



NUTS & BOLTS

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Ohio Entrance Exam

- I was born in Wapakoneta, Ohio. I was the commander of Apollo 11, and I was the first man to walk on the moon. Who am I?
 - Neil Armstrong
 - Buzz Aldrin
 - Scott Carpenter
 - Gus Grissom
- I was born in Gilmore, Ohio. My real name is Denton. One of baseball's most prestigious awards is named after me. I was voted into the baseball Hall of Fame in 1937. I am:
 - Honus Wagner
 - Satchel Page
 - Cy Young
 - Ty Cobb
- I was born in New Rumley, Ohio. I was a tactical military officer, but I was also a nonconformist. My "last stand" has become legendary. Who am I?
 - Alfred Pleasanton
 - George Armstrong Custer
 - George Meade
 - George McClellan
- I was born in Steubenville, Ohio. I was a member of the infamous "Rat Pack", and it was believed that I was a "teetotaler". Who am I?
 - Jerry Lewis
 - Sammy Davis, Jr.
 - Dean Martin
 - Peter Lawford
- I was born in Cleveland, Ohio. I am an Oscar-winning composer of movie scores and themes. One of my most famous compositions involved the theme for a pink cartoon character. My name is:
 - Leonard Bernstein
 - Henry Mancini
 - John Williams
 - Oscar Hammerstein
- I was born in Zanesville, Ohio. I was a productive writer, and was most prolific and am best remembered for my work in the western genre. Who am I?
 - Zane Grey
 - David Strathairn
 - Louis L'amour
 - Bat Masterson
- I was born in Cincinnati, Ohio, and am probably best known for my movie "Please Don't Eat the Daisies". I currently devote myself to animal rights causes. Who am I? (If you can't guess, Qué sera sera!)
 - Jayne Mansfield
 - Connie Stevens
 - Doris Day
 - Marilyn Monroe
- I was born in Willoughby, Ohio, but I also lived in Chagrin Falls. I was a regular cast member on "The Carol Burnett Show". You may also know me as "Dorf" and Ensign Charlie Parker on "McHale's Navy". Who am I?
 - Flip Wilson
 - Harvey Korman
 - Tim Conway
 - Kent Barry
- I was born in Darke County, Ohio, and my real name was Phoebe Mozee. I started perfecting my sharp-shooting skills at the age of nine. I would later become famous for this skill, as well as my dedication to social causes. Who am I?
 - Annie Oakley
 - Belle Starr
 - Big Nose Kate
 - Calamity Jane
- (BONUS) I am a professional golfer and successful golf course designer. I was the Tiger Woods of my era. My name is:
 - Jack Nicklaus
 - Ben Hogan
 - Arnold Palmer
 - Jim Kelm

(Answers at the bottom of Page 3. If you don't pass, don't worry— I think they'll let you in anyway!)

"Exam" adapted from trivia quiz on *Discover Ohio: Official State Visitors Guide & Travel Planner, Spring/Summer 2004 CD*, Ohio Division of Travel and Tourism.



Cooperative Efforts Pay Big Dividends in Adult Education

A message from Ron Dvergsten, NFRBMEA President

One of the major NFRBMEA efforts for this year has been to further develop relations with business and industry. For years the organization has asked for support from agribusinesses in the region that has hosted the annual conference and as an organization we have developed a number of annual sponsors and conference vendors that have become great partners with NFRBMEA.

As I made inquiries and grant application requests, I started thinking about how our educational programs can benefit from cooperative efforts with agribusiness, ag lenders, commodity organizations, USDA departments, state extension, and fellow ag educators. The result is that we will provide more and higher quality educational opportunities for the people we serve. As educators of business owners and managers it is our responsibility to provide the best educational opportunities that we can to those we work with.

Ag educators have always been at the forefront of cooperating and sharing educational ideas and activities. NFRBMEA was founded on the theory of sharing instructional concepts in farm business management across the country. The [NFRBMEA website](#) and resource library are additional forums for providing exchange of idea opportunities to our members in addition to our annual conferences. As we develop our relationship with the National Association of Farm Business Analysis Specialists (NAFBAS), this concept is further being expanded by



widening our pool of individuals and areas of expertise. Cooperative efforts with ag commodity organizations have proven profitable the past several years. The educational materials and conferences that have been provided to countless producers, employees, children, consumers, and educators through the National Pork Producers are examples of valuable cooperative efforts.

The concept of a National Institute for Agricultural Education is an emerging project that will definitely need to become a cooperative effort in order to be realized to its fullest. NFRBMEA has already cooperated with the University of Minnesota and the Minnesota State Colleges and Universities System in coordinating, funding, developing, and compiling the results of the survey of our membership regarding their educational inservice needs. This is a large project for an organization of our size. We need help with money and professional expertise. If you have contacts that might support us financially or with technical resources, contact a member of the NFRBMEA Board or the NFRBMEA Business/Alliances committee.

I wish everyone a rewarding business analysis season.

Again, I consider it a privilege to serve as President of the NFRBMEA.

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Cenex Harvest States Foundation Grant

President Ron Dvergsten reports that his efforts to obtain a grant for NFRBMEA have been successful. After completing the paperwork throughout the summer and fall, Ron recently received a check for \$2,500 from the CHS Foundation. This contribution is to help support the cost of maintaining the NFRBMEA website and for publishing *NUTS & BOLTS*. Our thanks to the Cenex Harvest States Foundation.

Commodity Marketing Information Sources

Rick Morgan, NCTC Farm Business Management Instructor, Moorhead, MN

You will find it worth your time to check out what George Flaskerud, NDSU Marketing Specialist and Ed Usset, University of Minnesota Crop Marketing Specialist have for strategies for both 2004 and 2005 crops. If you like marketing made simple and straightforward, and strategies that have stood the test of time, take a look at their ideas.

No matter what or who you follow for marketing advice I'd like you to look at these next two sites. One is Wayne Purcell's weekly *Agricultural Commodity Market Report*, <http://www.ext.vt.edu/news/periodicals/purcell/>. It is updated each Tuesday and is an excellent "technical" overview of both the crops and livestock markets. Your best bet is to open up commodity charts at <http://www.smallgrains.org/Toolshed/toolshed.htm>, and follow along as Purcell, Ag Economist at Virginia Tech, points out historical patterns, gaps, formations and other technical lingo that everyone can follow.



Just a Hundred Days Away

Wooster, Ohio is the site of our summer conference this year. The conference is about a hundred days and a (relatively) few miles from where we are now. You should already have received information in the mail on the conference, which will be **June 12-16**. If you have not, and would like a hard copy, please contact conference planner Luke Baker at 419-267-3331 or klbaker@henry-net.com. Conference information and registration material is also available on the NFRBMEA web site at www.nfrbmea.org/conf_2005.htm.

From the looks of it, this is one conference that no farm and ranch management educator will want to miss.

ANSWERS: 1. a; 2. c; 3. b; 4. c; 5. b; 6. a; 7. c; 8. c; 9. a; 10. a

The other marketing must-see is Bob Wisner's *Balance Sheets*, <http://www.econ.iastate.edu/faculty/wisner/>. He updates this site after each USDA Crop Report. Wisner, an Ag Economist at Iowa State University, not only reports the USDA's figures, but lists the previous nine years and offers his own slant. He even assigns long-term probability to his columns.



In Remembrance

We have lost two NFRBMEA members recently, both well before their times if we were to judge.

Bob Bollesen, Dean of Management Programs for Northland Technical College in Thief River Falls, Minnesota, passed away recently after a battle with cancer. Bob was a long-time member of NFRBMEA and attended many of our annual conferences.

Chuck Davis, farm management instructor for South Central Community and Technical College in Mankato, Minnesota, died in December from injuries suffered in a car accident. Chuck had been involved in ag education at different levels for many years. He also served as a state legislator who was instrumental in getting major funding for farm business management.



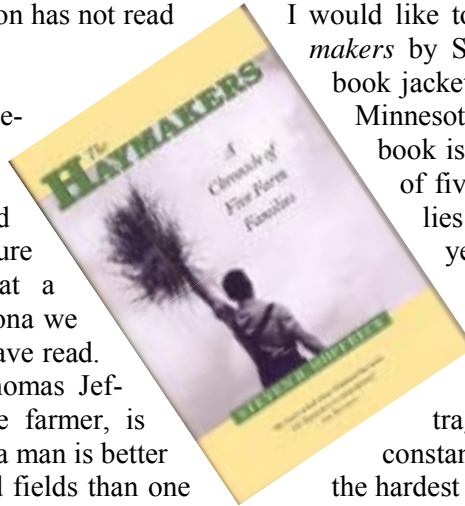
The Haymakers

By Jim Sackett, NCTC Farm Business Management Instructor, Bemidji

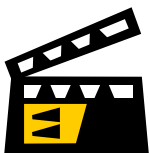
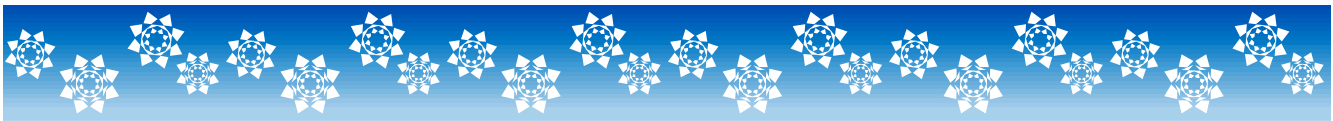
In this age of satellite TV with hundreds of choices — from professional football to *Desperate Housewives* competing for our time and attention — much of the population has given up the noble pastime of reading. Surveys show about half the population has not read one novel since their school years.

Most farmers read quite a bit of material. Farm magazines arrive regularly to most rural mailboxes. Unfortunately, in today's frantically paced world, time spent reading for pleasure has been greatly diminished. What a shame! A very great part of the persona we project is dictated by the books we have read. The highly intellectual President Thomas Jefferson, who was also an innovative farmer, is given credit for the observation that "a man is better educated who has plowed a thousand fields than one who has read a thousand books." Jefferson may have been correct, but I have had the distinct privilege of meeting a few persons who may have done both. In my years of visiting farmers, I have discovered several who are rather well read. When we tire of discussing markets and insect pests, we sometimes suggest something new for our reading lists. I would like to make such a sug-

gestion now. We all could likely benefit from re-reading the *Brothers Karamozov* or the *DaVinci Code*, but I have another suggestion.



I would like to recommend a book called *The Haymakers* by Steven Hoffback, who is listed on the book jacket as an assistant professor of history at Minnesota State University in Morehead. This book is not a work of fiction. It is a chronicle of five generations of Minnesota farm families and a history of hay making over a 150 year period. Starting with haying with oxen and a scythe, the book describes changes in technology over the decades when farming was mainly haying. Family hardships and personal tragedies are part of the story. The one constant was that haying remained just about the hardest work there was to do on the farm. This is a book both for folks who aren't exactly sure what hay is, and also for those who have spent a lifetime harvesting and know the sweet aroma of clover and alfalfa. *The Haymakers* is an extraordinary book that combines agricultural and personal history, and how farm families have dealt with the changes.



SHORT TAKES · SHORT TAKES · SHORT TAKES · SHORT TAKES

Membership Update

Our membership currently stands at 184 Active members, 21 Affiliate members, and one Honorary member. We are still accepting members.

Board Meeting Minutes

Just a reminder that you can read all the minutes of the NFRBMEA Board of Directors meetings on our [website](#). They are generally too lengthy to include in their entirety here in *NUTS & BOLTS*.

E-letter Recipients Take Note

If you normally receive the *N&B* electronically but received a paper copy this time, it's either because we probably no longer have a valid email address for you or your school's server or ISP thinks your newsletter is spam.

Please email Deb at dapike@myclearwave.net with your new email address, or talk to your IT Department to let *N&B* and other timely NFRBMEA information through your filters.

Never Say Never

By Duane Jaenicke
North Central Technical College, Roseau, MN

A farmer once said to me "What's good for low prices is even lower prices." He meant that lower prices erode the supply. On the flip side, we must admit "What's bad for high prices is even higher prices" because it expands the supply base. When soybean prices ran up to \$10.50, the world's producers were encouraged to produce more by an undertone of bullishness. When we combine the bullish attitude with cooperation from Mother Nature, we have large crops coming in.

After the lofty soybean and corn prices came about late last winter, several farmers told me: "We have achieved a new level of permanent prices" or "We have raised the bar on what constitutes a good price" or "We will never see \$2 corn or \$4 beans again". There is one thing I have learned as an instructor and as a farmer, and that is: "NEVER SAY NEVER!" The incredible productive capacity of our farmers and good weather can change a market in a hurry. I encourage all producers to look at long term charts of wheat, corn and soybeans. Every spike in prices is followed by a very steep decline, and unfortunately, a longer term bottom. It is up to us as producers to be aggressive marketers when faced with a good price because it may not last.

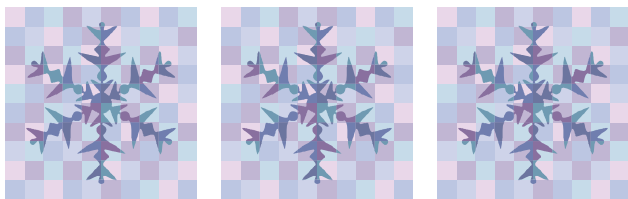
Perhaps they should turn oil production over to farmers. We would have \$10/barrel oil in no time!

National Council Report

By Rich Baumann, FBM instructor, SCTC, New Ulm, Minnesota

I have taken part in two conference calls with the Council - one in December and one in January.

I will be going to Washington, D.C. for my first meeting on March 4 - 7. Look for my report in the Spring issue of *NUTS & BOLTS*.



What I Learned in School Today... By Deb Pike

This "interesting" little tidbit comes from, of all places, my math textbook!

A Short Story of Interest

Interest has been charged for the use of money since Babylonian times (2000-500 B.C.). Ancient cuneiform tablets show that the Sumerians used both simple and compound interest. A tablet from 1700 B.C. contains a problem concerning how long it would take an amount of money to double if interest was compounded annually at a certain rate. Interest rates have varied greatly throughout history. Babylonian interest rates were 20%, and rates in Cicero's Rome (c. 60-43 B.C.) reached 48%. By the time of Justinian (A.D.483-565), rates were limited by law to 6%, but the Indian mathematician Bhāskara (c. 1150) mentions interest rates as high as 60%. In 1304, interest rates in Nuremberg were an astounding 220%.

Historically, lending money for a fee has been opposed. The Greek philosophers Plato and Aristotle wrote against the taking of interest. In fact, Aristotle believed that money is, by nature, "barren" and that the birth of money from money was "unnatural"; therefore, he condemned the taking of interest.

Men such as Martin Luther and Thomas Aquinas argued that the Scriptures specifically forbade the taking of interest. The Roman Catholic Church was officially against usury, the charging of interest, until the 1830s, and penalties for disobeying Church law included being denied a Christian burial. Public feeling about usury was so strong that in the Middle Ages, it was believed that a prolonged rainstorm was caused by the burial of an Italian moneylender in consecrated ground. In an attempt to stop the downpour, the body was disinterred from the grave and thrown into the Po River. In spite of the strong feelings against charging interest, lending still occurred. Powerful banks were founded in Venice in the late 1100s and in Genoa and Barcelona in the early 1400s. The success of these areas in commerce and the arts can be partially attributed to the availability of money from interest-charging banks.

Banks were also started by Jewish families. Since Jews were not associated with the Catholic Church, there was no conflict with charging interest. However, the stereotype that Jews charged unreasonably high interest rates

("INTEREST", continued on page 8)



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Farming at \$2 per Gallon

By Wayne Pike

Gas prices at most pumps are again approaching the two dollar per gallon mark here in southeastern Minnesota. It is a shock to be paying seventy cents a gallon more than we were just a few months ago. What impact is this going to have on our local farm economy?

According to the year 2003 records compiled by Riverland Community College's Farm Business Management Education program, it cost the average farmer about \$11 per acre in machine fuel to raise an acre of corn. Drying that corn cost just over \$10 per acre in propane. 2004 was a particularly wet corn year around here. Some producers spent nearly \$50 per acre for propane to dry their corn crop. Corn is the largest user of diesel and propane among ag enterprises in Minnesota, consuming over 70 million gallons of diesel fuel and over 60 million gallons of propane every year.

University of Minnesota research indicates that it takes about 9.4 gallons of diesel fuel and 1.1 gallons of gasoline to raise an acre of corn. Given a seventy cent per gallon increase in diesel and gasoline prices, this

amounts to an additional \$7.35 per acre cost for machine fuel. Researchers estimate that it takes about 9.6 gallons of propane per acre to dry an average crop. A fifty percent increase in propane will cost the average farmer another \$5 per acre. Machine fuel and propane together will cost the corn farmer an extra \$12.35 as compared to last year. That increase in fuel cost represents about a third of the net profit.

My county and our two neighboring counties are home to about 275,000 acres of corn. That extra \$12.35 per acre that used to be part of local farm profit will now be spent on fuel and end up as someone else's profit. That is a total of about \$2.8 million for the 275,000 acres of corn in these three counties. The same thing is happening for every crop and livestock enterprise.

Diesel, gasoline and propane for machine work and crop drying are the most obvious energy uses on the farm. Everything that gets shipped onto and off from the farm

("FARMING", continued on page 8)



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(“FARMING”, continued from page 7)

requires fuel to transport and many of the products shipped in are made from petroleum as well.

\$2 per gallon has had a big impact and there is little reason to expect much different in the future.



(“INTEREST”, continued from page 5)

during this time is not necessarily correct. Christian banks operated under a much higher risk in the lending of money because of possible censure by the Church. Because of the risk involved, they often charged higher rates.

One method of avoiding conflict with the Church over the charging of interest was by calling it something else. A lender would agree to lend a sum of money at no charge if the money was returned within a specified time. If not, the borrower paid the lender an additional fee. The fee was computed by the lender (hence being as high as he chose) and was the difference between the lender's current financial standing and what his standing would have been had the money been repaid on time. The word *interest* comes from the Latin *Id quod inter est*, or “that which is in between.”

Since the availability of money is necessary in a modern economy, negative attitudes toward interest have diminished. However, if the interest rate is extremely high, it is still called usury and is still viewed with disfavor.

(Source: The Mathematical Palette, 3rd Ed., Ronald Staszko & Robert Bradshaw)

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Working Capital

By Tom Weygandt, Buckeye Career Center, New Philadelphia, OH

A recent issue *Northeast DairyBusiness* had an interesting article about the importance of working capital to the dairy farm business. Working capital is calculated easily as Current Assets - Current Liabilities. Of course, it is important that you list all current liabilities including open accounts and the current portion of principal due on term debt. The resulting measure will help give you a handle on whether your business will be able to meet its current obligations and help you to plan your cash flow.

Of greatest interest to me in the article was data pulled from the 2003 Dairy Farm Financial Summary of 538 dairies (Farm Credits in NY, NJ, and New England put this together). It showed on a per cow basis:

	Top 25%	Average	Bottom 25%	Goal
Accounts Payable	\$27	\$67	\$108	< \$50
Operating Loans	\$80	\$125	\$155	< \$100
Working Capital	\$665	\$507	\$346	> \$500
WC as a % of Income	18%	15%	11%	>20%
Debt/Cow	\$2,796	\$2,687	\$2,700	< \$2,500
% Equity	67%	67%	68%	> 65%

I thought it telling that these farms had very little difference in debt or equity per cow. Yet, they show marked differences in their working capital. Where does your farm stand?

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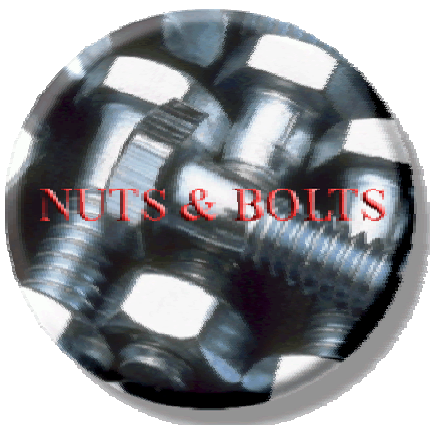
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