



NUTS & BOLTS

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

Volume 15 Number 1

Fall 2001

Glad to Have Been in Colorado

By Wayne Pike

101 farm and ranch business management educators attended the NFRBMEA annual conference at Breckenridge, Colorado last June. They brought along another 97 family members. All of us had a pretty darn good time. A few of our bodies, although enamored with the scenery and program, were unfortunately not so thrilled with the lack of oxygen at that altitude. Do mountain people hyperventilate when they come down to sea level?

Our five-day event included educational sessions on Colorado's agriculture and industry, water rights, conflict resolution, team building, risk management, and family communications. We enjoyed a bus ride in the mountains as we toured a molybdenum mine, a cow/calf operation at 10,000 feet, and a fish hatchery.

It was fun to meet old friends and make new as we played, picnicked, barbecued, told stories and shared

this experience with other farm and ranch business management instructors and their families.

Our Storytelling Breakfast had an expanded menu this year with Amanda Harrington performing Irish step-dancing. The prize-winning story, told in German that gained nothing in translation, was presented by Christine Steffener from Herford, Germany.

Colorado even treated us to a variety of seasons. One day we got sunburns as we had lunch in eighty-degree sunshine. The next day we watched as the skies turned gray and a minor blizzard ensued. Summer to winter and back again in less than forty-eight hours.

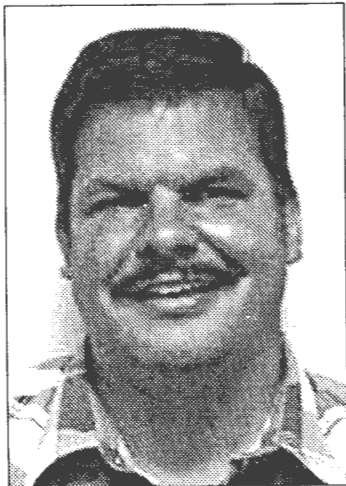
Congratulations and thank you to all the Colorado people who worked hard to make this conference a success. Be sure to visit our Web site for more pictures of the conference and a list of those who made it possible.



Hungry tour-goers enjoyed a barbecue picnic amidst a background of majestic mountains surrounding Lake Dillon.

Looking Forward

A Message From Ira Beckman, NFRBMEA President



It is hard to believe three months have passed since our excellent and memorable 29th conference adjourned in Breckenridge, Colorado. Personal thanks goes out to Maylon Peters, Laurie Morris, Virginia Berger, Kelly Huenink and all of the folks that helped put on the 2001 Annual Conference. While they probably cannot take credit for the three seasons and beautiful scenery we experienced while in Breckenridge, they can take credit for the balance of a great conference. We learned a lot about conflict resolution, team building, focused decision-making, and family communications. The conference provided a unique opportunity for us to put what we learned into practice on the job, as well as at home.

A sincere thank you goes out to last year's fellow officers Maylon Peters, Lynn Schluckebier, Al Graner, Don Roberts, Laurie Morris, Larry Oraskovich, Wayne Pike, and Deb Pike for all of the leadership and time spent for this organization.

Let me take this opportunity to welcome NFRBMEA's 2001-2002 Officer Team:

Past President – Lynn Schluckebier
 President Elect – Jim Kelm
 Secretary – Tom Weygandt
 Treasurer – Don Roberts
 Membership Secretary and *NUTS & BOLTS* Co-ed – Wayne Pike
 Webmaster and *NUTS & BOLTS* Co-editor – Debra Pike
 Historian – Laurie Morris
 Conference Chair – Larry Oraskovich

Our fall executive board meeting will be taking place in Faribault, Minnesota on November 14 – 16, 2001. Besides dealing with the regular business of the organization, and helping plan the 2002 conference, we will be dealing with some other important issues facing our organization. One focus area will be doing some long

range strategic planning. Some questions we need to address are: Where do we see our organization in five or ten years? How do we plan to get there? What would we do with some significant annual funding that we can count on? A second focus area will be dealing with teacher recruitment and retention. There is little doubt in my mind that we are a few short years from a crisis in farm and ranch business management education because of a lack of qualified people to replace those of us retiring. Some questions we need to address on this issue are: Why do people go into business management education? What is it that we do? Where is a pool of candidates employers can approach? How can we train and mentor these inexperienced instructors so they succeed? If you have any ideas on these focus areas please call, write, or preferably e-mail me or another board member. We welcome your input.

Remember the challenge to do something for your organization. Some possibilities include:

- Writing an article for *NUTS & BOLTS*
- Preparing something for the Exchange of Ideas contest
- Involving yourself in the past-presidents fundraising efforts
- Checking that other instructors in your area have remembered to pay their dues
- Encouraging other instructors and their families in your area to attend the 2002 annual conference
- Giving your executive board input on our focus areas

In closing, please remember to mark your calendars for the 30th annual conference in Faribault, Minnesota June 9 – 13, 2002. This conference promises to be worthwhile, educational, and memorable for you and your family. Conference chairman Larry Oraskovich and his fellow instructors from South Central Technical College are hard at work preparing a tremendous conference for you.



Change Is a Necessity

By Ronald D. Eberhard

Business & Estate Planning Services *Unlimited*, Grove City, OH
www.dreamweaving.net

Today's full-time farmers, as a lot, are more interested in preserving their abilities to farm, conserving their land and water, and protecting the opportunity for their children to farm, than most of those who eat, use, and wear what these farmers grow. The naysayers - people who habitually oppose everything - keep on talking, and the gullible public keeps on doubting that farmers know what's best for them and us.

It's no surprise to those of us involved in agribusiness to see the decline in the numbers of those who are full-time farmers. The Worldwatch Institute in Washington D.C. reports that we now have more full-time prisoners than we have full-time farmers.

And farmers think the consumers care? Not when their pickups and pleasure horses are more of a necessity than food. Few are concerned about the farmer when "they can get everything they want at Kroger".

At one time there were over 3,000 automobile manufacturers in this country. Now there are but four, and three of them are in trouble... And do the consumers care? Not really, as long as somebody will build them their car.

Change is relentless. It will be with us until the world stops. We all laughed when futurist Marvin Cetron said, over forty years ago, that America's #1 employer by the turn of the century would be robotics and # 2 would be genetic engineering. Great investments have been made in both, but especially in the creation of genetically modified organisms (GMO's) - the new Silicon Valley. The popular reaction to genetic engineering is to treat it as if it is from outer space. Much press attention has focused on the practice of organic farming. No matter how noble, will organic farming save us in a world that is about to gain another billion people? Maybe! And GMO's will go away?

Is there hope? Of course there is! The big question: **Do we have Faith enough to accept the risks necessary to give us that opportunity?** If anything good happens we call it progress. There is no progress without change. Without change, there is no opportunity. Do you know of anyone who has profited - long term - by fighting change? We must accept the fact that change is not only relentless, but is also a necessity.

A Good Point

By Dr. Paul Gorman, Mankato, MN

When studying our area analysis averages, we find much significant information among the Sweet 16 financial measures. The average operating expense ratio, which I have always viewed as a key measure of success, is 72 percent. This means that 72 cents of each revenue dollar goes to operating expenses other than depreciation and interest. The 20 percent of farms in our area with the highest earnings have an average of a 68.5 percent ratio while the lowest 20 percent group have an average 84.3 percent ratio. I have learned that this can be misleading and need further interpretation.

Revenue/Cost Grid:	
High Revenue, Low Cost	High Revenue, High Cost
Low Revenue, Low Cost	Low Revenue, High Cost

Let's assume we are studying two equal acreage grain farms each having \$240,000 of operating expense. Farm A has \$350,000 of revenue compared with Farm B with \$290,000 of revenue. Farm A will have a 68.6 percent (240,000/350,000) operating expense ratio. Farm B will have an 82 percent (240,000/290,000) operating expense ratio. It would be easy to diagnose Farm B as a high cost farm when in reality it is a low revenue farm. A grid like the one above may help to illustrate the relationship between cost and revenue for each crop or livestock enterprise as well as the whole farm.

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Fall Board Meeting

President Ira reported in his column on Page 2 about some of the main issues of the upcoming Fall Board Meeting in Owatonna, Minnesota. Also on the agenda are items including our finances, reviewing officers duties, discussing an annual reporting format, the Exchange of Ideas activity, our Distinguished Service Awards, First Timer's Scholarships and much more.

If you have issues that you would like brought before the Board, please contact a Board member. (Addresses on the back of this issue of *NUTS & BOLTS*) Do you have a nominee for a Distinguished Service Award? Do you have suggestions for making the next Conference even better? Let us know.

Membership Note

We need your help to put us over the top. Our membership is now at 228. We have 213 active members, 13 associate members and 2 honorary lifetime members.

Notice your mailing label. If it is a color other than white, you are paid up for the year. If it is white, we invite you to send in the enclosed membership form with your check to join us for the year.

If you are a member, please encourage your colleagues to join us, too. We also have membership brochures if you need to do more convincing in your departments. Just let us know and we can send you some.

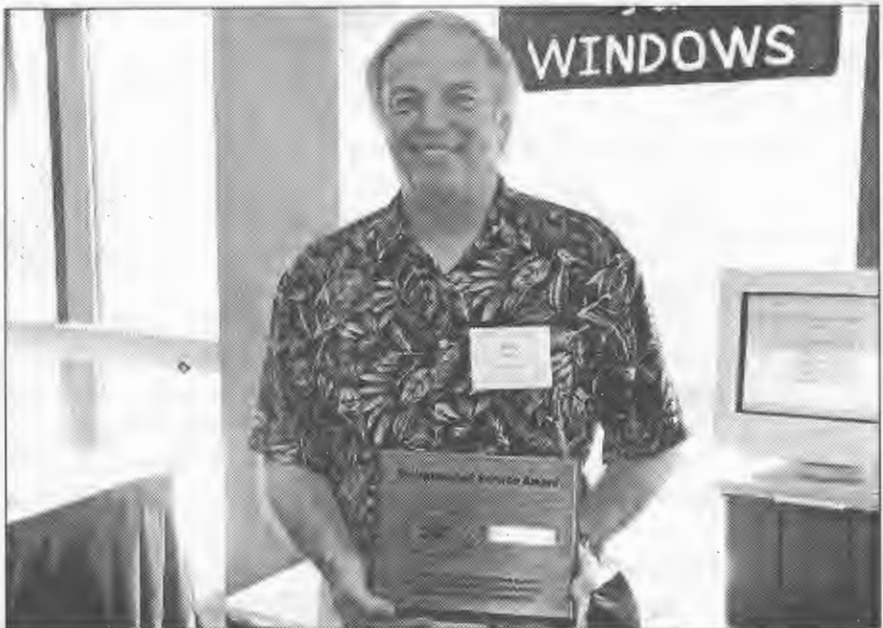
Let's get on board!

2001 Distinguished Service Award Recipients

Congratulations to this year's NFRBMEA Distinguished Service Award recipients. President Lynn Schluckebier presented the award to Gene Francis (MN), Wally Hoffman (KS) and Don Roberts (OK) in Breckenridge, Colorado.



Gene & Pat Francis pose with their DSA plaque. Gene is a retired FBM instructor and long-time NFRBMEA member and Founder.



Wally Hoffman proudly displays his Distinguished Service Award. Wally, owner of Specialized Data Systems, is a Founding member and supporter of NFRBMEA.

Go Back to Your Farms and Ranches

(an editorial by Wayne Pike)

*Oh, beautiful for spacious skies,
For amber waves of grain,
For purple mountain majesties,
Above the fruited plain.*

Like everyone else, those of us that live and work far from the terrible events of September 11 are still trying to understand what has happened to us. In a sense, despite the miles that separate us from New York and Washington, D.C., we are all very close to the heart of the tragedy. We read, watch television, listen to radios and discuss it on the Internet. We eventually realize that we might have known someone at the scene. Perhaps we are only a person or two removed from someone who perished there or lost a family member. We remember when we were there ourselves, or think about our plans to be there in the future. In this way, we feel we may have survived a close call and we feel closer to those who did not survive.

The tallest building in our town is the grain elevator. Our business places are rarely crowded. We are about as rural as we can be. Some of us are angry because we

feel that our rural problems have been ignored. Farms and ranches aren't even mentioned in the President's State of the Union address any more. However, when the chips were down soon after this disaster, I found it significant that President Bush asked Americans to go back to work at their farms and ranches. He didn't request that we go back to our desks or dot-coms. He didn't ask us to return to moviemaking or professional sports. He somberly asked that we should go back to our farms and ranches. In our national moment of shock and grief, President Bush turned to the image of what America still means to most people. Although most Americans haven't set foot on a farm or ranch in years, everyone got the message.

On that day in September, when that same clear spacious sky covered all of us, we were reminded that we are Americans. We are all one people. We have returned to our farms and ranches with new resolve and purpose. We now feel more in common with those who go back to their dot-coms, their desks, their moviemaking and their sports. We are proud and united.

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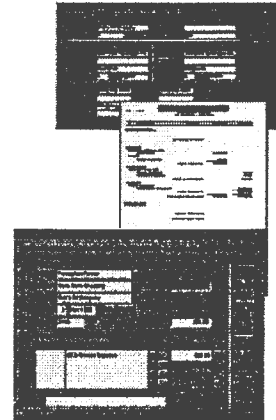
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NFRBMEA Post-Conference Board Meeting Minutes

President Ira Beckman called the meeting of the Board of Directors of the National Farm & Ranch Business Management Education Association (NFRBMEA) to order immediately following the close of the Annual Conference at Breckenridge, Colorado, June 14, 2001. Present were: Ira Beckman, Lynn Schluckebier, Don Roberts, Jim Kelm, Tom Weygandt, Al Graner, Larry Oraskovich, Wayne Pike, Deb Pike, Maylon Peters, and Laurie Morris.

Materials were transferred to new officers and arrangements were made to be sure all board members will be able to access email through the List Serve. Beckman called for thanks to Maylon Peters for three years of service to the board. This meeting was his last.

Schluckebier moved that Deb Pike continue to be paid \$500.00 per quarter for web site development with the understanding that this was for labor only and that other expenses would be reimbursed to her. Roberts seconded. Motion passed.

Schluckebier moved that Wayne Pike be paid \$1000.00 per year in three payments for editing and publishing *NUTS & BOLTS*. Roberts seconded. Motion passed.

In a discussion of the treasury it was recommended that the Treasurer not tie his hands with due dates on Certificates of Deposit. It was felt that the Treasurer should try to retain flexibility as much as possible. Dues and profits from this year's conference should be helpful in that regard.

Roberts moved and Schluckebier seconded that the fall board meeting be held at the Holiday Inn, Owatonna, Minnesota on November 15-17, 2001. Motion passed.

Beckman outlined agenda items for the fall Board meeting. They include:

- Conference planning for 2004, tentatively Wisconsin
- Strategic planning for the future
- New representatives needed for NAAE
- Past President's fund raising activities
- List of uses for donations. This subject was discussed at some length. It is felt that if we are to receive large donations then there must be positive uses already spelled out for the funds. Many ideas were offered and each board member is to bring their thoughts to the meeting. Ideas discussed included:
 1. Part-time executive director – may not be acceptable as this is an administrative expense.
 2. Collection of curriculum.
 3. First Timers.
 4. Exchange of Ideas.
 5. Collaborative efforts with companies and organizations – making our expertise available to them.
 6. Recruiting & Mentoring, job descriptions, a center for mentoring.
 7. New instructor training - video.
 8. Other digital ideas like interactive web site, etc...
- Job description for head hunter (recruiter)
- Perhaps a list of state directors
- Job advertising in the *NUTS & BOLTS*

Beckman made article assignments for the News & Views as follows: Spring- Larry Oraskovich; Fall- Ira Beckman; Winter- Jim Kelm; Summer- Wayne Pike

Oraskovich handed out the proposed schedule for the 2002 Conference.

A unanimous JOB WELL DONE!! was offered to the Colorado instructors for a great conference at Breckenridge.

Meeting adjourned,
Tom Weygandt, Secretary

Minnesota Dairy Initiatives

By Jim Kelm, FBM Instructor, Riverland Community College, MN

For several years Minnesota dairy farms have been able to participate in a program called Dairy Diagnostics. The word "diagnostics" seems to imply that there is a problem on the farm so the name has been changed to Minnesota Dairy Initiatives. The goal is to help dairy producers achieve their dairy business goals.

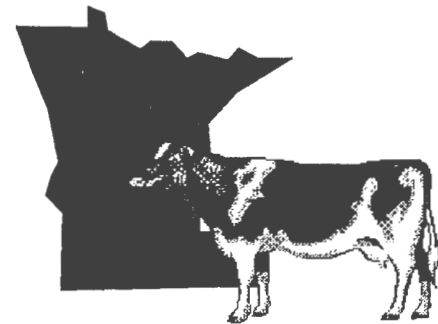
An advisory team is the centerpiece of the Initiative program. A facilitator using the producer's herd health, feed, milk quality, and financial advisors forms the team. The team completes an initial assessment in one or all the areas of financial management, production systems, and business planning.

After the initial assessments are completed, the team makes suggestions to the producer that will capitalize on the business's strengths and improve weaknesses. It is then up to the producer to implement the management changes suggested by the team. Follow up meetings can be scheduled any time by the team or the producer.

If I don't live in Minnesota or work with dairy farmers what does this have to do with me? The concept has worked so well on dairy farms that it can be duplicated on any crop or livestock farm. Management decisions on farms have become so complex that producers need a team of advisors to provide input.

Also sometimes advice from different advisors may seem to be in direct conflict. This process gets everyone involved with the farm around the same table at the same time so they hear each other's input. The result usually has been sound management recommendations based on families' business and personal goals.

Contact a Minnesota instructor if you have questions about Dairy Initiative Teams.



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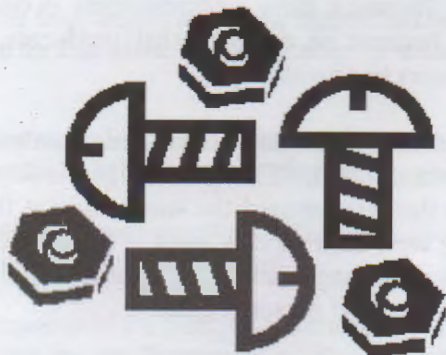
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