



National Farm & Ranch Business Management Education Association, Inc.

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

NUTS & BOLTS

Spring 2018 President's Message by Bruce Fowler, 2017-18 President

March 22, 2018

The box had a symbol on it that seemed to indicate I should wear gloves.

My wife and I live in the house I grew up in. That would tell some people it is an old house, but the reality is the house is actually much older than that. I'm not sure, but I think electricity and indoor plumbing were improvements added to the house after it had been lived in for a while.

The box I referred to earlier contained a range hood, the latest improvement we were working on for our house. We had a range hood, one that actually worked some of the time. We decided we wanted one that worked all the time, which gets us to this point.

Installing that range hood really wasn't that big of a deal, nobody got seriously hurt, and the new hood actually functions now just like it ought to. For me, the big difference is I now know what my breakfast looks like while I am cooking it every morning. I didn't realize just how golden brown the hash browns look as they cook, or how dark they get when I burn them just a little. My new normal in this situation is I think I do a better job cooking my breakfast because I can see it better. I did not realize there could be a difference until there was one.

We all encounter "new normal". Thankfully, it isn't on a daily basis, but change is the only true constant in our lives. Most of the time, the question is not whether or not there will be change, but rather how will we react to it? Will we adapt and look for opportunities to improve our situation, or will we fight and resist??

A while back I had reason to recall my early days as a farm management educator. I remember getting pretty good at using a nine-key calculator with a tape, and wearing out ever-sharp lead pencils entering farm financial data on paper data-entry pages. I also remember mailing those pages to the office in Columbia that I now work out of. I am so glad I do not have to run that calculator now, and also glad I get data digitally now rather than through the mail!

This issue of "Nuts & Bolts" is dedicated to the idea of your new normal, and how to help make change positive for you, your family, and the farmers you work with. I hope you will find the articles useful and encouraging as you work through your "New Normal"!



I also hope you will make plans to attend our National Farm Business Management Conference in Harrisburg, PA June 10-14, 2018. Conference information can be found at www.nfbm-conference.org/2018/. The tentative agenda looks full of interesting speakers and topics, great tours, and bunches of things to see and do while you are there.

Oh, by the way, I didn't wear the gloves. My hand is pretty well healed up now!

We'll see you in Pennsylvania!!

BRUCE

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The New Normal- Are You Lucky?

By David Gillman, FBM Instructor, UBATC, Roosevelt, UT

When thinking about what is the “New Normal”, I thought about how things have changed. In agriculture there have been changes in technology, markets, weather trends, policies, and politics. Some changes come gradual and we can see them coming. Others come fast and unexpected. Sometimes when changes come that we don’t expect, we may just call them luck.

One of my favorite books about business management is *“Great by Choice”* by Jim Collins and Morten T. Hansen. I feel the subtitle of the book, *“Uncertainty, Chaos, and Luck- Why Some Thrive Despite Them All”*, describes what we deal with in agriculture. There are several ideas in this book that can be helpful to someone managing a farm as they deal with rapid changes. My favorite chapter in the book is titled *“Return on Luck”*, where the authors analyzed whether the top companies in their study were successful just because they had more good luck. This led them to an analysis of what is luck and how much of it did the companies have. They defined a luck event as one that meets three tests: (1) some significant aspect of the event occurs largely or entirely independent of the actions of the key actors in the enterprise, (2) the event has potentially significant consequence (good or bad), and (3) the event has some element of unpredictability.

First they found that Luck happens a lot, both good luck and bad luck. Also the data showed that all companies in their study had basically the same amount of good luck and bad luck. So if all of the companies in the study had the same amount of good luck and bad luck, what was the difference? It was what they did with their luck. Collins and Hansen developed the idea of Return on Luck (ROL). They identified four possible ROL scenarios: (1) Great return on good luck, (2) Poor return on good luck, (3) Great return on bad luck, and (4) Poor return on bad luck.

To get a great return on good luck you need to recognize the opportunity when it presents itself and take actions to get a good return. With a poor return on good luck you may recognize the opportunity but fail to take the necessary actions, or you may fail to even recognize the opportunity when it is there.

Getting a great return on bad luck can be a defining moment for the enterprise. It may require drawing on reserves that have been built up in the past. It requires analysis of the event and the courage to make changes. The authors quoted Nietzsche, who wrote, “What does not kill me makes me stronger”. A poor return on bad luck can make it difficult to survive. It may require the decision to end the enterprise.

Getting a great ROL mainly depends on how you respond to events when they happen. A farmer needs to manage in a way that they can analyze events when they happen and be able to adjust to changes. Next time you hear yourself or someone else say that an event is good luck or bad luck, think: *“how can I get a great return on that luck?”*

I recommend the book *“Great by Choice”*. I enjoyed Jim Collins’ enthusiastic reading on the audio book.

Here by the River, Life is Good

By Lori Tonak, FBM Instructor, Mitchell, SD

Life has changed here as 2017 unfolded. I was getting more calls from farmers/ranchers that were struggling financially and more bankers calling to see if I could take on more students. Farmers showed more signs of stress with every visit and that added to more sleepless nights in my world. More and more I was reminded of my first years of teaching in the 80’s, when I helped the parents of my secondary students write resumes to seek off-farm employment. Those memories pressed me to work harder to try to “save” the people in my program.

My daughter, who always helped me stop and smell the roses, no longer resides at home and has a significant other in her life which lead to less time with mom. Without her to stabilize my work ethic, I found myself working all hours of the day and night. Many of you may have been in this situation! After one more sleepless night, I decided I needed to do something to turn this around, but what?



I came across my answer one day as I was driving the Missouri River hills. Prayer! It may not solve the problem of the students I worked with, but it helped to relieve my anxiety about their situation. And with the miles and hours I spend in the car, I have lots of time for prayer! Now my days are filled with prayer, and singing loudly to whatever song is playing on the radio, which has helped with many things in my life. I still work too many hours most days— according to my friends— but I now can put my files away at the end of the day and sleep through the night.

As I finished up the closeouts for 2017, I found many of the farms/ranches I work with ended the year in a much better position than we anticipated. That does not mean they are out of the woods as far as financial stability, but have made progress in the right direction. Maybe an answer to the many prayers!

Importance of Building Character as a Beginning Farmer Today

by Tina LeBrun, FBM Instructor, Southcentral College

Recently, I was lucky enough to participate in a few events that centered on beginning farmers. One, on a personal level involved my good friend who married a young farmer (trust me, I warned her till I was blue in the face), and another was an agricultural educational event for all farm producers, that provided a reception afterwards which enticed many area beginning farmers to convene. Both events very different environments and settings, yet similar company. Each time I found myself reflecting on mirrored conclusions. It was one of those moments I realized my blinders have been on. My realization to reality of what's occurring in today's farm environment was clouded by our day to day work load and very own struggles of being a beginning farm. Daily farm operations often cloud big picture epiphanies if you don't get the heck off the farm on occasion! One question kept resurfacing in my head as I replayed all of the recent events. Have you ever consider all the ways you could improve yourself? Or better yet, have you considered all the ways your character could be holding back the success of your farm operation?

[Read Tina's full blog post here ...](#)

2018 Farm and Ranch Income Tax/Estate and Business Planning Seminar/Webinar

by Bob Rhea, NAFBAS Exec. Director

This seminar has been planned as a connector to our National Farm Business Management Conference in June 2018. The dates are Thursday and Friday before our NAFBAS/NFRBMEA event begins on Sunday in the same general location, Harrisburg, PA. For those seeking CPE and more in depth tax presentations, this Tax/Estate and Business Planning seminar/webinar (live simulcast over the web) may be valuable. Then spend the next few days learning more about Pennsylvania and current agriculture issues with a focus on farm analysis and economics at the National Farm Business Management Conference at the Hilton in Harrisburg.

To encourage NAFBAS & NFRBMEA members to take advantage of the seminar in Shippensburg on June 7-8, they are offering a group discount to us. If 50 register for the two-day conference, they will offer a registration fee of \$325 for both days or \$220 for any one day. They would like each state to provide a spreadsheet of all required information for their particular attendees along with a check. This will be on a first-come, first-served, space-available basis. Once on-site seating is filled, registrants will still be able to attend the conference online. Please see the flyer in this issue of NUTS & BOLTS for more information.

Success and Impacts of Farm/Ranch Business Management Education in Central Utah

by Jay Olsen & Kendra Sagers, Agriculture/FBM Program, Snow College

Farm/Ranch Business Management (FBM) education has been available in the Snow College service area of Central Utah since 1989. Snow College has three FBM instructors, each splitting their time between teaching college agriculture classes and FBM. Since 1989 almost 500 Central Utah farm/ranch families have participated in the FBM program.

Agriculture training programs delivered to farmers and ranchers are many and varied in their purpose, delivery method, length of training, and measurable impact. Empirical evidence suggests that there is value to the FBM model of agriculture education, that uses, confidential and regular face-to-face teaching visits in the farmer's/rancher's home or business office.

Over the past eight years Snow's FBM program has been awarded consecutive grants from USDA Extension Risk Management Education (ERME) and USDA Benchmarking. In response to a desire of Snow's FBM faculty to quantify the value of FBM from the perspective of the participating farmers and ranchers and to show a benefit Return on Investment (ROI) to grant funds, a ten question survey was mailed or emailed to 32 enrolled producers. The major purpose for the survey was to evaluate each producer's implementation of business skills taught and the possible economic benefit and impact on their individual farm or ranch businesses. [Read full article here ...](#)

Membership Update

by Deb Pike, NFRBMEA Communications Director

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

| | 2017-18 | 2016-17 |
|-----------|---------|---------|
| Regular | 64 | 83 |
| Affiliate | 6 | 9 |
| Honorary | 1 | 1 |
| Total | 71 | 93 |

To UNSUBSCRIBE, [click here](#).

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

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February 16, 2018

2018 Farm and Ranch Income Tax/Estate and Business Planning Seminar/Webinar

Washburn University School of Law presents the two-day seminar "Farm and Ranch Income Tax/Estate and Business Planning Seminar" on Thursday, June 7 and Friday, June 8, 2018 at **Shippensburg University in Shippensburg, Pennsylvania**. This program is appropriate for agribusiness professionals, attorneys, certified public accountants, enrolled agents, and tax practitioners

This program may be attended either in person or online.

In-person attendance is limited to 100 individuals. (see "Information for Online Attendees" in the sidebar).

Cost

Registration Fee:

Paid Through Thursday, May 24, 2018

- » \$405 both full days
- » \$275 Thursday only
- » \$275 Friday only

Paid After May 24, 2018

- » \$455 both full days
- » \$300 Thursday only
- » \$300 Friday only

[See registration form.](#)

See [Washburn W-9](#) (taxpayer ID)

Program fee includes **materials in electronic form.**

Schedule and More Information

Visit our [website](#) to learn more and see the full schedule.

[Register for this Event](#)

Date / Location

Thursday, June 7, 2018

Friday, June 8, 2018

Location (in-person attendees):

Shippensburg University

[Conference Center](#)

(49 on the [campus map](#) (272 KB PDF))

500 Newburg Road

Shippensburg, Pennsylvania

[Get Directions and Maps](#)

Free parking is available next to the conference center.

Information for Online Attendees

This CLE will be streamed using Adobe Connect, a Flash-based product. Some institutions/agencies block Flash-based products on their network.

Registration Deadline:

Registrations will be accepted until all seats are full.

Attendees must pay the registration fee prior to start of the program.

Presenters



[Roger A. McEowen](#), Kansas Farm Bureau Professor of Agricultural Law and Taxation, Washburn University School of Law



[Paul Neiffer](#), CPA, Agribusiness Group, CliftonLarsonAllen

There is no charge to use Adobe Connect. [Return to this page](#) on the day(s) of the CLE and click the link that appears on the page; the link will also sent to online attendees via email.

Online attendance at this program falls under the Kansas Continuing Legal Education Commission's Nontraditional Programming Limitation. Nontraditional programming is limited to a *maximum of 6 hours of credit per compliance period.*

See [Rule 806 \(I\)](#) at the [Kansas CLE Commission website](#) for more information.



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