



# NUTS & BOLTS

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

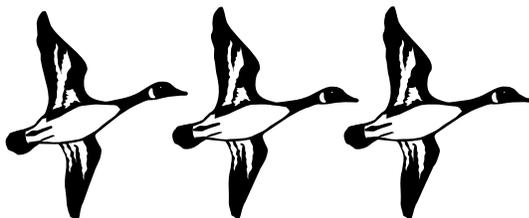
## 2007 National Farm Management Conference "Professionals Influencing Today's Agriculture"

...is the theme of our 2007 National Farm Management Conference in June. As professionals we recognize our dedication to our chosen field and the importance of continuing our own very specialized education. Our NFRBMEA, NAFBAS and North Central Committee Conference planners have followed this theme diligently. They have put together a program to help all of us who attend this conference continue to positively influence today's agriculture and thereby the agriculture of our future.

Our Conference, which will be held June 11—14 in Rochester, MN, has been presented as the largest gathering of farm business management professionals ever held. Our three organizations are gathering to take in a program that ranges from the study of the tiniest particles that make up the essence of life within each cell of our bodies to the earthy realism of the dairy farm and the corn field. Our topics range from steps we can take to reduce global warming to the global impact of doing business. We will learn from each other and from experts who view today's agriculture from a different perspective.

All this is to be absorbed as we enjoy the companionship of our colleagues both old and new. We will socialize, recreate, tell stories and attend a baseball game. It is an event to look forward to.

The Conference planners invite you to call or e-mail with any questions you have. This will be the biggest and best Conference in NFRBMEA history. But then, we always say that. We have always been right. See [www.nfrbmea.org/2007\\_Conference/index.htm](http://www.nfrbmea.org/2007_Conference/index.htm) for all the up-to-date details.



The carillon tower atop the Plummer Building in Rochester. The 56-bell carillon is the most complete carillon in North America. Concerts are performed every Monday at 7 PM, and Wednesdays and Fridays at noon.

## Conference Dates to Remember:

**Monday, May 21**

- **Deadline for Early Bird Conference Registration. Fees increase by \$50 after this date.**
- **Deadline for hotel registration.**

**Monday, June 11**

**Conference begins with registration beginning at 1 PM. Early Bird Workshops start at 2 PM, and Joint Opening Social begins at 6:30 PM.**

## A message from Jay Olson, NFRBMEA President

This has been an exciting year to watch the development of our organization in so many areas. These activities and ventures would not be possible without dedicated volunteers and the support of our membership. It is impossible to list everyone who has made major contributions to NFRBMEA, but I would like to thank our current group of officers.

John Hobert, President Elect, has worked to develop a group of corporate sponsors that will help to ensure the financial viability and success of future conferences.



Tim Holtquist, Past President, has provided guidance for me personally in addition to his work on the National Institute.

Doug Wertish, Treasurer, is keeping track of the finances of the NFRBMEA and our joint conference.

Rick Morgan, Secretary, has been able to accurately record the ramblings of our meetings as well as any needed correspondence.

Wayne Pike, Membership Secretary and Nuts and Bolts Co-Editor, besides his work on our official publications, has spent many hours on planning and other NFRBMEA functions.

Deb Pike, Nuts and Bolts Co-Editor and Webmaster, revamped our website this year. We very much appreciate her dedication in keeping this valuable resource up to date.

Rich Baumann, National Council Representative, has provided us with a voice on the Council to make sure that our organization is represented.

Laurie Morris, Historian, continues to document our activities while providing reflection into our history and a

vision for our future. Laurie also serves as 2008 conference co-chair.

Jim Kelm and Gary Thome, 2007 conference co-chairs, have gone above and beyond their normal service to the organization to bring together NAFBAS and the North Central Farm Management Committee to plan this year's conference.

Pat Harrington, 2008 Conference co-chair, in addition to his work in conference planning, continues to uplift us with his sense of humor and grounding in the past.

Dr. Clark Hanson, National Institute Coordinator, along with Dr. Paul Gunderson, has assisted us in planning an institution to provide pre-service and in-service education for ag professionals.

I would especially like to thank my wife, Vangie, for putting up with me for the past year.

Again, thanks to these people and all the other committee members, sponsors and spouses for taking time to make our organization work. I encourage anyone who might like to become a member of NFRBMEA or would like to become involved as an officer to contact me or any current officer.

I'll see you in Rochester in June, in Fresno next year, and with the help of a great group, who knows where we might be in the future. Take care.

—Jay

### New Member Incentive

Did you notice the "New Member Incentive"? This replaces the First-Timer's Scholarship of prior years. The purpose of the New Member Incentive is to encourage current NFRBMEA members to recruit new members and bring them to the National Conference.

You (as a current member) get \$50 and the new member also gets \$50. Check out the New Member Incentive rules at [www.nfrbmea.org/pdf/07NewMbr\\_Incentv.pdf](http://www.nfrbmea.org/pdf/07NewMbr_Incentv.pdf) which is also accessible through the 2007 Conference website.

## Sustainable Agriculture Research and Education (SARE) Pre-Conference Early Bird Workshop

Jay Olson and the North Dakota instructors have organized this SARE workshop for those arriving early on Monday for the summer conference. Here are a few of the planned activities and there will be much more.

Meg Moynihan with the Agricultural Resources Management & Development Division of the Minnesota Department of Agriculture will explain what Minnesota is doing with organic production.

Ron Dvergsten and Ira Beckman will explain how Fin-pack works with the organic special sorts and enterprises.

A couple of organic producers have also been invited to discuss their operations.

The organic workshop begins at 2 on Monday afternoon. Pre-registration is not required.

## Exchange Of Ideas

North Central's concurrent sessions do not replace the traditional NFRBMEA Exchange of Ideas event.

You may still enter your Exchange of Ideas with John Hobert, president-elect. (See his contact information in this issue of NUTS & BOLTS or visit [www.nfrbmea.org/pdf/07Exch\\_Ideas.pdf](http://www.nfrbmea.org/pdf/07Exch_Ideas.pdf) on the NFRBMEA website for an application form and rules.) This event is limited to five presentations. Each presenter receives a \$100 award after the presentation.

## 2008 Conference Advance Notice

Is it too early to start planning for the 2008 Conference in Fresno? Absolutely not. Our conference planners, Pat Harrington (Arizona) and Laurie Morris (Colorado) have been busy with our NAFBAS co-sponsors. It is going to be an adventurous conference plus an opportunity to be tourists in beautiful California.

Pat and Laurie will have an exhibit for the 2008 Conference at our conference in Rochester. They will be asking for your input as to what you want to see and do while you are in California. Think about it and look for their exhibit area in Rochester.

The dates for the 2008 Conference are Sunday, June 8 through June 12.

## National Institute Update

Your NFRBMEA Board of Directors, with Dr. Clark Hanson in the lead, continues to pursue funding for a National Institute. The National Institute is an effort to provide pre-service and in-service professional development to instructors of farm and ranch business management and other agricultural professionals. This is the brainchild of Dr. Edgar Persons.

NFRBMEA has enlisted and paid for Dr. Hanson's pursuit of the funding necessary to develop a National Institute. The money is needed to pay someone to develop curriculum and deliver content. Dr. Hanson is working with grant writers and others to accomplish this. So far, they have approached several foundations without results. This is not unusual to have grants turned down. Dr. Hanson and members of the NFRBMEA continue to seek out partners in what could be a profession-changing project in our future.



CHS FOUNDATION

The NFRBMEA newsletter, "NUTS & BOLTS" and our web site at [www.nfrbmea.org](http://www.nfrbmea.org) are sponsored, in part, by a grant from the Cenex Harvest States Foundation.

Contact person:  
William J. Nelson  
Director of Cooperative Development  
5500 Cenex Drive  
Inver Grove Heights, MN 55077

## Minnesota FBM Deans Display Their Creativity

The primary leaders of farm management education here in Minnesota are our five deans: Ron Dvergsten, Al Brudellie, Del Lecy, Peter Scheffert and Jim Moleenaar. Aside from their various non-farm management duties at their respective colleges, one of their major responsibilities is to make sense of and communicate the data accumulated through Minnesota's farm analysis records. The state is divided into six regions. The deans generate five summary reports from these six regions.

On top of that, each of the deans flexes his creative muscles and produces a Power Point presentation each spring. This is a presentation that they take on the road to farm management instructors, students and the public. As the sophistication of each audience and the time allowed varies, appropriate slides can be added or subtracted from the presentations.

Although each presentation focuses on the immediate past year, they also tend to serve as a historical record. Different points of interest emerge from year to year highlighting "teachable moments" for each audience. You will notice that each of the presentations is almost a year's curriculum in itself. The deans are generous

with their presentations, allowing instructors to use and manipulate them as they see fit.

These Power Points and all of Minnesota's reports are available on the web. Follow these links: [www.mgt.org](http://www.mgt.org) and then click on Farm Business Management and then click on Reports and then click on Statewide Data. This should bring you to the Power Points referred to here. Al Brudellie is the web master manager for this site, so if you have trouble, e-mail him.



Home page view of [www.mgt.org](http://www.mgt.org).

## The Need to Have Professionals Working For Your Farm

By Greg Kalinoski, Northland College Farm Business Management

Many producers find themselves trying to manage too many tasks and not having the expertise or time to get everything done. With the increasing complexity of today's agriculture, more producers are realizing the value of having professional ag business and financial people assist them with decision making.

The need for business and financial management skills increases proportionally as farms become larger in terms of acres and sales. What can producers do? First, recognize that everyone has strengths and weaknesses. Think of what you can do efficiently as time permits. Then decide what to leave to professionals. Successful operators surround themselves with competent people who can assist with critical decisions. These people in-

clude lenders, crop insurance agents, accountants, attorneys, marketing professionals, farm business management instructors and others.

*Best Management Practices for Today's Successful Farming Operations*, authored by Dr. David Kohl, Professor of Agriculture and Applied Economics (Virginia Tech) listed the assistance of business advisory professionals as a major factor leading to farming success. It's too easy to fall into a rut with day-to-day operations of the farm. That's when having someone assist with the decision-making process and reviewing the farm's business plan can help. This unbiased opinion may be all that is needed to reshape the farming operation to more effectively achieve the producer's goals.

## FBM Livestock Scale

Tom Schulz and Bob Anderson conduct the farm business management program at Central Lakes College in Staples, Minnesota. Their monthly newsletter recently contained information about a portable cattle scale that is owned by their college and is available for use by their students. This is an example of seeing a need and fulfilling it. Here are some questions and answers about how that all worked for them.

### *How is it that your college came to own a scale/chute?*

Back when we used to get a yearly equipment budget from the college, Bill Ladwig, Bob Anderson and I pooled all of our equipment money for one year and invested in a portable chute/scale. Of course, we didn't have enough for the list price but with a cooperative dealer we were able to buy the scale.

### *Why a scale/chute?*

We had noticed that a lot of dairy farms were converting to beef in an area near the college. We were having trouble recruiting these potential students and we were looking for a good reason for them to consider our program. We decided that a scale/chute would definitely help out on most of these operations since livestock handling equipment on dairy farms was usually pretty negligible. We also determined that a scale for weighing the calf crop would improve the management ability on these farms as well. We also worked out an agreement with NDSU to allow us to use their CHAPS program (Cow Calf Assessment) with our producers. We were looking to provide a long term connection between FBM and these farms as we increased their management ability.

### *Who monitors the use of the chute/scale?*

The use of the scale must be scheduled with the secretary at the office. Also, by using one person to schedule the use of the scale, transport of the scale between students can also be coordinated to minimize travel for the students. The students are allowed one day to get the scale, one day to use it and one day to return it. Extra time costs more. We lock up the hitch of the scale to discourage unauthorized use.

We charge a \$500 deposit with only a \$10.00 use charge. The \$500 deposit ensures that the scale comes back to us. The usage charge allows us to keep up with

the necessary repairs to the unit. The money generated from fees will not cover the cost of replacement of the scale.

### *The advantage to students is clear. Does it help you instructors get your jobs done?*

We think our rationale for beef production as outlined above was right on track. However, we soon discovered that dairy farmers could use the scale to discover the livestock growth of their young stock to determine if the animals were gaining at the prescribed rate. This was especially useful for those farmers contracting with others to raise their heifers. We had not foreseen the amount of use the scale would get from this type of use.

### *What is your advice to other instructors who may wish to get involved with something like this?*

Although we have had to modify our policies from time to time to meet changing situations we feel the extra time is worth the effort. Although many non-students have asked, the scale is not rented to anyone other than FBM students. We believe that this is important to cover any liability associated with the use of a scale owned by the college. The deposit on this piece of equipment must be big enough so that the student will trust whomever else they allow to use the scale in the three days they are allowed to have the scale.

## MEMBERSHIP UPDATE

Our 2006-2007 membership numbers wrap up as follows. We had 141 regular members, 23 affiliate members and Dr. Persons, our honorary lifetime member.

We are looking forward to an even bigger number for 2007-2008, so we need your help to recruit your colleagues.

-WP

## I Want to Talk About Ethanol

By Wayne Pike

The ethanol boom has farmers talking and thinking. Should I invest? With whom should I invest? Is it too late to invest in corn-based ethanol production or should I look into cellulosic ethanol or biodiesel?

It is good to have a few facts readily in mind as we deal with these potential investors. I have tried to implant a few of these basics in my mind as general “rules of thumb”. Here are the results of what I have tried to commit to memory.

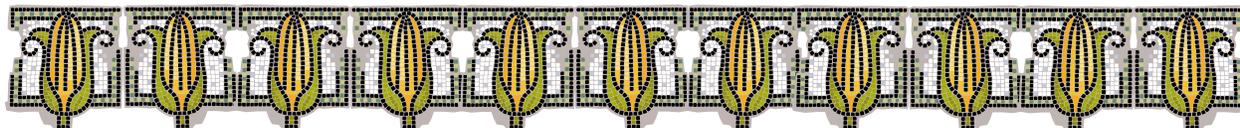
A bushel of corn will produce about 2.75 gallons of ethanol. A gallon of pure ethanol weighs 6.59 pounds per gallon as compared to gasoline at 6.2 pounds per gallon. A bushel of corn (56 pounds) turned into ethanol yields 18 pounds of ethanol, 17 pounds of dried distillers grains and 17 pounds of carbon dioxide.

A gallon of petroleum gasoline contains about 115,000 BTUs of energy. A gallon of pure ethanol contains about 76,000 BTUs. The common 10% ethanol, 90% gasoline mixture contains about 80,000 BTUs. E85, of course, contains 85% ethanol and 15% gasoline and has about 85,000 BTUs per gallon. BTUs do not convert

directly to miles per gallon in a vehicle because ethanol burns differently than gasoline. Energy content varies significantly between winter and summer as refining mixtures change and the fuels expand or contract with the temperatures.

The economics of ethanol production are remarkable. I have found a good web site to track the potential earnings from ethanol plants. These earnings are generally reported as ethanol’s gross margin which is the difference between corn prices plus natural gas price and the price received for a gallon of ethanol. The gross margin is what is left to cover costs other than corn and natural gas. A rule of thumb that I learned several years ago was that ethanol plants could still breakeven with a 55 cent cost of production per gallon (on top of corn cost) if the price of ethanol dropped to \$1.40 per gallon and the price of corn went up to \$3.30 per bushel.

I recommend Iowa State University’s Center for Agricultural and Rural Development’s site at [www.card.iastate.edu/research/bio/tools/proj\\_eth\\_gm.aspx](http://www.card.iastate.edu/research/bio/tools/proj_eth_gm.aspx) for detailed and up to date information on ethanol gross margins and much more.



### Will You Be On the National Council?

Rich Baumann, farm management instructor for South Central College, New Ulm, Minnesota, has been the NFRBMEA representative to the National Agricultural Education Council. His term expires this fall and we are searching for his replacement.



If you are interested in serving NFRBMEA and all of agricultural education in this capacity, you might want to visit with Rich (see his contact information in this *NUTS & BOLTS* or at [www.nfrbmea.org](http://www.nfrbmea.org)). You will apply for the position to the NFRBMEA Board of Directors and, once selected, you are then approved by the National Council Board. This is an opportunity for service and professional development.

For more information on this position, go to [www.nfrbmea.org/pdf/NatCouncilDesc\\_rev0507.pdf](http://www.nfrbmea.org/pdf/NatCouncilDesc_rev0507.pdf).



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## 2006-07 NFRBMEA BOARD OF DIRECTORS

Jay Olson, President  
1801 College Dr. North  
Devils Lake, ND 58301-1598  
(701) 662-1562 (O)  
(701) 662-3375 (H)  
[jm.olson@lrsc.nodak.edu](mailto:jm.olson@lrsc.nodak.edu)

Tim Holtquist, Past President  
48248 146th Street  
Milbank, SD 57252  
(605) 432-4282  
[tholt@tnics.com](mailto:tholt@tnics.com)

John Hobert, President Elect  
31782 67th AV  
Cannon Falls, MN 55905  
(507) 263-4081  
[jhobert@frontiernet.net](mailto:jhobert@frontiernet.net)

Doug Wertish, Treasurer  
1225 SW 3rd ST  
Faribault, MN 55021  
(800) 422-0391 (O)  
(507) 332-5837 (H)  
[doug.wertish@southcentral.edu](mailto:doug.wertish@southcentral.edu)

Rick Morgan, Secretary  
Townsite Center / 810 4th AV South  
Moorhead, MN 56560  
(218) 299-5827 (O)  
(218) 287-2262 (H)  
[rick.morgan@northlandcollege.edu](mailto:rick.morgan@northlandcollege.edu)

**Representative on Nat. Council**  
Rich Baumann  
56676 412th Street  
New Ulm, MN 56073  
(507) 359-1582  
[richard.baumann@southcentral.edu](mailto:richard.baumann@southcentral.edu)

**2007 Conference Co-chairs:**  
Jim Kelm  
491 Hwy 19  
Red Wing, MN 55066  
(651) 388-9676  
[riverlnd@pressenter.com](mailto:riverlnd@pressenter.com)

Gary Thome  
16089 660th AV  
Adams, MN 55909  
(507) 438-2019  
[gary.thome@riverland.edu](mailto:gary.thome@riverland.edu)

**Co-editor & Membership Secretary:**  
Wayne Pike  
6540 65th Street NE  
Rochester, MN 55906-1911  
(507) 252-6928 (H)  
(507) 251-1937 (C)  
[wcpike@myclearwave.net](mailto:wcpike@myclearwave.net)

**Historian:**  
Laurie Morris  
14001 Winview Mile Road  
Deer Trail, CO 80105  
(970) 386-2352  
[Laurie.Morris@morgancce.edu](mailto:Laurie.Morris@morgancce.edu)

**Co-editor & Webmaster:**  
Deb Pike  
6540 65th Street NE  
Rochester, MN 55906-1911  
(507) 252-6928 (H)  
(507) 951-3610 (C)  
[dapike@myclearwave.net](mailto:dapike@myclearwave.net)