, chairs their Carbon Work Group and serves on their CLEAN energy task force. Nathan also serves as a member of the Food Foresight Blue Ribbon Panel, the design team of the Solutions from the Land Dialogue and on the board of the New York Biomass Energy Alliance.

Prior to joining Farm Credit, Nathan served as Commissioner of Agriculture and Markets for The State of New York. He was appointed Commissioner by Governor George E. Pataki in 1999. He began his tenure with the Department in 1995, serving as Deputy Commissioner, First Deputy Commissioner and then Acting Commissioner. Nathan also served as President of the National Association of State Departments of Agriculture in 2005.

Preceding joining the Department, Nathan worked for several agri-business firms in the Northeast. Much of his experience in the private sector has involved the dairy industry and agricultural economics.

Nathan was born and raised on a dairy and cash crop farm in Pavilion (Wyoming County), New York and is a 1982 graduate of Cornell University, receiving a bachelor's degree in agricultural economics. Nathan currently lives in Pavilion with his wife Eileen.

## ROBERT BRANCATO CSL CONSULTANTS

Robert Brancato brings to his clients a wealth of knowledge and experience gained through years of developing, managing, and implementing successful training and organization development projects. His expertise ranges from strategic planning, leadership development and team building to problem solving, communication and customer service. Bob has produced beneficial and lasting results for a variety of types and sizes of companies. Known for his effort, rapport, and humor, Bob excels in developing a learning environment where each individual's newly learned knowledge and skills become valuable tools in their personal and professional life.

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## **Monroe Community College**

STATE UNIVERSITY OF NEW YORK

## "TIME MANAGEMENT: GETTING THE WORK DONE & HAVING HOURS LEFT FOR YOURSELF"

PRESENTED TO: NATIONAL FARM MANAGEMENT

**CONFERENCE** 

PRESENTED BY: ROBERT BRANCATO

MCC CORPORATE COLLEGE













## Besides the noble art of getting things done,

there is the noble art of leaving things undone.

The wisdom of life lies in eliminating the nonessentials.

## **SESSION OBJECTIVE**

Provide you with techniques, tool & skills that will help you be more effective in accomplishing your "important" tasks, while managing the "other demands".

## **KEY TOPIC AREAS:**

- ➤ Planning & Organizing It's Critical!
- ➤ The "Tests of Time" ++ "Task List"
- ➤ Where Does My Time Go? "Time Tracking Log"
- Balancing ~ Urgent & Important ~ "Criteria For Prioritizing"
- ➤ What Is Interfering? ~ "How To Manage Time Wasters"
- Saying "No" Productively
- Changing My Habits!

## Managing Time & Priorities

Why is it important to:

You

**Your Team** 

The Organization



## 3 TEST OF TIME

#1. Test of Necessity

#2. Test of Appropriateness

#3. Test of Efficiency

## STEPS TO MANAGING TIME

- 1. Define your tasks & responsibilities
- 2. Know your priorities
- 3. Focus on results
- 4. Guard your time
- 5. Schedule your day
- 6. Get organized
- 7. Use your other resources

# STEP #1: TASKS & RESPONSIBILITIES

- Write down all the things you do at work
  - Daily, Weekly, Monthly big & little things,
     Important & not so important

How does your Manager's list match yours? Is it important that it is "close"?

# ACTIVITY: WHERE DOES YOUR TIME GO?

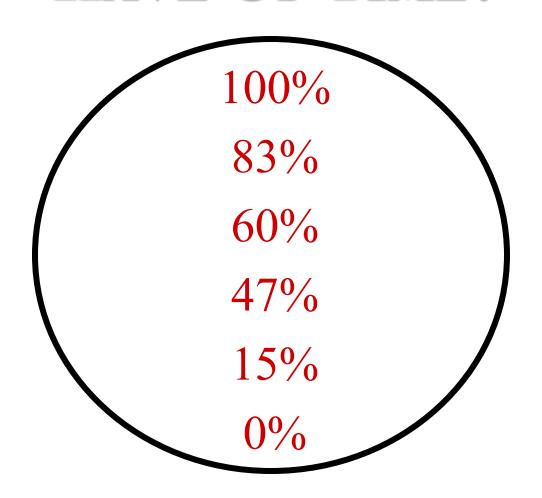
#### DAILY TIME TRACKER LOG SHEET

| Activity Performed     | <u>Time</u> | <u>Results</u> |
|------------------------|-------------|----------------|
| Started work today at: |             |                |
|                        |             |                |
|                        |             |                |
|                        |             |                |
|                        |             |                |
|                        |             |                |
|                        |             |                |
|                        |             |                |

## ACTIVITY: WHERE DOES OUR TIME GO?

- 1. Complete a "Time Tracker Log"
- 2. Cluster Time Log "items" into Categories
- 3. Estimate the time you spent in each of your categories
- 4. Analyze, Determine, Reduce Time Wasters

# WHAT CONTROL DO YOU HAVE OF TIME?



# STEP #2: KNOW YOUR PRIORITIES

- Urgent tasks Clamor to be done right away
- Important tasks Matter to your "customers"

| U            | Low Importance | High Importance |  |
|--------------|----------------|-----------------|--|
| R            | High Urgent    | High Urgent     |  |
| $\mathbf{G}$ | 3              | 1               |  |
| E            | 4              | 2               |  |
| N<br>T       | Low Importance | High Importance |  |
|              | Low Urgent     | Low Urgent      |  |
|              | IMPORTANT      |                 |  |

# "FLEXIBLE" CRITERIA TO PRIORITIZE

**Situation:** 3 different individuals, give you 3 different tasks that needed to be done.

| What crite  | eria would yo  | ou use to de | ecide which | one |
|-------------|----------------|--------------|-------------|-----|
| to do first | ? List your ic | deas:        |             |     |
|             |                |              |             |     |
|             |                |              |             |     |
|             |                |              |             |     |
|             |                |              |             |     |

## "FLEXIBLE" CRITERIA LIST

- How would a "flexible" list of criteria be valuable to:
  - You?
  - Your direct reports?
  - Your boss
  - Others?
  - Your customers?

## STEP #3: FOCUS ON RESULTS ~ "TEST OF EFFICIENCY"

**Continuous improvement** should be our goal. Ask, "How can we improve the way we do our jobs?"

### What should we look for?

- Differences between how things are supposed to be, and how things really are
- Process that can be faster, more efficient or less expensive
- Identify "timewasters" that steal minutes from you and others
- What else?

## WHERE DOES MY TIME GO?

☐ Attempting too much ☐ Lack of self discipline ☐ Procrastination ☐ Interruptions Unrealistic time estimates ☐ Unable to terminate visits ☐ Failure to anticipate ☐ Poor communication ☐ Waiting for decisions ☐ Problem not clear ☐ Lack of authority ☐ Lack of support staff ☐ Changing priorities

# ACTIVITY: WHAT IS INTERFERING

• Select which you feel are your 2 top "Time Wasters"

• Identify ways to reduce or eliminate the negative effect of "Time Waster"

## STEP #4: GUARDING YOUR TIME

- Use the "Tests of Time" –
   Necessity ~ Appropriateness ~ Efficiency
- Remember your priorities 1-2-3-4 "Important vs. Urgent"
- Saying "No!" productively.

## SAYING ... No!

- Clarify "importance" & "urgency"
- "Can't right now" Negotiate When
- Redirect to other resource
- Get their and/or your Boss's input to prioritize
- Delegate
- "Split the difference"
- "Trade"
- ??????????

## CHANGING HABITS ~ YOUR PLANNER

|   | What specific ideas/skill/technique, learned today, do I want to develop or implement? |
|---|--|
| > | How do I plan to apply/develop these areas?  |
| > | What results do I want to achieve?   |
| > | What is my target date to achieve it?  |
| > | What challenges, if any, do I face in accomplishing this?                              |
| > | What support/resources do I need?  |

## WHAT WE COVERED

- ➤ The "Tests of Time"
- ➤ Listing & Assessing Tasks & Responsibilities
- ➤ Where Does My Time Go? "Time Tracking Log"
- ➤ Urgent & Important ~ "Criteria For Prioritizing"
- ➤ What Is Interfering? ~ "Managing Time Wasters"
- Saying "No" Productively
- ➤ Doing Something ~ Changing My Habits!

#### Bio for Douglas (Doug) Duncan

Doug joined Intuit's Professional Tax Division's Lacerte Tax in 2006 as a Tax Program Support Specialist, spending 3 years as a Lacerte Tax frontline support agent. Then moving to tax development as a program Quality Assurance tester, then served as a Project Manager.

Currently Doug works as a member of Intuit's New Client Services (NCS) team in the role of New Client Consultant, guiding new customers through their transition to Lacerte and <a href="ProSeries">ProSeries</a> Tax software. He conducts live and recorded training webinars for Lacerte Tax software.

Doug is a native of Texas, and just celebrated his 36<sup>th</sup> wedding anniversary with his wife Carolyn and has two adult sons. He has also worked for Aaron Rents, Inc., Duncan – Wood, Inc., Hendricks Ranch Royalties, Inc., JCPenney Life Insurance and AEGON USA.



I am originally from Harrisburg, Nebraska. That is the small dot between Scottsbluff and Kimball in the Panhandle. I grew up on my family's farm there. We grow dryland wheat, proso millet, corn, and sunflowers. We also operate a small cow/calf operation and a back grounding feedlot in the winter.

I graduated from UNL in August of 2000 with a Bachelors Degree in Diversified Agriculture. I worked two winters for NFBA after graduation. I started with NFBI full time in November of 2002. I enjoy working closely with clients in their individual operations.

I have been married to Tina; yes the boss, since 1998. We have four daughters, Taylor, Natalie, Carly, and Anna that pretty much take up any spare time my family may have.

## **Lakeshore Farm Management**

#### Renee Setzer, Consultant

Renee was raised on a dairy farm in Shawano County. She attended UW-River Falls and graduated with a BS in Agriculture. The first position out of college was as a loan officer with FCS.

She became an independent contractor while raising her children. Renee held contracts with the Manitowoc and Oconto County service centers of the FSA from 1999-2007. She started with LFM in 2007 preparing tax returns, providing analysis and consulting.

Renee resides in Sheboygan Falls with her husband, Dan. They have four children – Danielle, Dylan, Drew, and Dustin.

### **Contact Us**

#### Mailing Address:

401 S. Calumet Drive P.O. Box 280 Valders, WI 54245-0280 Lakefarm@lakeshorefarmmanagement.com



#### **Telephone Numbers**

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#### Don Nitchie



**Extension Educator** 

Phone: 507-752-5081 Email: <u>dnitchie@umn.edu</u>

UM Extension Regional Center - Lamberton 23669 130th Street Suite 104 Lamberton, MN 56152

#### Background:

- B.S. Agriculture and Agricultural Education, University of Nebraska at Lincoln
- · M.S. Agricultural Economics, Colorado State University
- · High School and Adult Ag. Education, Grand Island, Nebraska
- Agricultural Product Marketing and Education, Chicago Mercantile Exchange
- · Area Extension Farm Management and Marketing Specialist, Colorado State University
- Area Extension Education Director, Iowa State University

#### Interests & Pursuits:

- Fieldman for Southwest Minnesota Farm Business Management Association
- Extension Educator, Agricultural Business Management

#### **EFANS Programs of Interest:**

Agricultural Business Management Education; Decision-making in a changing economy, risk
management, strategic planning, alternative enterprise analysis, partner and employee relationship
management, financial diversification and investments, economic impacts of agriculture.

### **Rush Midkiff**



Area Extension Specialist in Farm Business Management Pennyroyal Farm Analysis Group

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E-mail: rmidkiff@uky.edu

### **Educational Background**

M.S. University of Kentucky 1987

**B.S.** Western Kentucky University 1985

### Rob Holcomb



EA Extension Educator
Agricultural Business Management
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## **KEITH TORGERSON**

Address:

ND State College of Science 800 6th Street North Wahpeton ND 58076-0002 Phone number: (701)671-2630

Fax number: (701)671-2171 Keith.Torgerson@ndscs.edu

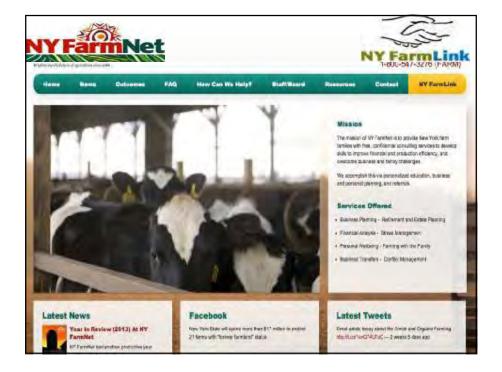
The program started in 1977, and Keith covers primarily Richland County in ND.

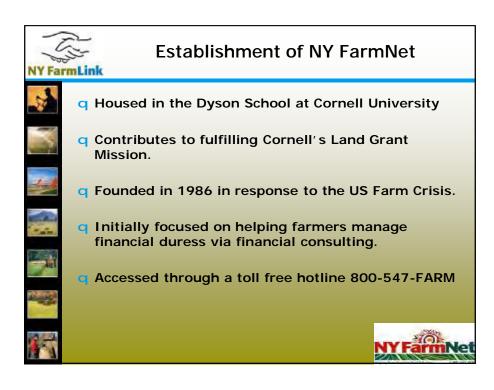
## Thursday

Ed Staehr is a senior extension associate in the Charles H. Dyson School of Applied Economics and Management at Cornell University. He is executive director of NY FarmNet/NY FarmLink, a program that provides free, on farm consulting to farmers on business and interpersonal issues throughout New York State. Prior to joining the School, Ed was agricultural team leader for Cornell Cooperative Extension of Onondaga County and helped pilot New York State's Agricultural Environmental Management program in the Skaneateles Lake Watershed.

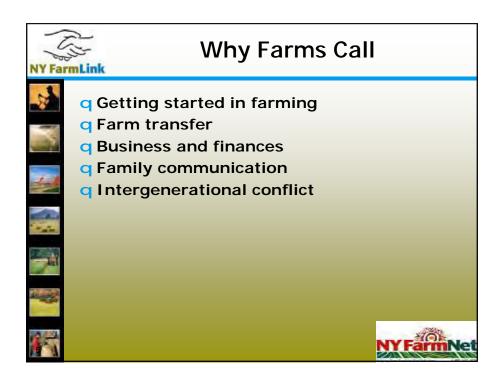
Ed is a contributor to the Charles H. Dyson School Agribusiness Economic Outlook Conference. His outreach activities focus on improving farm profitability and increasing the number of farm business transfers from one generation to the next.

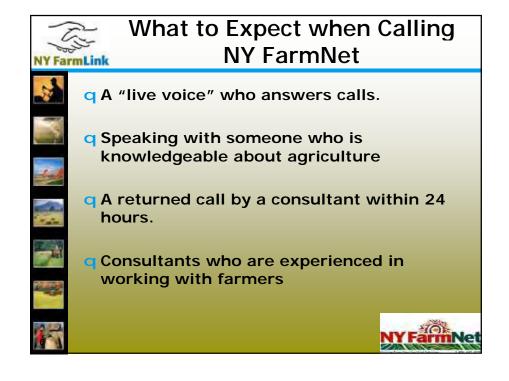




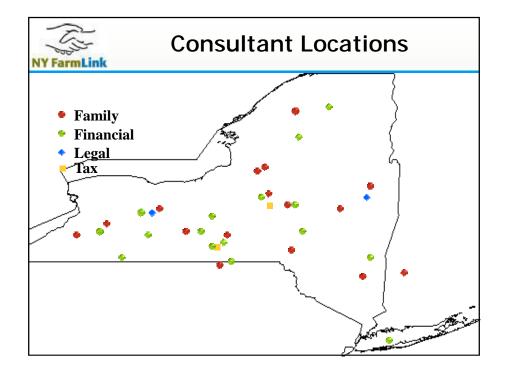


















### **Business Risk Management**



Analyzing the present profitability of farms



• Identifying options for improving farm viability



• Helping create useful cash flow budgets



 Evaluating proposed business changes and their impact on profitability



• Working with others to provide options for debt restructuring





### Financial Management Assistance



Succession and estate planning



Business and marketing planning



Record keeping and financial statement preparation



Business structure



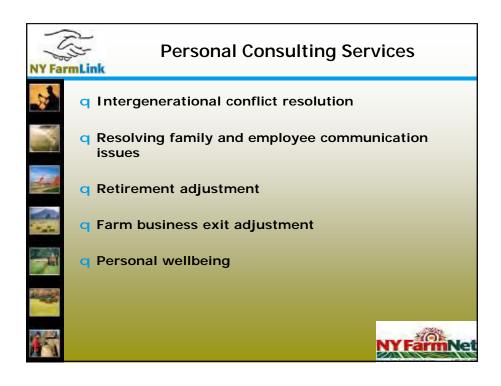
Strategic planning assistance



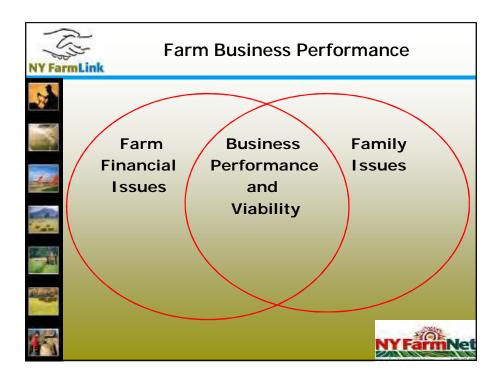
Patterned after the Land Grant/Cooperative **Extension Outreach Model.** 

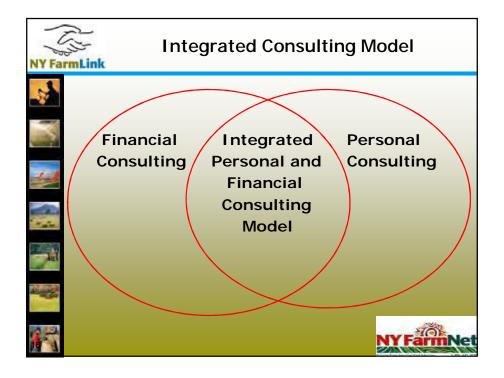


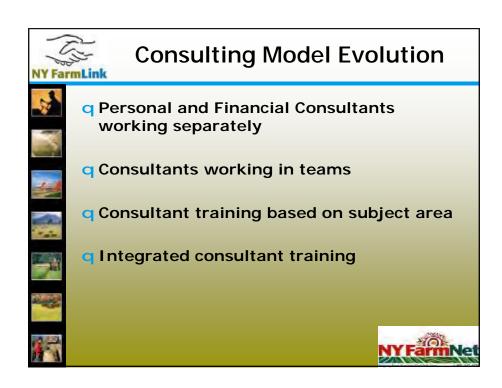














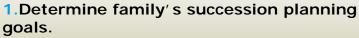


### Utilizing an Integrated Model in Farm **Business Succession Planning**



### Steps:







2. Evaluate farm business performance.



3. Business plan development.



4. Succession plan that includes management transfer.



5. Retirement and estate planning.





### **Integrated Consulting Model Benefits**



| Identifying barriers to farm business succession planning during initial meetings.



Assisting families resolve conflict and improve communication.



q Initiating critical conversations regarding estate and retirement planning.



| Identifying a framework for succession planning that allows an attorney to formalize a comprehensive farm business succession plan.









### **Example Case**



q Junior generation contemplating whether to go into business with father.



q Father is recently divorced.



Q Dairy farm with 280 cows that supported two families.



Personal conflict and business performance issues to resolve.







### **Key Plan Components**



q Identifying business goals.



Q Developing a business plan that included debt restructuring and refinancing.



Holding routinely-scheduled staff meetings to improve communication and progress toward achieving goals.





### **Succession Example Results**



q Family met with an attorney to finalize a business succession plan.



Q Dairy farm more than doubled in size over four years.



Junior generation has equity in the farm and recently purchased a neighboring farm.







### **Program Outcomes**



• 6,000 contacts to the program via phone, Email, referrals, etc.



 Consultants worked with over 2,000 individuals on farm cases.



• NY FarmNet worked with farm families who employed over 700 people.



• New farm businesses produced an additional \$7.5 million in annual sales.



 Over 90 percent of farm families working with NY FarmNet improved profitability or expanded.







### **Trends**



Increased interest in farm transfers



• More calls from first time farmers wanting to start a farm



• Increased referrals from agri-service



• Calls from sizeable dairy farms (selling over 10 million lbs/year) for strategic planning assistance



• Increase in business planning assistance requests



Increased crisis calls







### **Future Plans**



• Extend outreach to professionals engaged in farm business transfers.



• Research strategies to transfer farm businesses to non-family members.



• Develop educational resources for next generation farmers.



• Develop additional educational resources for agricultural business planning.





### For More Information



http://www.nyfarmnet.org



http://www.newyorkfarmlink.org



Facebook - NY FarmNet



**Twitter** 



aes6@cornell.edu





### Dr. Jennifer Ifft

Jenny Ifft is an assistant professor and Mueller Family Sesquicentennial Faculty Fellow in Agribusiness and Farm Management in the Charles H. Dyson School of Applied Economics and Management. Prior to joining Cornell in 2014, she was a Research Economist in the Farm Economy Branch of the United States Department of Agriculture Economic Research Service (ERS). While at ERS she was also responsible for the U.S. farm business income forecasts and regularly briefed the USDA chief economist and agency leaders on U.S. Farm Financial Forecasts. Her research program at ERS considered the impact of government policies on farmland markets and farm financial decisions; determinants of farmland values; and other farm financial issues. She received her PhD in Agricultural and Resource Economics at the University of California Berkeley and her MPhil in Land Economy at the University of Cambridge as a Gates Cambridge Scholar.

Professor Ifft's research and extension program at Cornell focuses on agribusiness and farm management, with an emphasis on critical issues facing the farm sector and farm policy. As a part of this program, she is developing applied research and outreach activities in three areas: farm labor, farmland values, and farm financial management. Her current research also examines how crop insurance affects access to credit, the impact of yields on crop insurance participation, the relationship between crop insurance and marketing contracts, and the impact of groundwater management institutions on cropland values.

Professor Ifft grew up in central Illinois, where her family still operates a grain and hog farm. Her first job after completing her undergraduate degree at University of Illinois was with an extension initiative for value-added agriculture in Illinois. She has also worked for the World Bank on agricultural development projects in East Asia, with a focus on the livestock sector. During her PhD studies, she conducted fieldwork in Vietnam on free range poultry certification, producer responses to avian influenza outbreaks, and poultry market and supply chain structure.

## Outlook for U.S. Agriculture: Farm Structure and Financial Landscape

Jennifer Ifft

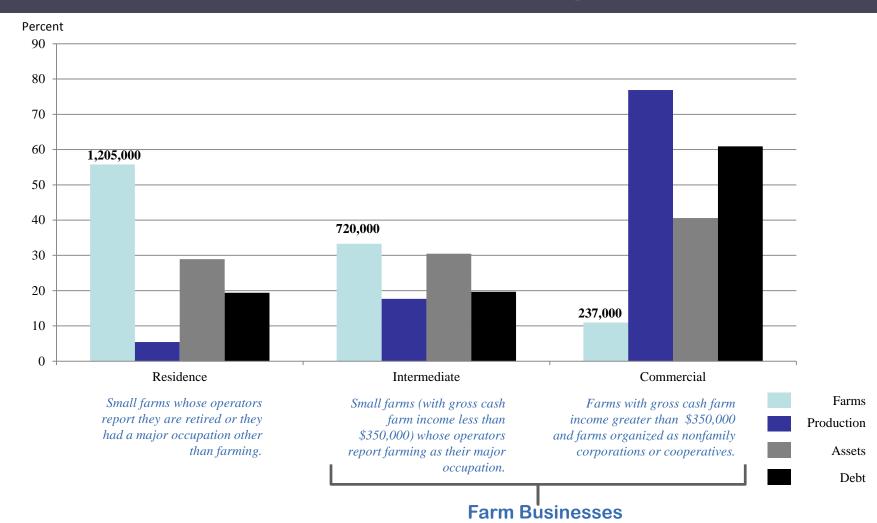
June 18, 2015

National Farm Business Management Conference

### Outline

- Farm structure
- Short and long term forecasts
- Farmland values and use

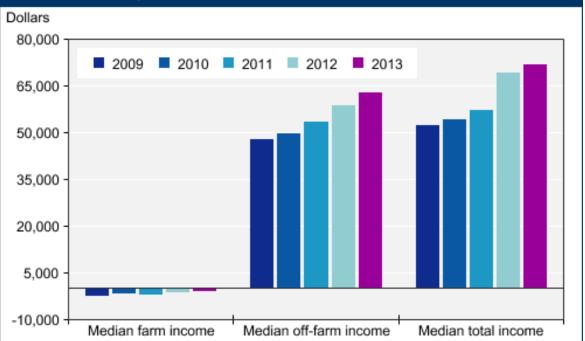
### Farm Structure: Commercial farms dominate production



Source: 2012 Agricultural Resource Management Survey (ARMS)

### Farm Structure: People will pay to have a farm

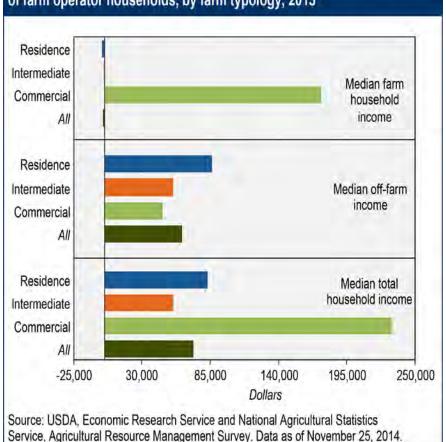
Median farm income, median off-farm income, and median total income of farm operator households, 2009-2013



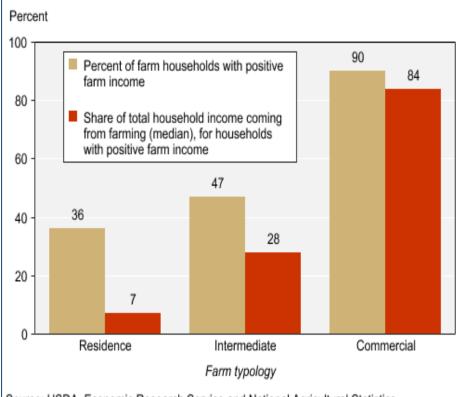
Note: Differences between estimates from 2012/2013 and estimates from prior years reflect changes in survey methodology and implementation associated with the 2012 Agricultural Resource Management Survey in addition to changes in the economic situation of farm households. Source: USDA, Economic Research Service and National Agricultural Statistics Service, Agricultural Resource Management Survey. Data as of November 25, 2014.

### Farm Structure: Off-farm income is critical unless sales are large

Median farm income, median off-farm income, and median total income of farm operator households, by farm typology, 2013

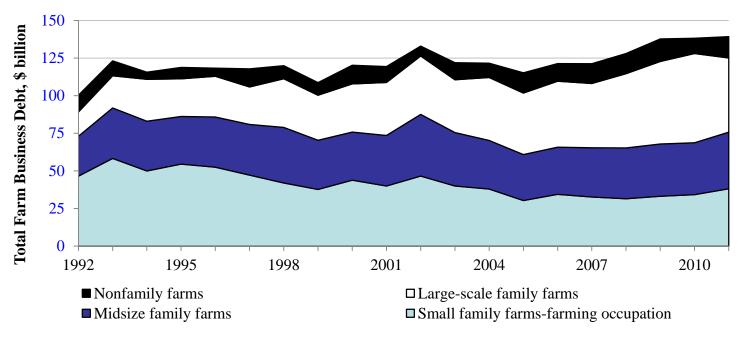


Percent of farms with positive farm income, and their median share of total household income coming from farming, 2013



Source: USDA, Economic Research Service and National Agricultural Statistics Service, Agricultural Resource Management Survey. Data as of November 25, 2014.

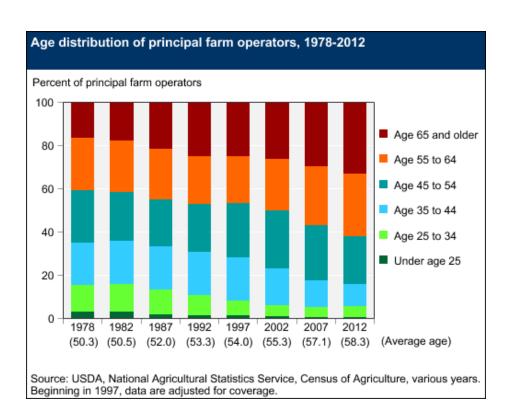
### Farm Structure: Intermediate farm businesses have declined



| Farm Business Category*           | <b>Annual Gross Cash Farm Income</b> | Farm Operators' Primary Occupation |
|-----------------------------------|--------------------------------------|------------------------------------|
| Small family farms (intermediate) | Less than \$350,000                  | Farming                            |
| Midsize family farms              | Between \$350,000 and \$1,000,000    | No requirement                     |
| Large-scale family farms          | Greater than \$1,000,000             | No requirement                     |
| Nonfamily farms                   | No requirement                       | No requirement                     |

Source: Patrick and Ifft, 2014

### Farm Structure: The average farmer is getting older



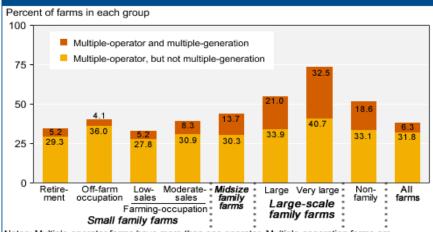
### Proportion of farm business operators by age group, 1992 vs. 2011

|                        | 1992 | 2011 |
|------------------------|------|------|
| Less than 45 years old | 30%  | 13%  |
| 45 to 54 years old     | 22%  | 19%  |
| 55 years old and older | 48%  | 68%  |

Source: Ifft, Novini and Patrick, 2014

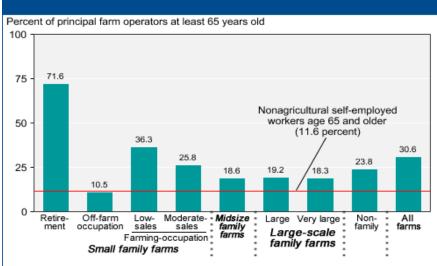
### Farm Structure: Large farms have more beginning operators

### Multiple-operator and multiple-generation farms, by farm typology, 2012



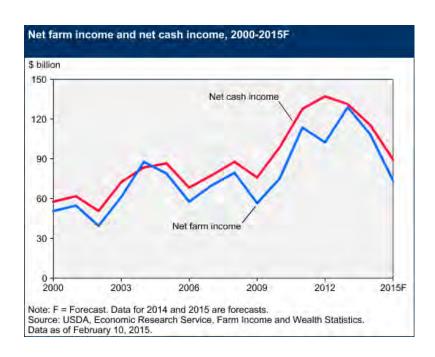
Notes: Multiple-operator farms have more than one operator. Multiple-generation farms are multiple-operator farms with a difference of at least 20 years between the ages of the youngest and oldest operators. The remaining farms (not shown) are single-operator farms with only one operator. Small family farms have gross cash farm income (GCFI) < \$350,000. Midsize family farms have GFCI of \$350,000.\$999,999. Large-scale family farms have GFCI of \$1,000,000 or more. Source: USDA, Economic Research Service and National Agricultural Statistics Service, 2012 Agricultural Resource Management Survey.

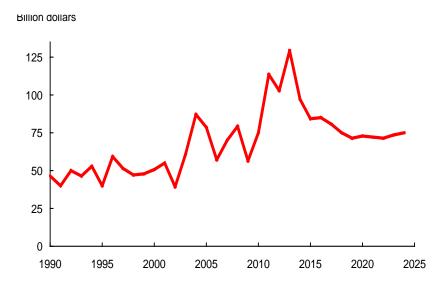
### Older principal farm operators, by farm typology, 2012



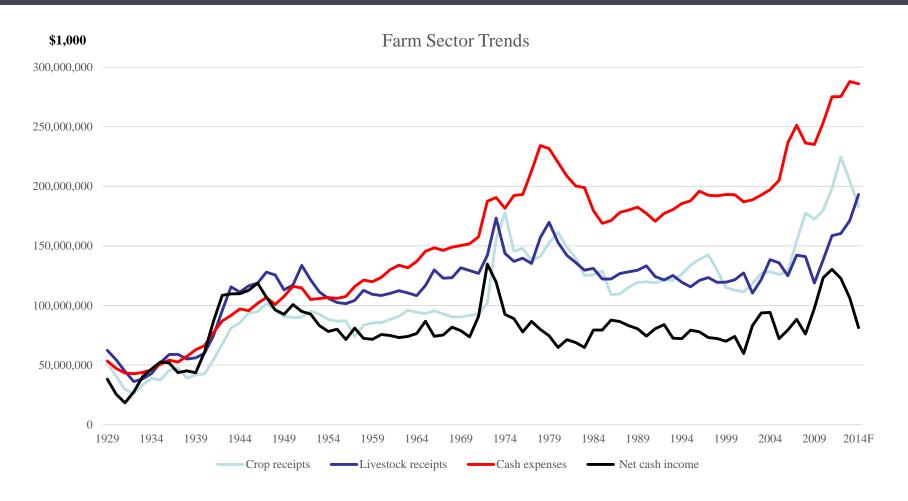
Note: Small family farms have gross cash farm income (GCFI) < \$350,000. Midsize family farms have GFCI of \$350,000-\$999,999. Large-scale family farms have GFCI of \$1,000,000 or more. Source: USDA, Economic Research Service and National Agricultural Statistics Service, 2012 Agricultural Resource Management Survey.

### Forecasts: Farm income is declining





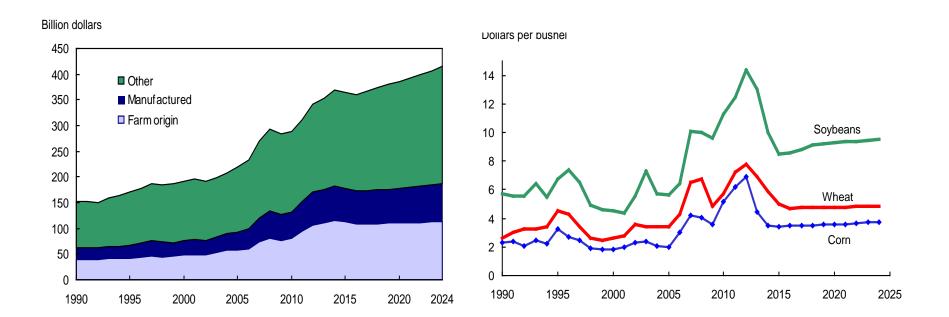
### Forecasts: Farm income is cyclical



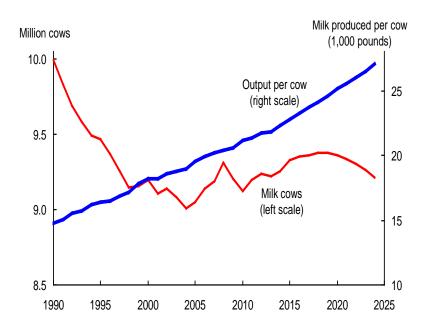
Source: USDA Economic Research Service, Farm Income and Wealth Statistics

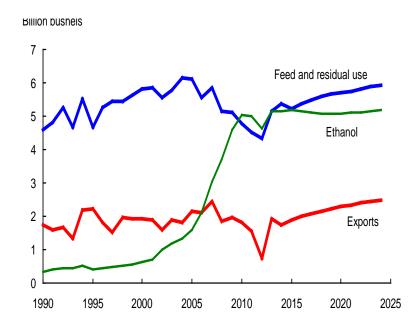


### Forecasts: Production expense and crop price long-term forecasts

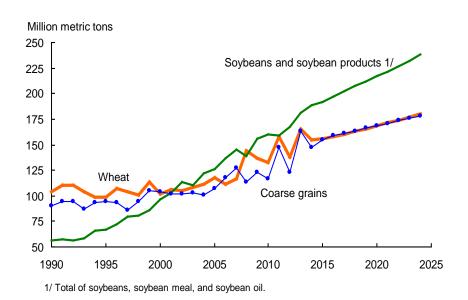


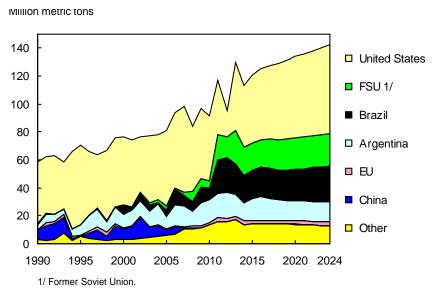
### Forecasts: Productivity and demand





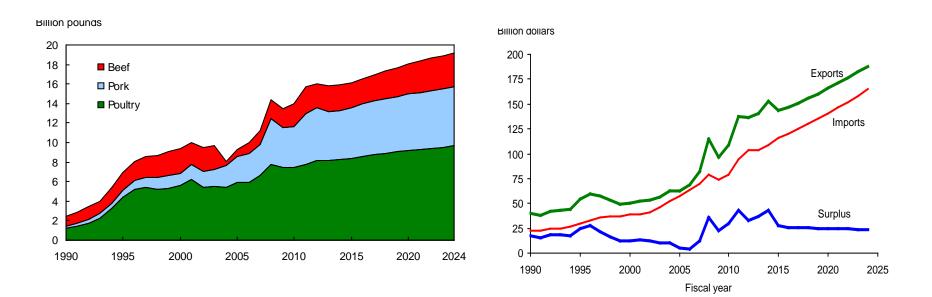
### Forecasts: Exports will become more important







### Forecasts: Overall trade will increase

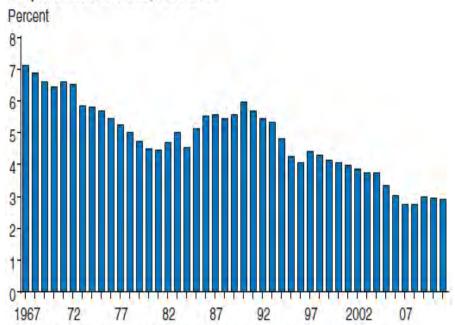


### Farmland Values: Background

- U.S. cropland values have more than doubled since 2004
  - High farm income, low interest rates
  - For the past few years, there has been talk of a "farmland bubble"
  - Several "nonagricultural" factors are important,
     i.e. development pressure and natural amenities
- Farm income forecasts and increasing interest rates suggest stabilization or downward adjustment of farmland values
  - Some evidence that this is beginning to happen

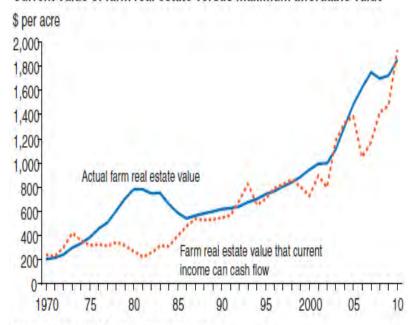
### Farmland Values: Background

### Cropland rent-to-value, 1967-2011



Sources: For 1997-2011, USDA-NASS Quickstats (http://quickstats.nass.usda.gov/). For earlier data, see USDA-ERS cash rent and Agricultural Land Values Survey data.

### Current value of farm real estate versus maximum affordable value



Sources: USDA, ERS Farm Balance Sheet data, http://www.ers.usda.gov/Briefing/FarmIncome/Data/Constant-dollar-table.xls.

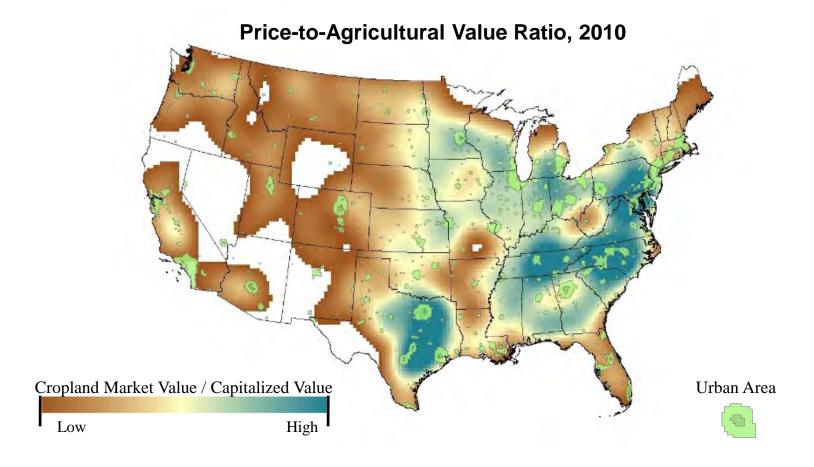
Source: Nickerson et al, 2012

### Farmland Values: Identifying the fundamentals

- We need to identify the component of farmland values supported by agricultural returns
  - Urban vs. rural farmland values may be confounded by different agricultural production values
    - Urban land may have a higher agricultural production value
- Ratio of cropland values to capitalized rents
  - "Price-to-Agricultural Value Ratio"
  - Capitalized rents proxy for agricultural use value
    - Estimate of net present value of all future agricultural returns
    - Rents/discount factor (10 year U.S. Treasury note)
    - 1 implies market value = agricultural land use value

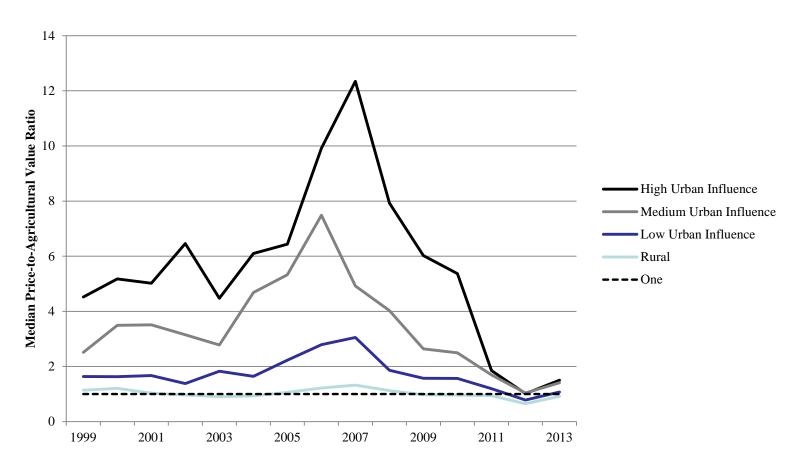


### Farmland Values: Regional trends



Source: Kuethe, Ifft, and Morehart (2012)

### Farmland Values: Rural farmland markets have been consistent



Source: USDA/NASS June Area Survey, 1999-2013

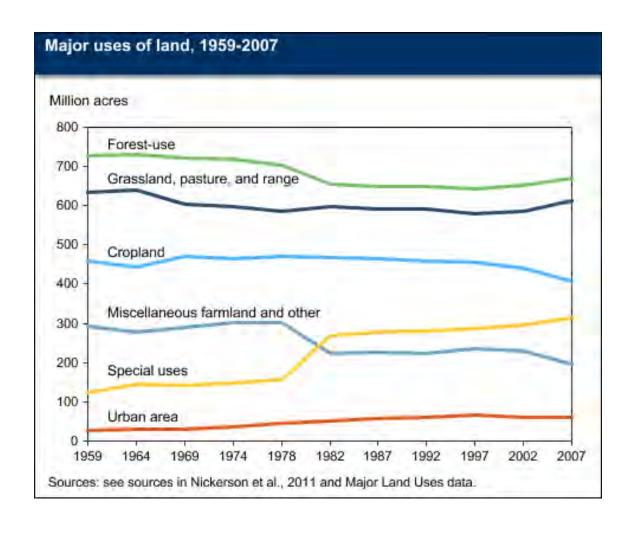
### Farmland Values: Recent developments

- Chicago Fed
  - "Good" farmland values down 3 percent from a year ago
- KC Fed
  - Farmland values steady or edging downwards
- University of Nebraska survey
  - Real estate values declined 3% last year
- University of Iowa survey
  - Decline of almost 9% in 2014

### Farmland Values: Role of investors

- 70 farmland investment funds that globally manage over \$15 billion of capital (Valoral Advisors, 2015)
  - Institutional investors are expanding into permanent crops
- Very small share of U.S. farmland is owned by institutional investors
- Threat or opportunity?

### Farmland Use: Change has been gradual



### Conclusion

- Large family farms dominate production while the majority of farms rely on off-farm income
- Increasing pressure on profit margins in coming years
  - End of an era/back to normal or new normal?
  - Most farm businesses appear to be financially resilient, although working capital/ability to repay debt out of current income is a potential issue
- Farmland will continue to be expensive
  - Expected decline/plateau accompanied by decreasing income and increasing interest
  - Non-agricultural factors are an important driver in many areas
  - Non-traditional financing to play an important role?



### Cornell University Charles H. Dyson School of Applied Economics and Management

Jennifer Ifft

**Assistant Professor** 

Mueller Family Sesquicentennial Faculty Fellow in Agribusiness and Farm Management

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Webpage: <a href="http://dyson.cornell.edu/people/profiles/ifft.php">http://dyson.cornell.edu/people/profiles/ifft.php</a>

# NAFBAS Business Meeting

# NAFBAS General Session Minutes June 11, 2014

Jim McCabe called the NAFBAS general session to order at 4:00 pm at the Radisson Hotel in Salt Lake City, UT.

# **Executive Director Report**

Bob Rhea discussed the pre-conference training event. This is a good program with good attendance and the board of directors wants to continue in the future. The board would like to continue funding \$1,500 to this each year and is included in the budget.

Bob noted that the Kansas conference had a \$9,000 profit and SLC was looking like a \$3,000 profit.

Attendance is always an issue. There is question on how attendance can be increased. Fargo was a low year for NAFBAS attendance while other years have been mostly steady. Increased attendance can make registration costs lower because minimums with the hotels are easier to hit. This is the second year the registration fee has dropped and was \$325. Controlling costs can also encourage attendance.

The MOA is continuing with Farm & Ranch. It was updated to an ongoing agreement rather than every 3 years to be renewed. With two years notice from either group to the board this MOA can be ceased.

KS, KY, and IL received funding through USDA to do new things with farm analysis. Many other local offices have received funding to help through other USDA grants. Dwight Raab & Jim Kelm represented our organizations at the Farm Futures Conference and a Successful Farming article telling the world what NAFBAS and NFRBMEA are about and what we can offer. These types of opportunities can get the word out and increase our national footprint.

A good discussion with the University of Tennessee was held at the Kansas conference. Jason Fewell was a new employee there and working to revive the program. He took notes from other leaders on how to have a successful organization and looked forward to putting those ideas in action back in Tennessee.

# Secretary/Treasurer Report

The minutes from the last meeting were reviewed. Doug Hileman moved to accept the minutes as presented and Ruth Ann McGrew seconded with the motion carrying. Anthony Barrett presented the 2013/2014 Treasurer's Report. Anthony noted that funds have decreased over the last couple of years. This is due to the fact that NAFBAS is paying for additional items such as the pre-conference training as requested and approved by the general session a few years ago. It was noted that rather than sitting on several thousand dollars every year that we should be doing something with those funds to help us out in our jobs. Another use of these funds is the annual state leaders meeting. A motion by Bob McHugh was made to accept the report. The motion carried after a second by Carla Doubet. The treasurer then presented a 2014/2015 budget that was approved by the Board of Directors. This budget is again showing a \$5,500 loss in using the excess funds for further enrichment. Also, in this budget, Bob's Executive fee has been increased from \$2,400 to \$3,000. This change was approved by the Board of Directors on Sunday for the great work that Bob does. Director Roberta Boarman moved to accept the budget, seconded by Ruth Ann McGrew and motion carried.

### President's Report

Jim and Jay have been working to put on a good conference and looking forward to 2015. The joint board will again meet in Omaha, NE in late September.

# **Program Committee**

There were 3 attendees at the meeting. Ideas were gathered for possible topics in 2015. The group discussed the possibility of Iowa hosting the 2017 conference. 2016 is projected to be in Sioux Falls, SD.

# **Technology Committee**

Rob Holcolmb spent time on gathering information for multi-state database & gathering of information. The hindrance with multi-state is ownership of data and public access to the data with so many different programs. Bob Rhea shared with the board a simple spreadsheet to have each state enter data. Rob volunteered to collect the data and input the data into the spreadsheet if the group wants. This may give relevant data for discussion. The question of the raw data vs. averages was questioned. Data would be shared with the committee first before going to the website. It was stated that confidentiality would be kept because only numbers would be used. A footnote where the data was obtained also would be included.

The committee also discussed tax prep programs. Most organizations use Lacerte for their needs. It was recommended that a breakout session with Lacerte or several veterans using Lacerte be offered at the 2015 conference.

# <u>Administration</u>

Carka Doubet stated an audit of the books was completed. Everything looked to be in great order!

New members by state:

KY: Tarrah Duraway WI: Jared Gonnering

KS: (5) Mike Vogt, Nahtan Clarke, Trenton Hargrave, Bob Kohman, Shane Ruff

IL: (7) Nathen Jansen, Jessie Mowen, Ashley Westfall, Brad Carroll, Clayton Finley, Brittany Cleeton

IA: Jordan Brauns

Retirees by state:

WI: Phil Christman KS: Robert Dawson IL: John Kloppenburg

Jerry Pierce noted to the group and Administration Committee that the Alabama program had closed as of April 2014.

A motion to accept new members was made by Brad Zwilling. This was seconded by Bob McHugh and motion carried. Bob McHugh then made motion to accept retirees and give lifetime membership. Motion was seconded by Mike Harer. Motion carried.

# Professional Papers

Jerry Pierce said the conference met via phone with submissions in 5 categories.

Winners were as follows:

Individual Newsletter---Scott Newport, IL
Educational Aids---Lowell Stoller, IL-Prepaid Farm Expenses
Rob Holcomb, MN-I-9 Power Point
Association Newsletter---Pioneer FBFM, IL-Lowell Stoller
Professional Paper---No Submission
Assoc. or Individual Program Enrollment---No Submission
Association Analysis Summary---No Submission

# Financial Standards Committee

Kent Meister encourages individuals to get involved with the council. We need to stand up and support the work we do. The hedging chapter is now complete that was being discussed last year. The next big change is benchmarking. The criticism of benchmarking is growing. The next annual meeting is in July in Billings, MT. Kent again asked for the \$1,300 line item in the budget to cover the cost of attending the annual meeting. Kent has asked that a replacement be found for him on the committee

# Joint Committee

**USDA** met at lunch. The change in financial positions has increased the need for groups to help cooperators/clients. Many items such as farm bill decisions, ACA, banker scrutiny, and farm transitions are items that we can help with in many ways and are possible agenda items in 2015. We need to increase our footprint from policy to people.

Jim McCabe discussed conference **resources & fundraising**. National sponsors will be kept in contact all year. Local sponsors are always being sought so if you know of any connections, let a committee person know. There are some different philosophy views between our two groups. NAFBAS looks for enough funds to cover costs while Farm & Ranch looks to seek a profit. Larger national sponsors were CHS at \$4,000 and JD at \$3,000. New CHS fund of \$10,000 scholarship to students interested farm management.

**Planning Committee:** Illinois is in the lead for the 2015 conference. The group is looking for planning assistance. The conference will be in Rochester, NY. Jim McCabe recognized Rob Holcomb for putting the conference notebooks together in the past. Rob is looking to "retire" from this and would like to have a replacement to train. Jim McCabe is willing to learn from Rob but is also looking for another individual to help. One item discussed as maybe a way to attract a new crowd for attendance is an electronic setup on FaceBook, Twitter, etc. that will reach out to the people on these avenues. If someone is willing to do this, let Jim McCabe or Bob Rhea know.

We are looking for people who want to help plan the 2016 conference. It is projected to be in Sioux Falls, SD. This conference will be a triennial conference with Extension joining our two groups. Alissa F. volunteered to assist.

The 2015 conference will be in Rochester, NY. There will be some farm tours to different farm areas. The committee is still looking for volunteers. Please forward any thoughts or ideas for the agenda to Jim McCabe. Also, any contacts in the Rochester area you might have would be greatly appreciated.

A motion to approve Sioux Falls, SD and name Alissa to the planning committee was made by Jerry Pierce. It was seconded by Bob McHugh and motion carried.

For 2017, we are looking at Iowa for the lead. Bob noted the history of locations of past conferences. In Iowa, some locations are restrictive due to air travel issues. Des Moines or the Quad Cities are at the forefront. There is discussion on adjusting the length of the conference or allow short or long registration. The length of the conference is always a discussion point based the post conference evaluations as reason for not attending.

# Member Topics

Can we survey why member attendance is not higher. Jim McCabe will be sending a short e mail asking the biggest restrictions to attendance. These will include time, travel, & costs.

A motion to adjourn was made by Brad Zwilling and seconded by Roberta Boarman. The motion carried joyfully and the meeting was adjourned.

Respectfully submitted, Anthony Barrett, Secretary

| NAF  | BAS            |                            | Annual Meeting H          | istorv     |                   |           |                           |
|------|----------------|----------------------------|---------------------------|------------|-------------------|-----------|---------------------------|
| Year | State          | Town                       | <u>Site</u>               | Reg. Fee   | Staff Attend.     | Room Cost | <u>President</u>          |
| 2015 | Illinois       | Rochester NY               | Hyatt                     | 375        | 120 total /75 naf |           | Jim McCabe                |
| 2014 | Utah           | Salt Lake City             | Radisson                  | 325        | 97 total / 46 naf | 119       | Jim McCabe                |
| 2013 | Kansas         | Overland Park              | Doubletree                | 340        | 159 total 71 naf  | 107       | James Huschka             |
| 2012 | Minnesota      | Minneapolis, MN            | Crowne Plaza              | 345        | 132 total 72 naf  | 109       | James Huschka             |
| 2011 | Kentucky       | Nashville, TN              | Sheraton Music City       | 295        | 124 total 73 naf  | 130       | Rush Midkiff              |
| 2010 | North Dakota   | Fargo                      | Holiday Inn               | 285        | 201 total 61 naf  | 98        | Jim Kurtz                 |
| 2009 | Missouri       | St. Louis                  | Sheraton City Center      | 260        | 141 total 81 naf  | 114       | Mike Schmitz              |
| 2008 | Nebraska       | Fresno                     | Piccadilly Inn University | 290        | 111 total 71 naf  | 91        | Tina Barrett              |
| 2007 | Minnesota      | Rochester                  | Kahler Hotel              | 240        | 230 total 76 naf  | 72        | Lynn Kopitzke             |
| 2006 | Iowa           | Omaha                      | Doubletree, Downtown      | 225        | 141 total 77 naf  |           | Bob McHugh                |
| 2005 | Illinois       | Washington DC              | Crystal City Doubletree   | 175        | 78                | 135       | Roberta Boarman           |
| 2004 | Kansas         | Wichita                    | Marriott                  | 190        | 89                | 81        | Bryan Manny               |
| 2003 | Minnesota      | Duluth                     | Inn on Lake Superior      | 200        |                   | 99        | Jim Christensen           |
| 2002 | Alabama        | Orange Beach               | Perdido Beach Resort      | 200        |                   | 130       | Jerry Pierce              |
| 2001 | Kentucky       | Bowling Green              | University Plaza          | 100        |                   | 95        | Darwin Foley              |
| 2000 | Colorado       | Steamboat Springs          | Sheraton                  | 120        |                   | 92        | Dana Scheidecker          |
| 1999 | Wisconsin      | Wisconsin Dells            | Chula Vista Resort        | 100        |                   | 109       | Rolyn Jorgensen           |
| 1998 | Iowa           | Des Moines                 | Holiday Inn               | 100        |                   | 90        | Ron Stone                 |
| 1997 | Illinois       | St. Charles                | Pheasant Run Resort       | 100        |                   | 94        | Bob Rhea                  |
| 1996 | Kansas         | Overland Park              | Doubletree                | 100        |                   | 80        | Bob Dawson                |
| 1995 | South Carolina | Charleston                 | Holiday Inn               | 100        |                   | 57        | Dana Scheidecker          |
| 1994 | Minnesota      | Brainerd                   | Craguns                   | 90         |                   | 100       | Dary Talley               |
| 1993 | Alabama        | Gulf Shores                | State Park                | 75         |                   | 90        | Alan Miller               |
| 1992 | Kentucky       | Louisville                 | Radisson                  |            |                   | 62        | Craig Gibson              |
| 1991 | New Mexico     | Riudoso                    | Inn Mountain Gods         | 75         |                   | 77        | Patrick Su <b>ll</b> ivan |
| 1990 | Colorado       | Greeley                    | Ramkota Inn               | 50         |                   | 60        | Bill Janssen              |
| 1989 | Wisconsin      | Green Bay                  | Radisson                  |            |                   |           | Phil Christman            |
| 1988 | Iowa           | Dubuque                    | Midway Motor Lodge        | <b>4</b> 5 |                   | 52        | Doug Streeper             |
| 1987 | Illinois       | Springfield                | Holiday Inn               |            |                   |           | Roy Ewalt                 |
| 1986 | Kansas         | Manhattan                  | Holiday Inn               |            |                   |           | Jerry Freeze              |
| 1985 | Alabama        | Lake Guntersvi <b>ll</b> e | State Park                |            |                   |           | George Young              |
| 1984 | Minnesota      | Detroit Lakes              | Holiday Inn               |            |                   |           | Erlin Weness              |
| 1983 | Kentucky       | Lexington                  | Holiday Inn               |            |                   |           | Joe Fuqua                 |
| 1982 | Colorado       | Durango                    |                           |            |                   |           | Duane Steinhart           |
| 1981 | Wisconsin      | Stevens Point              | Holiday Inn               |            |                   |           | Claire Milliren           |
| 1980 | Iowa           | Lake Okoboji               |                           |            |                   |           | Duane Murken              |
| 1979 | Illinois       | Rockford                   | Clock Tower Inn           |            |                   |           | Dorrence Brucker          |
| 1978 | Kansas         | Garden City                | Plaza Inn                 |            |                   |           | Gale Mullen               |
| 1977 | Kentucky       | Hardin                     | KenLake State Park        |            |                   |           | Don Clampett              |
| 1976 | Colorado       | Estes Park                 | Stanley Hotel             |            |                   |           | Gail Shellberg            |
| 1975 | Wisconsin      | Mishicot                   | Fox Hills Inn             |            |                   |           | William Biddick           |
| 1974 | lowa           | Amana                      | Holiday Inn               |            |                   |           | Phillip Benge             |
| 1973 | Illinois       | Galesburg                  |                           |            |                   |           | Mervyn Helfert            |



# **FBFM COOPERATORS - 2014**



WOODFORD COUNTY & NORTHERN TAZEWELL COUNTY, IL FIELD STAFF: LOWELL STOLLER & JEFF MARQUIS

| CORN                  |       | SOYBEANS              |       | TILLABLE ACRES/F      | ARM   |
|-----------------------|-------|-----------------------|-------|-----------------------|-------|
| YIELD                 | % OF  | YIELD                 | % OF  |                       | % OF  |
| BU/ACRE               | FARMS | BU/ACRE               | FARMS |                       | FARMS |
| 250 & above           | 1%    | 75 & Above            | 1%    | 1500 & Above          | 10%   |
| 240-249               | 9%    | 70-74                 | 6%    | 1300-1499             | 5%    |
| 230-239               | 26%   | 65-69                 | 26%   | 1100-1299             | 7%    |
| 220-229               | 24%   | 60-64                 | 45%   | 900-1099              | 9%    |
| 210-219               | 24%   | 55-59                 | 16%   | 700-899               | 7%    |
| 200-209               | 14%   | 50-54                 | 3%    | 500-699               | 19%   |
| Below 200             | 2%    | Below 50              | 3%    | 300-499               | 26%   |
|                       |       |                       |       | Below 300             | 17%   |
|                       |       |                       |       |                       |       |
| 2014 Average          | 223   | 2014 Average          | 62    | 2014 Average          | 772   |
| 5 Yr. Average (10-14) | 185   | 5 Yr. Average (10-14) | 59    | 5 Yr. Average (10-14) | 772   |

| CROP RETURNS PER ACRE |       | CROP INPUTS PE        | R ACRE | NET FARM INCOME       |           |  |
|-----------------------|-------|-----------------------|--------|-----------------------|-----------|--|
|                       |       | (FERT, CHEM, S        | SEED)  | BEFORE DEPRECIA       | ATION     |  |
|                       | % OF  |                       | % OF   |                       | % OF      |  |
| RETURNS               | FARMS | COSTS                 | FARMS  | THOUSAND DOLLARS      | FARMS     |  |
| 925 & Above           | 4%    | 350 & Above           | 2%     | 350 & Above           | 5%        |  |
| 850-924               | 12%   | 310-349               | 12%    | 280-349               | 3%        |  |
| 775-849               | 36%   | 270-309               | 23%    | 210-279               | 5%        |  |
| 700-774               | 38%   | 230-269               | 30%    | 140-209               | 17%       |  |
| 625-699               | 8%    | 190-229               | 27%    | 70-139                | 37%       |  |
| Below 625             | 2%    | Below 190             | 6%     | 0-69                  | 28%       |  |
|                       |       |                       |        | Below 0               | 5%        |  |
| 2014 Average          |       | 2014 Average          |        | 2014 Average          | \$122,048 |  |
| 5 Yr. Average (10-14) | \$904 | 5 Yr. Average (10-14) | \$246  | 5 Yr. Average (10-14) | \$183,231 |  |

| INTEREST EXPENS          | E AS A % | FAMILY LIVING EXPENDITURES    | (S        | state Avg. 20 | 014)     |
|--------------------------|----------|-------------------------------|-----------|---------------|----------|
| OF GROSS FARM R          | ETURNS   | AVG OF FAMILIES               | ΑÌΙ       | HI 1/3        | ĹO 1/3   |
|                          |          | Number in Family              | 2.7       | 4.0           | 3.7      |
|                          | % OF     | Oldest Dependent Child        | 18        | 20            | 17       |
|                          | FARMS    | Total Operator Tillable Acres | 766       | 1197          | 638      |
| 5% & Above               | 12%      |                               |           |               |          |
| 4-5%                     | 7%       | Contributions                 | \$3,698   | \$6,166       | \$1,618  |
| 3-4%                     | 6%       | Medical                       | \$11,213  | \$15,458      | \$7,714  |
| 2-3%                     | 14%      | Insurance (Life & Disability) | \$4,626   | \$6,583       | \$2,501  |
| 1-2%                     | 15%      | Expendables                   | \$62,174  | \$108,686     | \$41,327 |
| 0-1%                     | 20%      | Non-Business Capital Purchase | \$7,225   | \$10,057      | \$6,990  |
| No Debt                  | 26%      | TOTAL LIVING EXPENSE          | \$88,936  | \$146,950     | \$60,150 |
|                          |          | Income & SS Taxes             | \$38,801  | \$47,256      | \$30,309 |
| 2014 Average:            | 2.06%    |                               |           |               |          |
| 2014 Avg Int Pd/Operator | \$10,398 | TOTAL                         | \$127,737 | \$194,206     | \$90,459 |



# FBFM Cooperators 2014 Woodford County & Northern Tazewell County, IL Field Staff: Lowell Stoller & Jeff Marquis



# List of Averages

| 2014       2013         \$122,048       \$112,660         223       200         62       58         \$4.28       \$6.86         \$13.65       \$14.66         \$3.80       \$4.47         \$10.95       \$13.02 |
|---|
| \$122,048<br>223<br>62<br>\$4.28<br>\$13.65<br>\$10.95  |
|   |

# **FBFM NEWS**

# Implementation of the Agricultural Act

of 2014

By: Brian Pulley





The 2014 Farm Bill was signed in February of 2014. Kent Meister provided an overview in the Pioneer FBFM summer newsletter. Now it is time to make decisions and implement the program. As you start implementation, connect to the Farm Bill Toolbox at: <a href="http://farmbilltoolbox.farmdoc.illinois.edu/">http://farmbilltoolbox.farmdoc.illinois.edu/</a>.

The toolbox breaks the process into manageable steps. Instructions are supplemented with video explanations. FSA and the Farm Bill Toolbox both speak in terms of steps as follow:

FSA Step 1: Update yields and reallocate base acres. <u>Scheduled September 29<sup>th</sup>, 2014 through February 28<sup>th</sup>, 2015.</u>

<u>Find that August Letter from FSA!</u> Gather the letters (one for each farm number) and start a file. Review the information – especially if farms have been combined or split with a reconstitution or if tracts have been changed. Alert FSA of missing or incorrect data.

Complete Form 859 to certify yields for 2008-2012. This may not be necessary if it does not improve your current CC Yield, or you will comply with the **Agriculture Risk Coverage - County Option** (**ARC-CO**) program rather than **Price Level Coverage** (**PLC**). No evidence is needed at this time. Crop Insurance data is allowed.

Complete Form 858 to reallocate base acres. The Farm Bill Toolbox will help you decide whether to reallocate base acres or keep current base acres. In general you may reallocate base acres to match with the proportional share of tillable acres planted to each crop from 2009 to 2012. In general corn base acres pay higher rates, followed by wheat, then soybeans. After a program decision is made, the toolbox will estimate program payment using current base acres vs reallocated base acres.

Decisions for items in Step 1 are reserved for the LAND OWNER.

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# **Pioneer FBFM**

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# Crop Insurance Claims Possible, But Not Likely This Year By: Jed Metzger

Farm operations in Central Illinois depend on crop insurance as a major component of their risk management strategy. Although yield based policies like Yield Protection (YP) still exist, most managers choose one of two revenue policies which combine yield history and spring prices to calculate a fall revenue guarantee. The most popular, Revenue Protection (RP), resets that fall guarantee to a higher level when fall prices exceed the spring price. The second type of revenue policy, Revenue Protection with Harvest Price Exclusion (RP-HPE), does not allow the fall guarantee to be reset. If fall prices stay below the spring price, RP-HPE provides claims identical to RP at a lower premium cost.

For 2014, the *spring price* (average of December futures prices during the month of February) for corn and soybeans was \$4.62 and \$11.36, respectively. At the time of this writing in late October, *harvest prices* (average of December futures prices during the month of October) are averaging around \$3.40 and \$9.40.

Continued on page 3

|              |   |   | Calculate Corn Claims for Fall 2014 |  |  |                 |           |   |        |           |  |
|--------------|---|---|-------------------------------------|--|--|-----------------|-----------|---|--------|-----------|--|
| Policy Type: |   | Yield Protection<br>Producing 115% of APH |                                     | A STATE OF THE PARTY OF THE PAR | Revenue Protection<br>Producing your APH |                 |           | Revenue Protection<br>Producing 115% of APH |        |           |  |
|              |   | E   | zample                              | Your Farm  | I  | Example         | Your Farm | E   | xample | Your Farm |  |
| Step 1:      | Calculate Guaranteed Revenue or Yield                                     | 1   |                                     |  |  |                 |           |   |        |           |  |
| Add          | Actual Production History   | +   | 180.0                               | +  | 4  | 180.0           | +         | +   | 180,0  | +         |  |
| Tim          | es Level of Coverage  | x   | 85%                                 | ×  | ×  | 85%             | ×         | x   | 85%    | x         |  |
| Equ          | ials Covered Bushels<br>IF RP w/ Exclusion use Base Price.                | Ė   | 153                                 | 8  | ×  | 153             | s .       | ×   | 153    |           |  |
| Time         | us If RP use higher of Base Price or<br>Price used in Step 2.             | ğ   |                                     |  | x  | 4.62            | x         | x   | 4.62   | x         |  |
| Equ          | als Guaranteed Revenue  | =   | ш,                                  |  | =  | 708.86          | 4         | 4   | 706.86 | =         |  |
| Add          | Actual Yield  Average December Com Futures in es October                  | +   | 207 0                               | •  | +<br>X                                   | 100.0           | -         | +<br>X                                      | 100.00 | Li di     |  |
| 0.0          | uals Insured Revenue  |   |                                     |  | Ĭ  | 612.00          | 1         |   | 703.80 | -         |  |
| Hep 3:       | Compare Guaranteed Revenue (or Yiel  Guaranteed Revenue or Yield (Step 1) | ľ   | Insured                             |  |  | ield)<br>706.86 | •         | +   | 706.86 |           |  |
| -            |   | -   | -207.0                              |  | -  | 612.00          | -         |   | 703.80 | -         |  |
| Min          |   |   |                                     |  |  |                 |           | _   |        |           |  |
| 3            | nals Bushels Claim (not less than zero)                                   | =   | 0.0                                 | =  | Ε  |                 |           |   |        | -         |  |
| 3            | <u> </u>  | =<br>X                                    | 0.0<br>4.62                         |  | ×  |                 | x         | ×   | 8      | =<br>X    |  |

Crop yields are running well above average, often record-breaking this fall. Yield based policies such as YP will generally not produce claims this year. However, the decline in futures prices could possibly trigger payments from revenue policies even in areas with good yields. The worksheets included on these two pages show examples of potential claims when corn production reaches 115% of its trend adjusted APH corn yield (207 vs. 180), and soybean production reaches 102% of its trend adjusted APH soybean yield (53 vs. 52). If prices continue to drop, even higher yields could trigger a claim. Talk to your agent before choosing to skip the claim process. Large yields can still generate claims. You can use the worksheets to manually calculate a potential claim. Note: The U of I provides a crop insurance claim calculator at <a href="https://www.farmdoc.illinois.edu">www.farmdoc.illinois.edu</a>.

Insurance companies have offered private supplements to crop insurance over the years. Starting in 2013, private policies emerged to expand the February price discovery period to 2 or more months. For example, one private option expanded to include March in the discovery months. New crop futures prices averaged \$4.85 and \$11.84 in March. The private policy supplements the federal policy with an additional unsubsidized premium cost. Note: The worksheets are designed for traditional RP policies. Adjustments may be needed if using to calculate claims for private policy additions.

|           |  |          |         | Calcula                 | de :  | Soybean              | Claims for I         | Fall                                    | 2014   |                          |
|-----------|--|----------|---------|-------------------------|-------|----------------------|----------------------|---|--------|--------------------------|
|           | Policy Type:   | PR       | 104000  | rotection<br>02% of APH | Į.    | Revenue I<br>Produci | Protection<br>ng APH | 100000000000000000000000000000000000000 |        | Protection<br>02% of APH |
|           |  | E        | kample  | Your Farm               | E     | xample               | Your Farm            | I                                       | xample | Your Farm                |
| Step 1: 0 | Calculate Guaranteed Revenue or Yield                        |          |         |                         |       |                      |                      |   |        |                          |
| Add       | Actual Production History                                    | +        | 52.0    | 4                       | +     | 52.0                 | +                    | ŧ                                       | 52.0   | +                        |
| Time      | s Level of Coverage  | x        | 85%     | x                       | x     | 85%                  | ×                    | x                                       | 85%    | ×                        |
| Equa      | als Covered Bushels IF RP w/ Exclusion use Base Price.       | =        | 44.2    | 2                       | =     | 44.2                 | 2                    | g                                       | 44.2   |                          |
| Time      | s II RP use higher of Base Price or<br>Price used in Step 2. | H        |         |                         | x     | 11.36                | х                    | x                                       | 11.36  | x                        |
| Equa      | s Guaranteed Revenue   |          |         |                         | =     | 502.11               | =                    | Ξ                                       | 502.11 | =                        |
| Add       | Calculate Insured Revenue or Record A<br>Actual Yield        | tue<br>+ | 53.0    | +                       | +     | 52.0                 | *                    | +                                       | 53.0   | +                        |
| Time      | Average November SB Futures in<br>October                    |          |         |                         | x     | 9.40                 | x                    | x                                       | 9.40   | x                        |
| Equa      | als Insured Revenue  |          | Н.      |                         | ä     | 488.80               | =                    | п                                       | 498.20 |                          |
| Step 3: 0 | Compare Guaranteed Revenue for Yiek                          | 1) to    | Insured | Revenue (c              | er Yi | eld)                 |                      |   |        | - 1                      |
| Add       | Guaranteed Revenue or Yield (Step 1)                         | +        | 442     | +                       | +     | 502.11               | 4                    | +                                       | 502.11 |                          |
| Minu      | is Actual Revenue or Yield (Step 2)                          | -        | -53.0   | 4                       | -     | 488.80               | -                    | æ                                       | 498.20 | 62                       |
| Equa      | als Bushels Claim (not less than zero)                       | =        | 0.0     | =                       |       |                      |                      | =                                       |        |                          |
| Time      | es Yield Protection Price                                    | x        | 11.36   | X 11.36                 | ×     |                      | ×                    | ×                                       |        | ×                        |
| Eau       | als Estimated Claim (not less than zero)                     | _        | o       | =                       | =     | 13.31                | =                    | =                                       | 3.91   | _                        |

FBFM NEWS Page 4

# Health Savings Accounts (HSAs): A Better Option Under the Affordable Care Act By: Darren Bray

Current tax law provides for significant savings by using health savings accounts coupled with high deductible health plans (HDHP). HSA contributions may be even more beneficial since new rules in 2013 raised the deduction threshold for medical expenses as itemized deductions from 7.5% of adjusted gross income (AGI) to 10% of AGI for most individuals (taxpayers age 65 and older are still allowed to claim medical expense in excess of 7.5% of AGI for itemized deductions).

# HSAs offer many advantages including:

- · Funds withdrawn for out of pocket medical expenses are tax free.
- · No income limit for making contributions
- Funds not used for medical expenses can build up tax deferred (similar to an IRA). If drawn out after age 65, they will be taxed as ordinary income if not used to pay for medical expense.
- You can make retroactive claims...\$1000 medical bill incurred this year, BUT not paid with HSA funds can be used in later years to draw out HSA funds tax free.
- · Contributions to HSA accounts lower gross income and the Alternative Minimum Tax (AMT)
- · HDHPs satisfy the individual mandate under the Affordable Care Act

# Eligibility rules:

- Health insurance coverage must meet the high deductible requirement of an HDHP plan (bronze level under the ACA)
- To be eligible for 2014, taxpayer must be covered by a HDHP by December 1
- You cannot be claimed as a dependent or enrolled in Medicare (You can no longer contribute to your HSA if you're age 65 or older)

# Contribution limits for 2014:

- · Single coverage: \$3200 with a \$1000 additional catch up contribution age 55 and older
- Family coverage: \$6550 with a \$1000 additional catch up contribution age 55 and older

# Contribution limits for 2015:

• Single increases to \$3250; family increases to \$6650 with a \$1000 additional catch up contribution for age 55 and older

An HSA can be set up through an insurance company, bank or other financial institution approved by the IRS.

# **Review of Entity Types**

There are several options available when choosing the type and structure of a business entity. This review will focus on the Sole Proprietorship, Partnership, LLC, S-Corporation, and C-Corporation. Of these, only the sole proprietorship has the same entity as the individual and must be managed by the owner.

Liability is of key importance when choosing the entity type if your business exposes you to greater risk. Sole proprietorship and general partners in a partnership have unlimited liability. The liability is limited to the investment in the remaining entities including a limited partner in a partnership with the exception of personal service entities.

\*\*Continued on page 5\*\*

By: Carla S. Doubet

A Sole-Proprietorship is made up of one individual, is very easily formed and terminates at the owner's death. It raises capital through the owner's assets and borrowing capacity. It can transfer ownership through the entire sale of the business or can create a new entity.

Partnerships, S-Corporations and C-Corporations transfer ownership through a sale or gift of interests or stock. One of the advantages of these entities is that they have the ability to raise capital through equity financing by offering interests, or stocks, for sale rather than through a debt instrument.

Partners can divide management responsibilities within a partnership. General Partners that have a management role also have a higher liability exposure. The entity is required to file Form 1065. Depending on its structure, an LLC can elect to be taxed as a sole proprietorship, partnership, or corporation. The entity files the tax form of its elected tax status. The nature of an LLC is to limit the liability exposure for its member(s). Its management, transfer of ownership, and continuity of life are based on its articles of organization.

Both C and S-Corporations are managed by the Board of Directors. A C-Corporation can have unlimited shareholders while an S-Corporation is limited to 100 shareholders. They file an annual return on Form 1120 and 1120S respectively. C-Corporations are subject to taxation at the corporate level. Dividends that are paid out to shareholders are again taxed to the individual on their Form 1040. The corporation does not get a tax deduction for dividends paid. In essence, corporate income is double taxed.

S-Corporations and Partnerships pass income respectively through to shareholders and partners on a K-1. This information is reported on the individual's Form 1040 on page two of Schedule E. Participation in the entity determines the nature of income as passive or active on Schedule E.

More sophisticated operations can have multiple entities in place for liability exposure limitations and estate planning purposes. Every operation has unique characteristics that can affect the best choice for the individuals involved. Consult your attorney and tax preparer when making a decision on which entity is most advantageous for you and your situation.

The chart below reflects some factors to consider for the structure of your entity:

|   | Sole Proprietorship  | Partnership  | LLC                    | S-Corporation  | C-Corporation   |
|---|--|--|------------------------|--|---|
| Self-Employment Tax                       | Yes  | Gen Partner-Yes  | *Depends on tax status | No-receives wages  | No-receives wages                                     |
| Wages Paid to Family                      | Wages paid to own-<br>er's children under<br>18 exempt from<br>FICA; spouse &<br>parents exempt from<br>FUTA | Wages paid to own-<br>er's children under 18<br>exempt from FICA<br>only if all partners are<br>parents of children. | *Depends on tax status | No exemption   | No exemption  |
| Basis Adjustments Upon<br>Death           | Assets-Generally<br>Fair Market Value<br>(FMV) at Date of<br>Death (DOD)                                     | Partnership interest<br>Generally FMV at<br>DOD;§754 election at<br>partnership level                                | *Depends on tax status | Stock-Generally FMV at DOD   | Stock-Generally FMV at DOD                            |
| Alternative Minimum<br>Tax (AMT)          | Applied at individual level  | Applied at partnership level   | *Depends on tax status | Applied at shareholder level   | Applied at corporate level                            |
| Deductibility of Charitable Contributions | Generally 50%<br>limitation  | Generally 50% limitation at partnership level  | *Depends on tax status | Generally 50% limitation at shareholder level  | Generally 10% limitation                              |
| Retirement Plans                          | Include SEP, SIM-<br>PLE, Keogh, solo<br>401(k)  | Include SEP, SIM-<br>PLE, Keogh, 401(k)<br>established at partner-<br>ship level                                     | *Depends on tax status | Any except Keogh,<br>deductible at corporate<br>level; established at S-<br>Corp level | Any except Keogh,<br>deductible at corporate<br>level |

<sup>\*</sup>Generally follows the nature of the elected tax status

FBFM NEWS Page 6

# PcMARS Accounting Software Update By: Brandon Tate

# POTENTIAL USERS

Many of you are familiar with the PC Mars accounting program for keeping your farm records on the computer. For those of you that are not aware, PC Mars is designed with the farmer in mind. It is a simple, user-friendly program that FBFM recommends to those clients wanting to keep electronic records. PC Mars was developed by two farmers in Iowa and is maintained and updated by the Iowa Farm Business Association. The initial cost of PC Mars is around \$350.

If you are considering making the switch to electronic records, or switching from a different electronic record keeping system, there are some benefits. First, it is much easier to keep a balanced record book and reconcile it to your bank statements. This reduces missing income and expense entries because all dollars are accounted for. Another benefit is when you need to change an expense category or make adjustments. PC Mars will automatically update totals making it easy to get a snapshot of current farm income to see what direction things are headed. A third benefit is less written work in the record book, as much of the information will come from the PC Mars totals. PC Mars also provides the ability to easily track multiple accounts (checking, hedging, savings, retirement) in one place. And, with compatible check formats, you can print checks from PC Mars to pay bills. PC Mars is excellent if you have employees with withholdings as it can be set up for automatic calculations of paychecks and withholdings as well as help track amounts due to federal and Illinois so that timely deposits can be made.

# **CURRENT USERS**

For current PC Mars users, there are some common issues that arise. First of all, backing up and restoring data is important. Please make sure you are backing up on a regular basis to prevent loss of data in the event of a computer crash. Additionally, if your field staff makes changes to your PC Mars and puts those on a

USB drive for you, make sure you are restoring that most up to date information to your machine when you return home. Backing up and restoring are two very simple processes. Please refer to your manual, online resources, or your field staff for easy steps to back up and restore. You may want to touch base with your field staff so you are backing up in their preferred format as there are a couple of different options. It is helpful to verify that you have a good backup on the USB Drive before ejecting – testing your backup can be done in PC Mars. Once you are ready to remove your USB Drive, please make sure you eject it properly from the computer before you remove it to avoid data loss.

The current version is 2.3.4. To find out if you are up to date, open PC Mars and under the help menu, click on *About Pc Mars*. If you aren't up to date, ask your field staff about getting the most recent version. The cost to update a windows based version (i.e. go from 2.1 to 2.3) to the current version is \$100. If you are on 2.3.0, then you simply need to download and install the free patch from the website to get to 2.3.4. The website for PC Mars is: <a href="http://www.iowafarmbusiness.org/pcmarsaccounting.html">http://www.iowafarmbusiness.org/pcmarsaccounting.html</a>

The PC Mars website (see above) has some helpful references that you should check out. Under the Current User Options, there is a link for Free Classroom Booklets which are designed for both beginner and advanced users. We also recommend the link for PcMars Newsletters and Tips, under the Current User Options, as it contains quick references to common applications within the program. A few of the most helpful you might find are #7 PcMars Shortcut Keys (several dealing with backing up and restoring), and #15 Reconciling Past Years Statements. Print and keep them for quick reference.

Continued on page 7

FBFM NEWS

Another important aspect to remember as PC Mars Users is to make sure you review some key reports. This will help you catch incorrect entries or notice something doesn't seem to be showing up where it should. A quick review will help you keep cleaner records and fix errors before your field staff visits. Here are some of the common reports you should review and a brief description of what you will find in the reports. Reports are all accessed under the Reports Menu and can be viewed on screen or printed out (make sure to select the correct month or period).

- · Monthly Detail Allows you to review specific month/period transactions
- · Bank and Loan Balance Quick look at beginning, current period and ending balances
- · Detail Loan Report Review money borrowed, repaid and interest amounts
- · Labor Reports Multiple options depending on need, review your needs with fieldman
- · Year End Detail Gives a detailed report of all transactions for the current year
- · Vendor List Handy report to print for quick reference to see commonly used vendors

If you have been thinking about moving to electronic record keeping, we encourage you to go ahead and take that leap. We'll help guide you along the way. If you are a current PC Mars user and have suggestions to improve your experience or have an "I really wish PC Mars could do...." idea, please share that with your field staff as we provide feedback to the program developers to improve the software. If you need additional support or have questions, first contact your field staff or Jen in the Bloomington office as we can solve most issues. This will help you avoid additional fees that may result if you contact Iowa Farm Business directly.

# Implementation of the Ag. Act of 2014: Continued from Pg. 1

FSA Step 2: Make the ARC-CO vs. PLC decision. Scheduled November 17<sup>th</sup>, 2014 through March 31<sup>st</sup>, 2015

First, compare **ARC-CO** with **PLC**. These programs were described in the last newsletter. ARC-CO provides protection at a county level based on a percentage of past performance of the county. Every year, the guaranteed revenue will change for crop bases protected under ARC-CO. In contrast, the PLC guarantee is based only on price.

The Farm Bill Toolbox provides the logic and suggested price models to perform a 5 year analysis of both programs. Most producers will prefer the ARC-CO program. Ford County producers may need extra analyses to decide between ARC-CO and PLC.

One additional option includes **ARC-IC** which provides **individual coverage** at the farm level. Most producers will prefer ARC-CO. A second option, **Supplemental Coverage Option** (**SCO**), is available in 2015 for users of the PLC option. This provides coverage for the gap between existing crop insurance guarantees and 86% coverage. With many already using coverage of 80% or more, we don't expect this to be prevalent in our area.

Decisions for items in Step 2 are reserved for the FARM OPERATOR of record for the 2015 crop.

FSA Step 3: Execute Program Contracts for 2014 and 2015. No Deadline has been set at this time.

One point to remember about the projected ARC-CO payments for 2014 corn on the <u>fsa.usapas.com</u> website. The website inputs several variables to improve simplicity and accuracy. Eventually, starting in about March the website will use actual county yields published by NASS. At this writing in October, the website is using trend line yields for each county and USDA price projections. By now it is evident that yields are much higher. Therefore, the 2014 ARC-CO payment of over \$70 is probably not accurate at this time.

Page 7

Pioneer FBFM
12 Westport Court, Suite B
Bloomington, IL 61704

# **Important Information**

# **Affordable Care Act:**

# Things to have ready for your field staff:

Answer the question: Do you and all of your household members have health insurance coverage (minimum essential coverage)?

- · If yes:
  - 1. For how many months of the year?
  - 2. Provide policy number or Form 1095-A (issued from the Insurance Exchange Marketplace at tax time)
- · If no:
  - 1. Do you qualify for an exemption (ask your field staff what those are)?
  - 2. Do you have an Exemption Control Number (ECN) issued by the Marketplace?

# **Peoria Farm Show:**

Pioneer and Western FBFM associations will be at the Peoria Farm Show on December 2-4, 2014. Please stop by and see us. Bring a friend or neighbor who is not a current FBFM cooperator and introduce them. Incentives are available to existing cooperators who sign up new cooperators.

# **November 2014**

DeKalb County Edition



# 2014 Newsletter

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LLINOIS

# **PCMars**



# **PCMARS UPDATE**

# PCMars 2.3.4 is the most recent version. A new version will be released this winter. This version includes many enhancements. It also can incorporate a new payroll module which includes built-in federal and state income tax withholding tables.

# RECONCILIATION

If you are using PCMars, but are not reconciling your bank balance with your bank statement, you should begin doing so this year. Reconciliation is the only way to be certain that all transactions have been entered. If you need assistance with this process please let me know.

# Affordable Care Act

The Affordable Care Act began taking affect in 2013. On January 1, 2014, individuals are required to have minimum essential coverage. If you or any of your dependents did not have coverage for any part of 2014, please let us know. There are also two new taxes that arise from the affordable care act that are imposed on those with adjusted gross incomes over \$250,000 (\$200,000 single). A 3.8% tax is imposed on net investment income including interest, dividends, capital gains and net rental income. Additionally, a 0.9% medi-

care tax is imposed on earned income (wages, net farm and business Income).

The Affordable Care Act has another provision known as "market reforms". This provision requires that employers that provide health insurance or reimbursement arrangements to more than one employee must do so as part of a qualified group plan. The penalty for non-compliance is \$100 per employee per day. The penalty can be avoided if the value of the health insurance or reimbursement is added to the employees W-2.

# FSA 2014 Farm Program

Producers will make a one time election of either ARC or PLC for crop years 2014-2018. For most Midwest grain producers, ARC-County will provide the best risk management protection.

# **Kev Dates**:

**Feb. 27, 2015**: Deadline to update yield history and reallocate base acres.

**Mar. 31, 2015**: Deadline to make ARC or PLC election.

# **Expense Election and Special Depreciation**

In 2014 the expense election limit reverted back to \$25,000. It is likely that this limit will be increased significantly for 2014. However, this will require legislative action and will not likely take place until later this year.

The 50% special depreciation allowance on new capital purchases expired at the end of 2013. It is possible that this provision could be reinstated for 2014, however, this will also take legislative action and is not likely until later this year.

# **Income & Tax Issues**

The farm income levels of recent years have given rise to very serious strategic tax planning issues. Farm earnings have been quite high, which for most cash basis taxpayers continues to put pressure on taxable incomes in 2014.

In recent years I have advised against deferring income to future years, as continued high incomes simply mean deferring income into a higher tax rate. However, this year deferring high levels of income may be an effective strategic planning method for two reasons: first, the prospects for high earnings in future years have diminished and second, marginal tax rates on high incomes are sharply higher now.

Another option would be to purchase machinery and use the expense election (assuming the higher limits are restored). Unfortunately, unless these purchases can be justified without the tax benefits, then this strategy is simply spending \$1.00 to save 30-40 cents.

Another strategy would be to make a tax deductible contribution to a retirement account. The IRA deduction is relatively small, however, SEP-IRA's and other retirement plans offer much higher contribution limits. These contributions not only reduce taxable income, but may also provide for tax deferred compounding of retirement plan assets.

Additionally, one of the uses for higher income is debt reduction. The harsh reality that one must face is that principal can only be repaid with after-tax income. In other words: it requires a dollar of farm income to repay 60-70 cents of principal. This harsh reality should not deter one from pursu-

| Summary of Tax<br>Preferences | 2014          | 2015          |
|-------------------------------|---------------|---------------|
| Expense Election              | \$25,000      | \$25,000      |
| Annual Gift Exclusion         | \$14,000      | \$14,000      |
| Estate Tax Exemption          | \$5,340,000   | \$5,430,000   |
| IRA Contribution              | \$5,500       | \$5,500       |
| IRA Catch-up 50+              | \$1,000       | \$1,000       |
| SEP IRA Contribution          | \$52,000      | \$53,000      |
| SEP-IRA Contribution %        | 20%           | 20%           |
| HSA Contribution              | \$6,550/3,300 | \$6,650/3,350 |

ing this course of action. For many producers the highest risk-free investment return is attained by retiring debt.



# Check-In & Tax Appointment

Cooperators requesting FBFM to prepare 1099s and W-2s should have the information accurately completed prior to check-in. Complete the forms you received in the mail (unless we collected them at the fall visit). Payments to truckers do not require a 1099. Add any new recipient information. Please drop off or mail this information to us **prior** to your check-in appointment.

If you have any scheduling problems please notify us as soon as possible. We prefer to have your book no later than January 13 so we can prepare tax estimates and get information from your records back to you promptly. Merry Christmas.

Scott M. Newport

Page 2 FALL 2014 NEWSLETTER

# Below is a list of entries we have received for each category:

# 1. Professional Paper

Addresses farm business analysis, agricultural finance, accounting or tax topics relevant to NAFBAS. This should not exceed 10 pages double spaced on 8 %" x 11" paper with 2" top and 1" side margins.

# 1. None

# 2. Newsletter

# a. Association

Produced in a farm management association for the clients of two or more staff members. **One entry only.** 

 Lowell Stoller, Pioneer FBFM Newsletter Fall 2014 Submitted: Fall 2014 Newsletter\_Final.pdf lowell.stoller@fbfm.org

# b. Individual

Produced by an individual staff member for his clients. **One entry only, not multiple letters.** 

 Scott Newport, FBFM Fall 2014 Newsletter Submitted: FBFB.Fall.Newsletter.2014.pdf newport@fbfm.org

# 3. Individual or Local Association Enrollment Program

Describe in detail (radio spots, newspaper ads, summary material, neighborhood meetings) and include materials used in a publicity and enrollment program that has resulted in a net increase of at least 5 members per specialist per year in the last 2 or 3 years.

# 1. None

# 4. Local Association 2014 Analysis

 Lowell Stoller, 2014 Area Averages-- Jeff Marquis & Lowell Stoller Submitted: 2014 Wood\_Ntaz Averages lowell.stoller@fbfm.org

# 5. Other Educational Aids, Information Flyers, etc.

# 1. None



# Illinois Farm Business Farm Management Association

# NAFBAS State Report - Highlights For 2014

Average farm operator returns for labor and management on 2,670 Illinois farms were lower for most geographic areas in the state in 2014 compared to 2013, except for the northern and western areas. The average return to the sum of all operators' labor and management income in 2014 was \$39,707. The 2014 returns were \$22,935 below the 2013 average of \$62,642 and \$104,563 below the average for the last five years. A reasonable charge for the farm's debt-free capital invested in machinery, equipment, land, and inventory averaged \$67,160. Combining this amount with the return to operators' labor and management (sum of all operators) and unpaid family labor resulted in average operators' net farm income of \$107,290. Much lower crop prices were the main reasons for the lower incomes. Returns above feed cost for all livestock enterprises were higher than the year before. Hog returns above feed costs were higher due to lower feed prices and higher prices received. Returns to dairy enterprises were higher due to higher milk prices and lower feed prices. Lower grain prices were still high enough to result in minimal farm program payments. Farm earnings were highest in the south-central part of the state. Earnings were lowest in the northeastern part of the state.

Corn yields were well above the 2013 yield and the five-year average. Corn yields were 22 bushels per acre higher in 2014 and 43 bushels per acre above the five-year average. Soybean yields were 6 bushels per acre higher than in 2013. The average corn yield on the 2,670 farms was 214 bushels per acre. Soybean yields averaged 61 bushels per acre. Corn and soybean yields were highest in the central parts of the state. The growing season temperature and precipitation were closer to normal which caused higher yields in most parts of the state. Year-end inventory price for the 2014 corn crop of \$3.75 per bushel was 35 cents lower than a year earlier. \$10.50 per bushel was the new crop soybeans inventory price, \$2.50 less than December 31, 2013. The average sales price received for the 2013 corn and soybean crop sold in 2014 was above their inventory prices resulting in a positive marketing margin. Crop returns averaged \$794 per tillable acre, \$46 per acre lower than the 2013 crop returns. The average crop returns per acre were at an all-time high in 2012.

Returns above feed cost to all livestock enterprises were higher than the year before as well as the last five years. All livestock enterprises experienced lower feed costs and higher returns in 2014 compared to 2013. Returns for farrow-to-finish hog producers were estimated to be about \$18.16 per hundredweight above the breakeven level in covering total costs in 2014. Dairy producers experienced \$3,734 returns above feed per cow in 2014 compared to \$1,846 in 2013. Milk prices were twenty percent higher compared to the year before. Returns above feed to feeder cattle enterprises increased more than two hundred thirty percent. Prices received and paid for market cattle were higher than the year before. With the large increase in prices for market cattle, returns above feed per cow increased almost four hundred percent from 2013.

Estimates of net worth change can be made by adjusting net farm income for nonfarm income, withdrawals for family living, and income and social security tax paid. This amount would be a modified-cost-basis change in net worth, which excludes changes due to inflation. As seen on page 5, estimated changes in net worth showed increases statewide, except for northern Illinois. Changes in net worth among individual farm

operators will vary greatly due to differences in farm and nonfarm income and family living withdrawals.

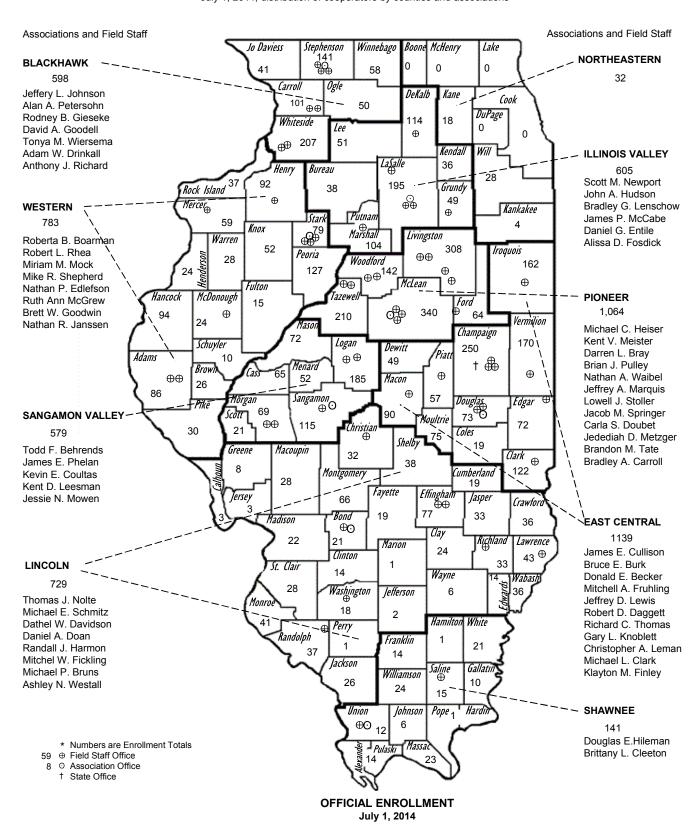
Average farm interest paid in 2014 was \$24,115, up \$1,731 from 2013. Over the last ten years, interest paid on a per-acre basis has increased from a low of \$19 in 2005 to a high of \$25 in 2007 but decreased to \$22 in 2014. Interest paid as a percentage of gross farm returns was 3 percent in 2014 compared to 2.8 percent in 2013. Some key financial factors, such as the current, debt-to-asset, and debt-to-equity ratios, can be found on pages 10 to 13 by type of farm. This type of information is useful in providing some benchmarks when evaluating the financial efficiency of a farm operation. Pages 22 to 36 report returns and costs for crops and livestock enterprises. Total returns to farrow-to-finish hog producers averaged \$75.90 per hundredweight in 2014 compared to \$65.96 the year before. Feed costs decreased, averaging \$38.78 per hundredweight. The average price received per hundredweight for slaughter cattle was \$149.09 and the price paid for replacement feeder cattle was \$208.36. Dairy returns included the average price received for milk of \$24.88 compared to \$20.71 in 2013.

Total economic costs per acre to produce corn and soybeans in 2014 increased as compared to 2013 in all areas of the state. The main factors for the increase in per acre costs were higher seed costs, drying costs, machinery depreciation and land costs. Cost per bushel to produce corn and soybeans decreased in all areas of the state due to higher yields, except in northern Illinois for corn. Total economic costs per acre to raise corn and soybeans on these farms averaged \$989 and \$727, respectively. From a sample of pure grain farms in the state, the total economic cost per bushel of corn produced was \$4.56 with an average yield of 217 bushels per acre. The total cost per bushel of soybeans was \$11.73 with an average yield of 62 bushels per acre. The 2013 cost per bushel were \$5.03 and \$12.45 for corn and soybeans, respectively. The total costs for 2012 were the highest costs per bushel to grow corn and soybeans since this study began. The variation in yields and costs during the past few years makes it important to analyze these costs over more than one year. The 2010-14 five-year average to produce corn and soybeans on these farms is \$5.28 per bushel for corn and \$11.54 per bushel for soybeans. In summary, farm earnings in 2014 were lower than the 2013 earnings and the average for the last five years. Lower crop prices, because of higher yields, were the main reasons for the lower incomes. Some of the earnings would have been lower if not for a positive marketing margin on the 2013 corn and soybean crop sold in 2014. There were still parts of the state that had good incomes while others had good yields and lower incomes. Livestock returns were higher for all enterprises primarily due to lower feed prices and higher prices received.

# ILLINOIS FARM BUSINESS FARM MANAGEMENT ASSOCIATION

cooperating with nine local farm management associations and the Department of Agricultural and Consumer Economics, College of Agricultural, Consumer and Environmental Sciences, University of Illinois at Urbana-Champaign

STATE TOTAL --- 5,670 cooperating farmers and 59 member field staff\* July 1, 2014, distribution of cooperators by counties and associations





# NAFBAS 2015 IOWA FARM BUSINESS ASSOCIATION STATE REPORT

# **General Overview**

The Iowa Farm Business Association is composed of six Associations, each having their own local board of directors composed of local members. The Associations and consultants are:

Northwest FBA: Tom Thaden and Gary Wright

Southwest FBA: Bob McHugh, Larry McAlexander, Daryl Kruse

Central FBA: Clint Van Roekel, Al LaMar, Virginia Berger, Ken McKenney, Dave

Stensland

Northeast FBA: Paul Gogerty, Dennis Donovan, Jim Vermazen, Gary Johnson Cedar Valley: Russ Thompson, Andy Thompson, Doug Streeper, Lowell Lewis Mississippi Valley: Bob McEntee, Dean Phelps, Kent Ruppert, Jenny McEntee and we are currently looking for a new consultant for Deans Phelps office.

Since each Association is a separate organization, service/charges will vary some from Association to Association. However, the basic services are: Farm visits, analysis, consulting, tax planning and preparation.

# **Consultant Changes**

Mississippi Valley FBA, Nichols IA: Currently we are advertising for this position. Be sure to check out the announcement, or give us a call at 515.233.5802 to learn more about this opportunity.

# **Software**

The current software versions are as follows:

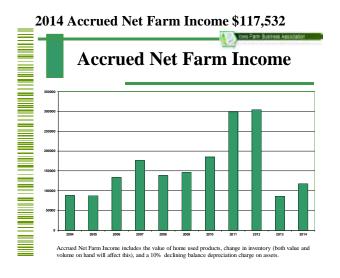
| • | PcMars Full Version for Windows | 2.4.1.0 |
|---|---------------------------------|---------|
| • | PcMars PLUS Enhancement         | 2.4.1.0 |
| • | PcMars Advanced Payroll         | 15.1    |
| • | PcMars Accounts Receivable      | 2.1.0.0 |

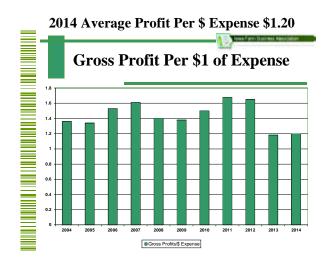
A new patch has been posted at <a href="www.pcmars.com">www.pcmars.com</a> in 2015. Please be sure your members are using the current version of the software for the correct percentages.

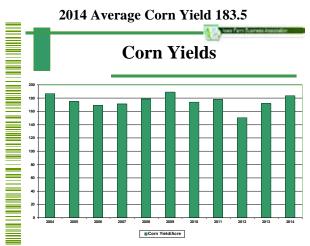
We plan to utilize webinars for more software and analysis training in 2015. This will consist of live training sessions and recorded versions for users to watch. If you have a topic or ideas regarding training, please send me an email at <a href="https://kvickre@iowafarmbusiness.org">kvickre@iowafarmbusiness.org</a>.

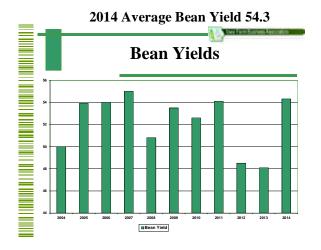
# **Analysis Results**

Each year we post a PowerPoint presentation of key analysis factors and past year's history on our website at <a href="www.iowafarmbusiness.org">www.iowafarmbusiness.org</a>. Below are several slides from this presentation. The total presentation consists of 38 slides.









# KEMA

# KANSAS FARM MANAGEMENT ASSOCIATION

Building Strong Relationships...Producing Excellence

Our Vision: The Kansas Farm Management Association Program (KFMA), through its affiliation with K-State Research and Extension, will be the valued and trusted provider of integrated data management systems to apply critical thinking and strategic business planning for farm and ranch decision makers; and will be the premier source of farm-level economic data in the world.

# STATE REPORT – KANSAS 2015 NAFBAS ANNUAL MEETING ROCHESTER, NEW YORK

Currently there are twenty-six KFMA Economist positions in six associations working with 2,300 member farm operations representing nearly 3,000 farmers or farm families. Each of the six associations is jointly directed by the KFMA Administrator and a board of directors elected from the membership in each county. Since 1931, a primary goal of the KFMA program has been to assist each member in developing a sound farm accounting and analysis system which allows: integrating tax planning, marketing and asset investment strategies; comparing performance with other operations; and, improved decision making. Through this process of working cooperatively with KFMA members to develop and maintain accurate and detailed production and financial management information, a substantial data bank is available for research and applied studies in the Agricultural Economics Department at Kansas State University.

During the past year we have completed a strategic planning process which has included: implementing changes to the program leadership structure; setting our program vision (above); defining our mission and purpose, and our core values (below); along with, establishing program goals at the state level. During this planning process, the KFMA Program Motto was identified as: *Building Strong Relationships...Producing Excellence*. This accurately defines and reflects what we seek to accomplish in our work with Kansas farm families. Walking through this process has been very valuable for the leadership team and will serve to provide needed focus as decisions are made and the future course is charted.

### **PERSONNEL**

Five KFMA Economists have joined the program in the past year with two positions currently open. Open positions that will be filled this summer are located in Hutchinson and Hiawatha, Kansas. Those joining the program in the last year include: Camille Claassen and Greg Regier, KFMA SC; David Richardson, KFMA SE; Sandy Myers, KFMA SW; and, Jordan Steele, KFMA NW. Beginning in September, KFMA SE will be hiring the first of several Associate Economist positions as we look to begin developing additional experienced economists in the association in anticipation of several retirements in the near future.

# KFMA - Mission and Purpose

- To work as an efficient team of economists, serving on the management team for KFMA member farms, as a farm business management resource.
- To provide high quality and timely farm recordkeeping, financial analysis and tax management.
- To achieve the goal of improved farm and family decision making, resulting in increased farm profitability and sustainability.

# KFMA – Core Values

Relationships Integrity Service Excellence

# KFMA – Program Motto Building Strong Relationships... Producing Excellence

KFMA Economists are faculty members in the Department of Agricultural Economics at K-State. Currently the economists serving in each association include the following:

Northwest – Mark Wood, Clint Milliman, Shane Ruff and Jordan Steele

Southwest – Doug Stucky and Sandy Myers

North Central – David Rempe, Will Feldkamp, Trenton Hargrave and Bob Kohman

South Central – Tim Stucky, Bryan Manny, Camille Claassen and Greg Regier

Northeast - Craig Althauser, Clay Simons and Michael Vogt

Southeast - Charlie Wilken, Jim Huschka, Hannah Bourbon, Cody Holland, Scott Laird, Ashley Poston and

David Richardson

### **2014 ANALYSIS SUMMARY**

Value of farm production (VFP) averaged \$613,243 for the 1,175 member farms in the KFMA summary for 2014. This is a decrease in VFP of 2.8% from the 2013 level of \$631,437. Lower grain prices were a major contributor around the state while yields were extremely variable. Continued drought conditions were found in portions of the state while southeast Kansas, in particular, experienced very good yields. State average yields were down for wheat and were up for most fall harvested crops compared to 2013 levels. Strong livestock incomes were found all around the state. Income from crop sources was down \$49,613 (11.7%) per farm in 2014 compared to 2013. The Value of farm production from livestock sources, however, increased by over \$67,000 (70%) for the average farm in 2014. This higher VFP for livestock was fueled by prices that were at very good levels, lower purchased feed value, and the impact of livestock forage disaster payments. Accrual net farm income averaged \$122,190 for member farms in 2014. This net income is just over \$18,000 less than the 2013 net income, representing a decrease of 12.9%. The operating profit margin decreased from 14.70% in 2013 to 11.32%. More than 21 percent of KFMA farms had a negative net income for the year which could point to the potential for financial difficulty for some of the member farms in the near future. Total farm expense was essentially equal with the level from 2013-\$491,053 in 2014 compared to \$491,081 the prior year. Total operating expense decreased less than 1% to \$410,718 per farm. Crop production costs per acre were down slightly at \$254.67 while machinery costs increased 2.6% to \$89.91 per acre in 2014. Total liabilities increased \$37,376 per farm while total assets displayed an increase of \$107,595 from the beginning to the end of the year. Thus, equity, holding land values constant, increased \$70,220 during the year. These figures result in an average debt to asset ratio of 23.2%. KFMA farms saw their current financial position erode, with the average current ratio decreasing from 3.19 to 2.77 during 2014. Additional whole-farm and enterprise data can be found on the KFMA web site (www.kfma.ksu.edu) and on the K-State Department of Agricultural Economics Extension website (www.agmanager.info).

# NET INCOME PER OPERATOR BY TYPE OF FARM FIVE-YEAR TREND ANALYSIS 2010-2014\*

| Type of Farm         | No. of<br>Farms |           |           | Net Income | e/Operator |           |            |
|----------------------|-----------------|-----------|-----------|------------|------------|-----------|------------|
|                      | (2014)          | 2014      | 2013      | 2012       | 2011       | 2010      | 5-year avg |
| All Farms            | 1,175           | \$124,564 | \$144,793 | \$161,125  | \$166,058  | \$158,814 | \$151,071  |
| Crop Dryland         | 820             | 91,811    | 161,069   | 169,061    | 157,296    | 159,776   | 147,803    |
| Crop Irrigated       | 58              | 118,608   | 125,628   | 347,315    | 449,115    | 346,632   | 277,460    |
| Cowherd              | 36              | 177,047   | 92,612    | 93,992     | 60,016     | 37,325    | 92,198     |
| Crop-Cowherd         | 135             | 155,677   | 73,005    | 99,681     | 122,411    | 94,178    | 108,990    |
| Backgrounding        | 10              | 288,642   | 6,397     | 71,214     | 215,137    | 250,209   | 166,320    |
| Crop – Backgrounding | 19              | 321,206   | 71,719    | 72,771     | 117,731    | 107,428   | 138,171    |
| Crop – Beef          | 32              | 200,229   | 162,540   | 271,865    | 191,500    | 189,080   | 203,043    |
| Dairy                | 20              | 204,541   | 74,268    | 62,942     | 89,688     | 58,687    | 98,025     |
| Crop – Dairy         | 6               | 173,398   | 188,187   | 112,310    | 73,660     | 115,268   | 132,565    |
| General Farm         | 14              | 197,856   | 101,507   | 59,491     | 129,942    | 80,278    | 113,815    |

<sup>\*</sup>Historical data for years prior to 2014 has been updated to include fiscal year farms and other farms added after the initial summary for each year.

Report submitted by Kevin L. Herbel, KFMA Program Administrator



# Kentucky Farm Business Management Program State Report 2015 Annual NAFBAS Meeting Rochester, NY

The Kentucky Farm Business Management (KFBM) program is a joint venture between the University of Kentucky Cooperative Extension Service and four Area Farm Management Associations. The four associations are represented by the Kentucky Association of Farm Business Analysis Groups. Our mission is to provide a records-based information system to assist Kentucky farmers in defining and reaching their goals. This mission is extended to KFBM clientele through direct consultation and to the general population through research, education, and extension programs of the University of Kentucky.

The Kentucky Farm Business Management program began in Henderson, Kentucky during 1962 when Melvin Gelbach came to Kentucky from Illinois and started the program with 80 farms. The Pennyroyal Farm Analysis Group started in 1966 under the leadership of Don Clampet. Other associations followed.

Currently, there are four Farm Analysis Associations across the state, employing nine area specialists and one state coordinator. The program consists of 780 farmers on 373 farms enrolled as cooperators. Commercial Grain farms make up the majority of the farms serviced. Other farm types include Dairy, Beef, Tobacco, Hogs, and Poultry. KFBM Specialists retain a 10% extension appointment with the University, concentrating on using data for extension publications and area meetings. Specialists collaborate with Ag Economics Faculty in studies and articles using KFBM analysis. Graduate students and faculty use the KFBM data in research projects and farm analysis is used in some of the undergraduate Farm Management courses.

Participation increased by 40 farms in the period 2007-2014 (12%). High grain prices increased participation of grain farms, while the number of livestock farms, especially hogs and beef cattle fell. The current decline of grain prices has led to encouragement of farmers to join KFBM by their lenders. Most of the net gain in participation is due to field staff recruitment and reputation built up over relatively long tenures.

Profitability in agriculture is changing from challenging the University to keep qualified personnel to challenging the farmers to adjust to lower profits. KFBM is fully staffed, and UKY Ag Econ Specialists are at full strength with the addition of a grain marketing specialist and a farm management specialist. Other production-oriented research faculty have come on board and are providing additional analysis and use of KFBM data. Software is being developed to move data more efficiently from client records to analysis database and to provide better access to the data for research.











# Minnesota's State Report to NAFBAS NATIONAL FARM BUSINESS MANAGEMENT CONFERENCE Rochester, NY June 14-18, 2015

Don Nitchie, UMN Extension Educator in Ag. Business Management, and Field Staff for SWMFBMA

The Farm Business Management programs in Minnesota are conducted under two separate structures. The largest is the Farm Business Management program through the Minnesota State Colleges and Universities. The staff of these programs are members of NFRBMEA, Inc. The other program is through the University of Minnesota Extension. The basic similarity of the two separate programs is their farm financial and business analysis. Both use the FINPACK software. The analysis procedures of the two farm management groups are coordinated to be in step with each other, so that the analysis information can merge into the data base FINBIN. FINBIN was created, and is supported by the Center for Farm Financial Management at the University of Minnesota.

This report is on the Southwest Minnesota Farm Business Management Association (SWMFBMA), a farm business management program of University of Minnesota Extension. SWMFBMA is served currently by one field staff member, Don Nitchie who is a U of MN Extension Educator in Ag. Business Management. 60% of the financial support for this position comes from the Association and 40% from the University. We also contract with five additional individuals; Tonya Knorr & Connie Vander Poel who conduct all field staff functions; while Garen Paulson, John Woodford, and Janet Froslan assist on a PT basis doing analyses work for members.

The membership of the Association has been fairly stable to growing over the past few years, but did decline some this past year. Of the 123 farms currently in the Association, the analysis of 109 were completed and included in our 2014 Report which can be found at; <a href="http://www.cffm.umn.edu/">http://www.cffm.umn.edu/</a> under the "publications" tab. Recruitment and retirements are on-going. New-membership enrollments have out-paced retirements the last few years except for 2014.

The farms included in the Association are typical of farms in SW Minnesota. The major crops grown are corn and soybeans. Other crops grown include alfalfa hay, small grains, and some canning crops. The major livestock enterprises are hogs and dairy, with some beef feeding and beef cow/calf programs. As is the trend in the country, the livestock operations are becoming larger, but fewer. To maintain sufficient livestock numbers to publish comparisons, all Minnesota livestock data is now reported in the SW annual report.

The 2014 analysis reports an average net farm income of \$118,396 and a median net farm income of \$83,335, the lowest levels since 2009. Average net Farm Incomes were down 15% from 2013. The decline in profits was driven by lower crop prices and somewhat below trend yields. The lower crop profits were tempered by significantly higher returns for most livestock operations. Net return per acre on cash rented ground was an average of -\$29.87 for corn and -\$33.00 for soybeans. Some larger crop farms with significant amounts of cash rented corn acres were again in the low 20% profitability group in 2014.

Most hog producers in the Association are involved in weaning to finish enterprises. Many custom feed for others and some own their hogs. Many of the farms that own their own hogs are relatively large operations, with an average of about 35,000 head marketed per year. Those who feed for others showed a net return per pig space, (before owner labor and management), of \$7.08. Those

owning their own pigs had net returns before labor and management of \$32.92 per head for all Minnesota Farms. Total direct costs for all Minnesota wean to finish hog operations in 2014 was \$108.03 per head. Average sales volume declined to about 15,000 hd. per producer once SW farms were combined with statewide data.

Dairy Farms across Minnesota averaged net returns of \$1,236 per cow before labor and management. Only a few of these are in the SW association and are either smaller or substantially larger in cow numbers than the state average. Beef finishing was significantly better than 2013 with a net return over labor and management of \$352.16 per head.

SW Minnesota was not excessively dry for most of the growing season after cold and wet conditions throughout May & June. Crops got off to a slow start and never reached their full yield capacity by season end. Both corn and soybean yields were below 2013 average yields. Corn yields averaged over 167 bushels per acre and soybean yields averaged about 48 bushels per acre. The average cost of production for corn decreased to \$4.25 per bushel and was \$11.49 per bushel for soybeans. Crop Insurance income for corn increased to \$107.06 per acre on cash rented ground. Analysis showed average crop prices received valued at \$3.78 per bushel for corn and \$9.97 per bushel for soybeans on an enterprise basis on cash rented ground. Much of this value was influenced by inventory values at year-end.

Recent additions to educational activities made available to association members continue-as well as for the general public/Extension clientele, with the help of other U of M Ag. Business Management Educators and some of our PT contractors have been; Benchmarking trainings, PCMARS/financial record-keeping trainings and others. We are also now providing additional services for a few members for extra fees such as; book-keeping (support staff) and quarterly management meetings.

The Board of Directors of the Association is committed to see that there is a bright future for the Association. As such, they are actively engaged in crafting alternative long term business models. Currently that has involved contracting with and developing additional PT contractors. The addition four years ago of PT support staff in partnership with the U of M SW Research and Outreach Center, paid out of Association revenue has been essential for continuity and growth. Recruitment efforts have been successful in signing up a number of new early-career members. Resources made available through the U.S.D.A./N.I.F.A. Bench-marking grants have been very helpful in the recruitment of new members and adding benchmarked farms. U of M Extension, the Association, and existing Fieldstaff are working together to make the transitions as smooth and seamless as possible.

# Nebraska State Report

# NAFBAS 2015

Nebraska's analysis program is continuing to gain strength after several transitions in the past 10 years. We are finding stability in staffing as well as gaining in the number of analysis completed. While the number is still small, we are hoping to change that in the next 5 years.

# **PERSONNEL**

There are now 5 full-time consultants on staff in Nebraska and one farm financial assistant position is open. We have been working during the past 4 years to develop new consultants through our assistant program. We have successfully transitioned two staff members to full consultant level this way and are looking to hire a new person for the position. We feel this lessons the stress on the new staff member as well as gives a two year "feeling out" period for both the group and the individual as to if this is the right job before producers work one-on-one with them which lessons the sting of turnover.

| STAFF MEMBER             | YEARS OF SERVICE |
|--------------------------|------------------|
| Tina Barrett             | 16 years         |
| Anthony Barrett          | 13 years         |
| Michelle Greenlee        | 8 years          |
| Kayla Peterson           | 5 Years          |
| Amber Lovitt             | 4 Years          |
| Farm Financial Assistant | Open             |

# **ANALYSIS PROGRAM SUMMARY**

We started a new beginning farmers program that allows new farmers to participate in the analysis program from free the first year and then at a discounted price for four years. The discount diminished each year so they get used to paying the fee. We added 4 new beginning farmers in 2014 summary and have 12 committed to completing a 2015 analysis. Our goal is to get to 50 beginning farmers in the next few years. We are hoping to grow the program, develop good record keeping habits from the start and build a long term relationship with young farmers.

# **2014 ANALYSIS REPORT**

2014's net farm income was \$2,500 higher than in 2013. Those operations that receive 70% of their income from crops saw a 50% decrease from 2013 to 2014, but the predominantly livestock operations saw a 55% increase. The diversity of enterprises in Nebraska shows in the balance of net farm income.

There were 109 farms included in the averages in 2014 ranging in gross income, net income, age and types of farm. While a small sample, we feel we have a good representation of Nebraska's farms.

# WISCONSIN REPORT FOR THE 2015 NAFBAS CONFERENCE

The majority of farms serviced by farm management associations in Wisconsin are dairy farms. Net incomes on dairies in Wisconsin are up to about \$750-2000/cow in 2014 due to milk prices that averages about a \$4.00/cwt more than 2013 and low feed costs. 2014 mail box prices will average between \$23.00 and \$24.50 per hundredweight which are some of the highest prices on record. Cost of production per hundredweight ranges from \$16.00 to \$21.00. Land prices and rental rates continue to be high, but might have leveled off recently. High prices are caused by the demand for feed and the demand for land to spread manure. Virtually all of the demand for land is coming from the farms themselves. This is causing tension in the farm communities as farms outbid neighbor farms for rent of the land or purchase of the land. We are seeing rents as high as \$275 to \$400 per acre and land prices from \$5,000 to as high as \$14,000 per acre. Right now milk prices have significantly dropped for the first 5 months of 2015. Milk Prices have averaged closer to \$17.00/ cwt. The last couple years we had a late start to spring, but this year we seem to be ahead of schedule. Even though winter wasn't as harsh as previous years, alfalfa and winter wheat had quite a bit of winter kill because the insulation from snow wasn't there and the wet fall. With the late start in 2014 yields were below average for grains and average to above average for hay.

# FARM MANAGEMENT ASSOCIATIONS:

Wisconsin has two area associations--Lakeshore Farm Management Association and Fox Valley Farm Management Association. Both associations are self sufficient with no State of Wisconsin or University of Wisconsin subsidies. Fees for member farmers are based on prior year gross incomes. Fees start at \$265.00 per year for small individual farms and range up to \$5,050.00 for large individual farms. Partnerships and Corporations are charged additional fees. Extra fees are charged for estate planning, bringing in the next generation, entity setup, QuickBooks and quarterly unemployment reports. Farm members are provided with a yearly farm analysis, on the farm consultations for business and tax planning, year end W-2 and 1099 processing and income tax preparation. Pro Series software is used for tax filing and QuickBooks for record keeping. Depreciation software used is Pro Series and Best Software. Farm analysis software used is the Agricultural Financial Advisor. Our 1099 and W-2 software is Winfiler by Greatland, which we now have to pay per 1099 and W-2 form for e-filing, and are currently looking for other software options.

# **CONSULTANT STATUS:**

Fox Valley staff: Lakeshore staff:

Michael Harer – Manager
Lynn Kopitzke
Debra Lueloff
Steve Verhasselt
Jessica Korb

Joel Marquardt – Manager
Debra Lueloff
Renee Setzer
Keith Maney

Keith Maney Greg Schramm Tabitha Birschbach

# **MEMBERSHIP STATUS:**

Jared Gonnering

Lakeshore has membership of 775 farm units. Fox Valley has membership of 825 farm units.

# NFRBMEA Roll Call Of States

# Colorado State Report 2015

# **Program**

The Colorado Agri-business Program has been reduced to only 3 participating community colleges. There are nine certificates offered on a unique hybrid program; consisting of; one on one instruction at the agri-business location; on-line instruction and cooperative learning. These certificates consist of two 9 credit semesters. The instruction relates to everything from record keeping to marketing to entrepreneurship. There are 7 full-time instructors and 2 part-time instructors

# **Farm Businesses Served**

137 farms (units) are instructed.

# **Challenges**

Many of the students are on financial aid, and the federal criteria for aid are becoming increasingly more stringent for the part-time students in our program. The rising cost of tuition to the students makes it difficult to maintain the student base without student aid. Travel and cost of program are becoming increasingly higher to the colleges with the cut in state funds to the postsecondary level. The decreasing number of replacement instructors and increased costs every year initiates colleges drop programs or cut instructors that still cover an increasing area.

# **Opportunities**

Many opportunities are in some remote areas of the state to students who are challenged by the lack of technology. Technology and the ability increase it on the average farm is always changing and instructors do their best to transform the student to these new heights of change. Beginning farmers and ranchers thru the FSA loan are becoming a large demand for instruction.

# Successes

Instructors, over the years, have gained satisfaction in informational and educational sharing of knowledge to the many farms. The beginning farmers and ranchers are normally a great success and seem to gain knowledge in a greater degree.

# Goals

Instructors are looking forward to maintaining and expanding the service area and increasing student base at each of the institutions. The agri-business program is defining the ability to acquire grants to aid student tuition and program costs. The need to meet the growth in students is ever on the minds of the administration and instructors.

Submitted by:
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Instructor
Otero Junior College
La Junta, CO
719-252-9163
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# **Roll Call of States Report**

# Minnesota

# **2015 NFRBMEA Conference**

Farm Business Management (FBM) in Minnesota has just concluded its third year as a decentralized program under the management and authority of eight individual colleges within the Minnesota State Colleges and University (MnSCU) system. Prior to July 1, 2012 the program had been a statewide program directed through the system office of MnSCU for 19 years. The programs currently have 52 instructors operating out of one of the eight colleges. We anticipate that number to hold in the upcoming year. We anticipate hiring 3-4 new instructors for the upcoming year to replace retiring instructors.

Since the decentralization of the MnSCU FBM program, it is difficult is get firm numbers on the total number of farms served. We are a credit based program in the MnSCU system and we are not required to track the total number of farms worked with, but how many FBM instructional credits delivered. Based on historical trends I believe, that in FY15 between 2450-2550 farms were enrolled in FBM at one of the eight colleges. MnSCU FBM works closely with the Center for Farm Financial Management (CFFM) at the University of Minnesota and provides the majority of the yearly analysis submitted for that database. This past spring, 2,047 records were submitted to the CFFM from the MnSCU FBM programs for the 2014 data base. This is down from prior years, but well above the expectations of program leaders. With the retirements of several veteran instructors that were not replaced, we were pleased to stay above the 2,000 farm level.

MnSCU FBM continued a joint grant project with the University of Minnesota and the Minnesota Department of Agriculture, related to transitioning organic producers. The organic transition grant project will soon be completing after its four year project length. During the year fiscal year, \$18,145 of grant funds will be transferred to MNSCU Ag Centers for future support of FBM programming.

This past year fiscal year, the Minnesota Department of Agriculture established an FBM beginning farmer scholarship program. \$300,000 was provided in FY15, and that same amount will be available for the upcoming fiscal year. FBM students that have been actively farming for ten years or less and have completed less than 40 credits of FBM coursework are eligible for the scholarship to cover 50% of tuition and fees for the year.

The past year FBM faculty along with our MAAE organization has been working diligently in obtaining new legislative funds to support FBM programming in Minnesota. The Minnesota legislature did authorize during this year's legislative session\$2 million dollars to

support FBM statewide. Details of how the money will get distributed will get worked out over the upcoming summer months. Very good news for Minnesota FBM!

The Professional Excellence Program (PEP) was continued this past year under the coordination of Ron Dvergsten. Fall and winter meetings were held in St. Cloud, MN in October and January tied to other Minnesota Ag Ed events with 7 PEP participants in attendance, and the spring session was held in May in the Park Rapids area of Minnesota. Eight early career instructors from Minnesota and North Dakota took part in this program to provide specific training to meet the professional development needs of early career FBM instructors. The PEP program was developed in Minnesota in the late 1990's with the first formal program beginning in 2000 under the direction of Dr. Richard Joerger.

Minnesota no longer has teacher licensing in the MnSCU post-secondary faculty positions. Several years ago, we changed to a credentialing model that established minimum qualifications for each teaching discipline. Farm Business Management currently requires a Bachelor's degree in Agriculture plus 4000 of work experience in production agriculture. The current requirements are being reviewed to see if adjustments to the minimum qualifications are warranted.

Our MnSCU leadership is really promoting the development of Centers of Excellence to meet the needs of our state's major industry areas. With the decentralization of FBM, funding was provided to develop a Southern Minnesota Center of Agriculture. This past year, funds were redirected to support a Northern Minnesota Center of Agriculture. The goal is to get all FBM programs affiliated to one of the "Agriculture Center's" in time, with the centers providing the coordinated leadership that used to come from the State Director and the FBM Dean's.

Prepared by,

Ron Dvergsten,

FBM Instructor/ PEP Program Coordinator



# Missouri "Roll Call" Report – NFRBMEA 2015 Conference

### **Number of Instructors in Missouri**

Currently, 17 adult agriculture instructors are housed in 16 local school districts across the state of Missouri. They include "full-time" to all ranges of "part-time" adult assignments. Adult instructors must hold a B.S. in Agriculture and meet Adult Certification Requirements.

# **Number of Students/Farms Served**

Each local adult program serves an enrollment of 5 to 20 farms in our Farm Business Management Analysis program. This includes one-on-one farm visits, business management classes, and records and analysis using the FinPack program and RankEm for analysis, benchmarking and summary information. Cooperators and instructors use a variety of monthly accounting programs to compile data for taxes and year-end analysis, with the most common being Pc Mars, Quicken, and Quickbooks.

Our instructors also coordinate and teach a variety of in-depth and topics adult agriculture classes for the local community with a typical enrollment of 30 to 100 producers. Each instructor advises and coordinates activities for a local chapter of the Missouri Young Farmers Association. Three new instructors were hired this year.

The Missouri State Record Summary for 2014 is still in process. We anticipate records from 140 farms; the 2013 summary had 118. FINAN is the primary component of FinPack used in our programs. All of our instructors have received training in all FinPack components.

# State Supervisor's Name and Contact Information

Bruce Fowler
116 Gentry Hall
University of Missouri
Columbia, Missouri 65211
Phone – (573) 882-7379
Fax – (573) 884-4444
e-mail – bfowler@missouri.edu
web page – adultaged.missouri.edu

# Chairman, MVATA Adult Education Committee

Jenny Bradley, Adult Agriculture Instructor North Shelby High School 3071 Highway 15 Shelbyville, MO 63469-2225 Phone – (573) 633-2525 e-mail jennym@nshelby.k12.mo.us

# Accomplishments and Highlights from the last year

- The quality of our farm analysis and benchmarking program continues to improve. The number of records included in the 2013 summary was off some from previous summaries, but the 2014 summary looks to have close to 140 farms. The continued high quality of the state program is a direct result of the efforts of the instructors of Missouri, and the efforts of Sandra Kaiser, administrative assistant.
- 2. Missouri continues participating in the USDA Farm Benchmarking grant, serving as the lead institution in the 2014 Midwest Farm Business Management and Benchmarking Partnership.
- 3. We have continued developing a "Producer Notebook" provided to each farm included in the state summary. These notebooks have become our primary benchmarking tool and are well-received by program participants. They provide a very systematic way of distributing and coordinating summary information with each farm's analysis for efficient benchmarking and comparisons.

# Challenges we are facing in the next year

- 1. Missouri's state budget continues to make funding decisions difficult for both local schools and our state program. Our programs receive the same funding as they have for at least the past 10-15 years.
- 2. Continued professional development of new and existing instructors to provide even better educational opportunities to our farmer-cooperators.

# Goals/Opportunities for the coming year

- 1. Preserve a program of high integrity by doing exemplary work with local producers that provides the kind of recognition and respect needed to maintain and procure decision-makers' support.
- 2. Grow our state summary to 150 farms and continue to increase the percentage of records with enterprise analysis.
- 3. Share program success with more segments of the agricultural community in Missouri, and expand awareness of availability of Missouri FINBIN data with Missouri producers and agribusinesses.
- 4. Look for new ways to encourage local communities to develop programs of adult ag education/farm management education to improve opportunities, particularly for new and beginning farmers.

# National Farm & Ranch Business Management Education Association



| 1. Annual turnover rate: 29 % 3 # of vacancies  |
|---|
| 1. Annual turnover rate: 29 % 3 # of vacancies  |
|   |
| 2. State - wide program experiencingdecline in programs,  |
| <u>x</u> holding own,expanding programs.  |
| 3. Identify the educational levels/occupations from which your annual replacement/expansion new teachers are coming from for the last five years: x Immediately from the Community College.                         |
| Immediately from College.   |
| x High School Agricultural Education experience.  |
| xAgricultural Loan officer experience.  |
| xOther (please list): <u>Ag Business</u>  |
| Unknown.  |
| Most glaring needs for education: _Acquiring qualified applicants, Continued need to publisize what we do   |
|   |
| What are the individual state teacher certification requirements which apply to the profession?<br>Certifiable by Career and Technical Board.   |
| Are the teachers expected to pursue a Master's Degree? Not necessary  |
| What are the teaching certificate renewal requirements in the respective states? <i>Recertification</i> every 5 years, need to stay current by attending workshops and training required by local sponsoring agency |
| www.nfrbmea.org   |

# National Farm & Ranch Business Management Education Association



...Teachers delivering knowledge that works to North America's Farm and Ranch Families

# 2015 NFRBMEA Roll Call of States Oklahoma Response

Presently, the Oklahoma Agricultural Business Management Program consists of 15 programs and instructors. These programs are administered through the Oklahoma Career and Technology Education system. We have 1 instructor serving in their first year. The Oklahoma ABM program has 3 female instructors.

Each of the programs in Oklahoma will serve approximately 30 farm families.

Mr. Jack Staats serves as our State Director. Mr. Staats can be reached via the Oklahoma State Department of Career and Technical Education, Stillwater, Oklahoma, 1-800-522-5810.

The Oklahoma ABM Programs continue to work closely with the USDA, Farm Service Agency. All programs serve as credentialed borrower/training programs for the State of Oklahoma.

www.nfrbmea.org

# National Farm & Ranch Business Management Education Association



| Teachers delivering knowledge that works to North America's Farm   | n and Ranch Families |  |
|--|----------------------|--|
| Questions/Information to be included in Roll Call of States report at the summer conference:   |                      |  |
| 1. Annual turnover rate:0_%0_# of vacancies  | Oklahoma-201         |  |
| 2. State - wide program experiencing Xdecline in programs,   |                      |  |
| holding own,expanding programs.  |                      |  |
| 3. Identify the educational levels/occupations from which your annual replacement/expansion new teachers are coming from for the last five years: Immediately from the Community College.  |                      |  |
| Immediately from College.  |                      |  |
| X High School Agricultural Education experience.   |                      |  |
| X Agricultural Loan officer experience.  |                      |  |
| X County Extension Educator experience.  |                      |  |
| X Other (please list):   |                      |  |
| Unknown.   |                      |  |
| Most glaring needs for education:Basic agriculture_business and economic principles  |                      |  |
| p  |                      |  |
| What are the individual state teacher certification requirements which apply none Are the teachers expected to pursue a Master's Degree?  no What are the teaching certificate renewal requirements in the respective state none | •                    |  |
|  |                      |  |

www.nfrbmea.org

# NFRBMEA Report of FBM Education in South Dakota By the South Dakota Center for Farm/Ranch Management

# Number of Instructors:

 The program is administered by Mitchell Technical Institute and employs 5 fulltime instructors.

# Number of Students/Farms Served:

- Currently we have 24 students enrolled in Level 1 FSA Borrower Training with more likely to participate with the online capability throughout the year.
- o Currently we have 167 farms enrolled in the Level 2 Farm Management program.

# Accomplishments or highlights of the past year:

- o Continued expansion in the Western & NE portion of the state.
- Increasing numbers in all areas, even with longtime students beginning to transition out of their businesses, many early career farmers enrolling have propelled the increased enrollment of 18%.
- o Participated in lender seminars, training of Dept. of Ag financial counselors, and educational events across the state.
- Conducted educational seminars for new generation farmers on site for some noteworthy Ag Business partners.
- Facilitated a commodity marketing course and a beef artificial insemination seminar.
- Utilizing ever increasing technology capabilities for assisting and reviewing individual farm records.
- Grown our media presence with news releases and weekly farm management articles being published by multiple print and media outlets.

# Challenges and goals facing your state:

- With the program's continued expansion, logistics offer a challenge in some areas as there is a lot of distance to cover.
- Our goal is to continue to partner with agribusinesses and lenders to refer clients to us as well as relying on referrals from existing students to help us continue to grow and expand the footprint of our program.
- With the assistance of pending grants and endowments, we hope to add more instructors to expand coverage in outlying areas.

# State Supervisor:

Nora Kohlenberg700 Governors DrivePierre, SD 57501(605) 773-4726

# South Dakota NFRBMEA 2014 state report continued: 1. Annual turnover rate: \_\_\_\_15%\_\_\_\_# of vacancies. 2. State - wide program experiencing \_\_\_\_\_\_decline in programs, \_\_\_\_\_holding own, \_\_\_X\_\_\_expanding programs. 3. Identify the educational levels/occupations from which your annual replacement/expansion new teachers are coming from for the last five years: \_\_\_\_\_ Immediately from the Community College. \_\_\_\_\_ Immediately from College. \_\_\_\_\_ X\_\_\_ High School Agricultural Education experience. \_\_\_\_\_ X\_\_\_ Agricultural Loan officer experience. \_\_\_\_\_ County Extension Educator experience. \_\_\_\_\_ Y\_\_\_ Other (please list): Ag producers & former FBM clients. Ag Industry \_\_\_\_\_\_ Unknown. Glaring needs for education: • With the ag production sector experiencing similar input costs but lower returns

What are the individual state teacher certification requirements which apply to the profession?

• State of South Dakota Technical Education requires a credentialing process that gives credit for industry experience and education. Continuing education is required to keep credentials up to date.

received on grain crops compared to recent years, an increased awareness of knowing cost of production, marketing, recordkeeping and whole farm financial analysis is crucial to the success of SD farms. A sense of complacency had developed through the cycle of

Are the teachers expected to pursue a Master's Degree?

higher commodity prices in prior years.

• Preferred, not required

Jared A. Hofer, FBM Program Director/Instructor 1800 E. Spruce St. Mitchell, SD 57301 1-800-684-1969 jared.hofer@mitchelltech.edu www.sdcfrm.com Will Walter, FBM Asst. Director/Instructor NFRBMEA President-elect 1800 E. Spruce Street Mitchell, SD 57301 605-770-0758 will.walter@mitchelltech.edu

# **National Farm Ranch Business Management Education**

**Association** 2015 National Farm Ranch Management Conference June 14-18, 2015

# **Utah State Report**

Submitted by: Jay Olsen, Snow College, Ephraim Utah jay.olsen@snow.edu, 435-283-7335, 435-893-2242

**Program:** 5 full time faculty at 3 community colleges (2 at Bridgerland Applied Technology College, Logan Utah, 1 at Uintah Basin Applied Technology College, Roosevelt Utah, and 2 at Snow College, Ephraim and Richfield Utah).



FBM Service area, instructors & features:

**Bridgerland ATC:** 2 instructors (Al Dustin & Kathryn Rawson) covers 5 counties, (9165 sq. miles with 5955 farm/ranches in the area)

<u>Uintah Basin ATC:</u> 1 instructor (David Gillman) covers 3 counties, (8413 sq. miles with 3587 farm/ranches in the area)

**Snow College:** 2 instructors (Jay Olsen & Kendra Sagers) covers 7 counties, (19827 sq. miles with 4766 farms/ranches in the area)

**Farm Businesses Served:** 159 farm/ranch business enrolled during 2014 – 2015.

We have not had any turnover of instructors in the past two years and the programs are holding their own.

# **Challenges**:

- Instructor "windshield time" remains a challenge, four of the five instructors drive 20,000 -- 35,000 miles per year for farm visits.
- Increased work load for other college assignments, teaching, administration and grant work.

# **Opportunities:**

- Because we have impacted agriculture producers in the areas were FBM has a
  presence FBM programs have gained credibility and support.
- Building on this support, we would like to creatively find ways to offer FBM education in the un-served areas of Utah.

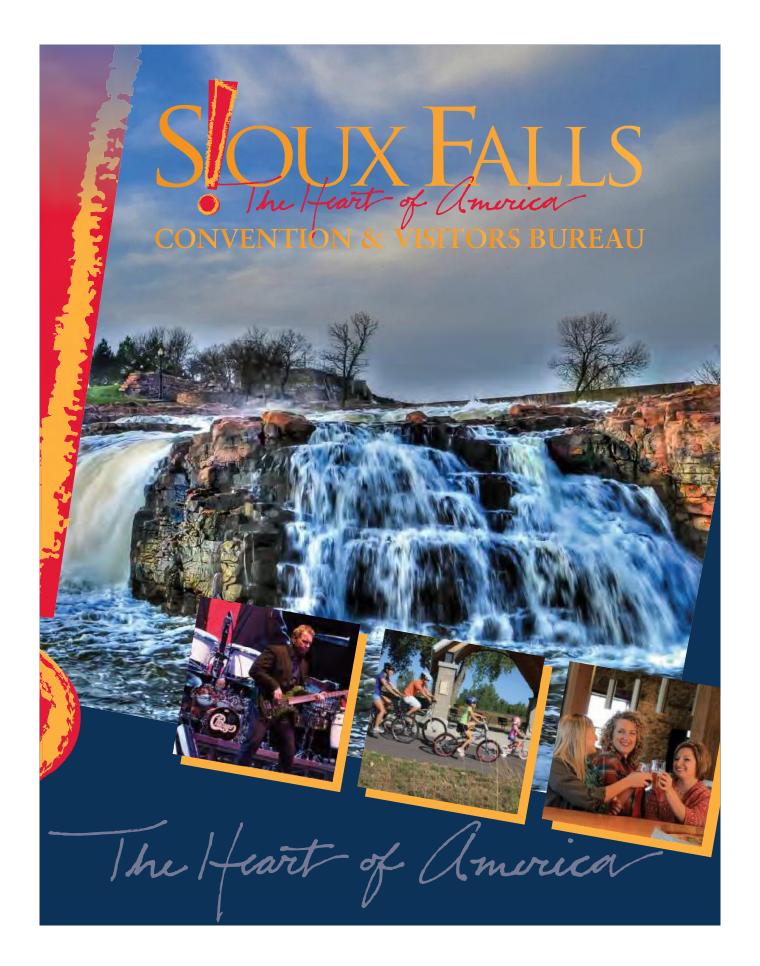
# Successes:

 Successful with receiving a sixth grant from the Western Center for Risk Management Education, and a fifth benchmarking sub-award grant with University Nebraska, Lincoln and a coalition of other colleges and groups.

# Goals:

- Increase the number of enrolled farms by an additional 5 farms.
- Increase the number of farm businesses in the 2015 Year-End Report by an additional 5 farms.

| 1. Annual turnover rate:0%0# of vacancies   |
|---|
| 2. State - wide program experiencingdecline in programs,  |
| X holding own,expanding programs.   |
| 3. Identify the educational levels/occupations from which your annual replacement/expansion new teachers are coming from for the last five years: Immediately from the Community College. |
| Immediately from College.   |
| High School Agricultural Education experience.  |
| Agricultural Loan officer experience.   |
| County Extension Educator experience.   |
| X Other (please list): Industry   |
| Unknown.  |
| Most glaring needs for education:   |
|   |
|   |
| What are the individual state teacher certification requirements which apply to the profession? $\bf None$  |
| Are the teachers expected to pursue a Master's Degree? ${f No}$   |
| What are the teaching certificate renewal requirements in the respective states? <b>None</b>  |





# Location

Sioux Falls is located at the junction of **1**–90 and **1**–29, easily accessible from every direction. The state's largest airport, the Sioux Fals Regiona Airport, connects to more than 200 domestic cities and many international destinations.



### Restaurants

With over 650 restaurants, Sioux Falls caters to everyone's taste. Choose from elegant, eclectic and ethnic — or sample regional specialties! Whether you like it fast or fancy, you'll find it in Sioux Falls at tantalizingly affordable prices.



# The Empire Mall

The Empire Mall recently completed a multi-million dollar renovation including all public areas, floors, lighting, and décor. More than a dozen new national retailers and eating establishments have been added.



# Schee's A Sports

Finishing renovations this month, Scheels is adding 100,000 sq. ft. of retail space. Included in the renovation is the addition of a 45-foot ferris wheel, shooting gallery, mini bowling, new sporting simulators, deli and fudge shop and Starbucks.



Sioux Fals was featured in the New York Times for its emerging culinary scene. The story showcases some of Sioux Fals' best kept secrets (not so secret anymore).

- August 2014



Sioux Falls was noted to have one of the fastest-growing economies in the United States by IHS Global Insight and the United States Conference of Mayors.

- January 2014



# **Hotel Accommodations**

More than 4,700 hotel accommodations await your arrival. New hotels include My Place Economy Extended Stay Hotel, LaQuinta Inns & Suites and Comfort Inn & Suites. Four new hotels will open by Spring 2015.



### The District

The 37,000 sq. ft., bi-eve building, located on the Empire Mall campus, is a multithemed facility for corporate events, receptions, concerts and more. The District also includes an upscale casual restaurant and lounge.



# **Great Plains Zoo**

A new Snow Monkey exhibit opened with year-round viewing and replaced a 45-year-old infrastructure. Renovations also included new greeting plaza and entrance, more educational classrooms, new gift shop access and summer pond for outdoor flamingo viewing.



### SculptureWalk

A self-guided walking tour of sculptures displayed year-round throughout Downtown Sioux Falls. Vote for your favorite! The people's choice winner will have a permanent home in Sioux Falls. New sculptures are installed every May.



Sioux Falls is one of five cities where America works according to CNN's Fareed Zakaria.

-July 2014



Breathe easy in **Sioux Falls** because the American Lung Association named the city #1 in cleanest ozones for metropolitan areas.

-April 2014



Falls Park is celebrated for being one of the top 25 parks in the United States by TripAdvisor.

- July 2013



Sioux Falls was named in the top ten for Best Value US Destinations for 2014 according to Trivago.com.

- February 2013

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# Hospitality Room In the

**Rochester Suite** 

**Hours** 

Sunday 8:15 pm – 11:30 pm

Monday 8:30 pm-11:30 pm

Wednesday 9:30 am – 11 am 8:45 pm-11:30 pm

Come join use for a beverage, a bag of popcorn, and some snacks