

Agricultural Business Management

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V(A). Planned Program (Summary)

1. Name of the Planned Program

Agricultural Business Management

V(B). Program Knowledge Area(s)

1. Program Knowledge Areas and Percentage

KA Code	Knowledge Area	%1862 Extension	%1890 Extension	%1862 Research	%1890 Research
601	Economics of Agricultural Production and Farm Management	10%		20%	
602	Business Management, Finance, and Taxation	40%		20%	
603	Market Economics	10%		30%	
604	Marketing and Distribution Practices	40%		20%	
610	Domestic Policy Analysis	0%		10%	
Total		100%		100%	

V(C). Planned Program (Inputs)

1. Actual amount of professional FTE/SYs expended this Program

Year: 2007	Extension		Research	
	1862	1890	1862	1890
Plan	8.9	0.0	16.3	0.0
Actual	8.6	0.0	27.6	0.0

2. Actual dollars expended in this Program (includes Carryover Funds from previous years)

Extension		Research	
Smith-Lever 3b & 3c 170698	1890 Extension	Hatch 984476	Evans-Allen 0
1862 Matching 303150	1890 Matching 0	1862 Matching 2143885	1890 Matching 0
1862 All Other 113462	1890 All Other 0	1862 All Other 2634354	1890 All Other 0

V(D). Planned Program (Activity)

1. Brief description of the Activity

In 2007, Agricultural Business Management programs provided relevant and current information to farm proprietors, helping them sort through options to enhance profits and reduce risk in volatile markets. Using research-based software developed by the Department of Applied Economics, the program provided educational event events, consultations and media resources informing agriculture business management issues. Current topics of great concern to the industry were addressed, including farmland rental rates, farmland values and rental contracts, and whether to invest in growing crops whose profits are currently high. With retirees leaving the business in a time of high land prices, smart farm transfers were on the minds of the agricultural industry this year.

Software in the FINPack program needed to be changed to incorporate new business realities.

2. Brief description of the target audience

Acting on survey and anecdotal data, ABM programs this year continued to direct its educational content to key those who disseminate information, including:

- Minnesota's farmers
- Farm business management associations
- Agricultural leaders
- Other agricultural professionals (e.g., crop consultants)
- Farm business management educators
- State and federal policy makers

V(E). Planned Program (Outputs)

1. Standard output measures

Target for the number of persons (contacts) reached through direct and indirect contact methods

	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
Year	Target	Target	Target	Target
Plan	8100	4000	0	0
2007	9481	7641	0	0

2. Number of Patent Applications Submitted (Standard Research Output)

Patent Applications Submitted

Year	Target
Plan:	1
2007:	0

Patents listed

3. Publications (Standard General Output Measure)

Number of Peer Reviewed Publications

	Extension	Research	Total
Plan			
2007	2	50	52

V(F). State Defined Outputs

Output Target

Output #1

Output Measure

Educational events will deliver agricultural business management content. (Target expressed as the number of events.)

Year	Target	Actual
2007	210	203

Output #2

Output Measure

Consultations will deliver tailored content to business planning. (Target described as numbers of consultations.)

Year	Target	Actual
2007	130	150

Output #3

Output Measure

Media and publications will provide timely information about current events in agricultural business management. (Target expressed as number of articles or releases disseminated.)

Year	Target	Actual
2007	105	22

V(G). State Defined Outcomes

O No.	Outcome Name
1	Participants will shift business practices based on information in Agricultural Business Management programs. (Target expressed as a percentage of those reporting change.)
2	Winning the Game program participants will increase farm profits with the information that is provided. (Target expressed as millions of dollars of financial impact from the program.)
3	Transfer of farm estates will be done using research-based estate planning. (Target expressed in millions of dollars of estates affected.)
4	FINBIN online database will be enhanced to allow dynamic queries for benchmarking and comparisons of different production systems.

Outcome #1

1. Outcome Measures

Not reporting on this Outcome for this Annual Report

2. Associated Institution Types

3a. Outcome Type:

3b. Quantitative Outcome

Year	Quantitative Target	Actual
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3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

What has been done

Results

4. Associated Knowledge Areas

KA Code	Knowledge Area
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V(H). Planned Program (External Factors)

External factors which affected outcomes

Economy

Public Policy changes

Populations changes (immigration,new cultural groupings,etc.)

Brief Explanation

In 2007, information needed to be disseminated to victims of drought.Spiraling prices required program adaptations,and generated increased demand for education.Farmers were confused on how to deal with business decisions in a changing climate of land values, rental exchanges and high income crops.Presentations changed to address economic forces. Stakeholders have expressed that the importance of the Agricultural Business Management is growing as a result of farm transfers.

V(I). Planned Program (Evaluation Studies and Data Collection)

1. Evaluation Studies Planned

After Only (post program)

Evaluation Results

Winning the Game program participants were asked to rate the quality and usefulness of the post-harvest marketing program. A total of 87.7% of participants rated the program good or excellent. Utilizing the post-harvest information from the program, farmers can garner an additional \$0.25 per bushel of corn sold, \$0.55 per bushel of soybeans sold, and \$0.25 per bushel of wheat sold. This is based upon 17 years of historical price data.

Following each Farm Transfer and Estate planning workshop, participants were asked to complete an evaluation to indicate their change in understanding of a number of key educational points of the workshop. They were asked to respond using a Likert scale numerical rating system of 1 through 5 (1=strongly disagree to 5 = strongly agree). Results are shown below. (The higher the weighted average score the better the understanding).

I better understand the need for clear goals and communication as part of the transfer process: 4.5

I better understand the strategies available for use in a transfer plan: 4.4

I better understand the importance of assessing the financial strength of the farm business: 4.4

I better understand tax issues related to the farm transfer process: 4.3

I better understand wills, trusts and estate planning strategies: 4.4

I better understand life insurance, power-of-attorney and health care issues as part of the process: 4.3

Key Items of Evaluation

The economic impact of the Winning the Program is estimated to be \$1.6 million.

The economic impact of the Farm Transfer and Estate Planning is approximately \$440.2 million.