Concurrent Session Abstract Summaries – 20-Minute Sessions

Tuesday, June 12, 2007
Kahler Hotel, Rochester, MN

1:15 – 2:15 PM *20-Minute Sessions*

Heritage I

Organic Farm Business Management

***Dale Nordquist**, Center for Farm Financial Management, U of MN; Ron Dvergsten, Northland Community College, Thief River Falls, MN; Ira Beckman, South Central College, Montgomery, MN*

How much does it cost to produce a bushel of organic soybeans? How profitable is organic dairy farming? Organic producers, those considering organic production, and those financing organic producers need to know. This project, funded by RMA, offers producers and others who need this information a way to access it through FINBIN. In exchange, Minnesota organic producers benefit from the educational programs of Minnesota's farm business management programs and a tuition benefit to encourage their participation. In this session we will share some of the results of this project and our experiences working with organic producers on farm business and financial management.

Profitability of Northeast Organic Dairy Farms

***Robert Parsons**, University of Vermont; Glenn Rogers, Univ. of Vermont; Rick Kersbergen, Univ. of Vermont; Dennis Kauppila, Univ. of Vermont; Tim Dalton, Univ. of Vermont; Lisa Bragg, Univ. of Vermont*

Organic dairy is one of the fastest growing ag sectors in New England and will account for nearly 20% of dairy farms in Vermont and Maine by July 2007. In the first study in the US examining the profitability and cost of organic production, researchers at the Universities of Vermont and Maine collected and analyzed the financial data from 44 farms. They found that average net farm revenue increased by 18% from 2004 to 2005. However, revenue was not able to cover a charge for owner labor/management. The farms averaged 58 cows per farm and 12,500 lbs of milk sold per farm. In comparison to conventional dairy farms, organic farms averaged $4500 higher net farm income on 8 fewer cows. The organic dairy farms produced less milk per cow, received a higher milk price, and had a higher cost of production per cwt than their conventional neighbors. Yet their net return per cow was nearly twice that of the conventional dairy farms. The continued shift to organic dairy production raises questions of its long term impact on regional dairy farm numbers and profitability.

The Economics of Organic Dairy Farms

***Tom Kriegl**, University of Wisconsin Center for Dairy Profitability*

Ten Land Grant Universities plus Ontario standardized accounting rules and data collection procedures to gather, pool, summarize and analyze actual farm financial performance from many sustainable, small farming systems which currently lack credible financial data that producers need for decision-making, in a project initially sponsored by USDA IFAFS. This effort features Wisconsin organic dairy farm data since very little organic dairy data was collected from outside of Wisconsin. However, the Wisconsin data is compared to the limited amount of organic data collected in other parts of North America. This project has over 70 farm years of Wisconsin organic dairy farm data spanning seven years to help understand the level of economic competitiveness of organic dairy farming.
Insights include:

- Actual farm financial data from organic dairy farms is still scarce.
- The financial performance of organic dairy farms looks dramatically different from one part of the country to the other.
- A number of individual farms are achieving financial success with an organic system.
- The price premium was very important to the economic competitiveness of organic dairy farms.

The up-to-date conclusions of this project can be accessed at http://cdp.wisc.edu.

Heritage II

Building for the Successful Transition of Your Agricultural Business

***David Marrison**, The Ohio State University Extension; Chris Zoller, OSU Extension; Don Breece, OSU Extension; Chris Bruynis, OSU Extension*

This presentation will share information about the 2007 "Building for the Successful Transition of Your Agricultural Business" workshops, developed and taught by OSU Extension Educators. The Educators will share how they worked together to develop resource and teaching materials for the two-day workshop held in four locations across Ohio. The workshop was designed to help all members of the family business analyze the current status of the business, determine where the business is going, and plan for the future. Participants learned how responsibilities can be shared between generations and how the new generation of managers can be developed. The workshop session also challenged family members to honestly communicate with one another when planning for the future. Participants also learned about business organization structures and strategies, how to treat on-farm and off-farm heirs, how to equitably transfer assets, how to plan for adequate retirement income, and how buy-sell agreements, trusts, and life insurance can be utilized in transition planning. Over 100 Ohio producers attended the regional workshops. The Educators will share results of the program evaluations and provide tips for others who desire to develop transition planning workshops for their clientele.

Critical Path Method for Farm Transitions

***John R. Baker**, Iowa State University Extension, Beginning Farmer Center; David W. Baker, ISU BFC*

The United States continues to see a precipitous drop in the number of people actively engaged in farm management. In addition to recruiting young people for careers in farming, a key strategy must be developed for encouraging the first generation to transition their farm assets in a way that keeps these operations ongoing and prosperous. Proven systems have been developed over time in an effort to attract the younger generation back to rural communities and the smooth transition of these entrepreneurs into farming ventures. These programs need support from our leaders, elected officials, and educators. Legislation has passed in several states directed at enticing the retiring generation to rent or lease farming assets to beginning farmers. There are several successful systems that have been developed through many years of research and practice. One of these systems is called the "Critical Path" method. It directs the multi-generation families involved to verbalize their individual values, visions, missions, and goals. This information is then shared with all involved parties to formulate the objectives, strategies and tactics to reach those goals.

New England Farm Transfer Workshops

***Michael Sciabarrasi**, Cooperative Extension, University of New Hampshire; Robert Parsons, Extension Service, University of Vermont*

With the increasing development pressure, tight profit margins, and rising average age of farmers in New England, smooth transition of the farming business to the next generation is challenging. Extension and nonprofit groups in New England teamed up to offer educational workshops on farm transfer and business succession. 25 day-long workshops were conducted from 2003 through 2006 across the six New England states. Of the 25 workshops, 18 were introductory estate planning workshops referred to as "Transferring the Farm." The curriculum for these introductory workshops addressed family communications and goal setting, provided an overview of estate planning issues and tools, presented a legal interpretation of transfer issues, offered creative solutions to farm transfer, and provided a forum for discussion of farmer experiences. Traditional lecture presentations were blended with small group discussion, self assessments and farmer testimonial. The seven second-level workshops, "Transferring the Farm II," were designed to cover selected topics in greater depth. Extensive discussion of business structure was combined with an overview of asset transfer, income requirements, retirement, and health care issues. Case studies helped participants understand the concepts and tie them together.

Heritage III

Assessing Future Risks and Returns for Missouri Farms: A Panel Approach

***Brent Carpenter**, Food and Agricultural Policy Research Institute, University of Missouri; Peter Zimmel, FAPRI, Univ. of Missouri*

How will Missouri farms be impacted by new farm bill provisions? How vulnerable are farms of various types to changes in input costs? What is their risk exposure to changes in production and/or prices? What is the manageable debt ceiling for a given Missouri farm? This presentation will explain how we work with farmers to quantify answers to these questions and others using stochastic simulations. Along the way, we'll share examples of successful educational efforts related to agricultural policy and farm management issues, such as outreach meetings directly reaching over 1000 Missouri producers.
We'll summarize:

- The role of farmer panels in creating representative farms,
- What we learn from participating farmers and what farmers learn by participating,
- Accounting and simulation procedures we use,
- Current examples of projected risk and financial performance for crop, dairy, beef, swine, and diversified farms.

Factors Determining Farmer Investment in Value-Added Business Ventures

***Don Hofstrand**, Iowa State University Extension; Bob Jolly, Iowa State University Extension*

One of the most crucial factors in starting a value-added agricultural business is sourcing equity funds. When anticipating the creation of a new value-added business venture, farmer groups are faced with the task of generating sufficient farmer investment to properly capitalize the business. A survey instrument was created to identify farmer investment perceptions and factors that trigger farmer investment in these ventures. The survey was targeted at a subset of the Iowa Farm Business Association membership during the summer of 2006. The survey results are currently being analyzed. Three major factors are being assessed as to their importance for farmer investment. They are:

1) The rate of return from the investment,
2) The impact of the investment on the local community, and
3) The familiarity with the business and the industry.

Also, the participants were asked to make hypothetical investment decisions to determine farmer preferences for investments in:

1) The farm business
2) Value-added business ventures
3) The stock market
4) Other investment opportunities.

These and similar factors will be examined by age of farmer, wealth of farmer, education level, etc. The survey results will provide farmer groups with information for designing value-added business venture equity offerings that successfully raise the equity needed for financing the venture.

FINBIN, Benchmarking for Success

***Bob Craven**, Center for Farm Financial Management, U of MN*

Ever wonder how your producers are doing financially? Come take a look at FINBIN, the largest public online database of farm financial information. We will look at how you can use FINBIN and the benchmark data that is available to help your producers and to develop educational programming. We will also discuss how the producers you work with can improve their profitability by using FINBIN´s powerful benchmarking capabilities. FINBIN is powered by data from the Minnesota State College and Universities Farm Business Management program and farm management programs in 8 other states. Learn how programs across diverse states are collaborating to standardize analyses and data collection methodologies and to share data to create the most powerful benchmarking system available.

Windsor I

Case Study Evidence of New Opportunities for Farm Management Specialists in Spatial Analysis of On-farm Trial Data

***Terry Griffin**, University of Arkansas; Craig Dobbins, Professor of Agricultural Economics, Purdue University; Jess Lowenberg-DeBoer, Professor of Agricultural Economics and Associate Dean of International Programs in Agriculture, Purdue University*

A three-year case study of farmers' use of yield monitors provides evidence that farm management specialists have a new opportunity to assist farmers who are conducting field-scale on-farm experiments, and in particular spatial analyses, to determine if differences exist among production alternatives using yield monitors and other site-specific sensors. Many farmers test new varieties, products, or alternative systems on their own farms but case studies of farmers indicate an opportunity for farm managers and analysts to assist farmers in designing and implementing on-farm experiments, analyzing the vast amount of spatial data, and farm management decision making. Recent advances in spatial statistical analysis adapted from non-agricultural disciplines such as epidemiology, criminology, and geography allow appropriate analysis of on-farm experiment data collected with precision agricultural technologies. Farm management specialists may develop this opportunity to be among the first in demonstrating the tangible benefits of yield monitor data.

Farm Bill Education in 2002—Lessons for 2007-08

***Daniel Ritter**, Purdue CES – Newton County*

The 2002 Farm bill for some was confusing and difficult. Through collaborative efforts with the Farm Service Agency in Newton County, the Purdue CES Newton County Office and Purdue Agricultural Economics Department, farmers and land owners were able to make more informed decisions. Dr. Allen Gray, Purdue Ag economist, developed a decision spreadsheet to aid landowners in evaluating the various options available. The local agencies in Newton County organized a series of three informational meetings to answer questions related to the farm bill and to demonstrate the decision spreadsheet. A fourth meeting then featured Dr. Gray to further answer questions on the farm bill and the spreadsheet. 60% of the crop acres in Newton County Indiana were enrolled using the aid of this program. There were 40 ag producers who came directly into to the Extension Office. Payments totaling $23 million were analyzed using this spreadsheet. Using information from university specialists, the local Extension Office was able to engage the surrounding agricultural community and make a positive financial impact. As we look to the 2007-08 Farm Bill, the same possibilities exist. Being responsive to the needs of the area and teaming with all levels of related agencies will be important to addressing any new changes in the farm programs of the future.

It's Teaching… On Campus and Off

***Steve Isaacs**, University of Kentucky*

Extension farm management professionals often find themselves teaching in both public and classroom settings. While many complementarities exist for these two settings, there are also differences and conflicts between the approaches to the two audiences. This presentation will address these complementarities and conflicts from the perspective of an Extension farm management specialist who has also had a formal classroom teaching assignment. Topics to be addressed include differences and similarities in teaching and learning styles, the crossover of theory and real-life situations, and the diversity of audiences. The presentation will also discuss the needs and techniques to develop critical thinking and decision-making skills for both groups.

Windsor II

Farm Estate Planning: An Innovative Approach to Effective Communication with Family Members and Farm Employees for Underserved Farmers and Ranchers

***Okarsamaa B. White**, University of Maryland Cooperative Extension; TBD, University of Maryland Cooperative Extension Educator*

Underserved farmers populations—including minorities, socially disadvantaged farmers, and new immigrant entrepreneurs—are not always familiar as to how to approach communication of estate farm transition of their farm operation to family members and/or employees. A vast array of agencies and organizations has limited exposure of programs and services to address transitioning farm estate plans to family members. However, these special audiences have deliberately refrained from discussing their farm transition plans with an estate attorney, financial advisors, tax consultants and extension educators. Underserved farmers do not seek or communicate about their intention for several reasons. In some cases, farmers have limited funds to seek and approach the expertise in farm estate planning. This paper aims at (1) introducing farm communication to underserved farmers and the importance of communication; (2) increasing farmers' understanding to effectively communicate strategies of transitioning the family farm and (3) determining how farmers can provide farm transition to family members or/and non-interested family members and what options are available to protect family legacy.

NY FarmLink—Lessons Learned from Business Planning

***A. Edward Staehr**, Department of Applied Economics and Management, Cornell University – NY FarmNet/NY FarmLink*

Farm families request assistance in business planning for numerous reasons. Some loan applicants are required to develop a business plan to obtain financing for a new enterprise or business expansion. Others are in search of grants to offset project costs and need to submit a fully developed business plan as part of an application process. Another example is farm families who wish to explore the feasibility of making a major business change. Reasons for developing a business plan yield different outcomes. However, a universal factor is that approximately 85 percent of farmers requesting business planning assistance from NY FarmLink lack detailed financial information to evaluate their business' present financial performance. Educational opportunities exist to integrate benchmarking into business planning efforts for improved decision making among farm managers.

Reaching New Audiences with Oklahoma's Master Cattleman Program

***Damona Doye**, Oklahoma State University; David Lalman, Oklahoma State University Animal Science Department*

Drought, threats of foreign animal diseases, changes in regulations, general economic conditions, consumer concerns, and market price fluctuations contribute to ongoing needs for educational programs in production, market and price risk, and business financial management for beef producers. As more than 980,000 of the country's 2.1 million farms have cattle, the potential audience is large in most states. OSU's Master Cattleman program has afforded an opportunity for agricultural economists to collaborate in developing and delivering interdisciplinary, in-depth educational programs targeted to beef producers. Funding support has been provided through agency partnerships, fees, and scholarships. The program has proven popular both with producers and Extension educators, sometimes creating unanticipated burdens. The paper and presentation will provide a brief overview of the Master Cattleman educational program, addressing the motivation, planning process, resources developed (manual, lesson plans, website) and multi-disciplinary approach.

2:30 – 3:30 PM *20-Minute Sessions*

Heritage I

Annie's Project – Start to Finish
***Tim Eggers**, Iowa State University Extension*

Annie's Project is more of a concept than a program. In this session I will explain how I apply the Annie's Project concept to the base program and a grain marketing program in southwest Iowa. This session should help participants decrease the time it takes to effectively facilitate an Annie's Project. Annie's Project is a time consuming activity that provides significant impact to the students, presenters, and facilitator. It is a recognized program with a natural hook and proven method. The hook sets effectively, and few sponsors or clients can look you in the eye and say they aren't interested. Few practitioners will express reluctance to the instruction method. Many participants in the National Farm Management Conference are aware of Annie's Project, and several have facilitated a site. This session will provide a conversation starter for alternative ways to apply the concept. It will also provide a recipe for a program that has no set list of ingredients.

Hispanic Labor Management for Higher Profitability in Central-Western Pennsylvania
***Miguel Saviroff**, Penn State Cooperative Extension*

Pennsylvania dairies face labor shortages and the trend of using Hispanic labor is growing. Labor is a determinant factor of productivity and profitability. U.S. Census data indicates that Pennsylvania's Hispanic population has grown by 70 percent since 1990. Dairies in the region requested the assistance of Penn State Extension in management of the Hispanic workforce. The educator has a target audience of 20 farms and 160 Hispanic workers in 13 counties. The educator assists farmers in the use of Hispanic labor in search of labor stability, more productivity and higher profitability. Objectives include incorporating mastitis controls, techniques to manage Hispanic labor, health assistance procedures, and conflict resolution techniques. The Educator organized and presented topics at workshops, helped at the farms in communication and management, translated rules, procedures, and educational materials into Spanish. Four farms improved financial position and profitability, and over 100 workshop participants incorporated management techniques.

Midwest Women in Agriculture Conference
***Stacy Herr**, Purdue Extension; Kelly Easterday, Purdue Extension*

The Midwest Women in Agriculture conference was designed to meet the needs of women in agriculture by addressing the personal, family, and farm issues that affect their lives, their families, and their farm businesses. Women play major roles in making their family farms profitable and ensuring the emotional well-being of their farm families. To assist women with these needs, a team of Purdue Extension educators has sponsored this conference annually since 2002. The conference has empowered over 650 attendees from six states over the past five years, giving them the tools they need to make decisions about their family farms. In 2006 the conference was expanded to 2 locations. Conference sessions addressed issues in market, price, legal, production, and human risk management. Women reported by attending the conference they increased confidence, morale, motivation, and support from others dealing with similar issues. The conference has also helped women to define their role in making the farm profitable and to build a network of support.

Heritage II

"Building a Winning Team" Marketing and Management for Farm Couples

***Bret Oelke**, University of Minnesota*

Managing a farm business and marketing crops and livestock in the highly volatile agricultural environment is both exciting and challenging. The farm operations that seem to be best able to adapt and prosper in this ever changing environment are those where there is a high level of communication and an understanding of management and marketing goals between farming partners, including spouses. The "Building a Winning Team" Marketing and Management for Farm Couples workshop series was developed in response to requests by producers to assist in improving the communication and understanding of the basic principles of commodity marketing and farm management between couples. The focus is on providing a framework for market plan development and implementation, utilizing farm records, and becoming a preferred provider to grain and livestock buyers and a preferred customer of suppliers in order to enhance farm profitability. The pilot program included fourteen couples from West Central Minnesota who met five times for two and one-half hours and was co-sponsored by the University of Minnesota Extension Service and the Grant County Farm Bureau. An overview of the program will be provided along with evaluation results from the pilot program.

Using the Balanced Scorecard for Ranch Planning and Management: Setting Strategy and Measuring Performance

***Agustin Arzeno**, South Dakota State University – Cooperative Extension; Jack Davis, South Dakota State University – Cooperative Extension; Roger Gates, SDSU; Barry H. Dunn, King Ranch Institute for Ranch Management, Texas A&M University-Kingsville*

Daily routine, difficulty in obtaining profits and a natural inclination among ranchers and farmers to look at a "production" or short-term perspective generally results in planning for only one or two dimensions instead of looking at a whole system. The Balanced Scorecard is a unique approach because it provides feedback on both internal and external outcomes. Many farmers and ranchers develop different time-related goals for their operations. Business and family goals may often be in conflict and difficult to differentiate. The Balanced Scorecard examines the degree of balance among those goals and their vision for their operation with different business related perspectives such as: Finance, Customers, Lifestyle, Natural Resources, Ag Commodities/Production, and Learning and Growth. By developing a set of strategic measures for each perspective, both leading (future performance) and lagging (past performance), farmers and ranchers would be able to evaluate performance and determine if goals are being met and progress toward reaching the business' vision is being made. The Balanced Scorecard is a strategic business management concept that will help ranchers and farmers to understand that successful businesses are a result of the balanced combination of all aspects surrounding the business as opposed to a narrower view which considers planning around production, weather and commodity prices.

Winning the Game

***Robert Craven**, University of Minnesota; Wynn Richardson, University of Minnesota*

In 2006 we introduced the latest in the Winning the Game series of commodity marketing programs—Launch and Land Your Post-harvest Marketing Plan. Learn more about this program and the key ingredients that make Winning the Game a successful program. What does it take for a program to be successful in different states, with different commodites, and with different presenters? What have the producers and sponsors said about the program?

Heritage III

Managing Human Resources on Farms: Lessons Learned During Six Years of Assessment and Programming

***Vera Bitsch**, Michigan State University*

Human Resource Management (HRM) is historically a neglected area in farm management research and extension. Programs are often derived from research in other industries, popular writings and textbooks, or based on educators' own assessment of what is needed and appropriate. This presentation reports on results of a number of agricultural HRM studies, the development of educational workshops, and lessons learned through the course of six years of programming in HRM for agricultural managers. Studies include three focus group projects consisting of 15 focus group discussions between 2001 and 2005 and a number of case studies conducted in 2003. Between 2001 and 2006 the author conducted multiple kinds of HRM training and education programs both individually and with different teams. HRM programs ranged from less than 30 minutes to multiple days in time commitment, from lecture-style presentations to interactive workshops and group discussions, from web-based publications to individual face-to-face sessions. Issues addressed ranged from traditional HRM topics, such as recruitment and selection, training, performance evaluation, compensation, discipline and termination, and labor law to specific aspects of performance management, such as communication, motivation, conflict management, dealing with adverse working conditions, and managing immigrant employees, which are less likely to be addressed in general programs.

Responding to Farm and Family Business Planning and Transition Planning Needs in Oklahoma and Kansas

***Damona Doye**, Oklahoma State University; Larry Sanders, Department of Agricultural Economics, Oklahoma State University; Rodney Jones and Michael Langemeier, Department of Agricultural Economics, Kansas State University*

Discussions among farm management specialists reveal a noticeable increase in interest in business planning and transition planning. Given the rural demographics, and the increasing average scale of commercial farms, ranches, and rural businesses, interest in a more structured approach to planning is likely to grow over the foreseeable future. In this presentation, we will summarize applied research and Extension efforts in Oklahoma and Kansas that address farm and family business planning and transition planning. Numerous publications and decision aids have been developed (available on respective web sites, for example), and Extension programs have been (or are being) developed and delivered. Examples from Oklahoma in recent years include the "Time for Change on the Family Farm" program and the "Managing For Success in Oklahoma Agriculture" program. Recent examples from Kansas include the "Positioning Your Business for the Future: Developing a Strategic Business Plan" and "Managing Successful Family Businesses" workshops. A recent multi-state programming initiative ("Keeping the Family Farming") draws upon expertise from both states to jointly develop and deliver a workshop series.

Sharing Farm Equipment and Labor

***Kelvin Leibold**, Iowa State University Extension; Jim Jensen and Tom Olsen, Iowa State University Extension; Ray Massey, Kevin Hansen and Wayne Prewitt, Missouri Extension*

Cooperative approaches are one alternative for producers to reduce risks and more effectively manage farm resources. Faced with a shortage of available skilled labor and rapidly rising equipment costs, some producers have found creative ways to share both labor and equipment in their operations. Yet sharing can have implications for taxation, liability, and farm payment eligibility not fully understood by many engaged in these arrangements, potentially exposing them to greater legal and financial risk. Five producer workshops will be held in Missouri and Iowa to create awareness among producers about cooperative strategies for sharing resources and to provide them with tools for developing sharing arrangements suited to their particular situations. We aim to help producers understand the legal and financial implications of sharing informally and how to reduce or avoid the corresponding risks that may arise. A complete manual including fact sheets and presentations has been developed. The presentation will describe the content of the workshops and what we learned from them. Copies of educational materials will be made available.

Windsor I

B.A.M. Young Ag Leader Program

***David Marrison**, Ohio State University Extension*

This presentation will share the information on the "Buckeye Ag Manager" agricultural leadership and management workshop held for young agricultural managers in Northeast Ohio in 2006. This three-part, eighteen-hour workshop focused on developing the skills of the next generation of agricultural farm managers. The main topics that participants received training in include assessing the next generation of agribusiness leaders, financial management, and assessing your operation and building for the future. Specific topics that were taught in this workshop included: personality styles, COLOR personality assessments, functions of management, developing a mission statement and goals for your farm business, completing a SWOT analysis of your farm business, balance sheets, cash flow statements, enterprise analysis, profit and loss statements, and cost of production calculations. Participants also learned how to develop a transition plan for their business and how communication and family relationships impact the farm business. The Educator will share the resource and teaching materials developed for the course and will share results of the program evaluations. Tips will also be provided for those who wish to replicate this program in their state.

Crop Costs and Returns in a High Input Strategy versus Common Practices

***Kent Olson**, University of Minnesota; Bruce Potter, Steve Quiring, Jeff Vetch, Tom Hoverstad, Seth Naeve, and Dale Hicks, University of Minnesota*

Farmers are planning to produce more corn through more acres and/or more intensive input use. However, is this a wise decision given the yield benefits of a rotation and the costs of more intensive input use? The objective of this study is to compare the impact of intensive, high input management practices to common practices in terms of crop yields and net returns. A recent experiment in southern Minnesota compared the corn-soybean rotation in common versus high-input practices, and at one site, continuous corn. We first describe the production practices used and then estimate costs and returns. Different price levels and relative prices are used to evaluate the impact of changing market conditions. Results show the high input strategy having the highest yields and that corn in a C-SB rotation had a higher average yield compared to continuous corn. However, the common practices strategy had the lowest costs both on a per acre and per bushel basis. At current target prices, the C-SB rotation in the common strategy had the highest (least lowest) net return. As the corn price rises and the soybean/corn price ratio declines, the net return for continuous corn rises above the corn-soybean net return. In both rotations, the common practices strategy remained more profitable than high input strategy.

Wisconsin Agricultural Land Value Trends 2001-2006

***Arlin Brannstrom**, UW Center for Dairy Profitability*

Wisconsin land sales data is collected by the Wisconsin Department of Revenue. From this data source we have computed weighed average sales prices for bare land and improved properties throughout the state. Ag land prices have increased dramatically in recent years and appear to be headed higher again in 2007. This paper will discuss the methodology used to compute the average prices and some of the limitations of the data source. Finally it will discuss some of the challenges making visual representations of the data with ArcINFO.

Windsor II

AgVentures—Building a Vision Farm Financial Management and Analysis Curriculum

***Lee Milligan**, UW Extension-St. Croix County; Carl Duley, UW Extension-Buffalo County; Bob Cropp, UW Extension-Pepin County; Gregg Hadley, Center for Dairy Profitability; Jon Zander, UW Extension-Trempealeau County; Jenny Vanderlin, Center for Dairy Profitability*

The UW-Extension Financial and Risk Management Team developed the AgVentures "Building A Vision" Farm Financial Management and Analysis curriculum to improve participants' understanding of strategic planning and farm financial analysis concepts. The curriculum is a three-day workshop. Between the first and second workshops, the teaching team meets with the participants to gather financial information to produce an individual farm financial evaluation using the Agriculture Financial Advisor program. Participants are challenged to determine issues influencing the profitability and viability of their business. There is discussion on how these issues influence the decision making process in their business. A plan is developed to set the course for the future of the business. The AgVentures workshop utilizes interactive learning with a case farm, hands-on opportunities to apply learned skills to the case farm and the participant's farm. To date, 57 individuals from 35 farms have completed the course in a series of six workshops.

Management Assessment Centers for Dairy Managers

***Bob Cropp**, University of Wisconsin – Extension (other team members will assist in the presentation)*

In today's changing farm environment, dairy farm managers are required to take on more of a managerial role. A team of UW-Extension county agriculture agents and specialists from the Center for Dairy Profitability and UW-River Falls designed the Management Assessment Center for Dairy Managers. The assessment center curriculum was developed, tested and implemented to help dairy farm managers understand their own competency levels as they relate to selected managerial attributes, which include communications, planning and organizing, leadership, decision making, managing resource, empathy, teamwork, initiative, and creativity. Each assessment center includes a two-day program where producers participate in a series of activities which help assessors evaluate individual managerial strengths and areas needing improvement. These activities include group discussions, role playing, in-basket activities, personnel discussions and other business management simulations. Following the program, producers are given a detailed individualized report and a personal consultation. A resource guide is provided that assists them in developing a plan for self improvement. To date, five assessment centers have been offered and 44 dairy managers and agricultural professionals have participated in the assessment program. Evaluation results have been extremely encouraging and there is an increasing demand to modify the curriculum for other commodity groups as well.

Online FINPACK Training

***Kevin Klair**, Center for Farm Financial Management; Dale Nordquist, Center for Farm Financial Management*

How do you respond when people wanting to attend your training sessions are widely dispersed geographically? With the studio tools currently available we developed a well-received online training program that allows anyone to take FINPACK training on their own time schedule and at their own pace. This session will describe the new FINPACK online training system, talk about how to develop your own online training and will discuss the tools we use to develop online training courses. We will also discuss developing quizzes and tools to monitor a participant's progress.

Windsor III

Are Federal Young and Beginning Farmer Loan Programs Hitting the Target?

***Ernest Bazen**, University of Tennessee*

Understanding the financial challenges faced by Young and Beginning Farmers (YBF) has been of great interest to many state farm management extension programs. While the USDA Farm Service Agency (FSA) has been the primary source for providing credit to young and beginning farmers, provisions and terms for direct and guaranteed operating and farm ownership loans has not changed in over 20 years. YBF have different needs than established farmers and ranches, but can current FSA programs create successful small farming operations that will grow into tomorrow's commercial farms depending less upon federal financial assistance and moving into more traditional financing (i.e., local banks) relationships? In general, to obtain an FSA farm ownership loan, a beginning farmer must be unable to secure credit elsewhere; must have participated in the business operations of a farm for no less than three years but no more than ten years; must not currently own farmland in excess of 30% of the average farm size in the county; and must provide substantial day-to-day labor and management. Likewise, for an operating loan a beginning farmer must also be unable to secure credit elsewhere; cannot have operated a farm for more than 10 years; must agree to participate in borrower training; must provide substantial day-to-day labor and management; and must have sufficient education and/or experience in managing and operating a farm. This presentation will provide examples of how FSA direct and guaranteed operating and farm ownership provisions impact YBF and the ability to create a sustainable farm operation.

FARM Assistance, Texas Strategic Planning Services

***Steven Klose**, Texas Cooperative Extension*

The Financial And Risk Management (FARM) Assistance program created by Texas Cooperative Extension is a strategic analysis service offered to farmers and ranchers in Texas. The program serves as an example of large scale, focused programming by extension agencies, as well as the implementation of technical stochastic simulation methods for use on the farm. Additionally, the program offers unique examples of establishing broader program benefits of database analyses that can result from conducting one-on-one financial consulting services.

What to Do When a Big Box Store Moves to Town

***Robin Brumfield**, Rutgers University; Lawrence S. Martin, The Martin Organization*

Consider two small towns in the heartland of America: Each has an established small grower, and both have been invaded by a "Big Box" store. A few years later one grower is bankrupt, but the other is surviving and thriving. Why did one grower finally give-up and close its doors? How did the other grower thrive in the shadow of a Big Box? To answer these questions, we visited over 80 greenhouse, garden centers, and nurseries in the past two years. We have collected their data and information including marketing strategies, maintenance of market share, promotional plans and programs, product mix, value-added ideas, agri-entertainment, advertising, demographics, pricing policies, and market channels.
Our objectives were to determine:

- How are small growers (wholesale and/or retail) coping with current trends and changing customer preferences?
- How are small growers competing against the Big Box?
- What lessons can growers learn from our research results?
- How can growers incorporate these results into their existing marketing program?

3:45 – 4:45 PM *20-Minute Sessions*

Heritage I

Evaluating the Effectiveness of Farm Financial Management Training in a Difficult Environment

***Richard Trimble**, University of Kentucky; Rick Costin, Rush Midkiff, Jennifer Rogers, Suzy Martin, and Steve Isaacs are all with the University of Kentucky*

Since February 1995, University of Kentucky Farm Management Specialists have conducted 82 Farm Service Agency (FSA) Borrower Training Workshops reaching 1,004 farms involving over 1,500 producers and their families. Congressionally required participation, a substantial registration fee, and a grading requirement create initial obstacles to this educational effort. Most participants are unhappy about being there. The majority are there simply to satisfy a requirement for obtaining their FSA loan. Initially, every effort is made to make participants feel welcome. All training materials (a nine-chapter notebook, pencils, highlighters, and calculators) and refreshments and lunches for the two-day training are provided. Workshop participants are actively involved throughout the training. Evaluations conducted at the end of each workshop suggest our efforts had been successful. Participants rated the materials provided, instructors, and the complete educational experience as being worthwhile. Ninety-seven percent indicated they would recommend the training to other farmers. During the summer of 2006, an in-depth, follow-up survey of all FSA Borrower Workshop participants was conducted to determine if the farm financial management training had lasting value to participants.

Farm Management Strategies in My Community

***Mary Mafuyai-Ekanem**, North Carolina A&T State University*

Minority farmers often lack the resources, information and managerial skills to adequately address risk management issues in their operations. Many face limited education or are elderly, widowed, have poor vision or other disabilities. Women farmers still have problems establishing themselves as farmland owners and business managers. They also face challenges finding labor workers for their farms and ranches. Beginning farmers lack access to capital and other resources needed to compete in a world dominated by men. Others have problems understanding farm income tax guide, marinating farm records, providing needed documentations for loan/disaster/grant applications and other government programs. Some simply can´t keep up with dynamics of markets and price fluctuations for their products. Come find out how the Cooperative Extension is helping some of these farmers and ranchers overcome their challenges in farm management.

Farmers' Evaluations and Behavioral Changes Due to Attending Farm Transition and Estate Planning Workshops

***Gary Hachfeld**, University of Minnesota Extension Service*

A majority of farm families have not named a successor nor developed an up-to-date farm business transition and estate plan. This program effort was designed to enable these farm families to gain a better understanding of the process required and thus develop and implement a farm transition and estate plan. In terms of improving understanding, the workshops were highly successful. Most of the participants indicated their understanding of the main educational points of the workshop improved due to attending the workshop. While 58% of participants did not have an up-to-date estate plan and 89% did not have an up-to-date farm business transfer plan, 81% stated that as a result of attending the workshop, they would begin the transition process by developing a transfer and estate plan beginning that year. Based upon six month follow-up evaluative data, over 59% had begun developing a farm transfer plan with 12.5% completed. Fifty-seven percent had begun updating their estate plan with 7.3% completed.

Heritage II

An Electronic and Team Approach to Farm Management Education

***Chris Bruynis**, The Ohio State University Extension; David Marrison, OSU Extension; Don Breece, OSU Extension; Barry Ward, OSU Extension*

This presentation will share how Extension Educators are meeting the farm management needs of Ohio farms and agribusinesses through team work and electronic education. Budget cutbacks reduced Extension Farm Management Specialist faculty in Ohio to one FTE in 2004. Recognizing the critical need to help maintain farm management programming, the Ohio Ag Manager (OAM) Team was established by County and State Extension Educators. The team developed the OAM website (http://ohioagmanager.osu.edu/) and began publishing the monthly electronic newsletter in July 2004. Each e-newsletter contains seven to ten abstracts addressing issues and trends impacting agriculture. Abstracts are linked to complete articles located on the website, allowing readers to quickly scan the e-newsletter and retrieve details on topics and issues important to the management of their own operation. The Ohio Ag Manager Team has published 30 editions containing 261 management articles since 2004. There are currently 504 self-subscribers receiving the e-newsletter directly each month. Web traffic to the OAM web site has increased significantly. In a survey of newsletter subscribers, readers stated that the newsletter helps their business to save money; make better informed decisions; improve their marketing and employee management skills; and save tax dollars.

Distance Delivery of Intensive Farm Management Education

***Michael Langemeier**, Kansas State University; Rodney Jones, Kansas State University; Kevin Dhuyvetter, Kansas State University; and Terry Kastens, Kansas State University*

This presentation will provide an overview of farm management extension programming efforts developed and delivered through the Department of Agricultural Economics at Kansas State University that utilize distance education techniques. The primary focus will be on the award winning Management Analysis and Strategic Thinking (MAST) program. The MAST program, offered annually since 2001, is an intensive five-month farm and agribusiness management training course for progressive farm managers and agribusiness clientele that has been delivered successfully using a combination of face-to-face and distance education delivery techniques. In the development and delivery of the MAST program, we capitalize on the long history of farm management work, the large number of farm management faculty, and availability of information (e.g. Kansas Farm Management Association data) in the K-State Agricultural Economics Department. In addition, we draw from distance education delivery experience garnered from the successful Master in Agribusiness (MAB) program. The participant fee associated with this program is high enough to essentially cover all costs except faculty time, representing a new programming philosophy for K-State Extension.

Using the Internet for Information, Education and Analysis Delivery

***Ann Holste**, Iowa State University Extension; Madeline Schultz, Iowa State University Extension; Don Hofstrand, Iowa State University Extension; Christa Hartsook, Iowa State University Extension*

Two Web sites illustrate how the internet can be used to provide users with education and analysis. The Ag Marketing Resource Center (AgMRC.org) is a national value-added agriculture center whose primary delivery method is its Web site. Ag Decision Maker (www.extension.iastate.edu/agdm) is a virtual delivery mechanism for farm management and marketing information. Combined, the two sites receive about 5,000 visitors per day. Delivery mechanisms used by these sites include:

1) Information Files (traditional written materials)
2) Content materials at other sites (identified and linked to our site)
3) Decision Tools (electronic spreadsheets)
4) Teaching Activities (quizzes)
5) Video Presentations
6) Webinars
7) Interactive Tools

Heritage III

"Milk Marketing Manager" – A Spreadsheet for the Ex-Ante Evaluation of Milk Marketing Strategies

***Kevin Bernhardt**, University of Wisconsin-Platteville; Margot Rudstrom, West Central Research and Outreach Center, University of Minnesota*

The presenters have collaborated on construction of a spreadsheet system, titled "Milk Marketing Manager," that allows ex-ante evaluation of generic milk marketing strategies for the years 2000-2006. Once a strategy is set, the Milk Marketing Manager employs the strategy over the seven-year period using daily Chicago Mercantile Exchange settle prices and put option premium data. Program flexibility allows users to:

- employ both forward contracting and PUT option strategies,
- set target strike prices, maximum premium, and the range of months for PUT option purchases,
- set forward contracting trigger prices at three different levels for each month, the percentage of production to be contracted at each level, and the range of time that forward contracts will be implemented prior to market month, and
- set the timing for marketing decisions—daily, weekly, or bi monthly.

Results visually compare with and without marketing outcomes including overall revenue, average per hundred-weight price, and measure of dispersion over the seven-year period. Milk Marketing Manager is a great hands-on tool to facilitate learning of price risk management and marketing.

Crop Compare

***Dwight Aakre**, NDSU Extension Service; Andrew Swenson, NDSU Extension Service*

Crop Compare is an Excel spreadsheet we developed to assist producers in determining their crop mix for 2007. North Dakota producers typically will plant numerous crops each year, often times a half-dozen or more. Also, over the last several years, acreages of crops such as corn and soybeans have expanded into areas of the state that have traditionally been small grain areas. The changing crop mix combined with the demand for corn for ethanol has led many producers on the fringe area of corn production to consider corn for the first time. The Crop Compare spreadsheet is designed to calculate the break-even cash price for various crops that would result in equal return over variable costs as the crop selected as the base crop. A user can select either corn, wheat or soybeans as the base crop. This spreadsheet is set up for nine different regions with the yields and costs appropriate for each region. All yields, input costs and the price for the selected base crop are user inputs. This spreadsheet has been very popular among producers this winter.

What's New in FINPACK

***Wynn Richardson**, University of Minnesota*

FINPACK, a farm financial planning and analysis software, continues to grow and evolve. This session will cover the latest additions to the software, such as the Presentation Manger and the Annual Plan. Also, what is coming in the next big version. It might be features like bringing back typical budgets and improvements to long-range planning, but you never know.

Windsor II

Is Corn Profitable on the Eastern Shore of Maryland?

***Eddie Johnson**, University of MD Wicomico County Cooperative Extension*

The agricultural land use of the Lower Eastern Shore is dominated by field crop production, mostly in support of the poultry industry. Demand for corn by the poultry industry alone has been estimated to exceed Maryland's average annual production by 50%. Ethanol will demand more corn than we can possibly produce. A Corn Improvement program was started in Wicomico County in 1986 through a joint effort between the University of Maryland Cooperative Extension Service and the local poultry industry. Since 2000, the program has expanded to include a tri-county area of Wicomico, Worcester and Somerset Counties. A field is selected by a farmer, which is then measured by an employee of the county Extension office. Harvest is completed in the measured section and moisture of the corn in that area is determined as it is loaded into a truck. Specific production information that was performed by the farmer is recorded by the extension personnel to determine Best Management Practices used and all cultural practices. Every participant will have an individual cost per bushel of production calculated. The program results in an annual maximum economic yield using the six-week average of harvest prices. Final costs for the farmer are determined as cost per bushel, which is steadily increasing each production year (with the exception of 2002 due to drought). A Best Managers Award is given to the farmer with a combination of highest yield and lowest inputs.

Lake Erie Grape Farm Cost Study, Using Tax-based Information for Cost of Production and Profitability of Grape Growers

***Barry Shaffer**, Cornell Cooperative Extension*

While accrual-based accounting allows for the best analysis, can cash accounting still be accurate enough to track industry trends and set benchmarks for an industry? The Lake Erie Grape Farm Cost Study (LEGFCS) has set benchmarks for the juice grape and bulk wine grape industry during the past fifteen years in western New York and Pennsylvania using a simple form relying primarily on Schedule F's. Grape growers do not have much in the way of inventories, cooperative growers will have a large accounts receivable. Our cash market growers won't have much value in either inventories or accounts receivable. We have relied on getting a larger sample size, with usually over 40 farms and 14 percent or more of the acreage represented. We have also done five-year averages for individual farms in order to smooth out any tax planning that an individual farm manager might make. This method may be good for other agricultural industries, esp. ones where in-depth records are scarce, inventories are minimal, and participants rely on low time commitment (2 hours annually).

Wind Energy Educational Program for Farmers and Landowners

***Stephen Harsh**, Michigan State University; Dr. Lynn Hamilton, Department Of Agribusiness, California Polytechnic State University, San Luis Obispo*

With the recent fluctuations in energy prices and rising concerns regarding global warming, there is increased interest in non-fossil fuel energy sources. Wind energy is an option that is being strongly promoted in Michigan because it is an underutilized resource. Other states with lesser wind resources have substantially more wind energy capacity. This presentation describes an educational program that was developed to make the agricultural community aware of the potential of wind energy. The educational program, funded by grants from the State Energy Office, addressed both utility scale systems and small-wind systems. The utility scale program explored what factors are necessary for a successful project, options for implementing a utility scale project (e.g., wind developer vs. a community wind project), important legal aspects of a wind power lease, and siting issues, including zoning provisions. The small-wind program focused on our anemometer loan program, how the data collected as part of that project can be used to evaluate investments in turbines, net-metering provisions, and small-wind alternatives. For both the utility scale and small wind programs, an investment model was developed to illustrate the economics of these systems. The model takes into consideration special grant programs and tax credit for renewable energy projects. Case analyses that were run with this model will be part of the presentation.