



NUTS & BOLTS

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2006 Omaha Adventure

There is an adventure waiting for us in Omaha. Starting on Monday, June 5, we will be in uncharted waters as we go into our first joint conference with our new and trusted friends of the National Association of Farm Business Analysis Specialists. (NAFBAS)

Everyone should have received a business-letter sized envelope with conference registration information. If you have not received such an envelope, all the registration information you need is on our web site at www.nfrbmea.org. If you have any questions or problems, please contact Jim Kelm, NFRBMEA conference planner at riverlnd@pressenter.com.

Although this is the first conference held jointly with NAFBAS, we should be confident that this is going to work out just fine. Conference planners from both organizations are working hard to make sure this conference will be the best. From our opening mixer to the closing business meeting, we will have the strength of our two organizations working together to make it a great conference. We are anticipating a synergistic push that comes from working with a like-minded bunch of folks.

The NFRBMEA Board of Directors is hoping that many families will attend the conference. A quick look at www.visitomaha.com lists many activities that a family cannot fit into four days even if they tried. Omaha is a metropolitan area with a population over 700,000, so they have something going on all the time. (Keep in mind that a trip to the famous Omaha Zoo is already in the cards for all of us on Wednesday.)

How about the following events to keep a family busy?

There is a dinosaur exhibit at a nearby museum that kids will love. You might enjoy a live performance of "Auntie Mame" at a downtown theater. Baseball fan or not, you would enjoy a trip to Boys Town where you

can see huge collections of baseball cards and baseball memorabilia.

If you like museums, the Durham Western Heritage Museum has "Engineer It!" a railroad history museum affiliated with the Smithsonian. It also has numerous traveling exhibits. At the same time, it is displaying "Tools of the Ancients" which is about how engineers of ancient times made things work as well as they did.

Our hotel is within walking distance of the riverfront (the Missouri River runs through Omaha) and the Old Market section of town. The Old Market definitely has something for everyone. They call it "Old Market" and you can get that feeling that you are in an old part of town, but there is plenty there that is new and on the cutting edge. This is the place to shop for something trendy. Besides that, you can dine on something new with every meal.

We will be looking for you and your family in Omaha on June 5 – 8. It will be an adventure you do not want to miss.

Conference Dates to Remember:

- ▲ **Friday, May 19:** Deadline for special Conference Room rate
- ▲ **Monday, June 5:** Registration begins at 1. Mixer begins at 6.
- ▲ **Thursday, June 8:** Conference ends at noon.



From Wooster to Omaha

A message from Tim Holtquist, NFRBMEA President

The past year has been full of challenges and opportunities. It's amazing that the people I threatened with bodily harm when I became president are still alive. Planning for this year's conference has taken up more of the board's time than in the past. I was proud to be a member of this hard working board. It was not easy but I think you will see that our efforts for a meaningful and successful conference in Omaha will exceed expectations. The melding of National Farm and Ranch with NAFBAS with regard to our national conferences is proving to be beneficial to both organizations. We can look forward to a stronger conference each year as we work together to bring you the best agriculture information available. Together we are 400 Ag educators and specialists working with 40,000 farm families across the nation. Although the conference format has changed with the merger, we will continue to use the expertise of the membership. I would like to recognize Jim Kelm and Doug Wertish for going beyond what most would do, and doing it with a smile. Jim gave up time that he could have spent on the golf course, and based on his game, he sorely needed it.



Rich Baumann has been our representative to the National Ag Ed council. This is a very important council for us to be a part of and Rich has given us the much-needed exposure.

Dr. Clark Hanson, retired Ag Ed professor at SDSU, will be the director of the National Institute. His long-standing work in the field of agriculture will be a great asset to our organization. Clark will update us June 6th in Omaha, on what has happened this last year with the National Institute, along with plans of where he thinks it's heading. For those of you who have not met him, I would encourage you to stop by and do so.

The funding for rural mental health was successful in Minnesota. We are very pleased to announce that the program has been base line funded by the Minnesota

legislature. It is our goal to have this type of program throughout the country at some point in the future. Anyone in need of services is encouraged to contact Ted Matthews, and if out of Minnesota he can direct you to possible avenues for help.

Pat Harrington invited everyone across the country to help celebrate his 25th year in farm business management. Pat, being Irish, let the beer flow. Being Irish doesn't necessarily mean you live for the next pub crawl, but in Pat's case, I think it fits. The sad thing is that, after waking up, he said, "When's the party?"

Maybe one of you could tell him it is over. I just don't have the heart to do it...

Our Internet resource library continues to develop and I see a much greater need for such a library in the future. Our Resources Committee is working toward that end, and as time goes on we will update you on the progress. Deb Pike is working with the Resources Committee on this and you will be able to find it on our web site soon.

I have enjoyed my time as president and leave with the knowledge that Jay Olson will do all he can to further enhance our organization. If I offended Jim or Pat in any way I would just like to say I am sorry. It is the truth, but I am sorry. My wife, Queen Becky, would like to wish Princess Vangie the best of luck as she rises to the throne in June. A Queen's Tea will be held in Omaha during the Past Presidents' meeting on Monday. Any past presidents' wives, (queens) are invited.

THANK YOU FOR A GREAT YEAR!!!!!!!!!!!!

Tim Holtquist

A Farm Management Minute: Do I really need a business plan?

By Greg Dvergsten, FBM Instructor, North Central Technical College, Thief River Falls, MN

There is increasing pressure in agriculture to develop business plans for farm businesses. In commercial lending, small business owners have often been required to prepare business plans to provide direction and to help secure financing. Some of these plans are short and basic while others can be lengthy and comprehensive. Agricultural lenders, however, have primarily relied on current financial statements and cash flow projections together with collateral valuations when making credit decisions, rather than requiring full-blown business plans. But, can a business plan be useful and beneficial to a farming operation?

Very likely so. To further answer this question we must first define a business plan. A comprehensive business plan includes financial statements and cash flow projections, but does not stop there. It can include information relative to farm description, ownership structure, strategic plans and goals, industry analysis, production and operations systems, marketing plans, risk management plans, personnel issues, estate plans and farm transfer details. Some of these topics may not apply to every farming operation while other topics not listed here might be appropriate to include.

The benefit of such a plan is that it gets you thinking about all phases of the business and helps to ensure that

all people involved are working toward a common mission. If this is so, why haven't more farm business owners developed a business plans?

The biggest barrier is time. The development of such a plan can be a rather lengthy process. Start by simply identifying which areas of your business should be addressed in the plan. Break it down even further and then determine who could best help you assess each of these parts. You may decide that management instructors, extension educators, lenders, accountants, attorneys, or a whole host of other professional and technical people can best help you with the issues at hand.

In addition to providing a good sense of direction for the business owners and operators, the business plan can also be instrumental in acquiring credit. Sometimes an owner may need to develop lender buy-in or support. This may be especially true if you are undergoing business start-up, major expansion, niche markets, organic transition or other unique situations.

The last part of the business plan is the executive summary. As the name implies, it summarizes all the key elements of the plan with timelines and implementation strategies.

A promotional idea

Here is an idea to help you promote your program. You may have already put it to use or heard of something similar.

Have flash drives (memory stick, jump drive, etc.) emblazoned with your program or school logo. You can load each flash drive with information about your program or include PowerPoint presentations or other pertinent information.

These flash drives can be handed out at meetings or used as special promotional items like a door prize. This is a timely and useful handout that would be appreciated by any computer user. It is a bit more expensive than the typical embossed lead pencil, but if you want to make an impression, this is one way to go.



The NFRBMEA newsletter, "NUTS & BOLTS" and our Web site, www.nfrbmea.org, are sponsored, in part, by a grant from the Cenex Harvest States Foundation.

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National Council for Agricultural Education Report

By Richard Baumann, FBM instructor, SCTC, New Ulm, Minnesota
(NFRBMEA sponsored representative to the Council)

The full Council met in Alexandria, VA and Washington, D.C. on Saturday, March 4 to Monday, March 6, 2006.

We discussed the treasurer's report and current financial status of The Council, which is quite strong. A number of initiatives are being funded and an operating reserve is being maintained.



We reviewed and updated the vision and mission statements of The Council. We decided to retain the terminology "school-based agricultural education (SBAE)" in the vision and mission statements and throughout the strategic plan of The Council.

We were updated on the 25X25 Program – an energy challenge to have 25% of U.S. energy from agriculture by 2025. There is interest in developing an educational component for this program to be included as part of high school agricultural programs.

Several Council members reported on a visit in December 2005 to "Project Lead the Way" (PLtW) in New York state. PLtW is an alliance promoting pre-engineering programs in about 1200-1400 schools. It has been quite successful. A task force will be formed to look into using PLtW as an example. The goal is to develop a curriculum framework that promotes growth of current ag ed programs and encourages new ag ed programs.

There is a goal in the ag ed community to have 10,000 quality high school programs in operation by 2015. (Currently there are about 800 programs in the U.S.) The Council is taking a leading role in promoting this goal. Hurdles to reaching this goal include obtaining adequate funding and finding/developing qualified instructors.

We had updates from Jan Bray of ACTE, as well as from Richard LaPointe and Scott Hess of the U.S. Department of Education.

The Council attended sessions of the ACTE National Policy Seminar dealing with advocacy for Career and Technical Education. With other Minnesota ACTE members, I visited the offices of a Minnesota senator and 4 representatives, meeting with their education specialists. We encouraged continued Perkins funding and education funding in general.

During our conference call meeting on April 27th, we decided that the October meeting of the full Council will be held in Minneapolis or St. Paul. This is to give the entire Council a better understanding of farm business management education in Minnesota and the U.S. The dates will be October 5 – 8. NFRBMEA members from Minnesota and nearby states may be asked to take a part in the program. Many details need to be worked out, but we will be prepared to take an active role if the opportunity presents itself.

MEMBERSHIP UPDATE

Our membership for the 2005 – 2006 year ends up at 157 members, 24 associate members and Dr. Persons, our lifetime honorary member.

Every member is needed and we would like your help. Encourage your colleagues to become members again for 2006 – 2007. Dues are \$30. You can get the membership form from the web site at www.nfrbmea.org.

Remember that if you are going to the conference in Omaha, your dues are included in the \$255 registration fee. —*WP*

Do you have a coach?

By Danie Packard, FBM Instructor, North Central Technical College, Thief River Falls, MN

I have heard farm operators say, "I'm so stressed, I just don't have time. How do I accomplish this task?" Farming is a complex business that requires a lot of knowledge in many different areas, and at times, the information may be overwhelming. Who can help sort through to the vital information and then help apply those concepts? Who helps with the hard decisions?

The magazine, *Inc.* had an article that stated that executive officers of large corporations have long relied on coaches. Executives and entrepreneurs may need coaches because they are isolated from other people. "Entrepreneurs start out excited," the article states, "but many in time miss having a boss or at least they miss having a trusted advisor with whom they can brainstorm, set goals, confess their anxieties, and work through day-to-day challenges."

For us to reach our full potential, we may need to find people who can help us in the areas where we need assistance. We need to find people to be our coaches. Coaches are willing to help us make the most of our natural abilities and find ways to eliminate or work around our weaknesses. A good coach will make sure that we meet our commitments, behave like a grownup, but otherwise stay out of our way.

Do you have a coach that you can bounce things off? A good coach knows when to speak and when to listen. For your coach to be helpful to you, he or she needs to understand your business, your goals and objectives, and the way that you think.

The future of ethanol

By Rich Baumann, Southwest Technical College, New Ulm, MN & Ron VanNurden, Riverland Community College, Owatonna, MN

Ethanol production has been a good investment for farmers in Minnesota. There are bright spots and some worrisome ideas lurking on the horizon. Let's take a look at a few of these:

Bright Spots:

1. Many states are mandating the use of ethanol in gasoline.
2. High oil prices increase the value of all fuels, ethanol included.
3. Car manufacturers are increasing vehicles that consume E85 (85% ethanol and 15% gasoline.)

Potential Problems:

1. Some large corporations are getting more interested in ethanol production.
2. Sources other than corn (switchgrass and other biomass) are being developed to produce ethanol.
3. The use of corn for fuel may drive up the price of corn squeezing some of the profit out of ethanol.
4. Alternative fuels such as hydrogen may displace the demand for ethanol.
5. If the demand for ethanol is not met domestically, then ethanol may be imported from countries that can make lots of it cheaply.
6. Natural gas is currently the fuel of choice in the manufacture of ethanol. Natural gas supplies are not unlimited, nor immune from price increases. Coal-fired plants meet resistance.

For today, the short-term future looks pretty good.

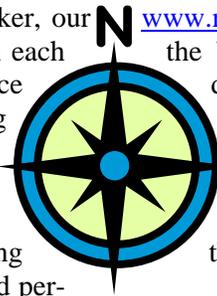
NFRBMEA Leadership

Is it time for you to be a NFRBMEA officer? The terms of John Woodford, our treasurer, and Luke Baker, our secretary, are both expiring this year. Although each of these good workers can run for their office again if they so choose, each of them is willing to step aside for another interested party. Each year we need a new president-elect.

Obligations of a Board member include attending the conference, sitting in on conference calls and per-

forming the duties of their office as listed on www.nfrbmea.org. Click on About Us, scroll down to the bottom and click on Board of Directors, scroll down to the bottom and click on [Job Descriptions](#).

If you are interested in becoming an officer, please contact past-president Ron Dvergsten (ron.dvergsten@northlandcollege.edu) before the conference in Omaha.





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Doing something about the weather?

By Wayne Pike

You know what they say. Everybody talks about the weather, but nobody does anything about it. Nobody does anything about it, but that does not mean that nobody is trying. There are many people out there keeping tabs on what is going on in our world. Satellites and other remote sensors make it possible to keep up on droughts, floods, frost, tsunami, fires, volcanoes, earthquakes and every other kind of weather and climate experienced here on earth.

Evidently, many of those who study these natural phenomena also produce web sites that share this information with the world. Mark Seeley, meteorologist with the University of Minnesota, is well known regionally. Here are a few recommended web sites that will assist any "weather fan" with their hobby. ([A complete list can be found on our Web site.](#))

NOAA National Weather Service Interactive Weather Information: <http://iwin.nws.noaa.gov/iwin/graphicsversion/rbigmain.html>

NASA TRMM satellite program for measuring rainfall: <http://tr.mm.gsfc.nasa.gov/>

National Oceanic and Atmospheric Administration Weather Page: www.noaa.gov/wx.html

National Drought Mitigation Center: maps, assessments, impacts: www.drought.unl.edu/index.htm

Environment Canada Meteorological Services: maps, images: http://weatheroffice.ec.gc.ca/canada_e.html

USGS-Stream Flow Monitoring: <http://water.usgs.gov/waterwatch/index.html>



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Butterfly Effect

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

Have you heard of the Butterfly Effect? It is the idea that the tiny flutter of a butterfly's wings as it bounces gently on the breeze can create enormous changes half-way around the world. It is the principle that very small actions you take now can result in amazing accomplishments in the future. Even more can be achieved if you plan and focus your actions.



Thinking of this I've started a list of very small, simple tasks (farm business related) that if done on a consistent basis could lead to great success. Much more could be added.

Tom's Butterfly List:

1. Spend a few minutes each day keeping the books up to date.
2. Consider each spending decision for a moment. Do I really need this? Will it contribute to my business's goals? Is this the best deal I can make? In other words, justify my actions.
3. Enter payables every day.
4. Record feed usage regularly.
5. Give a small compliment to each employee daily.
6. Think about your business and personal goals once a week.

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An Innovative Program from the University of Tennessee

Editor's Note: (Tara Henderson, a graduate student at the University of Tennessee, contacted us with this information about an online degree program that they are just getting underway. If you would like to know more about it, check out their Web site. We would be interested to know what you think if you should decide to try it out. —**WP**)

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The Department of Agriculture and Natural Resources at the University of Tennessee at Martin is proud to offer a Master of Science degree in Agricultural Operations Management (MSAOM). The foundation of the MSAOM curriculum is based on agricultural systems science (which includes management science and agricultural engineering technology) and agribusiness. The MSAOM degree is offered completely via the Internet with attractive out-of-state tuition rates. Thesis and non-thesis degree plans available. Contact Dr. Timothy N. Burcham at (731) 881-7275 or tburcham@utm.edu.

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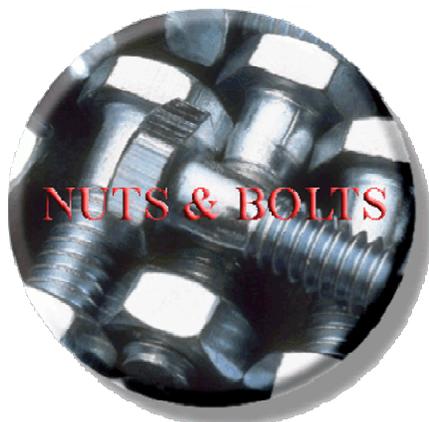
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