

# NUTS & BOLTS

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

## Volume 13 Number 2

## Winter 1999-2000

# A Day in Your Life

What a day! It starts well before dawn and won't end until well after dark. Balance sheets, cash flow projections, marketing plans, farm business analyses, and dozens of other topics jam the days from the end of harvest to the start of planting. Does this sound familiar? Maybe some of the rest of this will, too.

Maybe you leave your office in the morning, heading out to a farm or ranch, before the folks who work in the office next door come to work. You come back to the office long after they have gone home for the day. When you finally meet, they ask why you haven't been working lately.

You don't necessarily want to work in your office. It could be dangerous. Your piles of paper are a certified OSHA threat and could use the services of a professional alpine avalanche-busting team. Boxes overflowing with ag magazines accumulate day by day, saved to be read "in the spring when things slow down". Some of those magazines are three years old, but cleaning the office is very low priority compared to the drama of every day life.

As you drive to your next on-farm instruction, your mind is on what you will be up against. Such concentration can lead to a speeding ticket. It has also happened at least once that you were concentrating so hard on what you were going to do when you got there that you drive eight miles past your destination. You turned around feeling foolish and wondering if you are getting old or are simply losing your mind.

It is the people that keep you going. Although it seems that they do their best to drive you up the wall, they are probably doing their best to cooperate. They may have been through your end-of-the-year procedures a dozen times, but always meet your questioning look with, "Was I supposed to fill that out before you got here? I thought you always did that." Big dogs scare you, but the little ones bite you. Cattle sce you coming and fling mud from their hoofs on you. Little kids fill your boots with sawdust or Legos, happy to see you come and happier to see you go.

You hear grateful comments about life from folks who can barely afford the tuition it takes to have you help them. You listen to the complaints of folks who don't have much time to talk because they have to pack for their cruise.

There is a lot more to a typical day for a farm and ranch management instructor. Most of us wouldn't trade a day of it for any other line of work.



Rick Morgan hams it up for the camera, while Greg Tullis tries to ignore him. These two from Moorhead, MN, were aboard our dinner cruise on the St. Croix River during the conference last June.

## A Message From Maylon Peters, NFRBMEA President:

# THE NEXT DECADE - ARE WE PREPARED?

The 20th century is history. It was an exciting, but turbulent, time for American farmers. Millions left the farm for the cities because of tremendous gains in agricultural productivity. These gains were the result of farmers adopting new technology which included the use of diesel power, commercial fertilizers, hybrid seed, effective pesticides, improved livestock breeds, precision farming (GIS), genetically enhanced organisms (GEO) and computers.

The question we have to ask is what changes will agriculture see in the new millennium? Kansas State University economist, Barry Flinchbaugh, predicts that agriculture will see changes in the next **generation** that are as radical as the ones that occurred in the entire 20th century. Here are some forecasts for the next decade:

1. Economic concentration will be the nation's number one political issue. Examples of "Industrial Agriculture" are the assembly line "mega-farms" and large confinement operations. A personal example is in order here. In last week's local newspaper it showed a picture of a 350-cow dairy that was sold to a mega-dairy (4,000 cows) in the Denver, Colorado metro area.

2. Farmers entering into **contracts** for a wide variety of specialty crops and farm products will become more popular. They are drawn by premiums offered for producing specialty products. They are assured markets and higher income. Consumers want consistent quality and demand products that have specific traits and tastes.

3. Direct marketing will increase.

4. Producers will continue to find ways to "add value" to the raw products they produce.

5. Producers will **nurture relationships** with repeat buyers. Here in Western Colorado many of the cow/calf producers, who raise above average quality feeders, send their animals to the same feedlot or the same order buyer buys them year after year. Producers receive a premium price. It is a win-win situation for both parties.

6. Joint ventures will become more commonplace. Whether it is in the purchasing of inputs, sharing of equipment or marketing jointly, they will have a competitive advantage. 7. **Organic production** will increase. Genetically enhanced products will continue to be questioned by some as being healthy.

8. **Community supported agriculture.** (CSA) programs will flourish in urban areas.

9. Vertical integration will continue as it has for the past several decades.

The way giant companies behave will also be critical to what happens in the next decade. "Economic models tell us that when competition decreases, prices increase." This statement is not always true. An example is the two major chicken kings, Tyson and Perdue. No one is upset because consumers are getting good deals on poultry. Continued mergers may have a big impact, only time will tell.

Flinchbaugh predicts agriculture will lose much of the image that has made it unique. Farming as a way of life will no longer satisfy the next generation of farmers. They also want income. In the future, farm operators will finally be recognized as true business professionals. In what way will we, as instructors in Farm and Ranch Business Management, assist our producers to deal with the changes that might occur? Do you have a plan? Have you thought it through? Let's do our homework so that we can intelligently and objectively assist our students when the questions come up. I must admit I am humbled by the trust that many of my students have in me.

Here is wishing you all a great New Year, decade, millennium...



# **E-mail Connections**

John Hobert, farm business management instructor for Riverland Community College in Kenyon, Minnesota, has made e-mail a primary means of keeping in touch. Every week, like clockwork, John e-mails farm management hints, tips, stories, jokes, articles and commentary to over seventy-five folks on his mailing list.

Unlike a Web site that you hope your intended audience will access, John's c-mail message comes in and must be dealt with, one way or another. The cost of this e-mail coverage is the same to one consumer or a thousand, so John communicates with his students, colleagues, lenders, friends, and even the college president and vice-president. This is a classy looking item, too. It has colorful print, attractive backgrounds, active Web links, and more.

You might get John to send you an electron or two your way if you ask him. Contact him by e-mail (naturally) at jhobert@rconnect. com.



## Oklahoma 2000

Planning is well under way for our annual conference in Enid, Oklahoma next June. You should have received at least one mailing by now. If you have not gotten anything in the mail about the conference, you should check with Don Roberts at (his e-mail address) or watch our NFRBMEA website for more information.

# Print Works, Too

Even though e-mail and the Web are growing in influence, many people still like a hardcopy to put in their files for future reference. The old standby newsletter is easier than ever to produce with the desktop technology that exists.

A few standout publications have crossed the desk recently that are worthy of mention. One is called *Outlooks and Visions* and is published by Staples (Minnesota) Farm Business Management Education. Tom Schulz is the editor with Bob Anderson and Bill Ladwig contributing.

They publish a monthly newsletter that tells students and others about what is going on with their program for the month. They also make it a point to list the print and videotape assets that their department has to lend to students. Their December newsletter listed no less than onehundred twenty educational resources on topics ranging from blueberry production to agricultural ethics. The material doesn't do any good if the students don't know it is there.

South Central Technical College instructors Paul Gorman, Jim Marzolf, Brian Pfarr, Robin Schwieger, and their secretary, Darlene Jones, have recently started publishing *Ag-Knowledge*. *AgKnowledge* is an attractive and information-filled newsletter that is sure to get the attention of students and industry contacts alike. It has lots of white space, interesting print styles, and interesting writing.

Their last newsletter had an eight question multiple-choice test on FSA grain loan terminology and use. The instructors recommended that their students take the test and, if the student felt that their own knowledge was a bit weak, call and make an appointment to get updated on FSA facts. You might get a copy by contacting Darlenej@sctc.mnscu. edu.

Ron D. Eberhard, NFRBMEA member from Grove City, Ohio, conducts things a bit differently. Ron is a private consultant who works with farmers on estate planning and more. Business and Estate Planning Services Unlimited, Ron's business, publishes a two-color, twelve-page newsletter full of informational and motivational articles.

Dream Weaving reads like a letter from a friend or relative with good solid information in between. Right up front, Ron is selling his services and his newsletter, but if you are looking for a good example of an attention-getting publication, it is worth a look. Ron can be contacted at ronbepsu@sprynet.com.

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.

-WP/DP

# Highlights of 1999 NFRBMEA Fall Board Meeting

Enid, Oklahoma, November 10-12, 1999

### Attending:

Lynn Schluckebier, John Caster, Ira Beckman, Laurie Morris, Maylon Peters, Debra Pike, Wayne Pike, Ron Dvergsten, Don Roberts, Everett Wollenberg.

### NUTS & BOLTS:

• Membership stands at 209 after Ohio sent in 20 memberships.

• The editors were directed to print 500 more promotional brochures.Advertising rates were set at \$200 for half-page ads in three consecutive *NUTS & BOLTS* with website links, or single issue half-page ads at \$75 with no web link.

• Co-editor compensation was set at \$750 per issue, up from \$666 per issue.

• The Board directed Webmaster Deb to check into a chat room for the NFRBMEA website.

#### **Conference Planning:**

• Don Roberts reported on the 2000 conference planning progress and funding.

• Exchange of Ideas will be limited to 5 recipients receiving \$200 each.

• The Board approved three indi-

viduals to receive the Distinguished Service Award.

Jim Kelm's attendance at the NAAE convention in Orlando on December 10 and 11, 1999 was discussed. The purpose of his attendance is to increase awareness of NFRBMEA and to recruit new members and farm management instructors.

NAAE has invited NFRBMEA to submit articles to the *News and Views* newsletter.

### By-laws changes:

President Maylon Peters provided board members with a copy of NFRBMEA By-laws as of 2/20/96. The board recommended the following article changes to the NFRBMEA by-laws:

- Article III, Section 2, line A to read as follows: the offices of President-Elect, Secretary, and Treasurer as needed shall be conducted at the annual business meeting by secret ballot, unless there is only one candidate for an office whereby a voice vote may elect.
- Article III, Section 3, line A to read as follows: Shall be one year, except of the office of Treasurer, which shall be a two-

# **Did You Know?**

(From *Techniques* magazine, January 2000. Source: CEO Forum on Education and Technology, 1999.)

During the last year, the number of computers in American schools has increased 13%, totaling 6 million.

Almost 80% of schools have Internet connections. Yet, only 20% of teachers report feeling very well prepared to integrate education technology into classroom instruction.

Only 25 states require computer education for initial teacher licensure. Where do you fit in? year term.

- Article III, Section 4, subheading C, line 3: Shall make minutes of annual business meeting available to the membership.
- Article III, Section 4, subheading D, line 3: Shall be deleted from the by-laws.
- Article IV, Section 1, line C this will be new to the by-laws: There shall be 4 standing exofficio members. They will be *Nuts & Bolts* Editor, Website Master, Historian, and 2 years out conference chair.
- 6) Article VI, Section I, lines B and C: Shall be deleted from the by-laws.

Each officer prepared a brief job description and a detailed list of specific duties.

President Maylon Peters led a discussion of visioning for NFRBMEA. A major issue for many states is finding qualified replacement instructors.

(For a complete copy of the minutes, contact Ron Dvergsten or see our website.)



# Oops! My mistake.

Somehow I (Wayne) managed to slip up and publish the wrong name as winner of the annual storytelling contest held last summer in Red Wing. Randy De-Boer from Nebraska was the prizewinner. Congratulations to Randy for the champion story and my apologies for the mix-up.

## NUTS & BOLTS

## FARM RANCH MANAGEMENT FACULTY

Wanted: Team player to bring unique talents to Ag Business Management team at Morgan Community College. Position includes working with students in production agriculture and agricultural businesses. Successful applicants will be at ease in classroom instruction and on-site private instruction. Background in agriculture and small business management instruction a definite plus. Involves day, evening travel, some overnight travel, and some evening instruction.

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Preferred qualifications are Master's Degree in Agriculture/Business; Curriculum/program development experience; Teaching experience in post-secondary education sectors, and solid background in accounting and accounting software.

MCC is a comprehensive, two year college focused on student learning and service to our communities. It serves a 11,500 sq. mile rural (65,000 population) area of eastern Colorado. Submit letter of intent responding to position description and required qualifications, resume, vocational credentials, unofficial transcripts, and names of 3 job-related references to: Human Resources

Morgan Community College 17800 Road 20, Ft. Morgan, CO 80701.

Review of applications begins 04/30/00 and continues until filled. Incomplete applications may not be considered.

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# NAAE Partnership Expo Follow-up

I represented the NFRBMEA at the NAAE Partnership Expo in Orlando on December 10 & 11, 1999. Over all, the results of the time spent are mixed. I sent a memo to the Board prior to their fall meeting outlining five outcomes I felt might come from this effort. Let me review the outcomes and what actually happened.

1. Increase awareness of NFRBMEA in the Ag Ed Community. I visited with many teachers, state supervisors, and teacher educators. Sometimes I was "preaching to the choir" but most of the time I was visiting with teachers who had never heard of NFRBMEA before. Part of the door prize drawing involved people getting their card punched by each exhibitor. This allowed the opportunity to visit with people and hand them a copy of the Nuts & Bolts. Even if they didn't stop they saw the sign.

I spent a fair amount of time visiting with Mike Cox, NAAE President, and Jay Jackman, NAAE Executive Director about NFRBMEA's role in FBM inservice and promotion. If we had not been there those conversations would not have occurred.

2. **Recruit new members.** I only brought back one new application. From that standpoint I was a failure. I did make contact with some people who will send names to Wayne for the mailing list.

Dr. Glenn Casey gave me the name of the lead Agri-business/ management instructor in California. Glen said there are 15 of these instructors.

An Adult Instructor from Georgia

By Jim Kelm

(I didn't get his name, not good on my part) was going to send a copy of their roster to Wayne. This group has 58 instructors. I knew they were there, but their job isn't just management education.

Marion Fletcher, the State Supervisor in Arkansas said he would mail the names of their Young Farmer Instructors. If we don't hear from these people in 30 days I will do more follow up.

I also talked to several people who were interested in attending the conference. The N&B provides them the dates and names they need for more information. Again we will have to wait and see what happens.

### 3. Interest High School & Post High teachers in teaching FBM.

Let's face it, everyone is short of teachers. I asked several younger teachers if they would consider teaching FBM and if not, why not. I think the general consensus is that since the Agri-Science classes are what fill up in schools, most of the teacher training emphasis has been placed in that area. New teachers seem to lack the background for FBM education. That is not true with everyone, but certainly the majority. Some are simply afraid to teach FBM.

I did find several teachers who asked me how to start an FBM Program. I think we should consider proposing a workshop for next year's NAAE meeting that would address starting a program. I am planning to put an instructor from Iowa in touch with Tom Anderson from Minnesota. Tom did a good job of working with adults while he taught a full HS Program. We need to pick Tom's brain about how he did it and have him share his insight with others.

4. Interest teacher educators in including Adult Education in their pre-service and in-service curricula. This would be a tough sell. Something did occur to me thinking about way back when Dr. Ed was the main motivator and distributor of pre-service FBM education both in Minnesota and other states. We need to have someone pick up that responsibility. Dr. Dick Joerger at the University of Minnesota is very interested in this effort and is doing some of that work. Hopefully he will be able to bring some of his effort to other states in addition to Minnesota. We need to support Dr. Joerger and his efforts. Again, the conference could be a vehicle for new teacher education.

5. Encourage use of the Conference as an in-service tool. Most of my conversations with teachers and supervisors focused on the inservice provided by the conference.

## **Recommendations:**

1. Work with NAAE to establish a workshop at the 2000 NAAE meeting on "How to establish a new FBM program in your school".

2. Investigate the Council's teacher recruitment efforts.

3. Follow up on additions to mailing lists.

I thank the Board for the opportunity to participate in the Expo. I arrived in Orlando at 10 p.m. on Thursday and left at 9:30 a.m. on Sunday. Over all, I think the time and dollars were well spent. The results may take some time to see. FMS/Harvest

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## NUTS & BOLTS



# Time for a Change

Here is some advice from *PC Computing* magazine: When your computer is two years old you should try to sell it. When it is three years old you should donate it to a charity. When it is four years old you should put it in the dumpster.

## Member Websites

Getting a website up and running and keeping it current is a big job. We are aware of several websites that are worth a look.

www.moorheadcity.com/~fbmmoorhead greets you with the charming faces of Northland College's Rick Morgan and Greg Tullis. Not just pretty faces there in Moorhead, Minnesota. Lots of links that you might find interesting.

Marv Knell and Connie Ova at James Valley Vocational Center in Jamestown, North Dakota, have a good one at www.daktel.com/ ~fbmep. It is always interesting to see the links that different parts of the country find vital.

For Minnesota instructors' websites, don't forget www.mgt.org. Each Minnesota instructor is listed there and links to their websites are available.

We would like to have your website linked to NFRBMEA. Just let our Webmaster know it exists and you will be up and linked.

# What I Learned From a Plumber!

The following article came to us from Steve Metzger, farm business management coordinator at Carrington Public Schools and the North Dakota State University Research Extension Center. He can be contacted at smetzger@ndsuext.nodak.edu.

It was 3:30 p.m. on Christmas Eve when my wife called and said those dreaded words, "We don't have any hot water and there is water running out of the bottom of the water heater." I headed for home and a rendezvous with a local plumber.

As the plumber worked on the ailing heater, we talked about work and eventually the topic moved to computers. He inquired if many of the producers I worked with used computers. He indicated that he was currently working to get his business and all its various entities listed on a computer program. He said that he wanted to get everything listed so that he could track each expense and income in order to know exactly what every job cost him and where he was making money and where he was losing money. He asked if farmers have any type of program that allows them to do that type of cost accounting and profit analysis.

This discussion really drove home the point of enterprise analysis. My helpful plumber was trying to enterprise out each and every plumbing job so his business could become more profitable and more efficient. It really made me wonder if all agricultural producers really understand the benefits and capabilities they can have with enterprise analysis. Where do we make money and where do we lose money?

Sure, enterprise analysis won't make it rain or it won't make the markets go up, but it will give us a better handle on which crops or livestock units have a better opportunity to make a profit. If we are not interested in what makes us money in this highly competitive and gyrating market world, then what are we trying to do?

I believe the days of wait and scc are over. Although we may not always make money on an enterprise, we need to know what it cost and how that effects the entire profit picture for our business. Our businesses will always face tough competition and challenging markets. As managers, we really need to know each part of our business thoroughly.



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# NFRBMEA EXCHANGE OF IDEAS

NFRBMEA Conference - Enid, Oklahoma

\$200 will be awarded to the first five (5) individuals submitting an outstanding idea for the Exchange of Ideas activity by **May 1, 2000**. To qualify, have an idea, make application, and complete the form below including a brief description of your idea. This is not a contest.

Individuals applying for the "Ideas" award must agree to the following "Exchange of Ideas" rules:

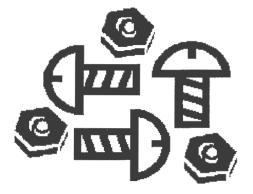
- 1. The first five qualifying entries by NFRBMEA members for the Exchange of Ideas activity will receive a \$200 award. The award will be presented June 12, 2000.
- 2. Applicants will complete the following registration form (or a copy) and submit it as soon as possible. Recipients will be notified of award status by May 5, 2000.
- 3. "Ideas" need not be original, but must have the applicant's work evident in its adaptation. "Ideas must be of professional quality and scope.
- 4. Applicants will make a three-minute overview presentation on their "Idea" on Monday evening, June 12, 2000 at the conference in Enid, Oklahoma. This presentation will be from 7:00 to 8:30 PM at a site to be determined by conference planners. Be prepared to answer questions from conference participants.
- 5. Be able to submit YOUR "Idea" to conference planners by **May 15, 2000,** to be included on the Conference Proceedings CD. Alternately, applicants may, at their own expense, bring fifty 3<sup>1</sup>/<sub>2</sub>-inch diskettes containing their "Idea" for disbursement to conference participants..
- 6. 1999 Exchange of Ideas award recipients are not eligible for the 2000 NFRBMEA Conference Exchange of Ideas activity.
- 7. Send your Exchange of Ideas entry to:

## Lynn Schluckebier, 215 E. Jackson Ave., Seward, NE 68434-2233 Telephone: 402/643-4340 Fax: 402/643-3111 E-mail: ls34405@alltel.net

X			
Ple	ase complete this form and forw	ard by <b>May 1, 2000</b>	
NFRBMEA Applicant (Please	Print):		
Mailing Address:			
City:	State/Province:	Postal Code:	
Briefly describe your "Idea:			
I agree to the Exchange of Ideas rules discussed above:		signature	

LeRoy-Ostrander Public Schools Highway 56 LeRoy, MN 55951 ATTN: Wayne Pike

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NFRBMEA WEBSITE: www.nfrbmea.org

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ADDRESS CORRECTION REQUESTED

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