



NUTS & BOLTS

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

Volume 10 Number 3

Spring 1997

Salem: *The Place to Be* in June!

by Dennis Jackson, NFRBMEA President

What a conference it will be! Where else can you see 150 different crops, see the mountains *and* the ocean, listen to nationally renowned speakers, and renew professional friendships with your peers? All that and more will be happening at the 1997 NFRBMEA Conference in Salem, Oregon June 8-12.

The Northwest Farm Management instructors have really put it all together. This year's conference theme is "*Setting the Financial Pace*". It is an appropriate description of sched-

uled sessions featuring Randy Allen on "Marketing" and "Time Management"; Pat Frischkoff on "Roots for Farm Family Survival", and David Kohl on "Megatrends in Agriculture", "Life in a New Era of Agriculture", and "Family Business Transition". There will also be sessions presented by our own members.

A full day of agricultural tours to acquaint us with the wide variety of agriculture of the Northwest will culminate with a salmon barbecue at the End of the Oregon Trail Interpretive Center. There is a full array of activi-

ties planned for spouses and children as well.

Perhaps the greatest part of the conference is the opportunity to meet and renew acquaintances with counterparts, exchange ideas and trade war stories. Oregon is a beautiful setting for our annual get-together. I hope to see you all in Salem June 8-12.

(For more information, contact conference co-chairs John Caster or Eugene Panasuk at 503/399-5066, or by e-mail at casj@chemek.cc.or.us or pane@chemek.cc.or.us)



May is Beef Month. Farm and ranch business management instructors and the families we work with appreciate beef in both the walking and the stationary forms. This Minnesota heifer is a proud representative of her breed.

A Message From Dennis Jackson, NFRBMEA President

Over the past few months I have participated in a couple of Adult Agricultural Education Task Force meetings of the National Pork Producers Council. At one, we were reviewing an NPPC survey of producers' educational needs that listed 'Improved Recordkeeping' as their number one priority. Another five of the top twelve needs dealt with topics that we cover in Farm & Ranch Business Management Education. Someone commented that producers may recognize the need for education in recordkeeping (cost of production, cash flow, return on investment, etc.), but they are unlikely to enroll or pay for that type of education. It is not considered a *hot* topic. I countered that FBM education does indeed teach the financial management issues that were listed. I suggested that if over \$200,000 gross income is a good indicator of a commercial-sized farm business, then the fact that between 5,000 and 6,000 Minnesota farmers are willing to enroll in FBM education means that we are reaching a significant proportion of the commercial-sized farms in the state. Not only do they enroll, but they pay in excess of \$500 per year to participate. The response I received was that most states are not willing to make the commitment of resources to adult education that Minnesota does. I didn't really think that response addressed my comment, but I let the argument drop there.

Earlier in the meeting, Dr. Glen Shinn, teacher educator at Texas A & M, pointed out that there are three systems of delivery of adult education in agriculture across the country. They include Farm & Ranch Business Management, Young Farmer, and "shotgun" courses. On the trip home I started thinking about the commitment to adult education that Minnesota and other states with FBM programs seem willing to make. Yes, those states with full-time FBM teachers have made a significant commitment to management education—and that investment has been returned many times over in improved incomes and taxes paid by our students. However, it seems to me that in any state with any type of adult educational program, someone has made a commitment of time and dollars—whether it be the state, the local school district, or just the ag teacher. A commitment of resources exists in all those states to some degree. What is actually missing in many states is a commitment to the delivery of an organized, systematic curriculum of sequential courses in business management education.

Rather than offering an established curriculum in business management education, the decision is to provide a series of often unrelated topics determined by the ag teacher, the local Young Farmer leaders, or simply by what guest speakers are available. What kind of high school agricultural education programs would we have if ag teachers taught a different topic every day of the week? I question why this approach is unacceptable for high school students, but is okay for adult agricultural education students. Do high school teachers who normally deliver the Young Farmer or "shotgun" courses feel that they don't have the time, or that adult education is expected but not important? Do they feel unprepared to teach management topics? Was their teacher preparation, or their state supervision, almost totally high school/FFA oriented?

When I witness the benefits gained by the students and by the entire community from a management education program, I am amazed that we don't have these programs in every state. When I see the satisfaction that teachers experience from providing relevant management education, I wonder why every teacher who currently does some type of adult education isn't teaching a structured business management education curriculum. Even if that teacher is only able to teach five adult management students, along with their high school load, the seed would be planted. The program could blossom. A commitment of resources is already there. Somehow, we need to disseminate FBM curriculum materials and nurture their adoption. Somehow, we have to promote the philosophy that adult students are important. They want and deserve management education to improve their businesses to better meet their business and personal goals.



Farm and Ranch Review

A Quick Look at a Potential Resource

by Wayne Pike



E-Mail Update

Our Fall *NUTS & BOLTS* contained a review of Juno, a "free" e-mail provider. Things have changed a bit since that glowing review.

The major change that affected us was Juno's cancellation of their free 800 number telephone access. Juno is still free if you have local Internet access, but for the rest of us, we had to start making long distance calls to send or receive e-mail. This may not have been too bad, but then we started getting tons of advertisements that would take five minutes to download. The advertisements would come whether or not we had incoming or outgoing e-mail.

We complained to the Juno people who responded that over 95% of their subscribers had local access and were happy with Juno service. We were in the minority and they were not interested in making us happy. It did not take us long to cancel our subscription. So be it.

As soon as we canceled Juno, we found another Internet provider who promised 100 hours of access via a free 800 number. All this for only \$19.95 per month. We signed up and paid for two months. We logged on for the first time late one night and it worked great. We surfed the Internet for twenty minutes and then went to bed. We tried again in the

morning. Their line was dead. It turns out that our Internet provider had been swindled by their phone service provider. Live and learn. The growing pains of a surging industry caught them, and us, in the middle. We did get all our money back and were treated fairly.

I wonder if it was like this when electricity came to rural areas. We wonder who will be last to have reasonably priced Internet access.

EDITOR'S NOTE: Our current e-mail address is w.d.pike@worldnet.att.net. We are always looking for more e-mail addresses to add to the directory we've been compiling, so if we don't have yours yet, let us know! -wjp



NDSU Farm Management Study

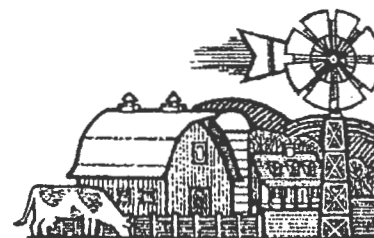
by Keith Torgerson

NDSU did a comparison of farmers enrolled in the Farm Management Programs. Here is what the study found:

The longer farmers are enrolled in the North Dakota Farm Business Management Education Program, the more their net farm income increases. This is the conclusion of a new study by Andrew Swenson and Roger Johnson, agricultural economists at NDSU.

"North Dakota's farm management education program emphasizes financial management," says Swenson. "The results of this study suggest that this program does teach farmers to manage better, and that better financial management really can make a significant difference in a farming operation's bottom line." Swenson and Johnson compared net farm incomes of all farmers in the program with those of farmers who stayed in the program for five con-

secutive years or more. Farmers who stayed in the program continued to improve their net farm income, rising above the general average in their fourth year.



Risk

by Gene and Scott Francis, Blooming Prairie, MN

The farm family that succeeds as an independent unit in the 2000's will be wise enough to know which business risks the family must assume and which risks it should shift to someone else. Risks in farming normally are weather, price, disease, pests, productivity, health, injury, investment, liability, and hazards such as fire.

Farm families do a number of things to reduce risks. Some of them are listed below.

1. Some folks lease land and machinery or custom hire rather than invest in ownership.
2. Sometimes they custom feed livestock rather than purchasing the feeder livestock.
3. Some families use options, hedges, or contracts to insure a price.
4. Others utilize insurance to minimize risk of loss in crop yields, property destruction, liability suits and disability.
5. Some folks use guaranteed rates to

insure against interest rate rises.

6. Others purchase newer or larger equipment and buildings to insure against poor performance or weather factors.

7. Some farmers use higher cost of inputs (more fertilizer, more herbicides, more protein) to insure greater productivity.

Farm families do these and many other similar things to insure against the risks listed above.

If any one family does all these things, they may give away all their profits to someone else. They need to be savvy enough to assume those risks they can handle. Only those risks the family cannot deal with should be shifted to someone else. A family's age, financial position, labor supply and management ability will all help to determine the amount and kinds of risk they can assume. It is wise to talk over risk assumption with all adult members of the farm family and with trusted advisors who are not trying to sell you something.



Farm Labor

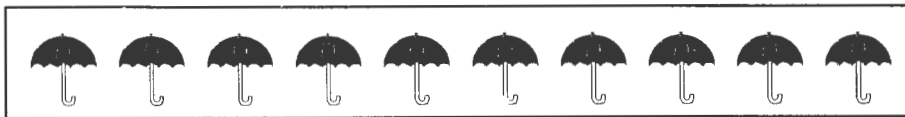
by Jan Doebbert and Jerry Kalinowski, Alexandria, MN

The biggest issue facing farmers and agriculture businesses this spring may not be poor prices, floods, or repairs. Labor is becoming a greater obstacle to successful farm operation.

The story is the same everywhere. Manufacturing, agriculture, technology industries, or construction tell the same story. Nobody wants to work.

Farming is a competitive business. Don't blame your labor situation on the neighbor. You have to become the employer of choice if you are to continue to succeed. That requires respect for your employees, reasonable working conditions, schedules that allow workers to be part of their family or community, and competitive wages.

Sound crazy? Not at all. There is plenty of evidence to back up the costs of not having good employees. Labor management is just one more thing that farmers have to be good at.



Standing On The Threshold

by Mark Berg, Detroit Lakes, MN

Today, all farmers stand on a threshold, ready to take the first step forward into a new day, a new spring, a brand new year. How 1997 will turn out is a big question mark. How can we work to make it the best year ever?

When the fields turn black, a wild look creeps into every producer's eyes. The look that there was no yesterday. The

look that this will be the "perfect" year. We need that kind of enthusiasm. Great things are achieved only with a necessary amount of enthusiasm. I hope this year the enthusiasm and wild look is tempered by experience; tempered by plans and ideas that were deliberately thought out; so we may move purposefully toward a great year and a more satisfying life.



A special thanks to everyone who contributed to this issue or submitted articles. We are always looking for more. Please keep them coming in, especially those states outside Minnesota. We want to hear from you, too.

— WR

Announcing!

Scholarships for 1997 NFRBMEA Conference Participants

The NFRBMEA Board has initiated a scholarship program for conference participants to encourage the development of teaching materials for use by Farm and Ranch Management professionals.

Management educators who plan to attend the national conference in Salem, OR in June may apply for a \$100 stipend. In return, recipients will be required to submit a set of "ready-to-use" teaching materials based on one of the sessions they attended. Specific sessions will be assigned at the conference. The entire NFRBMEA membership and our students can benefit from the availability of well-prepared lesson plans on relevant management topics such as those presented at our annual national conference.

Participation Criteria:

- I. NFRBMEA will fund up to ten \$100 scholarships.
- II. Submit the application form at the end of this announcement. Selection will be on a first-come basis, according to postmark.
- III. Completed teaching materials must be received by July 21, 1997 to receive the stipend.
- IV. Each set of submitted materials must include:
 - A. a one-page **lesson outline** containing:
 - 1) lesson title
 - 2) lesson description
 - 3) content goals
 - 4) a list of **reference materials** (if any) including source and cost
 - B. a student **evaluation instrument** (if appropriate)
 - C. a set of **hand out materials** (if any)
 - D. delivery-ready **presentation materials** which may be:
 - 1) overhead masters (hard copy, black-on-white), or
 - 2) a Powerpoint presentation (on disk)
- V. Upon payment of the stipend, all materials become the property of NFRBMEA, and may be copied and distributed.
- VI. The availability of materials will be announced in the Fall issue of *NUTS & BOLTS*, and members may order the set at cost (cost to be determined by the amount of copying, disks, etc., but will be minimal).



NFRBMEA CONFERENCE/TEACHING MATERIALS SCHOLARSHIP PROGRAM

YES, I want to participate in the Conference/Teaching Materials Scholarship program:

NAME _____

ADDRESS _____

CITY _____ STATE/PROV. _____ ZIP/POST. CODE _____

PHONE NUMBER (____) _____ E-MAIL ADDRESS _____

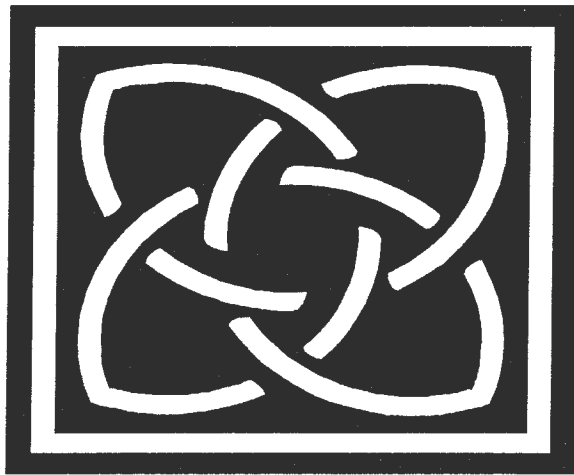
Mail this application to: Dennis Jackson, SCTC, PO Box 1920, North Mankato, MN 56002-1920

Flood Relief

There is little we could say here to impress anyone with the extensive damage caused by the floods in the Red River Valley region of North Dakota and Minnesota. As former NFRBMEA president Tom Risdal says, "You can't believe it until you've been there to see it yourself."

Tom and the farm business management instructors in the Valley have been active in helping out. They would like to remind everyone that more help is needed for a long time to come. Tens of thousands of people have lost almost every thing they owned.

Donations are welcome. Make your contribution through the Red Cross or Salvation Army, and designate them to the "Red River Valley Flood".



South Central Technical College has an opening for a full-time, permanent

**FARM BUSINESS MANAGEMENT INSTRUCTOR
GLENCOE AREA
effective July 1, 1997.**

Responsibilities: Provide Farm Business Management instruction to farm business owners/operators in the Glencoe area who are enrolled in the program. Instruction follows the established curriculum and is delivered in classroom and individual/at-the-business settings. Recruit new students as needed to maintain enrollment at the required level. Submit student registration/enrollment forms to the Management Division secretary. Manage the office and maintain student files and instructional materials. Attend Division and Departmental meetings, and submit required reports to the Regional Dean of Management Education.

Qualifications: Must be currently licensed, or able to obtain licensure, as a Farm Business Management instructor by MnSCU. Skills and abilities include technical knowledge in agriculture, accounting procedures, computer operation, goal setting, data interpretation, classroom management, verbal and written communication, organizational skills, AV operation, sales skills, critical appraisal and feedback.

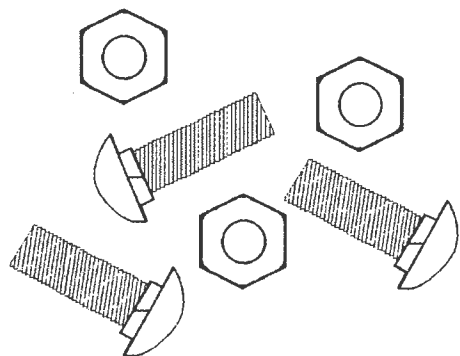
Send letter of application and current resume to:

Kathy Zins
Human Resources
South Central Technical College
1920 Lee Boulevard
North Mankato, MN 56003

Deadline: June 6, 1996

Equal Opportunity Employer/Educator/Affirmative Action

Landmark Farm Management Education
Route 1, Box 217A
LeRoy, MN 55951-9763
ATTN: Wayne Pike



NUTS & BOLTS

ADDRESS CORRECTION REQUESTED

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