



National Farm & Ranch Business Management Education Association, Inc.
 ... Teachers delivering knowledge that works to North America's Farm and Ranch Families

NUTS & BOLTS

President's Message

By Myron Oftedal, 2021-22 NFRBMEA President

October 15, 2021

Myron's Ramblings

This is the title that I use on my monthly newsletter to my farms. As FBM instructors, we sometimes just ramble along; we are approaching the time of the year when we must be focused. Focused on our time, our work, our families. Do what you can now to get your farms prepared for year-end tax estimates, and the upcoming Analysis season. Be efficient with your time, and don't neglect your family during this busy time.

NFRBMEA is also needing to be focused on our mission and our members needs. The Board is working on a survey to help determine those needs— you should expect to see the survey fairly soon. Please complete the survey so that the Board can plan future activities and make efforts to meet members' needs. We are hoping to reach new members also, so I would encourage you to share the NFRBMEA message with your co-workers.

Since we are focusing on the future, be sure to put June 14-16, 2022 on your calendars. These are the dates for the [2022 National Farm Management Conference](#) which will be held in Fort Collins, Colorado. I hope that you will join us next summer in Colorado. The planning committee is working on a very good agenda, and the networking opportunities will be endless. We are focused on providing a good educational as well as the hallway discussions that everyone finds helpful. As we saw this last summer, it is important for us to meet old friends and make new ones, but we don't get the same social interaction on a Zoom meeting. As it says in the Ag Educator Creed, *"I will endeavor to develop professionally through study, travel and exploration."*

Something that I have begun working on at my college is to start a social media page and to use it for

education, outreach and recruitment. I am wondering which type of social media would serve us best. If you have some kind of social media outlet that you use which has been well received and successful, please share that information with me. Maybe we can take the same idea and use for our membership. Which social media do you use? Which social media do your farms use? How can we best share our information with the farming community and others? Can we, as



Photo: Deb Pike

NFRBMEA members, help share the Agriculture story with the rest of the population?

From what I have heard at other conferences, the general public has a high trust in farmers now and wants to have the connection with where their food comes from. Let's share the facts of Ag production with others, give them the facts and explain the production practices that farms use. Tell our story of what farming is, the good, the heartbreaks, the mud, the dry weather. Let them know what we go through in a year. Let's do the same thing with NFRBMEA, tell the good, the heartbreaks, the ups and downs of our jobs. NFRBMEA can be part of your support system, it is just a membership away!



Farm Financial Standards Council 2021 Update

By Pauline Van Nurden, NFRBMEA Past President

The Farm Financial Standards Council recently held their annual meeting. At that time several updates were approved for the *Financial Guidelines for Agriculture*. These will be officially released in the 2022 version of the *Guidelines*. Here we highlight the changes related to FFSC recommended ratios.

Financial Ratio Updates

An ongoing sub-committee has been reviewing the financial criteria and measures (aka the ratios) recommended by FFSC. This has been a thorough review, over the past two years, and initially included a feedback survey of farmers and other farm financial professionals. As a result of this work, the Farm Financial Standards Council has adopted the following 13 financial criteria and measures as their **recommended ratios**.

13 Recommended Ratios

Liquidity

1. Current Ratio
2. Working Capital as % of Gross Revenues

Solvency

3. Debt to Asset Ratio

Profitability

4. Rate of Return on Assets
5. Rate of Return on Equity
6. Operating Profit Margin Ratio
7. Asset Turnover Ratio

Repayment and Replacement Capacity

8. Debt Coverage Ratio
9. Replacement Coverage Ratio

Financial Efficiency

8. Operating Expense Ratio
9. Depreciation/Amortization Expense Ratio
10. Interest Expense Ratio
11. Income from Operation Ratio

So, what changed?

Previously there were 21 recommended financial criteria and measures. Many of these were numbers, coming directly from a financial statement, are calculated in a related schedule, or defined in the glossary. It was determined to only recommend financial ratios going forward, realizing the other numbers are found elsewhere. (These previously recommended “numbers” include net farm income,

EBITDA, capital debt repayment capacity, capital debt repayment margin, and replacement margin.)

New Addition – Debt Coverage Ratio

As you see on the above list, there is one new ratio being adopted, Debt Coverage Ratio. Debt coverage ratio includes all interest expense in the calculation, not just interest on term debt. Feedback from many indicated it can be difficult to separate current interest expense from term interest expense. Hence, the additional ratio.

As you can see above, Term Debt and Finance Lease Coverage Ratio is no longer on the list of recommended ratios. This has not been removed by FFSC, but instead has been moved to be included as an alternative ratio.

Alternative Financial Ratios

In addition to Term Debt and Finance Lease Coverage Ratio, there are several other alternative financial ratios offered. These alternatives are considered acceptable ratios for financial analysis use and provide users flexibility. The **alternative financial ratios** include:

Liquidity

1. Working Capital as % of Operating Expense

Solvency

2. Equity to Asset Ratio
3. Debt to Equity Ratio

Repayment and Replacement Capacity

4. Term Debt and Finance Lease Coverage Ratio

The alternative measures include ratios previously utilized in the *Guidelines*. It was determined with this update to recommend only one solvency ratio and include the other two as alternatives, since they are redundant versions. And, working capital as a % of operating expenses is also an acceptable alternate liquidity measure.

NFRBMEA's Involvement

Pauline Van Nurden is a member of the Farm Financial Standards Council. She is a Technical Committee member and also an Elected Director of the organization.

Additionally, she was the leader of the recent ratios sub-committee. All interested individuals are welcome and encouraged to join FFSC. Learn more at <https://ffsc.org/join-the-ffsc/>.

NFBM Conference Planning Is Underway!

By Deb Pike, NFRBMEA Communications Director

Planning for the 2022 National Farm Business Management Conference has begun! As the North Central Farm Management Extension Committee will be joining as they gather for their triennial conference, the Conference Planning Committee will be led by Curtis Mahnken, Center for Farm Financial Management (CFFM). This committee held their first meeting via Zoom at the end of September.



The NFRBMEA and NAFBAS Boards held their annual Joint Fall Board Meeting earlier this week. Curtis also attended this meeting, sharing a rough sketch of the conference agenda.

Mark your calendars! This informative conference is slated to be held in Ft. Collins, CO June 13-16, 2022.

A preliminary website for this event can be found at www.nfbm-conference.org/2022/. Please check the site for new information as it becomes available. Reminders or other information will also be posted to Facebook and Twitter to help keep you in the loop.

Farewell, Buckeye Buddy

By Deb Pike



Tom Ackerman (L) & Wayne Pike
2012 Conference, Bloomington MN

I'm sad to report the passing of Tom Ackerman. Tom, an instructor from Wilmington, OH, was an NFRBMEA member for over 20 years.

Wayne and I first met Tom at the 2005 Conference in Wooster, OH. Since then, we looked forward to seeing and catching up with him every year, as well as occasionally connecting via Facebook and email; he usually signed his emails "Your Buckeye Buddy, Tom".

Tom was a cheerful, gentle guy who always enjoyed networking and seeing the variety of ag at conferences. He will be missed! [Tom's Obituary](#)

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evaluating the need and openness for a discussion on this?

The energy and enthusiasm for Ag Education at The Council meetings is amazing. I am thankful for the opportunity to be able to sit at the table and discuss Ag Education with the leaders of all the organizations. I will do my best to represent Farm and Ranch Business Management and the NFRBMEA and report back to the members what The Council is working on. Please feel free to reach out to me with questions or ideas that The Council can work on for the NFRBMEA.

I would like to thank Lori Tonak for her years of service to The Council. We should all appreciate the voice she gave NFRBMEA to this organization.

Welcome, New Members!

By Deb Pike, NFRBMEA Communications Director

Dues are coming in, following the membership letter that went out in September. Thank you for your renewed membership and continued support of NFRBMEA.

If you did not receive a letter, you can still join or renew your membership with NFRBMEA by completing the membership form found on our website at www.nfrbmea.org/application.htm.

Currently, our membership numbers are as follows:

	2021-22	2020-21
Regular	60	57
Affiliate	7	10
TOTALS	67	67

On behalf of NFRBMEA, I would like to welcome five new members:

Ryan Bruderie, South Central College (MN)
Kyle Huneke, Riverland Community College (MN)
Traci Nelson, Riverland Community College (MN)
Morgan Steele, Dakota College (ND)
Erin Yost, Mitchell Technical College (SD)



National Council for Ag Education Report

By Deron Erickson, NFRBMEA Rep on the National Council for Agriculture Education

The National Council for Ag Education is a collection of leaders of the various groups involved in Ag Education. Members include leaders of NAAE (National Association of Ag Educators) FFA, FFA Foundation, NASAE, ACTE, AAAE, and NFRBMEA, among others. The purpose of the National Council is to connect leaders of the various organizations, foster collaboration between those organizations, and drive action that is needed. The Council has evolved into a “think tank” to lead the future of ag education. We do this by identifying opportunities and resources for future development and then vet these in a forum of thought and direction. The Council focuses these ideas on how they will help all students achieve academic and career success.

I have succeeded Lori Tonak (SD) as the NFRBMEA member on the Council. I recently returned from my first Council meeting, and I was surprised on the cooperation of all of the diverse groups involved in the council. In this time of division, it was great to be reminded how a spirit of cooperation between all entities with a common goal can work. The collaboration between the groups for the common goal of student success in Ag Education was readily apparent. The council exists to look for bringing together groups to work on ideas and then turning them over to the organization that most likely would utilize and make the idea happen.

A great example is the CASE curriculum currently being administered by NAAE. The curriculum as I understand it was an idea that originated with The Council. The council gave the CASE curriculum thought and direction, some funding and then gave it to NAAE. NAAE then picked up the torch and is implementing a very effective and practical curriculum tool that High School Ag Teachers are utilizing to further academic success for their students.

The strategic priorities for The Council are currently:

1. Recruiting, retaining, and supporting agricultural educators.

2. Including all people and leveraging diverse approaches.
3. Engaging and transitioning students to be leaders and advocates in AFNR and related industries.
4. Developing collaborations within and beyond our Ag Education communities.

You may look at the priorities list and wonder how does this fit with NFRBMEA? I wondered that sitting in the meetings. No doubt that the focus is on High School Ag Education. However, the recruiting and retaining of Farm Business Management Instructors is an issue that we face. We also know that including all people and operations is a current issue. In Minnesota there is funding for a Farm Management position in the Metro area that will be more inclusive of diverse populations.

A current initiative of The Council is Ag Ed Virtual Learning Expectations. I am on a sub-committee that is looking at this as it relates to

High School Ag Education for virtual schools. The focus seems to be on how Ag Education can work with virtual schools and academies to deliver high quality models of Ag Education. How can virtual schools work in relation to the three circles (FFA, SAE and curriculum)? The genie is out of the bottle with on-line and virtual schools. The initiative doesn't condone or reject the idea of Ag Education delivery via those options. The initiative does however look for ways that may or may not work via those delivery options.

I am also wondering if Farm Business Management can also be delivered with a high-quality rigor virtually. Can Farm Business Management of high-quality be delivered from states of high quality to states with lower or no alternatives to Farm Business Management. Could there be partnering that could take place from state to state? These are issues that I plan to bring to the table as we discuss the initiative. Would NFRBMEA be open to taking on an initiative to

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

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