

**President's Message: It's Never Too Soon to Start Planning**  
By Ron Dvergsten, 2023-24 NFRBMEA President

November 17, 2023

As fall harvest and field work season is ending or in some cases already behind us, the farms we work with have already started planning for the 2024 farming season and for many beyond 2024.

During our annual NFRBMEA Fall Board Meeting we spent a considerable amount of time reviewing the significant amount of planning already completed for the upcoming 2024 National Farm Business Conference scheduled for June 10-13<sup>th</sup> in LaCrosse, Wisconsin. The committee provided the joint NFRBMEA-NAFBAS boards with a detailed tentative schedule of the upcoming conference. The joint boards agreed to set conference registration at a maximum of \$500; hotel booking information for the conference is already available on the 2024 Conference website ([www.nfbm-conference.org/2024/](http://www.nfbm-conference.org/2024/)). Please start planning to attend the 2024 Conference. This will be my 26<sup>th</sup> National Farm Business Management Conference in my 34-year Farm Business Management Career and I have never been disappointed that I spent the time and resources to attend!

In addition to the annual National Farm Business Management Conference, NFRBMEA also provides professional development opportunities through its "Power-Up" webinars scheduled for this fall, and we plan to offer a couple next spring. The *NUTS & BOLTS* newsletter is also a great resource with articles coming directly from NFRBMEA members.

Our website, [www.nfrbmes.org](http://www.nfrbmes.org), has all past issues of the *NUTS & BOLTS* archived as well as the history of our organization. I encourage you to spend a few minutes checking out the website to gain additional information regarding the 50-year history of NFRBMEA!

*-Ron*

**Membership Update**

By Deb Pike, Communications Director

Here are our 2023-24 stats, compared to this time last year.

*Thank you* to our many members for supporting our organization. We have several new members this year. Welcome to NFRBMEA!

If you haven't already become a member, or renewed your membership yet, please consider joining us!

	2023-24	2022-23
Regular	83	67
Affiliate	10	11
Total	93	78



## NFRBMEA Professional Development Opportunities

By Denise Reeser, FBM instructor, South Central College- New Prague, MN

NFRBMEA is a such great organization with so many opportunities! Did you know that as a member, you have an opportunity for customized professional development created with just you in mind? In our profession, it can be tough to keep up on the industry of agriculture and all of the changes that we see on a daily, weekly, and monthly basis. It is a challenge to always stay on top of changes and bring value to our students as they look to us for guidance.

We scheduled three “Power-Up” webinars this fall just for our members. These presentations are great because not only do we have top notch presenters and topics, but they last one hour and are conveniently scheduled during your lunch hour.

The first webinar was presented by one of our new sponsors, Ambrook. If you are unfamiliar with Ambrook, they are a brand-new developing farm records software company developed just for farmers located in the Midwest. Keeping records on the farm is such a challenge yet is a cornerstone of successful financial farm management. Sometimes as instructors, we feel pretty limited on our options for farmers. We know farmers don’t farm to do their records, they would rather be on the tractor or combine working in the field. I believe anything that makes record keeping easier and less complicated is a great thing for our students. Ambrook offers another option that might work because it checks off many of those boxes. The webinar focused on the enterprising aspects of their record keeping system, helps with tax management, and helps the farmer to know and grow the business. It was neat to see the preloaded chart of accounts and how the software connected to preloaded card and payment systems.

Our next webinar included tax strategies for charitable giving of grain, which is something we all come across with our students.

Our final fall webinar is with Ag Resource Management (ARM) and will cover Evolution of Solutions which is a similar presentation they gave at the Commodity Classic in Orlando this past year. If you remember, they presented on interest rates last fall and it was a popular presentation.

Coming in the spring of 2024, we will be adding additional “Power-Up” webinars in anticipation of our annual conference. You will notice that we are also utilizing some of our generous sponsors to partner on

these webinars. Please take advantage of these opportunities and thank our sponsors for helping us fulfill our mission in NFRBMEA which is to: promote and support farm and ranch management education provide in-service education to our members and by communicating and cooperating with others. NFRBMEA, Inc. brings the best ideas and techniques in farm and ranch business management education to its members.

**POWER-UPS**

**MEMBER-ONLY WEDNESDAY WEBINARS**  
**NOON CST**

October 25: **Enterprise Accounting Software for Farms**  
*London Frye, Ambrook*

November 15: **"Tax Savings with Charitable Donations"**  
*Rob Kinsey, Iowa State University*

December 13: **The Evolution of Solutions: "Solutions Are a Puzzle"**  
*Ashley Arrington & Gerald Kruger, Ag Resource Management*

**SERIES COST: \$60 Annual NFRBMEA Membership**

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**2024 NFBM CONFERENCE**  
**LA CROSSE CENTER**  
**LA CROSSE, WI**  
**JUNE 10-13, 2024**  
[www.nfbm-conference.org/2024/](http://www.nfbm-conference.org/2024/)

**FEED YOUR BRAIN, BECAUSE TEACHING IS A LEARNING PROFESSION**

**Watch Your Inbox for Details on the 3rd Webinar in our Fall Series!**

## Learning to Build at the NFBM Conference

By Landon Frye, Ambrook ([landon@ambrook.com](mailto:landon@ambrook.com))

Last June, the team at Ambrook attended the annual NFBM Conference in Bellaire, Michigan, our first conference, to obtain critical feedback on our accounting software for agribusinesses. The event proved to be an excellent choice, providing opportunities for in-depth discussions about farm accounting challenges and their translation into software workflows.

Reflecting on the past six months, I wanted to share some of what we learned during the conference that has guided the development of our software:

1. Farms are complicated businesses, but too much complexity can leave many folks falling behind on accurate data entry. Bookkeeping for farms needs to happen along multiple dimensions (tax preparation including for the Schedule F, enterprises, entities, funding programs, conservation practices, and more) – and most systems try to track all of this in one giant Chart of Accounts, or in separate spreadsheets. We heard this can get overwhelming for farmers to keep up with, so there's a need for simple, practical user interfaces that still enable clean books and powerful reporting.

2. Both desktop- and cloud-based software have their benefits and pitfalls. Desktop software often offers fast performance and advanced reporting features, while cloud-based software provides the flexibility of access from anywhere, including mobile devices – so accountants and advisors don't need to travel to the farm to help with a client's books. Ideally, new accounting software would combine these strengths.

3. There's a lot of financial paperwork on farms that's easy to lose track of. Checks, bills, POs, invoices, receipts, bank statements – we got a lot of feedback on how documents should be stored and associated with the right financial transactions, in order to be easily searchable later.

4. Checks remain an important payment method for farmers, even in an increasingly digital era. Printing, mailing, depositing and generally keeping track of handwritten checks should be as prioritized as the digital payment methods offered by any of the bill pay, invoicing and bookkeeping platforms used by farms.

5. Inventory management would unlock more complete enterprise and managerial analysis. We were able to brainstorm a lot of ideas with members in Bellaire about how to do inventory management well – including reasonable stopgaps of adding units, quantities and more granular pricing capabilities to our bill pay and invoicing features.

While this list is not comprehensive and there is always more to do, we appreciate the engagement and conversations we had during our time in Michigan. It is a tight-knit organization we are looking forward to being a part of in the future. The annual meeting in Michigan definitely goes down as a top 10 highlight of Ambrook's 2023!

So far, we have built cloud-based accounting software that includes bill pay, invoicing, and bookkeeping for multiple farm enterprises and entities at the same time. If you have items we need to add to our considerations for our 2024 development, let us know. Stay on the lookout for more announcements coming from us in the spring of 2024 and we look forward to seeing you in February.



# The Need to Prepare an Accrual-Adjusted Farm Income Statement

By Ron Dvergsten: NCTC FBM instructor, Thief River Falls, MN

Profit, or net farm income, is the single most important factor that determines whether a farm operation stays in business. To make wise management decisions a farmer needs to have a complete understanding of the profitability of their business. Net farm income is the key to properly evaluating current financial performance, past progress, and future potential. To determine Net Farm Income a farm needs to prepare an Accrual-Adjusted Farm Income Statement.

At first glance calculating net farm income appears easy: just add up all income and subtract all the expenses for the year. This is the general approach used in cash accounting and is like what is done each year for reporting taxes. However, taxable farm income is not the same as true Net Farm Income. For a given year, cash-basis net income may vary dramatically from true net income. An accrual approach to net farm income is needed to properly measure business performance.

As farming operations become more complex and require larger investments of both input costs and capital investment, relying on profitability information from income tax returns is not enough. During periods of financial difficulty, farmers may adopt short-term cash survival strategies that give the

cash appearance but not the true substance of profitability by selling down inventory, selling capital assets, accumulating accounts payable, and refinancing operating losses.

The opposite may also be true: cash basis income reports can hide the recognition of profit by prepaying input costs, increasing commodity inventory and during periods of business expansion through the purchase of depreciable capital assets such as machinery, vehicles, and farm buildings.

Hopefully by now you are asking yourself “*What information do I need to complete an accrual-adjusted farm income statement?*” The answer is to complete a Balance Sheet for the farm business at the beginning of your cash-based accounting period and again at the end of the accounting period. That means that most farmers need to construct an accurate balance sheet as of January 1 each year since their accounting and tax year ties to the calendar year. And of course, you need your cash income and expense records to complete the task of developing an Accrual-Adjusted Farm Income Statement.

The FINPACK farm financial analysis software utilized by many Farm Business Management programs does an excellent job of developing an accrual-adjusted farm income statement.

## 2024 NFBM Conference



Make your plans to attend the 2024 NFBM Conference next June 10-13 in beautiful La Crosse, Wisconsin.

Visit the conference website, [www.nfbm-conference.org/2024/](http://www.nfbm-conference.org/2024/), for a tentative agenda, as well as lodging information and

reservations. The estimated cost of conference registration is \$500.

More information will be added to the website soon.

## What's Up?

- ❓ *What's going on in your corner of the world?*
- ❓ *Have you come across an article lately that you found interesting?*
- ❓ *Have you discovered any clever hacks to make your office or day run smoother?*
- ❓ *What was your favorite takeaway from the last conference?*

These are just a few ideas. We are always looking for content from our members to include in the *NUTS & BOLTS*, and we want to hear from you!

The deadline for articles for our next issue is January 24, with publication scheduled for February 1. We look forward to seeing what you have to share with us!

To UNSUBSCRIBE, [click here](#).

Questions or comments? E-mail us at [comments@nfrbmea.org](mailto:comments@nfrbmea.org)

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## 2023-24 Board of Directors

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