



# NUTS & BOLTS

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John Hest, Editor



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By the time you get this second edition of your organization's news letter, you, no doubt, have about 2 or 3 things on your mind:

## Tax Time

If you've been teaching for a year or two you're itching to get your farm families to do some income tax planning. You know, by this time, that the true net income on their farms and ranches is what's left over after federal and state (in cases where your state collects those) are paid. If you'd like to begin doing some tax planning, why don't you contact your local coordinator. He may have a computer program available to help do the job. That, of course, is a speed-up for the process that at one time, when I began doing it, was a hand-done, very tedious procedure. A spreadsheet program like Visicalc, Lotus 1-2-3 or Framework, or one of a multitude of others, can do a dozen "what ifs" in about that many minutes. If you can't locate such a program template, drop me a letter with a couple of bucks in it for the disk, postage and handling. I have both the Apple Visicalc and Lotus 1-2-3 versions. Mine does nothing more than most others are able to do, but if you're looking for some help I'm most happy to share. (Note: I'll be gone Nov 27-Dec 20).

## Close-Out

If you look at the calendar very long you'll notice that there isn't much left of 1987 and 1988 is closing in on us real fast. If you're like I used to be, a natural foot dragger, you'll be thinking about hitting the panic button when you realize that there's lots of work to do and not too many days to do it. Your farm or ranch families are coming to the point where they'd like to find out the status of their business and how it, and the family, is progressing (or digressing). You're in a position to help them do that with your classes and your kitchen table conferences.

## Thanksgiving

An old farmer told me the other day that one shouldn't postpone life's pleasures. If you do, he said, that day may never come to pass and you'll be forever sorry. Yes, those family times gathered around the dining room board table, loaded with turkey and fixings, is important for your well-being. If you're going to be in a position to help your farm and ranch families, you have to be in a proper frame of mind.

## Left Over

You'll remember, from our first newsletter, that the biography from Roger Carlson, our faithful treasurer, hadn't arrived at press time. Now, here it is, and one for ye editor too (crowded out last time):

ROGER CARLSON - A graduate of SDSU. Has been director of the Wessington Springs, SD Farm Business Management program since 1979. Before that he was department head of the Agri-Business Technology program at the Lake Area Vo-Tech Institute in Watertown, SD from 1972 until his move to Wessington Springs. Has 1 son, 19, who attends SWSU, Marshall, MN; a daughter, 15, a sophomore in the Wessington Springs HS; and a son, 11, a 5th grader. He is a past president of the SD Vocational Association and is currently its executive secretary. He is also a past president of the SD Vo-Ag Teachers Association and is a member of both the Farmers Union and the Farm Bureau. He owns a 160 acre farm and raises registered Targhee sheep and owns a flock of 60 commercial ewes and runs a few horses. His hobby is baseball and he is announcer for the city baseball team as well as for the American Legion and the Teener team.

If you haven't as yet sent in your membership check, you can still do so by making it out for \$10 if you're an active teacher and \$5 if you qualify for an associate membership. Send to Roger Carlson.

JOHN HEST - A native of Perley, MN. Was graduated from Borup, MN HS and NDSU in Fargo, ND. Taught for 4 years in Clearbrook, MN. Was a Ford, car and implement dealer, and an IH dealer for 5 years. Went back to teaching at Hawley, MN in 1958 where he taught high school vo-ag for 10 years. Began the adult farm management department at Hawley where he taught from 1968-86. Retired in 1986. Now does some accounting and teaching, using computers. Married for 38 years. Has 5 children, 4 who live in MN and one in Japan.

## Membership Report

You may be interested in the report that I put together the other day, using the REPORT part of the integrated program FIRST CHOICE (you'll hear more about that program in a software review later in this newsletter).

Number of states having members	13
Total number of members, beginning year	96
Total number of members, last year	107
Total number of members, this year	173
Percentage increase from beginning year	80
Total number of active members 1987-88	163
Total number of associate members 1987-88	10

## Brand New for North Dakota

### AGRIDATA NETWORK by Dr. Lawrence Helt Program Supervisor

North Dakota Adult Farm Business Management Education instructors are the first group of adult educators to gain access to the AgriData Network telecommunication system under a state-wide sponsored grant. Thirty-two part and full time Farm Management instructors were able to qualify for computer software components, free membership for one year and intensive training sessions.

The project had been started the summer of 1986 with an initial \$11,000 state grant which covered the computer software components and three in-service training sessions provided by AgriData Resources, Inc. of Milwaukee, Wisconsin. In 1987, the State Board for Vocational Education approved an additional \$7,700 grant which provided free membership to schools which offer Farm Business Education to adults. Two more in-service training sessions were made available to all instructors who had gained access to the nation wide telecommunications system.

The primary purposes for providing the adult Farm Management instructors access to the AgriData Network are:

- to obtain the latest marketing information
- to have daily access to newsworthy information pertaining to global impacts upon the agricultural industry
- to have easy access to supply-demand reports by commodity
- to have current teaching materials readily available on the network
- to exchange teaching materials via the telecommunications system among themselves on a continuous basis

Many instructors have experienced some novel uses for the system in the short period of time that AgriData telecommunications have been available to them. The government PIK and Roll system of marketing was provided as a procedures report to farmers and instructors when the practice was in the early experimental stages. The market analysis reports by commodity is another excellent resource to tap for determination of future trends in both price and supply.

## Management Article

Each issue we hope to include an article, specifically relating to the teaching of farm management. I hope that this article will be a help to our readers in the teaching of farm and ranch management. Here's our first one, written by Gene Francis, long time farm management instructor from Blooming Prairie, MN. Blooming Prairie, in southeast MN, is about 30 miles north of the Iowa border, so one can see that it's in the heart of corn, soybean and hog country. Here's Gene's article:

### HOW A FARM FAMILY VIEWS TABLE 8 by Gene Francis

"Measures of Farm Organization" or Table 8 of the Farm and Ranch Business Analysis is one of the most valuable sources of management information for the farm family. Several of the factors are indicators of the management abilities of the farm family. Others deal with the size of the business and relationship between its different parts. Still others deal with overhead costs and their relationship to business size. Since space is limited I will deal with two that relate to livestock returns.

Of great concern to a livestock producer is the "return generated per \$100 of feed fed" to a particular class of livestock. Livestock enterprises that require intensive labor, such as a dairy herd, must return a substantial

amount on each \$100 of feed fed if the operator is to realize a satisfactory return for labor. The index figure on Table 8 is a comparison of the individual farm return on feed compared to the average of all farms. Beef feeding enterprises with a low labor requirement and high feed consumption can return a profit with a much lower index.

A number of factors affect the "return/\$100 feed fed" index. They can include:

1. Incorrect yield and/or inventory computation.
2. Errors in feed records and allocation.
3. Incorrect inventory weight or value assigned to a livestock enterprise.
4. Feed conversion.
5. Feed Price.
6. Death Loss.
7. Breeding efficiency.
8. Price received at market for the product to be sold.  
(quality and management)
9. Time of sale. Percentage of sales at various times of the year.
10. Time of purchase and cost of feeder livestock purchased for resale.

The index does not indicate if the enterprise was profitable. It is useful to determine the relative efficiency of livestock enterprises within a farm business and to compare the efficiency of each enterprise with a set of averages. The index must be re-evaluated each year to determine at what level a livestock enterprise reaches profitability.

A second factor dealing with livestock is the "livestock units per 100 acres" or "livestock density." This factor is related to the return per \$100 of feed fed index and the power, machinery, equipment and building expense /work unit.

A good return/\$100 feed may indicate a possibility to expand a livestock enterprise, especially if livestock density is lower than average and facilities and labor are available. Conversely, a poor return on feed on a densely populated livestock farm may indicate a need to reduce population.

Livestock are an alternative method of marketing crops. Therefore, livestock/100 acres is a measure of marketing expertise. Livestock units /100 acres indicates the amount of manure produced per acre relates to purchased fertilizer expenditure per acre compared to other farms. A livestock density in excess of average may justify a higher power and machinery cost per acre on line 44, Table 8 or fuel and repair costs per acre on Table 9. Conversely, a crop farm with scant livestock numbers per 100 acres should have lower machine costs/acre.

Table 8 information becomes more valuable as the farm family accumulates several years of analysis and has an opportunity to establish a track record over a period of time.

#### Software Review FIRST CHOICE by John Hest

Last summer, prior to our Worthington, MN conference, I had occasion to call my Arizona friend, Pat Harrington, 1986-87 NFRBMEA treasurer, and he mentioned during the conversation that he had installed FIRST CHOICE as the database for our association's membership list. Since I was the old treasurer, I had occasion to help Pat, and the registration people, work with the list at last summer's Worthington conference. As a result I gained first hand knowledge in its use. Since I liked what I saw I went home and ordered it. After I bought it I found that PC magazine had picked the program as "Best of '86."

FIRST CHOICE, a product of PFS, is an IBM-IBM compatible integrated program that involves a word processor, a report generator, a spreadsheet, and a telecommunications operations package, as well as a database. The PFS company has always had the reputation of writing programs that are genuinely user friendly and as I booted up FIRST CHOICE I wasn't disappointed. The manual, unlike most, is extremely easy to use and follow but I soon found that wasn't generally needed. Help is just as near as the F1 key and hitting it solves most problems. It has a series of pull-down windows that make the program extremely easy to use, especially when the mnemonic macros are in play (alt L erases a line; alt W a word).

I'm very happy using the word processor. In fact, it's the best I've ever used. It may not be "the best" according to the experts since it doesn't feature the ability to form 2 or 3 column pages like WORD STAR or WORD PERFECT, but then most people don't need (or want) all those "bells and whistles." But it does have some features that weren't in PFS-WRITE. It has the ability to indent (see Larry Helt's article), and one can save parts of an article to disk. Files can be merged too, a handy feature (I just used it).

(continued from page 3)

The spelling checker that comes along with the program is very good, even better than the one attached to PFS-WRITE. And I know it's faster. Often used words that are in the writer's domain can be saved as a part of the personal dictionary. The "find and replace" part of the word processing program is excellent but lacks one feature that I miss from PFS-WRITE, its ability to count words in a piece of writing. However, with its other plus features, I'll forgive them for that.

The database is very similar to PFS-FILE and it too is even easier to set up and use. I believe that I set up and used an address system within 5 minutes after I attempted it. The database is "free-style" and one does not have to declare how many bytes in each field like is necessary in several other packages I've used. One can search on any field, for words, or parts of words, and can make numerical searches for equal, more than and less than. It can find fields with "something" in them as well as find fields with "nothing" present. Incidentally, the storage in a database file is limited to over 16,000 records using floppy storage, and over twice as much for hard disk use. When having too many records in a file though, especially with floppy disks, search speed is sacrificed.

Since I'm addicted to Lotus 1-2-3, I haven't had much chance to use the spreadsheet that's in this integrated product, but I did go through the tutorial. And I was impressed! Although it doesn't use the familiar column-row format of VISICALC and LOTUS 1-2-3, it does have some features that are superior to both of them. It's replication system and automatic column widening with use, are a real plus. I think that it would be adequate for most farmer or rancher use, and very likely for ag department use too.

I haven't had a chance to use the telecommunications package since I don't have a modem for my Zenith, but the reviews I've read give it good marks.

Since FIRST CHOICE is an integrated program, this means that it, like APPLEWORKS for the Apple, and FRAMEWORK for IBM type machines, can use one part of the package with any other part. A form letter can be written and the database part of the program can be used for selected names and addresses to which the letters would be sent. Figures generated by the spreadsheet can be incorporated into the word processing and a phone can be automatically dialed up by placing the cursor on the phone number in the database and hitting the a key.

As you can see I'm enthusiastic about FIRST CHOICE and how it can be used for a farm and ranch management instructor. And quoting Pat Harrington, "It's the first program I've ever recommended to my clients." You wouldn't go wrong recommending FIRST CHOICE to your farm families for their use. And, oh yes, it cost me \$104, laid in on my doorstep by UPS. By the way, it's not copy protected. There is an update but it hasn't arrived yet. I don't know the price of the new version, but with my experience with the PFS people, it'll be a real bargain, whatever the price. I'll report to you in NUTS & BOLTS in a future issue, on that after I've used my update for awhile.

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Sign me up as a member of the  
National Farm & Ranch Business Management Education Association

Name \_\_\_\_\_ Regular Member \$10.00 \_\_\_\_  
Address \_\_\_\_\_ Associate Member 5.00 \_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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