



NUTS & BOLTS

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

Volume 16 Number 3

Spring 2003

Plan *Your* Expedition to Minot!

By Deb Pike

Pack your bags and plan to attend the 31st Annual Conference, which will take place at the beautiful International Inn in Minot, North Dakota June 8-12.

One of this year's themes is "*Reaching Beyond Our Borders*". We will cover topics on adapting to the global market and discuss how trade agreements have changed agriculture. On Tuesday, there will be a panel discussion called "Making Agriculture Happen" moderated by the ND Commissioner of Agriculture, Roger Johnson. Tuesday afternoon, we will be touring successful value added enterprises and area agriculture.

Speakers will include Daryll Ray, from the University of Tennessee, and Dave Frederickson, National Farmers Union President, and our luncheon speaker this year will be Rodney Nelson, a ND Cowboy Poet with a light look at life.

Spouses and families will have an opportunity to visit the Roosevelt Park Zoo, as well as many of the specialty shops that Minot has to offer.

(See "*EXPEDITION*", continued on page 2)



One of the scheduled stops during Tuesday afternoon's ag industry tours is the "Pointe of View" winery. Dale, Rueben and Al were doing serious research to make sure that the tours would be a success. You just can't do too much research at a place like this!

National Institute: Pre-Service and In-Service Professional Development

By Wayne Pike

Almost a year ago, the NFRBMEA Board of Directors asked Dr. Edgar Persons to look into an expanded role for NFRBMEA in pre-service and in-service professional development. Dr. Persons came up with an idea that goes well beyond our current emphasis on our annual conference. His idea has become known as the "National Institute".

The main idea behind a "National Institute" is NFRBMEA's desire to become known as the premiere source for pre-service and in-service professional development opportunities in farm and ranch business management education. The National Institute is considered a potentially powerful tool to improve teacher recruitment and retention.

The concept behind the National Institute involves working with a major university or universities. The university(ies) would offer college credit for educational activities at our annual conferences as well as in other places and other times. The National Institute, through the NFRBMEA, would generate funds to develop college courses and administer them. Funding would be adequate to allow qualifying teachers to take these courses at minimal cost to themselves. Dr. Richard Joerger, University of Minnesota, has taken an interest in helping the NFRBMEA with the planning phase of a National Institute. (See President Kelm's message on page 2 of this *Nuts & Bolts*).

The National Institute concept is, by far, the largest and most far-reaching project that NFRBMEA has ever considered. It will require an investment of time and money to make it happen. It will also require the support of the NFRBMEA membership. The NFRBMEA Board of Directors is looking forward to discussing this exciting project with you at our annual conference in Minot.

A Message From Jim Kelm, NFRBMEA President

I think I am beginning to recover from this year's year-end and close out season. We have just finished the time of year that we work the rest of the year to prepare for. I hope you have shared the work you do with farm and ranch families, with your school administrators, agri-businesses and others in your community who need to know the economic impact production agriculture has.

I have gotten my registration sent off and a room reserved for the Minot Conference. As reported last week that everything is set for another great Annual Conference. Now all they are waiting for are the registrations to come pouring in.

Many of you will be paying all or part of your conference expenses out of your own pockets. I hope this doesn't reduce conference attendance. Most states are having financial difficulties in their school and higher education budgets. Even if you can't attend the conference, please send in your dues payment. We need to support our organization and profession with our dues and conference attendance.

Your Board had a Conference call meeting on Wednesday, April 23. The Board is very committed to the establishment of a Farm & Ranch National Institute. The purpose would be to assist Farm & Ranch Instructors with pre-service and in-service education and training. Most states have some in-service training, but none has a good pre-service training plan for instructors. You will hear more about the Institute at the Conference.

Dr. Richard Joerger from the University of Minnesota

joined us for part of the meeting. He is willing to help us survey the membership to determine what our in-service education needs are. You will be receiving the survey in the next few weeks. Please take the time to respond. This will be helpful in planning course offerings and how an Institute should be organized.

When you complete your registration, please check the box indicating your interest in being an officer in NFRBMEA. We need people to step forward and indicate they are willing to take on a leadership position. In addition, I hope someone is thinking about bidding for the 2005 Conference. Normally we would be in Minnesota in '05, but any state's bid would be welcome.

During the business meeting, we will also hear reports from Industry Relations, Resources, and Membership committees. They have been at work organizing activities for the coming year. We will be asking for volunteers to work with committees as they become organized. There also has been some conversation about the possibility of NFRBMEA affiliating with The National Council for Ag Education. You will be asked for your input during the Conference.

It has been a pleasure to serve as President of NFRBMEA. The Board as usual has done anything they have been asked to do. President – Elect Tom is ready to continue moving forward with the planning that started several years ago. We have goals. We are putting together a plan to turn those goals into action.

I'm looking forward to talking to all of you at Conference.



("EXPEDITION", continued from page 1)

On Tuesday, enjoy lunch at the Dakota Rose Bed and Breakfast, an 8,000+ square foot Victorian mansion with elaborate oak woodwork and Tiffany stained and beveled glass windows.

Our other theme is "*Discovering Lewis and Clark Country*". On Wednesday, which will include a picnic supper, we will visit the Knife River Indian Village, the Lewis & Clark Interpretive Center and Fort Mandan, where the Lewis and Clark Expedition spent the winter of 1804-05. We will also hear from Sakakawea, portrayed by Amy Mossett, who will tell us her story.

Speaking of stories... don't forget about the annual Storytelling Breakfast Buffet on Thursday morning, hosted by Master Storyteller, Pat Harrington!

You can find the complete conference agenda, as well as other information and registration forms on our website at www.nfrbmea.org/conf_2003.htm.

We are excited about this upcoming conference, and look forward to seeing you there!

The New Deal from North Dakota

By Steve Metzger, Carrington, North Dakota

The words, “The New Deal”, often conjure up thoughts of FDR, the Great Depression, and the 1930s in America. Today, “The New Deal” might be better associated with a new approach to governmental involvement in agriculture and how future agricultural program benefits to farmers might be determined and paid.

This approach to changing how the government might view its participation in the everyday life of farmers had its birth in North Dakota and more specifically with a group of producers led by a young farmer by the name of Kevin Black, a long time member of the Carrington Area Farm Business Management Program. Kevin has, for the past two years, led an effort to have the federal government take a long hard look at how it qualifies producers for payments and how those payments are quantified and distributed. Other North Dakotans assisting Kevin with this effort include Paul Thomas of the North Dakota Canola Growers Association.

Kevin’s idea of a “New Deal” for agriculture was founded in the belief that current programs, though increasingly complex, often fail to deliver benefits to the producers who need them and fail to do so in a fashion that allows those producers to adequately continue in their businesses. This idea and the thoughts of the North Dakota group were written up in an August 21, 2002 article in AgWeb News. This article can be viewed at AgWeb.com and is well worth the time and effort.

This proposed remake of the American Farm Bill would have several new features. It would provide for a producer’s breakeven costs plus a management fee while maintaining planting flexibility and World Trade Organization legal status. In addition to providing for the coverage of a producer’s expenses it could, in time, replace the current form of multi-peril crop insurance. Production expenses would be insured under the new program and verified against the producer’s tax returns to avoid inflation or overpayment.

This “New Deal” would not be tied to crop production yields, bases, or prices but would be more of a traditional insurance type of program with the benefits aimed towards the producers and not the landlords. One of the greatest challenges to this type of program would be to determine what the actual expenses and incomes are for individual producers and if they are within a “normal range”. To accomplish this task, farmers would be moved towards some type of accrual-adjusted accounting.

One of the premises behind “The New Deal” is that farms are businesses and they need to employ the tools that any similar type of business would use to operate. In addition to being actively involved in the production portion of their business, farmers would have to derive a majority of their income from their farming enterprise. They would also be limited to earning no more than \$100,000 of off-farm income per year.

Where would the government find the data to support the regionalized expense verification needed for “The New Deal”? Kevin Black is a long-time advocate of farm business management education. He believes that the information base developed and maintained by the various farm business management programs across the country could serve as a very reliable and accurate source of data to make the program function effectively. This involvement with farm business management programs could have a huge impact on the number of farms enrolled and would result in increased use of a current and growing database.

The aspect of having a farm program that is funded by premiums paid and that delivers benefits, including a predetermined amount for management, to the producers who really need these benefits is both exciting and invigorating. Program requirements could mandate that producers attend farm business management classes as well as production workshops and meetings.

Does “The New Deal” stand a real chance of obtaining enough support to someday be implemented? Time will tell. With the present day deficits and increasing urban population, current levels of agricultural funding may be more difficult to maintain. Will the eyes and ears of Washington turn to an idea that has producers funding a greater share of their own potential benefits package?

There is no mistaking that the total development and implementation of such a program would be a radical departure from the current method of doing business with the USDA. However, given the current spending dilemmas and the mood of the country towards large-scale payments, perhaps the new “New Deal” is an idea whose time has come. After all, it would not be the first great idea to name the plains of North Dakota as its birthplace.



Teacher or Cheerleader?

By Wayne Pike

Remember the Enron scandal? Who can forget? We will suffer from that debacle for years. There is plenty of blame to go around in the Enron scandal. Some of the most significant charges of negligence were placed squarely on the heads of Enron's accounting firm. A newspaper article of the time questioned whether the accountants had performed their task of analyzing and reporting Enron's true financial condition.

It seems that Enron's accountants had become infected by a corporate "game-day fever" that transformed them from analysts to cheerleaders. As cheerleaders, the accountants joined the management, the board of directors, the employees and the stockholders in pumping up good news while ignoring bad news. The accountants-turned-cheerleaders became involved in the game, shouting their support regardless of the tactical situation. Eventually, some of them even stepped onto the field and made a tackle or two of their own.

Everybody was on the Enron team. Everybody was playing the game. Nobody was watching the clock. Nobody was guarding the locker room. At the end of the game, the Enron team finally noticed that their pants, wallets, watches and jewelry were gone. Someone had stolen the team bus, chased away the team mascot and looted the locker room. The accountants were the ones specifically paid to stand guard during the course of the game. Their neglect ultimately contributed greatly to a game lost and the demise of the entire team.

This story about Enron brings up a question about the instructor's role in farm and ranch business management

education. Is it possible for the instructor to get too involved in management and thereby become a player in the game rather than an educator? Once an instructor becomes a player, can he or she avoid evolving from an educator into a cheerleader?

Farm and ranch business management instructors often build close and long-standing relationships with their students. They attend each other's family events, go to the same schools, belong to the same churches, and are part of the same community. These close relationships are what make the farm and ranch business management instructor's job as rewarding as it is. However, this type of relationship might also make it difficult for the instructor to keep that arm's-length business relationship necessary for objective farm management education.

It is important that the farm and ranch business management instructor always keep in mind his or her role as teacher and provider of information. Instructors are not expected nor paid to be analysts, but students should always expect and receive more than cheerleading. The conscientious instructor might always be asking himself or herself, "If I stepped away from this student today, would another instructor come to the same conclusions regarding further instruction for this student?"

Hopefully, that answer would always be affirmative and would verify that the instructor is still instructing and not cheerleading.

Lessons to Learn from Pigs

(from the Riverland CC- Owatonna FBM newsletter)



University of Delaware Animal Scientist Lesa Griffiths uses the following list of the top ten things students learn from their pigs, during the lighter moments of her "Swine Production" class:

1. A pig will be the first to bring it to your attention that you have just had a serious lapse in judgment.
 2. Sleeping is important.
 3. Focus on the simple things.
 4. Be aware of how big you are.
 5. Don't be afraid to get dirty.
 6. Never go anywhere you don't want to.
 7. Some things are best done without much thought.
 8. Attitude is everything.
 9. The best part of being a mother is the unlimited access you have to food.
 10. Every once in a while you just have to shake all pretenses and be a real person. *Drink from the hose!*
-

NFRBMEA Spring Conference Call

President Jim Kelm called the meeting to order at 1:00 PM via conference call on Wednesday, April 23, 2003. Members present on the conference call were Jim Kelm, Al Graner, Jay Olson, Laurie Morris, Debra Pike, Wayne Pike, Tom Weygandt, Ira Beckman and Rich Baumann. Edmund Ruff was not present.

Rich Baumann reported that we have a Checking balance of \$785.94 and a Money Market balance of \$16,461.07, in addition to an asset of \$1,000.00 seed money to North Dakota for a total of \$18,247.01. This is an increase of \$3,805.80 over last year's balance. No seed money has been sent to Wisconsin at this time. Dues receipts have been down with an increase in advertising income. The primary reason for the increase has been the more than \$4,000 reduction in expenditures than was budgeted. The 2003-04 budget was approved last summer. Rich will send out copies of the 2002-03 and 2003-04 budgets to the board.

Wayne Pike reported that there are presently 176 regular members, 19 associate members, and 1 lifetime member, for a total of 196 members. This compared to a total of 241 members last year. Membership should continue to increase during the year.

Wayne reported that the deadline for the *Nuts & Bolts* is now. Deb reported that 294 copies of the Winter issue of *Nuts & Bolts* had been sent out. Deb is attempting to make sure that all dues paying members will receive a copy, either electronic or paper. Deb also reported that there had been 6,616 web site hits.

Ira Beckman reported that the Annual Report, which ended April 1, is almost ready and that he will print 150 copies to be available at the conference. A copy will be included in each registration packet.

Al Graner reported on the updated conference agenda with no major changes. Al reported that the Governor of North Dakota was not able to attend but that both United States Senators from North Dakota will, hopefully, be able to attend. Daryll Ray will be the featured speaker. Sponsorships were discussed with a goal of \$15,000 for the conference. Wells Fargo has not yet contributed as a sponsor. Monsanto is still possible sponsor. May 10 is the deadline to get materials in the conference proceedings. Jay Olson reported that he will be getting the Roll Call of States out and completed, to be included

in the conference proceedings. Al also reported that liability insurance for the conference would be taken care of.

Wayne Pike reported that the Tuesday morning Business Meeting might be used for election of officers. An evening Post Conference Meeting prior to the end of the conference may then be planned.

Tom Weygandt encouraged application for First Timer's Scholarships.

Dr. Dick Joerger joined the conference call at 2:15 PM. The graduate course offering for the conference was discussed. Dr. Joerger will send a course syllabus to Al Graner that has been used in the past. Dr. Joerger reported on the Farm Business Management National Institute and a Professional Development Profile for Pre-Service and In-Service Needs Assessment. An attempt will be made to send out an Instructor Needs Assessment questionnaire prior to the conference, possibly with registration materials, to include those not in attendance at the conference.

Ira Beckman moved to provide up to \$500 to reimburse Dr. Joerger for an Instructor Needs Instrument to be sent out prior to the conference. Tom Weygandt seconded the motion. The motion carried.

A National Institute was discussed. Dr. Joerger indicated that enrollment minimums might be a problem. What Dr. Joerger called "Differentiated Instruction" might be envisioned for in-service instruction including partnerships with financial groups as well as other farm management groups. Laurie Morris suggested that the website or the *Nuts & Bolts* might be possible instruments.

Al reported that a couple of First Timer's Scholarships have been submitted. The First Timer's meeting will be on Tuesday. Tom will send out an e-mail on the First Timer's Scholarship.

Distinguished Service Awards were discussed. The conference committee will prepare the plaque for this award as well as officer plaques. The Treasurer is responsible for conference host plaques.

(See "CONFERENCE CALL", continued on page 6)

("CONFERENCE CALL", continued from page 5)

Tom Weygandt reported that a letter was being sent to committee members that detailed some of the decisions that were made at the Fall Board meeting. Tom also reported that John Caster and the Industry Relations Committee have developed a Strategic Action Plan that will be distributed to the rest of the board. Some time will be set aside for Ira Beckman and the Past Presidents to review this at the conference in Minot. There was no report from the Membership or Resources Committees.

Rich Baumann reported that the Recruitment and Retention brochure is being prepared for print. There was a tentative budget of \$3,000 set aside for this brochure. A bid has been received from his technical college for about \$2,500 for printing 10,000 copies. Further work needs to be done on layout, pictures, and other details of the brochure. Jim Kelm will set up a time for interested persons to meet and work out some of these details and hopefully, will have a working document for the conference in Minot.

Jim Kelm reported that he has visited with Jay Jackman, executive director of NAAE, about membership on the National Council for Agricultural Education. A membership contribution of about \$1,500 may be necessary. Further discussion will be taken up in June.

Registration materials for the National NAFBAS conference have been received from James Christensen, national NAFBAS president. This year's conference will be on June 9-12 in Duluth, Minnesota. Coordination of future activities with NAFBAS is still being pursued.

Vic Richardson will complete the tax filing requirements.

The Pre-Conference Board Meeting has been set for Sunday June 8, 2003 at 9:30 AM in Minot.

Rich Baumann moved to adjourn the meeting. Ira Beckman seconded the motion. The meeting was adjourned at 3:30 PM .

Respectfully Submitted,

Jay M. Olson, Secretary

You may read Jay's complete minutes, as well as minutes of past Board and annual business meetings on our website at www.nfrbmea.org/minutes.htm. **Please print out a copy of the 17th Annual (2002) Business Meeting for your reference at this year's conference.**

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Testing to Teach

Robin Schwieger, instructor for South Central Technical College at Nicollet, Minnesota, often uses mock tests in the departmental newsletter to motivate farm business management students. While most adult learners are not thrilled with tests, Robin designs his tests to be non-threatening and informative. By taking one of these mock tests, students can tell whether they are up to speed on a subject or if they may need a refresher. This is a good way to introduce new topics and new terminology. The following is an example of one of Robin's tests that he sent out last summer.

Crop Insurance (Quiz) by Robin Schwieger

"I thought if I wrote something about crop insurance, then maybe it would rain and cool off a little! So far, this July has seen record dry weather. The Chicago Board of Trade also seemed to notice the crop damage. The question is, "What will these better prices mean to you and your crop insurance?" Following are a few quiz questions (answers provided below) that will clear up a few issues.

T or F 1. Any questions on your coverage or crop insurance should be answered by a call to your crop insurance agent.

T or F 2. With CRC (crop revenue coverage) you can

raise your total revenue coverage if prices are higher in the fall than they were in the spring.

T or F 3. CRC coverage will not go below this formula. $APX \times \% \text{ of coverage} \times \text{spring price} = \text{total coverage } \$$.

4. If you have an APH of 40 and select 75 percent coverage on your SB and the fall price is the same as the spring price, what was your bushel coverage with CRC? (spring price was \$4.67 for SB)

- a. 40
- b. 38
- c. 35
- d. 30

5. Multi-peril crop insurance (MPCI) price level was set at \$5.26 for soybeans. With an APH of 40 and a 75% level of coverage, what would be your guaranteed level of revenue?

- a. \$200
- b. \$250
- c. \$300
- d. \$157.80

The answers to the quiz are all either true or D.

Employment Opportunity

POSITION: Farm Management Advisor

QUALIFICATIONS: BA & MA in Agricultural Education plus experience in Adult Farm Management work or Extension Farm Management work. PhD very helpful long term.

SKILLS: Experience in enrolling farm families in Farm Management programs. Good working knowledge in Farm Management, Farm Management analysis, computer skills in spreadsheets, Ultra Farm, Word Perfect, strong dairy knowledge very helpful. Hog and crop management skill necessary. Working knowledge of farm taxes, depreciation schedule, Partnerships and Corporation structures. Must have the ability to motivate people to better themselves. Farm and office visits, group sessions, workshops, E-mail, newsletters and telephone consultation are all part of information dispensing system. Be working with experienced staff and 2 to 4 years of transition to learn working components of the business.

LONG TERM OBJECTIVE: Acquisition of exciting business with up front monies of \$15,000-\$25,000, rest acquired over time with terms.

CONTACT: James Kastanek
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P.O. Box 366
Albany, MN 56307
320-845-4795

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NUTS & BOLTS

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