



# NUTS & BOLTS

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

Volume 13 Number 1

Fall 1999

## Red Wing Wrap

by Wayne Pike

One hundred fifteen NFRBMEA members from 15 states and two provinces plus their fifty spouses and children met for our national conference in Red Wing, Minnesota in June. It should not be a surprise that the main events of the first day included eating and playing. After registration, we met in Bay Point Park on the banks of the Mississippi to picnic and participate in a low-key "Olympics". Teams of sports-crazed farm management instructors plus one college president and their families competed in Frisbee golf, pass-the-LifeSaver-on-a-toothpick, water-balloon toss, and other sports. By the time all the dust had settled, we had had so much fun that the "Olympics" committee just plain forgot to present the engraved traveling trophy to the winning team. It was a fun way to start the conference and it gave us three days to get over our sore muscles before heading home.

We got down to more business-like activities on Monday as our keynote speaker, Dr. Steve Sonka from the University of Illinois, told us how he sees ag technology in the next decade. He pointed out that early adopters have always had the advantage despite economic analysis showing only minor gains to that technology. He warned, "Information consumes the attention of its recipients. Therefore, a wealth of information creates a poverty of attention." It is our job to communicate that technology and bring attention to the important changes taking place.

We spent the afternoon with Allen Lash, Agri-Solutions, who explained what managerial accounting is and how it works. In a concurrent session, Dr. Gary Neubauer of Pharmacia & Upjohn told us about "BTM" or Breakthrough Management as it relates to dairy production.

*("WRAP", continued on page 3)*



These are just some of the First Timer's Breakfast attendees. Welcome to Sheldon & Tammie Schmiess, Tom Anderson, Jeff Kittell, Gary Sliworsky, Ron Smithberg, Vernon Boshans, Luke & Kim Baker, Bryce Larson, Peter Brandt and Steve Dickinson.

## A Message From Maylon Peters, NFRBMEA President

### Greetings

We had another great conference in Red Wing. Thanks to Jim Kelm and his colleagues for helping us see how technology will affect us in the next decade. Just yesterday, I retired a 286 computer to a "junk pile." The pile (a pickup load) I added it to is worth \$15 at the junk yard. (They melt them down and get gold from the motherboards.) The new cost was probably in excess of \$30,000. How old was it— nine years? Obsolescence is great if you need the tax write-off!

One thing for certain, the next generation of producers will switch to information and technology in order to be competitive. The scary part of the situation is that if we do not lead them they know where they can get the information and training and they'll do just that. Will we as Farm Management instructors be on the cutting edge with them? Will we lead them?

I would challenge all of you this year to think beyond what is comfortable for you. It is so easy to get in a rut, because it's safe and it doesn't require extra energy. We need all of you to contribute to the NFRBMEA. One way is to share an idea in the *NUTS & BOLTS*. If you have done something that is unique, let us know. A second way you can contribute is in our "Exchange of Ideas" session at the summer conference. For those of you who are unaware of what this is, we gave \$100 stipends to the first ten instructors who signed up. Each gave a five-minute presentation and then were available later to discuss their idea on an individual basis. Start thinking even now of what you might be interested in presenting next year in Enid, Oklahoma. By the way, thanks to all who participated and made the session successful. Remember, the person who invented the wheel does not have a copyright on it, thank goodness. Therefore, let's continue to help each other out whenever possible.

I think of the late forties and early fifties when my dad and uncle first started to pick corn with an old Woods compicker and the times we cut silage together with six of our neighbors. What a grand time we had as we moved from place to place. Why is it that producers have become so independent and think they have to own their own equipment? Instructors of Farm Management need to set the example of how working together gives strength and provides economic benefits. Every day the news tells us of another company that was bought out by

a competitor or conglomerate. Will our producers fall victim to the same fate? In a future newsletter I will explore this last question with you in more detail.

Let me introduce you to our 1999-2000 officer team:

John Caster	Past President
Lynn Schluckebier	President Elect
Ron Dvergsten	Secretary
Ira Beckman	Treasurer
Laurie Morris	Historian
Wayne Pike	Membership Secretary <i>NUTS &amp; BOLTS</i> Co-editor
Deb Pike	Webmaster <i>NUTS &amp; BOLTS</i> Co-editor

In closing, thank you to fellow officers Larry Klingbeil, John Caster, John Sponaugle, Ira Beckman, Laurie Morris, Wayne Pike and Deb Pike for the great leadership they provided last year. Mark your calendar for next year's summer conference in Enid, Oklahoma, June 11-15, 2000.





## An Invitation to ABA Conference

By John Caster

John Blanchfield of the American Bankers' Association has announced that NFRBMEA will again receive a special rate for registration at the ABA Annual Agriculture Bankers Conference, which will be held in Colorado Springs, CO October 30 - November 3. Registration for the main session will be \$475, compared to the regular non-member fee of \$990. The pre-session fee will be \$175.

The theme of this year's conference centers around how bankers will be working through credit problems resulting from a bad economy. The pre-session will feature Dr. David Kohl, Virginia Polytechnic, and the FSA loan officer who worked through the problems of the family featured on the PBS series, "The Farmer's Wife."

Other topics include, *The Electronic Frontier*, *The Trans-Generation Di-*

*lemma, The Agriculture Economy and Farm Bank Examiners, Should We Stay "Decoupled" From Government?, The Future of Agriculture Banking, Communications Between Borrower and Lender in Bad Times, and Creative Financing.*

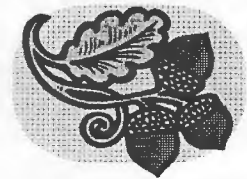
Besides David Kohl, speakers include Barry Flinchbaugh, Kansas State; Don Anderson, President of Norwest Ag Credit; Keith Collins, USDA Chief Economist; Randy Allen, RWA Services; and Larry Csonka, NFL Hall of Famer.

All in all there are over 60 sessions with more than 50 of the nation's top speakers. FRBM instructors who have attended this conference in the past have come away with ideas and stories to make classroom sessions more exciting, valuable material for helping families on farm visits, lists of potential

guest speakers for seminars and special events, and a new appreciation and understanding of the world of agriculture finance.

The Farm Financial Standards Council will meet prior to the conference on October 30, 1999. This is a great opportunity to get the latest on the recommendations of the council and rub shoulders with the movers and shakers in the agriculture industry today.

For detailed agenda and registration materials, call 1-800-338-0626.



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Ron VanNurden, Owatonna, MN discusses his ideas for farm management instruction with fellow instructors. Ron, Jerry Bartel, Brad Burklund, Ron Dvergsten, Mike Grider, Larry Griffin, John Hobert, Gene Kuntz, Peter Scheffert and John Sponaugle each received a \$100 award for sharing their ideas.



Oliver Kienholz (right) looks on as NFRBMEA members hear about how combine yield monitors work. Joe Meyer (center) hosted the tour to his farm, provided the combine for the demonstration and catered our lunch.

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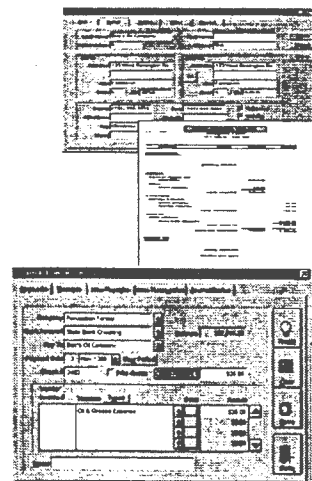
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## NFRBMEA Post Conference Board Meeting

(Held at the St. James Hotel in Red Wing, Minnesota June 17, 1999)

The meeting was called to order by NFRBMEA President Maylon Peters at 11:40 a.m. Individuals in attendance included: Wayne Pike, Debra Pike, Don Roberts, Laurie Morris, Jim Kelm, Lynn Schluckebier, Ira Beckman, John Caster, Ron Dvergsten, and Maylon Peters.

Jim Kelm gave an overview of the 1999 conference just completed. Jim stated, in briefly reviewing conference surveys, they were very positive. Providing a CD to replace the traditional 3-ring notebook seemed to be a big hit and will be used at the 2000 Conference, and most likely at other future conferences.

Discussion of having a NFRBMEA booth at the 1999 FFA convention this fall in Louisville, Kentucky was held. Purpose of the booth would be to enhance recruitment of new FBM instructors. Wayne Pike mentioned that he may be able to assist with this project.

Don Roberts moved and Ira Beckman seconded that the 1999 fall NFRBMEA board meeting be held November 10-12 at Enid, Oklahoma. Motion carried. Board members are to arrive in Enid by 6:00 p.m. on the 10<sup>th</sup>. Those traveling by air would leave on the 13<sup>th</sup>.

Wayne and Deb Pike discussed issues with the board relating to the NFRBMEA website. The following motions were made in response to the discussion:

- 1) Don Roberts moved and John Caster seconded to accept Red Wing Business Systems sponsorship of \$240 to cover the annual website server space cost. Motion carried.
- 2) John Caster moved and Don Roberts seconded to provide Debra Pike a \$500 honorarium for updating the website for 1999-2000, with this to be paid at the end of this meeting. Motion carried. This issue is to be revisited at the fall board meeting.

The next agenda item centered around what to do with the NFRBMEA member photos taken at the last two conferences.

The following motion was made: Don Roberts moved and Ira Beckman seconded to continue to provide a conference CD and include the photos on it. Motion carried. Red Wing Business Systems is willing to put the 2000 Conference proceedings on CD as they did for the 1999 Conference.

Ira Beckman moved and Don Roberts seconded that Wayne Pike and Vic Richardson look into liability insurance for the NFRBMEA organization and provide them full power to act. Motion carried.

Ira brought up that a few questions regarding board member travel reimbursement have surfaced. The following motions resulted:

- 1) John Caster moved and Lynn Schluckebier seconded to pay federal tax rate to board members for personal car use when traveling to NFRBMEA activities. Motion carried.
- 2) Ira Beckman moved and Lynn Schluckebier seconded that NFRBMEA reimburse board members for the least cost method of travel to organization functions (travel, meals, lodging). Motion carried.

Don Roberts reviewed the tentative 2000 conference format. Conference appears to be shaping up well. Fall board meeting will solidify 2000 conference details.

President Maylon Peters asked for other fall board meeting agenda items. The following items were brought up: budget, having the office of treasurer become a two-year office, and sponsorship and recruitment issues were mentioned.

Meeting adjourned at 12:55 p.m.

Respectfully Submitted,

Ron Dvergsten  
NFRBMEA Secretary

## Congratulations!

NFRBMEA members Laurie Morris and John Murray were awarded Distinguished Service Awards at our recent conference in Red Wing.

Laurie is a farm management instructor from Deer Trail, CO. She

has served in several positions on the NFRBMEA Board and is currently our historian.

John is the Minnesota supervisor for Farm Management Ed. John taught high school and farm management, and was our area coordi-

nator before going to his present job in St. Paul. John has been a long time supporter and promoter of NFRBMEA.

Congrats to Laurie and John, and thank you for your efforts on behalf of NFRBMEA.

## Farm Financial Standards Summer Symposium

By John Caster

Eight members of NFRBMEA attended the Farm Financial Standards Summer Symposium held September 16 and 17 at the Rosemont Convention Center in Chicago. The purpose of the Summer Symposium is to discuss current issues in Farm Financial Analysis and recommend action to be taken at the fall meeting of the board of directors. NFRBMEA members attending were Gene Kuntz, Larry Oraskovich, and Doug Wertish of Faribault, Minnesota; Jim Kelm, Red Wing Minnesota, Paul Gorman and Dennis Jackson, North Mankato, Minnesota; John Caster, McMinnville, Oregon; and Robin Schwieger, Nicollet, Minnesota.

The large turnout from our organization not only gives us exposure and builds credibility with leaders in the FFSC, it also means that the Council has the benefit of the input of people who work directly with farm families.

Technical discussion included changes in the way inventory, especially breeding livestock is evaluated, effects of omitting deferred tax liability from the balance sheet, changes to the format of the balance sheet, and how to proceed in developing a "zero level" chart of accounts that could be used by producers of all commodities.

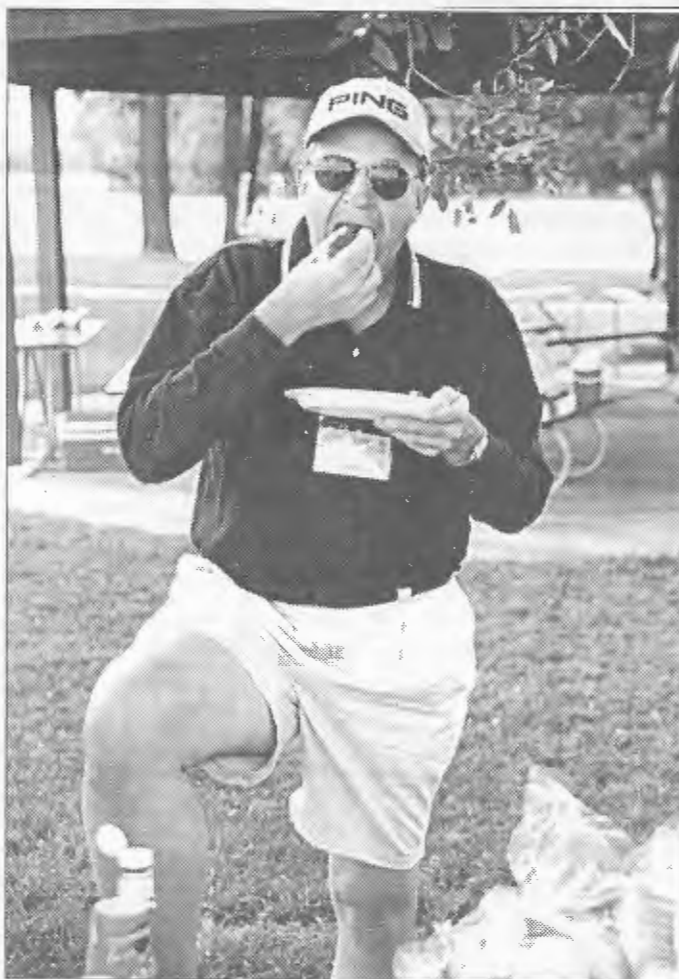
Generating quite a bit of discussion was a session on management accounting. As presented in Red Wing, management accounting, also called cost accounting, is the recommendation of the National Pork Producers Council and is being promoted as a way to obtain useful management information from the farm record keeping system. Other commodity groups are

considering adopting the concept and the FFSC must decide whether or not to incorporate the concept into its recommendations.

Since most of us are providing a year end analysis for our farm families which incorporates the financial standards, it is important to have representation in the ongoing development of the standards. The fall meeting will be October 30, 1999 in Colorado Springs, Colorado. Anyone interested in attending should contact Carroll E. Merry at 630-637-0199. This meeting is held just

prior to the American Bankers Association annual Agriculture Conference which is also very worthwhile.

To obtain a copy of the Financial Standards Council Recommendations, call Carroll or send him an email at [CountrySide-Mktg@worldnet.aft.net](mailto:CountrySide-Mktg@worldnet.aft.net). A detailed summary of the fall meeting will be posted on the Council web site at [www.ffsc.org](http://www.ffsc.org). You may also download a complete copy of the recommendations from the site at no charge.



Jim Kelm, 1999 NFRBMEA Conference planner, Red Wing, MN, is shown here participating in the Hot Dog-Eating Contest, one of the many events during the conference mixer. Jim took First Place.



Webs Of Interest	
Official Website of the NFRBMEA	<a href="http://www.nfrbmea.org">http://www.nfrbmea.org</a>
Minnesota Farm Business Management	<a href="http://www.mgt.org">http://www.mgt.org</a>
Dr. Steve Sonka and ACE	<a href="http://w3.aces.uiuc.edu/ACE/faculty/Sonka/index.html">http://w3.aces.uiuc.edu/ACE/faculty/Sonka/index.html</a>
Center for Farm Financial Management, University of Minnesota	<a href="http://www.cffm.umn.edu">http://www.cffm.umn.edu</a>
Agri-Bank, Farm Services, St. Paul, MN	<a href="http://www.farmcredit.com">http://www.farmcredit.com</a>
Farm Financial Standards Council	<a href="http://www.ffsc.org">http://www.ffsc.org</a>
Red Wing Business Systems	<a href="http://www.redwingsoftware.com">http://www.redwingsoftware.com</a>
Riverland Community College, Austin, MN	<a href="http://www.riverland.cc.mn.us">http://www.riverland.cc.mn.us</a>



### NFRBMEA in Orlando

The NFRBMEA Board of Directors decided to send Jim Kelm to represent NFRBMEA in promoting farm management instruction and NFRBMEA membership at the NAAE convention in Orlando, FL this December.

Our goal is to get more NFRBMEA members and to recruit more teachers into our ranks. Jim Kelm volunteered to go down there and "bring home the bacon".

### MARK YOUR CALENDARS!!!



**NFRBMEA  
National Conference  
Jun 11-15, 2000 • Enid, OK**



### Membership Numbers

Our current membership stands at 169. Reminders were sent out to many former members in early September.

If the mailing label on this issue of *NUTS & BOLTS* is white, that means you have not joined up or renewed your membership. *Please join us today!*

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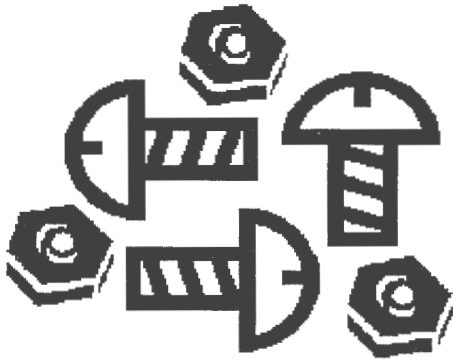
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