CORNELL COOPERATIVE EXTENSION
FARM BUSINESS MANAGEMENT PROGRAM
GUIDELINES, SUGGESTIONS, AND RESOURCES

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Introduction

The information and ideas contained in this bulletin are useful to Cornell Cooperative Extension agents in planning their farm management programs and activities. This publication reports Department of Agricultural Economics program offerings and available resources to agents attending the annual program development workshop held in September 1990. It contains farm business management and marketing program guidelines and suggested areas of emphasis for 1990-91.

Faculty, staff, and students at Cornell will also find that this is a useful reference. Lists of program offerings, training schools, and farm management faculty provide a valuable summary of the time and resources farm management staff contribute to extension programs.

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FARM BUSINESS MANAGEMENT AND MARKETING EXTENSION PROGRAM GUIDELINES

A. Plan and develop a strong program.

1. A program that is well defined to meet the needs of various audiences.
2. A program that is progressive and has a three to five year time span.
3. A program with substance that meets current as well as long-term needs.
4. A program well integrated with other agents and agribusiness programs.

B. Conduct a well balanced program. Find the right combination of traditional programs, special activities, and newly conceived programs to meet the desired objectives.

1. Traditional on-going "bread and butter" programs.
   a. Farm business summary and analysis.
   b. Counselling with individual farm families to include FarmNet requests.
   c. Farm business planning and decision making.
   d. Farm management newsletters and columns.
   e. Farm taxmanship.
   f. Economic situation and outlook.

2. Special activities that usually involve college resources and are not repeated each year, e.g. sequential schools/workshops to meet specific goals and audiences.
   a. Pro-Dairy/Management Skills
   b. Human Resource Management/Labor Regulations
   c. Transferring the Family Farm/Estate Planning
   d. Strategic Planning
   e. Milk marketing schools.
   f. Farming Alternatives and LISA
   g. Evaluating New Technologies

3. Local programs initiated to meet the needs of a specific audience, to address a specific problem or to capitalize on a new opportunity.
   a. Seminars for managers of large farms, small farms, farms with unique problems, farms with unique opportunities.
   b. Program for limited resource farmers or reduced use of resources.
   c. Programs for beginning farmers, seminar for senior farmers, series of schools for farm spouses, or schools for career farm workers (employees).
   d. Farm management tours, farm management walks, whole farm study for agribusiness.
   e. Applied research projects, e.g., survey of labor management practices, partnership agreements, custom rates, land rental rates.
   f. Management seminars/workshops for agribusiness/small business.
   g. Basics of on-farm computer utilization.

C. Involve the local people in planning, developing, and evaluating the program.
A. Farm Labor/Human Resource Management

Definition:


Objective:

Improve the management of our farm labor resources and enable farmers to understand and comply with labor regulations.

Recommendations:

1. Labor Regulations
   
a. Keep field staff updated on changes in labor regulations.
   
b. Provide in-service training for agents on labor regulations.

2. Human Resource Management
   
a. Continue to develop program materials on farm human resource management skills including recruitment and selection, employee compensation, and performance appraisal.
   
   
c. Provide more information on evaluating Human Resource Management in the business.
   
d. Greater emphasis needs in the area of employee training.

Plans

1. Cornell Cooperative Extension has received funding through the New York State Department of Agriculture and Markets to expand programs in the year ahead. Topics to be addressed include changes in the New York State Farm Minimum Wage Law, Employee Recruitment and Selection, and Cultural Diversity in the work force.

2. Agent in-service training in Employee Recruitment and Selection will be conducted in Ithaca, October 15-17. A curriculum for teaching Recruitment and Selection has been developed and will be presented at the in-service.

3. The "Farm Labor Regulations" bulletin authored by Dale Grossman is currently being revised and is expected to be available later this year.
4. A publication explaining changes in the New York State Farm Minimum Wage Law will be available later this fall. This topic will also be addressed during Agriculture Production week.

5. Again this year two "Managing Farm Personnel in the 1990's" workshops will be conducted. The first will be held in Schenectady March 11-12 and the second in Batavia March 14-15.

6. In conjunction with the Department of Agriculture and Markets, training alternatives for farm employees will be explored in preparation for several pilot projects.

B. Farm Business Analysis and Management Skills

Definition:

-- Farm accounting, business and financial records including computer application, complete farm business and enterprise analysis.

-- Improving management skills, making business decisions, problem solving techniques, time management.

Objective:

Enable farmers to recognize the premier importance of management and how to apply management skills.

Recommendations:

1. Improve definition and teaching of management concepts and skills.

2. Continue to develop materials for teaching management skills on statewide or regional level. Develop and improve intensive management skills curriculum such as Pro-Dairy.

3. Develop resources to teach management skills to non-dairy audiences.

4. Continue to promote and use the farm business summary as a primary tool for business analysis, evaluation, and decision making. Continue to explore to use an application of an expert system.

5. Improve financial analysis skills with computer programs.

Plans:

1. Pro-Dairy - a curriculum designed to help dairy farmers improve management skills and accelerate adoption of recommended management practices. (Third year.)

   a. Introductory course, "Managing for Success", uses individual farm situations (case studies) to teach management strategies concepts and skills.

   b. A "Management Clinic" following the introductory course for the purpose of coaching participants one on one in the concepts and skills learned in Managing for Success.
c. Management Focus Workshops to be offered again this year; managing with finances, profitable forage crop production, feeding management, general management workshop, milk quality management.

d. A new Management Focus Workshop, "Dairy Records Management" is being developed and will be available to all that complete Managing for Success.

2. Encourage farmers participating in any major farm business management program to summarize their farm business. Link the summary and analysis of the whole farm business to the specific area of emphasis and include it in the curriculum. Explore new opportunities and methods for collecting data. Share ideas and techniques that are working. Strive for 100 percent follow-up.

3. Hold in-service education to enable more field staff to use CAPVEST and FLOWS.

C. Strategic Planning

Definition: Long range planning to meet family and organizational goals.

Goal: Enable New York farm managers to conduct planning for a three to five year planning horizon.

Situation:
Farm managers, to the extent that they are able to plan effectively, often plan on a week-to-week or annual basis. Longer-term factors, such as market trends, foreign competition, agricultural and economic policy, labor availability, and other important external factors, are largely ignored or handled on an ad-hoc basis. Managers need to take a longer-term, strategic view of their operations and how they can organize to realize important family or organizational objectives.

Recommendations:

1. Try the indirect or "back door" approach by including strategic planning educational materials in other meetings, programs, and when meeting with individual farmers, farm families, and small groups of farm families.

2. Encourage strategic planning for those who are considering discontinuation of farming as well as farmers who must change and adjust to maintain or improve profitability.

Plans: Revise and offer strategic planning workshop developed in 1988-89 if interest and demand is strong enough.

D. Transferring Management/Ownership of the Family Farm

Definition: Business agreements, legal arrangements, estate and retirement planning, income tax planning, sale/purchase considerations.

Objective: Help farm families recognize, evaluate, and choose the alternatives to fit their goals and situation when it is time to transfer management/ownership of farm assets.
Recommendations:
1. Continue to offer the three session regional school for farm families.
2. Use video tapes, case studies, and innovative teaching materials and methods.
3. Place equal emphasis on transferring management as on transferring ownership.
4. Develop supplemental resource materials on estate planning and farm transfer.
5. Develop resource information and materials on the transfer of farm ownership and management.
6. Conduct seminars for attorneys and accountants.

Plans:
1. Hold the three session educational program for farm families in three new regions. Use a combination of delivery methods including case studies, video tapes, home study courses, and resource materials. Topics will include: Goals and objectives of estate planning, estimating your gross estate, asset evaluation, tax considerations, property ownership, life insurance and social security, gifting and selling assets, planning for incompetency, need for a will, role of a trust, and estate administration.
2. Continue to train Cooperative Extension field staff and develop plans to train other professionals.

E. New Practices, Technologies, and Farming Alternatives

Definition: Alternative enterprises, new production technologies and practices, capital investment decisions, specialization.

Goal: To improve farmers' decision making skills in evaluating practices, technologies, and farming alternatives.

Recommendations:
1. In-service training on economics of new technologies and production practices is needed. For example, LISA projects and sustainable agriculture.
2. Include alternative agriculture and sustainable agriculture in the Economic Outlook Conference.
3. Research and extension programs on marketing traditional and alternative products/services is needed.
4. Develop programs in commodity specific issues, i.e. bin liners and BST.
1990-91 SCHEDULE OR PLANNED EDUCATIONAL OPPORTUNITIES
FOR BUSINESS MANAGEMENT AGENTS

September 5 & 6   Pro-Dairy Inservice - Ithaca Holiday Inn
September 6 & 7   Program Development Workshop - Ithaca Holiday Inn
September 10-13  New Field Staff Orientation - Cornell
October 9 & 10    Introduction to Pro-Dairy for new agents - Cornell
October 10       Micro DFBS Workshop for new agents (tentative) - Cornell
October 15-18    Recruitment and Selection of Agricultural Employees - Cornell
November 12-15   Production Agriculture Training School - Cornell
November 16 - December 4   Regional one-day Farm Tax Schools - Canton, Oneonta, Kingston, Ellicottville, Batavia, and Owego.
December 6 & 7   Extension School Programs Symposium - Ithaca
December 13 & 14 Community Economics Development Workshop
December 11-20   Indepth Farm Income Tax Workshops - Geneseo, Syracuse, and Albany
December 17     Dairy marketing Outlook and Update (one-half day) - Cornell
December 18     Agribusiness Situation and Outlook Conference - Cornell
March 11 & 12    Managing Farm Personnel in the 1990's - Schenectady
March 14 & 15    Managing Farm Personnel in the 1990's - Batavia
March           Organic and Sustainable Agriculture Seminar - Cornell
May 15          Mid-Year Dairy Situation and Outlook Conference - Syracuse
May/June        Farm Management Retreat or Program Planning Workshop
June            Farm Partnership Tax School - Ithaca
July            Business Study Unit for New Agents - one week - Cornell

SCHEDULED CONFERENCES, SEMINARS, AND EXTENSION PROGRAMS FOR AGRIBUSINESS GROUPS
Organic and Sustainable Agriculture Seminar, December 4 & 5, Atlantic City, NJ
Indepth Farm Income Tax Workshops, December 11 & 12 Geneseo, 13 & 14 Syracuse, 19 & 20 Albany
Agribusiness Economic Situation and Outlook conference, December 18, Cornell
Northeast Agricultural Lending School and Northeast School of Rural Banking - June 1991
<table>
<thead>
<tr>
<th>Name</th>
<th>Program Area</th>
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<tbody>
<tr>
<td>William Tomek</td>
<td>Department Chairman, agricultural marketing and prices.</td>
</tr>
<tr>
<td>Jerry White</td>
<td>Department Extension Leader; business management and production economics for fruit, vegetable, floriculture, and ornamental horticulture businesses.</td>
</tr>
<tr>
<td>Bruce Anderson</td>
<td>Cooperative marketing, financing, and training of directors and management.</td>
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<tr>
<td>John Brake</td>
<td>W.I. Myers Professor of Agricultural Finance, New York FarmNet, Farming Alternatives. (On leave July 1, 1990 - June 30, 1991)</td>
</tr>
<tr>
<td>Joe Bugliari</td>
<td>Agricultural law, estate planning, and business taxes.</td>
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<tr>
<td>George Casler</td>
<td>Capital investment analysis, risk and uncertainty, feed and grain situation and outlook, farm taxmanship, farm management.</td>
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<tr>
<td>Enrique Figueroa</td>
<td>Marketing nondairy products.</td>
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<tr>
<td>Olan Forker</td>
<td>Agricultural marketing and prices, generic milk promotion, economics of biotechnology.</td>
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<tr>
<td>Gene German</td>
<td>Marketing and food distribution.</td>
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<tr>
<td>Judy Green &amp; Alan Knight</td>
<td>Farming Alternatives Project.</td>
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<tr>
<td>Dale Grossman</td>
<td>Agricultural law, estate planning, and business taxes.</td>
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<tr>
<td>Brian Henehan</td>
<td>Agricultural cooperatives.</td>
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<tr>
<td>Harry Kaiser</td>
<td>Milk marketing.</td>
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<tr>
<td>Robert Kalter</td>
<td>Biotechnology and resource economics.</td>
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<tr>
<td>Wayne Knoblauch</td>
<td>Crop and livestock production economics, machinery economics, computer use in farm management, farming alternatives, and census interpretation and use.</td>
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<tr>
<td>Eddy LaDue</td>
<td>Agricultural credit and farm finance, computerized farm management decision aids, farm growth and investment analysis.</td>
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<tr>
<td>Bill Lesser</td>
<td>Marketing.</td>
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<tr>
<td>Tom Maloney</td>
<td>Farm Personnel Management, labor regulations.</td>
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<tr>
<td>Ed McLaughlin</td>
<td>Produce marketing and food retailing industry.</td>
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<td>Bob Milligan</td>
<td>Pro-Dairy, farm management skills, economics of new technologies and dairy management practices.</td>
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<tr>
<td>Andy Novakovic</td>
<td>Agricultural marketing and policy.</td>
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<tr>
<td>Linda Putnam</td>
<td>Farm business summaries, computerized farm management decision aids.</td>
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</tbody>
</table>
Stuart Smith
Farm business summaries, farm taxmanship, budgeting, business arrangements, inservice agent training, ELFAC, Ag Update.

Darwin Snyder
Farm management information data collection and analysis, special studies.

Bud Stanton
Farm management and agricultural policy, evaluating new technologies, interpreting experimental results, land use, economic development and food policy.

Loren Tauer
Farm financial management including business organization.

Walt Wasserman
State and regional milk marketing program coordination, training, and materials.

Pro-Dairy Staff
Guy Hutt & Clint Young
State Pro-Dairy Specialists and Coordinators.

Jonas Kauffman
Regional Pro-Dairy Specialist, Northwestern New York.

Nate Leonard
Regional Pro-Dairy Specialist, Northern New York.

John Conway
Regional Pro-Dairy Specialist, Central New York.

Stanly (Lee) Telega
Regional Pro-Dairy Specialist, Eastern New York.

Beth Claypoole
Regional Pro-Dairy Specialist, Southwestern New York.

Other Agricultural Economics Faculty and Staff Resources
David Allee
Resource economics; water, local government.

Dick Aplin
Agribusiness management; dairy processing and distribution.

Nelson Bills
Rural land use and public policy.

Dave Blandford
Policy and international trade.

Art Bratton
Emeritus Professor of farm business management.

Duane Chapman
Energy demand, public utilities, and environmental impact. (On leave July 1, 1990 - December 31, 1990)

George Conneman
Director of Instruction, farm business management.

Jon Conrad
Marine economics and business management.

George (Bud) Hayward
Food industry management, home study program.

David Lee
Interregional trade and competition affecting New York and Northeast agricultural, transportation and ag policy.

Bob Nolan
Food industry management, home study program.

Christine Ranney
Rural resource development and public policy.

Debbie Streeter
Management information and computer applications.

Micheline Strong & Karen Juenger
FarmNet office supervisors.
Below is a schedule of the Agricultural Economics staff and the counties they will be working with on farm business management project summaries for 1990-91. Again this year we are planning on group summaries (including several counties) as shown below.

1. DAIRY:

Wayne Knolbauch
Central New York & Central Plain Cortland, Cayuga, Madison, Onondaga, Oswego, Ontario, Seneca, Wayne, Yates

Eddy LaDue
Oneida-Mohawk Oneida, Fulton, Montgomery, Schoharie, Herkimer

Bob Milligan
Eastern Plateau Broome, Chemung, Chenango, Delaware, Otsego, Schuyler, Tioga, Tompkins

Stuart Smith
Northern New York Clinton, Franklin, Essex, St. Lawrence, Jefferson, Lewis

Hudson Valley, North Albany, Greene, Rensselaer, Saratoga, Schenectady, Washington

Southeastern New York Columbia, Dutchess, Orange, Sullivan, Ulster

Western Plain Genesee, Monroe, Niagara, Orleans, Livingston, Erie, Wyoming

George Casler
Western Plateau Allegany, Cattaraugus, Chautauqua, Steuben

2. OTHER:

Caroline Rasmussen, Danny Fox, Stuart Smith
Northeast Beef
Cow/Calf Farm any county
Business Summary

Darwin Snyder and George Casler
New York State
Poultry Summary any county

Darwin Snyder, Jerry White, and Allison DeMaras
Lake Ontario Niagara, Orleans, Monroe, Wayne
Fruit Farms
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<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Authors</th>
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<tbody>
<tr>
<td>90-9</td>
<td>Dairy Farm Business Summary, Western Plain Region, 1989</td>
<td>Stuart F. Smith, Linda D. Putnam</td>
</tr>
<tr>
<td>90-12</td>
<td>National and State Trends in Milk Production</td>
<td>Andrew Novakovic, Kevin Jack, Maura Keniston</td>
</tr>
<tr>
<td>90-13</td>
<td>Dairy Farm Business Summary, Oneida-Mohawk Region, 1989</td>
<td>Eddy L. LaDue, Mark E. Anibal, Jacqueline M. Mierck</td>
</tr>
<tr>
<td>90-14</td>
<td>Dairy Farm Business Summary, Western Plateau Region, 1989</td>
<td>George L. Casler</td>
</tr>
<tr>
<td>90-15</td>
<td>Dairy Farm Business Summary, Northern Hudson Region, 1989</td>
<td>Stuart F. Smith, Linda D. Putnam</td>
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<tr>
<td>90-16</td>
<td>Dairy Farm Business Summary, Southeastern New York, 1989</td>
<td>Stuart F. Smith</td>
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<tr>
<td>90-17</td>
<td>Present Value, Future Value and Amortization Formulas and Tables</td>
<td>Eddy L. LaDue</td>
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<tr>
<td>90-18</td>
<td>The Milkfat Issue: Production, Processing, and Marketing</td>
<td>Tom Cosgrove, Andrew Novakovic</td>
</tr>
<tr>
<td>90-20</td>
<td>Improving Communication About Risks Associated With Residues of Agricultural Chemicals on Produce</td>
<td>Nancy Ostiguy, Enrique E. Figueroa, Carole Bisogni</td>
</tr>
</tbody>
</table>