

## President's Message: A Time to Monitor and Adjust

By Ron Dvergsten, 2023-24 NFRBMEA President

August 1, 2023

Summer is a great time of year for Farm Business Management Instructors to reflect on issues related to our programs. We have time available to reflect on things that went very well in the months prior. We contemplate new ideas or activities to implement this fall. It is a time to "monitor and adjust". This time of year, I like to send out cashflow monitoring worksheets to all my FBM students. I ask them to monitor their farm's cashflow for the first half of the year and to adjust their operations spending if needed. I believe that organizations such as NFRBMEA need to do that as well from time to time.

As I drove home from this year's National Farm Business Management Conference in Michigan, I had a lot of time to contemplate many of the issues facing the NFRBMEA organization. First off, leaving this year's conference and annual meeting without a full slate of officers for a second year is very concerning. Where are we as an organization if we need to beg members to step up into a leadership position? As we have been in existence for 50 years, we all realize that the needs of the NFRBMEA membership today are different than when the organization began in 1973. As I look at the mission statement of NFRBMEA; "Our mission is to promote and support farm and ranch business management instructors by promoting in-service education to our members, and by communicating and cooperating with others." I believe our mission statement is on point, but how do we do a better job to get our mission statement promoted to all potential members?

Our 2022-23 membership totaled eighty members. The positives are that we saw a ten-member increase over the prior year and that we have members from 15 states. On the other side of things, twelve of the fifteen states that we have membership in have three or fewer members. Over sixty percent of last year's

membership was from Minnesota. Minnesota alone had slightly over half of all potential members last year as paid members of NFRBMEA. So, there is definitely room for growth. Another interesting point that I gleaned from my time reviewing the membership roster is that approximately twenty-five percent of last year's members are in a part-time or retirement type of status.

The NFRBMEA Board of Directors spent considerable time discussing the reasons Farm Management Educators do not choose to become NFRBMEA members. We questioned why attendance at the National Farm Business Management Conference by NFRBMEA members has significantly declined during the past decade.

If you have ideas on how the NFRBMEA organization can increase membership, increase Conference attendance, attract new members into leadership positions and meet our members' professional development needs, please reach out to me or any of our Board members with your thoughts.



Photo: Deb Pike

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# The History of the National Farm and Ranch Business Management Education Association (NFRBMEA)

By Ron Dvergsten, 2023-24 NFRBMEA President

In 1973, a group of Minnesota Farm Business Management (FBM) instructors, together with University of Minnesota FBM/AGED Professor Edgar Persons, decided it might be a good idea to get together once a year to discuss ideas and problems connected with teaching business management to farm families.

Since no one knew if the idea would fly, the first and second meetings/conferences were exploratory and were set up on an invitational basis. The first two conferences were held in Faribault, MN at the Vo-Tech Center. The idea *did* fly. As the years went by, more and more states and instructors became involved. The annual conferences have been held in Minnesota, as well as 19 other states; in 1994, the conference was held in Lethbridge, Alberta, Canada. NFRBMEA also showed its ability to be flexible when needed. In 2020, due to COVID, the Annual Conference was held virtually.

As the years went by it became more evident that a formal organization was needed due to costs associated with hosting a National Conference. A committee was assembled at the St. Cloud, Minnesota conference in 1984 to report the following year at Pierre, South Dakota. The FBM instructors in attendance at the Pierre conference signed the original charter of the National Farm and Ranch Business Management Education Association and elected the NFRBMEA's first Board of Directors; Dr. Edgar Persons was elected as the first president. To date, 16 of the organization's presidents have been from Minnesota. 12 presidents have come from states other than Minnesota. Originally, annual membership dues were set at \$10 for active/regular membership and \$5 for affiliate membership. Currently, annual dues are \$60 and \$30 respectively.

In 1986-87 the Board of Directors proposed the creation of an official newsletter. The membership endorsed the Board's proposal at the 1987 Conference in Worthington, Minnesota and appointed John Hest from Hawley, Minnesota as its first editor. The first issue was published in August of that year. John named the newsletter *NUTS & BOLTS*. John, who had previously operated a garage/repair shop, said that he had a line item in his billing statement called "nuts & bolts" which covered any odds and ends that weren't

included somewhere else in the billing statement. John stated that it struck him that we, as Farm Business Management instructors, are change agents for the farm families that we work with. Shouldn't we be teaching our students to look at all parts of their business, including the "nuts and bolts"? Any tips instructors could pick up from the newsletter could easily be called nuts & bolts. In 1993, John handed the editor reins over to co-editors Wayne and Deb Pike from Minnesota. Deb eventually became our Communications Director in 2009 and is the editor of the *NUTS & BOLTS* newsletter, as well as membership secretary. *NUTS & BOLTS* is currently published electronically four times each year.

NFRBMEA officially became a 501(c)(3) non-profit in 2004. This allowed the organization to seek outside supporters for the conference and organization activities. Supporters can designate contributions as a business expense and the NFRBMEA pays no income tax.



That same year, NFRBMEA decided to sponsor a member to be on the National Council for Agriculture Education. Richard Baumann, FBM instructor from New Ulm, Minnesota was selected by the 2004-05 Board to be the first NFRBMEA Representative on the National Council for Agricultural Education. Deron Erickson, Morris, Minnesota, is our current NFRBMEA Representative on The Council.

2006 marked a significant change for NFRBMEA when it partnered with the National Association of Farm Business Analysis Specialists (NAFBAS) to host the annual National Farm Business Management Conference. The first joint conference was held in Omaha, Nebraska. The North Central Extension group joined us at the 2007 Conference in Rochester, Minnesota. They continue to participate every third year for their "Triennial Conference".

Additional information related to the National Farm and Ranch Business Management Education Association's history can be found on our website at [www.nfrbmea.org/about.html#history](http://www.nfrbmea.org/about.html#history).

## NFRBMEA: Who Are We and Where is Our Future?

By Deron Erickson

During summer visits with our students, many of us may ask how the farm operation is doing financially and whether or not the operation is meeting its goals. These questions help give direction to all involved in the operation. It's a good practice for all farm operations, and other organizations, to do every year.



Deron Erickson opens discussion on NFRBMEA's future

The NFRBMEA board hosted a strategic planning meeting during the 2023 National Farm and Ranch Business Management Conference. This meeting was spurred by my involvement with the National Council for Agricultural Education (referred to as "The Council"). We had a productive discussion. We considered the meeting a first step in putting together a strategic plan for NFRBMEA.

Since 2023 marks the 50<sup>th</sup> year of NFRBMEA, we thought reviewing our history was especially important. Ron Dvergsten shared the history of the National Farm and Ranch Conference beginning in 1973 with a conference in Faribault, MN. A joint MOU (Memorandum of Understanding) was signed with NAFBAS in 2006 and joint conferences were held with them that year in Omaha, Nebraska. The main purpose behind the organization has been for professional development. A national conference was thought to be better to bring in a national perspective to farm management, better speakers, more interaction with FBM instructors from other states, and better workshops on specific farm management topics.

As time has gone on, NFRBMEA has lost membership because of lack of funding and support from state governments. NFRBMEA membership was as high as 200 members at one point, compared with just 80 members at the end of the 2022-23 membership year. Minnesota has had its challenges but has stabilized

with the help of government funding. The partnership and strong support of the Center for Financial Management (CFFM) has been key for states with strong farm management programs. However, NFRBMEA and CFFM would like to see more farm management programs strengthened in states that have lost programs, so the farmers are prepared when the ag economy cycles lower. The Federal Benchmarking grant has been successful and could possibly help other states.

So, where does that leave NFRBMEA? Is our main purpose still professional development? I believe the webinars we started last year were another good step for professional development, as is the *NUTS & BOLTS*. Do we need to look at a broader perspective and look for ways to engage potential instructors and "raise the bar" for teaching FBM? Discussion at the meeting revolved around the difficulty of finding good instructors. We can't restart programs if we don't have a pool of individuals who know and want to teach FBM.

At the meeting we discussed adding teaching FBM to the purpose of NFRBMEA. We are not sure how that looks or what we should be doing. Going into Ag Education programs both at the local and college level was mentioned as something instructors can do. Possibly sponsoring state farm management contest plaques (although we are not sure how that would be funded) and including other states in Minnesota's Professional Excellence Program were also mentioned as ways to increase awareness.



Photo: Del Lecy

As with all strategic plans, this will be a work in progress and the NFRBMEA board welcomes any input anyone has into this process. We will keep you up to date as it is developed!



## Feedback

By Brad Sirianni, Western Technical College, Whitehall, WI, and NFRBMEA Secretary

I don't think I have ever attended a professional or personal development event that didn't discuss communication. However, I am not sure it was often taken far enough to really zone in on both sides of a conversation being effective. We are often taught about clear and concise communication along with effective and attentive listening. What about how we respond to someone in a conversation? These days may be a little stressful with various narratives being pushed at you and feeling you don't have much freedom to discuss and learn from each other. A number of years ago I read a book, *The Oz Principle* which led to workshops from Partners In Leadership focusing on accountability training. Several topics were covered, and I will attempt to focus on feedback as it relates to accountability and our professional roles.

How we respond to those around us is important for our future success. Whether it is with family, friends, employees, coworkers, clients, customers, or students, we are constantly challenged with how to respond, or finding the best way to respond? Are you ready and willing to lead yourself and others to good communication and accomplishment of goals?

Before we dive into feedback, let's review key points that relate to good communication in a variety of situations. It is important to consider the following so that any exchange of feedback has a chance of success.

- What is the goal of the conversation? The goal will lead directly to you understanding your role.
- Where is the appropriate place for the conversation, and is constructive criticism required? Essentially this is a form of discipline or holding yourself or someone else accountable.
- Focus on behavior. This is not always applicable but if it is, control your emotions and focus on what was done rather than making it personal.
- Do you need to help build self-esteem? Encourage people to achieve their own goals and help them see how they accomplish the team's goals.
- Consider the future. Are things being accomplished today leading to the results you want for tomorrow?
- Aim at improving. How can you both improve?

According to *The Oz Principle*, the definition of accountability is "a personal choice to rise above one's circumstances and demonstrate the ownership necessary for achieving key results; to See It, Own It, Solve It, Do It." Let's step up and rise above our circumstances to achieve our key results through feedback.

The book uses the feedback cycle "Accountable People - Seek - Feedback - Creates - Accountable People." Are you aware of what is going on around you? What challenges do you see? Do you ask for feedback? Do you provide feedback?

How do you ask for feedback? Simply ask, "Do you have any feedback for me?" or "What feedback do you have for me?" After someone gives you feedback, say, "Thanks for the feedback". Can you do this without showing inappropriate body language? I hope so.

Now what do you do with the feedback? In all areas of our lives, we naturally have a filter that we use to sort the feedback we receive. The situation and your goal will determine how and when you respond to the feedback. However, it is important that you respond in a timely manner, whether it is good, bad or indifferent. The training used a model that will help us. "Request - Ask: What feedback do you have for me? Respond - Provide appreciative feedback. Respond - Provide constructive feedback. Request - Say: Thanks for the feedback!" Be sure you respond to the feedback and tie it to desired results or relationships, jobs, coworkers. If you are leading people this may lead to some changes.

By asking for feedback, you may begin to have a changed perspective. It will hopefully lead you to the "See It" question "*What is the reality I most need to acknowledge*?" This will help you see things in your relationships and workplaces that can help take them to the next level and achieve results. If you bury your head in the sand and pretend it will go away, it hurts your relationships and workplaces. Rise above your circumstances and be accountable. I encourage you to talk with people and try to recognize things that may be impeding your progress by asking for feedback.

*What feedback do you have for me as it relates to this article or my position as NFRBMEA Secretary?* I thank you ahead of time - thanks for your feedback.

## FINFLO Monitoring Worksheet- A Great Summer FBM Instructional Activity

By Ron Dvergsten, FBM instructor, Northland College, Thief River Falls, MN

The FINFLO Monitoring Worksheet is one of my favorite activities to complete with my FBM students during the summer months. By completing the worksheet, it forces the producer to have their records up to date. I generally create the FINFLO Monitoring Worksheet in early July with the FINFLO Monitoring worksheet covering January-June. I email the FINFLO Monitoring Worksheet to each student during the first week of July along with an explanation of the worksheet and the key income and expense items I want them to pay particular attention to. This year, for example, I want the farms to look at total farm income to date compared to what was planned for sales. On the expense side, I like them to pay attention to direct crop inputs, repair and supply expenses, fuel, labor, and family living expenditures. For the livestock producers, monitoring purchased feed is important.

Along with having income and expenses up to date and reviewed, it allows the producer to review their marketing plans and planned capital purchases. I think we have all had situations where the producer plans for a capital purchase and the actual amount spent is double the price planned for. For farms with tight cashflow margins, this can become an issue. This ties into evaluating current cash position and available credit on their operating loan. I believe one of the most stressful situations for a producer is having bills that are due and not having the ability to pay them.

If you have not utilized this extremely effective tool contained within the FINPACK FINFLO software, I encourage you to consider implementing its use!

## Betsy's Conference Highlights

By Betsy Jensen, FBM instructor, Northland College, East Grand Forks, MN



Some got lost finding the resort on the curvy lake country roads. Reports of seasickness crossing on a ferry. There were expensive hotel rooms on the drive out and back because of peak tourism season. Logistic nightmares behind us, the conference was incredible. Here are a few of my favorite session takeaways.

My favorite speaker was Joe Yaros, a current Illinois Farm Management member and past IRS agent who gave his insight into IRS audits. Your farmers need to make sure they have all their 1099s completed. Even if the taxes are perfect, failure to send a 1099 can create large fines.

I was unaware that IRS audits need to be completed within 3 years of filing date. If you file your 2022 taxes on March 1, 2023, the audit must be completed by March 1, 2026. I'm not sure why I had seven years in my head, but the timeline is much shorter than I realized. Yaros said don't keep your tax returns more than 3 years. It is unlikely that an agent will review taxes with only 1 year left to review and possibly even 2. He recalled running out of time on an audit, and the supervisor wrote "Oh snap, statute expired" on his findings. All that work investigating, and the clock ran out.

Another great presentation was on Social Security by Keri Mathie. We know how hard farmers avoid social security (SS) taxes, but it's more than just retirement. Disability and survivor benefits are also reasons to pay social security taxes. I didn't realize that the Social Security Administration looks at 35 years of employment, not just a high five or high 10 years. You need 40 credits to qualify for social security and one credit is one calendar quarter, so 10 years of employment will qualify you.

Her presentation made me rethink my discussions with younger farmers who see retirement in the distance. A beginning farmer, newly married, growing

*("HIGHLIGHTS", continued on page 6)*

(“HIGHLIGHTS”, continued from page 5)

family, needs to pay social security for disability and survivor benefits if something happens. To better understand social security, I went to [ssa.gov](https://ssa.gov) and logged into my own account. If you are struggling with a farm and their reluctance to pay taxes, help them log on, download their statement, and show them their family's benefits if something happened today.

Social Security statements also clearly indicate what can be collected at each retirement age. Benefits will likely be reduced if a farmer begins collecting before full retirement age and continues to earn income. The limit for earnings is \$21,240 today and anything above that will reduce benefits \$1 for every \$2. I had high hopes for the session titled “Tax Planning in High Income Years” and was hoping for magical

solutions, but of course there are no simple solutions. Deferring income and prepaying expenses will eventually catch up to farmers and some examples were shared. One 6000-acre farm lost 2000 acres of rented ground in December, could no longer prepay on those acres, and taxes went from a six-year average of \$8,676 to \$203,000, a nightmare for the farmer and tax planner. We can't make farmers pay taxes, but we can make them aware of their deferred taxes.

Thank you, conference planners, for the educational sessions and fun location. My flights were on time, and it was my first trip to Michigan, so I didn't share some of the logistical nightmares that others had. I hope to see many of you in La Crosse next summer.

EDITOR'S NOTE: Joe Yaros' and Keri Mathies' handouts are available to view in the [2023 NFBM Conference Notebook](#).

## 2024 NFBM Conference

By Deb Pike, NFRBMEA Communications Director



If you were unable to attend this year's National Farm Business Management Conference in Michigan, we hope you will make plans to attend next year in La Crosse, Wisconsin.

Our Conference Planner Lynn Hoffmann has already been hard at work making arrangements for the meeting venue and

nearby lodging. He is also identifying agenda topics and speakers for next year's event, with the goal of having a tentative agenda available to our members by mid-November.



Lynn Hoffmann (MN)

Coincidentally, the conference will mark the tail-end of fifty years since the start of the National Farm and Ranch Business Management Education Association.

A basic informational website has been created for the 2024 NFBM Conference, scheduled for June 10-13, 2024 in La Crosse, Wisconsin:

[www.nfbm-conference.org/2024/index.html](http://www.nfbm-conference.org/2024/index.html).

## 2023 Distinguished Service Award

By Tina LeBrun, NFRBMEA Past President

During our Annual Business Meeting held at NFBM Conference in June, former Executive Board member Pauline Van Nurden was recognized with this year's NFRBMEA Distinguished Service Award.



President Tina LeBrun (L) presented Pauline Van Nurden with the Distinguished Service Award

Not only did Pauline spearhead the 2020 Conference when we were forced to go to a virtual delivery due to COVID, she also stepped up and served two years consecutively as President of NFRBMEA.

Her loyalty to our organization over the years and willingness to go above and beyond as a board member most certainly deserves this recognition. We appreciate all of the time Pauline has served for the greater good of NFRBMEA. Thank you, Pauline!

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Questions or comments? E-mail us at [comments@nfrbmea.org](mailto:comments@nfrbmea.org)

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