



National Farm & Ranch Business Management Education Association, Inc.

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

NUTS & BOLTS

Fall 2016 President's Message
by David Gillman, 2016-17 President

October 20, 2016

It seems like just a short time ago we were in Sioux Falls at the National Farm Business Management Conference. I would like to thank Will Walter and all of the South Dakota people for their work to put on a successful Conference. I always find useful ideas and information that I can share from attending the conference. It is also enjoyable to associate with good people who enjoy working in agriculture.

Membership Update
by Deb Pike, NFRBMEA
Communications Director

Here are our current membership numbers compared with this time last year:



The first National Conference that I attended was in 1988 at Lincoln, Nebraska. As I observed some of the founding leaders of this organization, I never had any idea that I would someday serve in the NFRBMEA leadership. It is an honor to be asked to help carry on the traditions of this organization.

	2015-16	2016-17
Regular	85	75
Affiliate	8	9
Honorary	1	1
Total	94	85

The mission of the NFRBMEA is to promote and support farm and ranch management education by providing in-service education to our members and by communicating and cooperating with others. Our National Farm Business Management Conference is important to fulfill this mission. In our recent board meeting, we reviewed the past conference and looked at plans for

Following our membership drive last month, we had a good flurry of membership renewals, but as you can see, we're still slightly behind last year.

NFRBMEA could not accomplish everything we do without our dedicated members. Become a member or renew your membership, and encourage your colleagues.

future conferences. With the help of Wayne Pike, we are working on fundraising policies and procedures that will help with funding some of the conference expenses. With the help of many of our members and our relationship with NAFBAS, we will continue to have quality conferences in the future.

Fill out a membership form at www.nfrbmea.org/application.htm and send it in with your dues.

While I was growing up, I observed that my grandfather planned a project on his farm every year. It would be painting the barn, replacing the roof on the shed or other improvements. Sometimes it was constructing something new. These projects helped maintain and improve the farm. As farm management instructors, we need a plan to maintain and improve our skills on a regular basis. The National Farm Business Management Conference is a valuable opportunity for each of us to learn and improve.

We look forward to you joining us!

Now is the time to begin making plans to attend next year in Des Moines, June 11-15, 2017. Kent Vickre and the Iowa crew are in the process of planning another fine conference. We hope to see you there.

NFRBMEA on Facebook & Twitter



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— David

Farming and its role in Economic Development

by Myron Oftedahl, Farm Business Management Instructor, South Central College

How often have we heard that Main Street goes the way of farming? That Agriculture has a trickle-down effect on Main Street business? Well let's take a look at what effect an average farm has on Main Street and the rest of the community.

According to the information from the 2015 analysis of the Farm Business Management Program, the average farm spent \$960,262 in the greater community. The average farmer in this data group was 47.8 years old and farmed an average of 683 acres. This is about 7 years younger than the USDA average age.

This average farm covers both grain and livestock operations, so will look differently than many farms. Let's take a look at some specifics, the average farm spent \$157,532 on seed, fertilizer, and chemical on their crop acres. This equals \$230.65 per acre for seed, fertilizer and chemical. Another \$28,620 was spent on other crop expenses such as crop insurance and drying grain.

Purchased feed expense was \$ 101,444, with another \$40,248 being spent on veterinary, marketing and advertising, trucking, cleaning supplies, etc. These livestock operations could include dairy, hogs or other livestock.

Machinery costs for fuel and repairs amount to \$67,040. Custom work and feeder livestock expenses of \$73,107 round out the machinery expenses. General farm expenses which would include farm insurance, and other miscellaneous expenses. Labor costs of \$40,094 for both part time and full time labor were a part of the expenses on our average farm.

Interest and leases account for a large percentage of the total and amount to \$162,720. With an average land rent of about \$230 per acre, this totals \$111,090 with \$51,630 being spent on interest for money borrowed to operate the farm, purchase machinery, buildings, and land in order to improve the farming operation. This investment into the farm business was \$139,264 for 2015. This farm paid \$20,513 for Real Estate taxes and utilities.

This leaves \$96,497 for family living. Now you are saying that this is a very high income compared to mine, but out of this total income taxes of about \$20,000 must be paid. Unlike many of us who receive paychecks, the farm pays all of the medical insurance costs which typically are \$12 - 15,000 for the family. Life, dental, disability, and possibly long term care insurance must also be paid.

The average farm family spends about \$8,000 per year for meals and groceries, with another \$4,900 spent for household supplies. Other family living expenses include clothing, personal care, personal vehicle expenses, household repairs, education, and recreation expenses. This is in addition to the interest paid for personal items and other investments such as savings and retirement accounts.

I have listed a lot of numbers in this article, not to impress you with the amounts spent by an average farm, but to show you the impact that one farm has on the community at large. When you multiply this by 100 farms, it demonstrates how Main Street businesses rely on the farming community. Farm size varies greatly and it can be misleading to use average expenses to cover all farms, but in an article like this, the averages are useful to explain how one farm is an economic development engine. Many cities hire Economic Development positions to bring more businesses to their community. Politicians spend entire lifetimes talking about economic development and what the government should do to improve it. What if we looked at what is already in our communities? What if our communities supported the farming community and encouraged more farm businesses? What if we all worked together to strengthen the community? An average farm invests a lot of money into the community and deserves to be supported. This support also means that we as farmers need to be responsible when we farm the land, raise livestock, and sell grain. We can reduce the impact of a farm down to pure numbers, but we also need to consider the other impacts that a farm can have on a community. We can serve on church boards, school boards, and other committees. Farms have a civic responsibility too. As a former governor used to say, "It takes a community" and we are all a part of that community. So hopefully this explanation of what dollars that an average farm invests back into the community in various ways will help you to understand the investments that a farm business makes every year.

Agriculture and the related businesses employ a large percentage of the population. So if you look at Economic Development, it is difficult to find a segment that offers more opportunities than Agriculture. Agriculture covers many different types of farming and includes several occupations that directly rely on Agriculture along with many occupations that are indirectly connected to Agriculture. Economic Development and Agriculture, makes sense.

Eating is an Ag Experience.

National Council for Agricultural Education (NCAE) Activities Summary

by Josh Tjosaas, NCAE Rep for NFRBMEA

The National Council on Agricultural Education met on September 13-15, 2016 at the National FFA Center in Indianapolis, IN. Some key topics of discussion were:

- 1) Adjustment of fiscal year to Jan 1-December 31.
- 2) ACTE Policy Committee Meeting as the Council is a default policy committee for ACTE on Ag Education.
- 3) We are continuing our work with Safety in Ag for Youth and working towards a culture of safety in all agricultural education.
- 4) Discussion was held on the 100-year anniversary of the Smith Hughes Act.
- 5) Updates to the Council website were reviewed.
- 6) We are continuing work on the National Quality Program Standards and specifically their enhancement tools.
- 7) SAE Renewal with hosting of the Summit on SAE was discussed.
- 8) Updates on Teach Ag, CASE.
- 9) The presentation on the new strategic plan, mission, and vision for the council were shared and approved pending final edits, once the final edits are approved, I will share the specifics with our organization.
- 10) Final discussion on key agriculture issues was held and an emphasis on connecting students and careers in agriculture both in the direct from HS, 2 year post-secondary and 4 year college paths, other items discussed was safety education, development of employability skills in agribusiness candidates.



On January 1, 2017, I will assume the role of Council President and have had preliminary discussions on how our role on the Council can be beneficial for our organization and how we can be involved on the national level (farm bill education, etc.). Please feel free to contact me with your thoughts and input. The Spring 2017 Council meeting will be held in Minnesota with site yet to be determined.

Meet Our President Elect!

Bruce Fowler has served as the Farm Business Management Analysis Specialist in the Agricultural Education and Leadership Department at the University of Missouri since July 2013. Prior to this, Bruce was an Agricultural Education Instructor for 28 years in Missouri. He became President-Elect of NFRBMEA in June 2016.



Bruce is a rural Vandalia, MO native with a B.S. and M.Ed. in Agriculture Education from the University of Missouri. In addition to teaching, Bruce has been operating a row-crop and livestock farm in rural Ralls County since 1991. Bruce and his family have also been active in many organizations, including First Baptist Church Vandalia, Missouri

Cattlemen's, and Missouri Farm Bureau, currently serving as Ralls County Farm Bureau President.

Bruce and his wife Martha reside on the family farm in rural Ralls County, and are the parents of two

grown children Donald (wife Kayla) of the Nashville, TN area and Jessie in Columbia. All five Fowlers are graduates of the University of Missouri College of Agriculture, Food, and Natural Resources.

Visit www.nfrbmea.org/board_dirs.htm to learn about our other officers.

Web Notes

by Deb Pike, NFRBMEA Communications Director

- ♪ Minutes from the board and annual business meetings that took place during our 2016 National Farm Business Management Conference in June have been posted on our website at www.nfrbmea.org/minutes.htm.
- ♪ The 2016 NFRBMEA Annual Report will be coming out in early November as an electronic version only. I will let you know when it is available.

Reflections & Rumen-ations

by Will Walter, NFRBMEA Past President

I would like to recognize your value as Farm/Ranch Management instructors to an agricultural production entity. The past year has been less rosy than some preceding, but none worse than what many of our farms have persevered through before. This has made your guidance an ever important tool for the folks you work with. Many financial statements and cash flow projections with multiple scenarios have been reviewed and tweaked to project a breakeven. Our ability to offer insight and opportunities as an outside impartial set of eyes is a great benefit for our FRBM students. The ability of our farm families to "buckle down spending" when needed is something operators that are relatively new to the farm business may need assistance with. The folks that returned to the farm with visions of continued profits, stimulated by \$5.00+/bu. corn prices, now are struggling to make their financial obligations as expenses stayed similar while revenue is much lower. The beef industry had seen a multi-year period of "how high can they go?" to a monumental correction in September of 2015. Always bear in mind that "the good times don't last, but neither do the bad!" Many opportunities can arise from a downturn in cycles. It is our job to challenge the folks we work with to use past records and experience to focus on future endeavors.



In the present, I feel we are challenged with not only assisting the producer with financial analysis from the past, but providing them the skills and confidence needed to be sustainable in the future. There are many people to feed in the world, but our American Farmer seems too often be the target of misguided comments about their methods of crop production and animal husbandry. We, as instructors, need to help them build their skills to continue the climb of technology and the use of mass social communications to tell the truth of how they are stewards of the land and are producing a healthy nutritious diet for the world's population. It is tough to do this on their own. Thus, I encourage them to be part of proactive groups that can represent their interests. This is a role we can fit into as well. As a proponent of agriculture, I never feel as though my workday ends leaving the office, but educating a consumer with science-based facts is something readily on my mind.

It seems we have many instructors with "official" retirement in their sights and not enough properly educated and prepared replacements. CHS identified this a few years ago and sponsors a scholarship to encourage potential future FRBM instructors to attend our annual conference. As you know, we are a rare breed so the scope of candidates doesn't necessarily come directly from an undergraduate educational program. This scholarship opportunity is in its third year of existence and has been led by Mark Holkup of ND since its inception.

Mark is just one example of the quality, determined, unselfish instructors and national officers we are challenged with replacing in upcoming years. I also appreciated my cabinet of officers who provided guidance to me during my year as NFRBMEA President. Not only do we need instructors on the local level by each state or individual institutions, but also fine folks to serve on our national boards and committees.

Please continue your support by renewing your annual dues to the organization and encouraging others to do so as well. There is a wealth of knowledge available to assist you in providing quality service to your students. Yes, using an Internet search engine may get you some tools, but an experienced FRBM instructor you've met while networking can provide you the experience of which tool may work the best in your scenario. As I stated above about our producers being aligned to a common goal, we as a network of education can do so as well. As a former full-time and now part time ag producer, I can say it would've been easy to not have volunteered for the many community and commodity group boards that I have served on over the years but the knowledge and experience gained from a group focused on common goals that are grossly beneficial to all is rewarding.



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Questions or comments? E-mail us at comments@nfrbmea.org

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