

“Do the Work” with the ND Farm Management Education Program

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Spring is always an awesome time of year in agriculture, so much activity across the landscape with great signs of life and a fresh start to a new growing season or a new set of calves to enjoy all summer. All of these items are the very visible, fun, and exciting parts of agriculture that most enjoy and love to, “Do the Work”. However, there is always a part of every business that is less fun because it is hard or uncomfortable, as it is not easily identified by our sense of sight that provides “all the feels” of instant gratification. For many, financial management is the least favorite part of the business that is left until the last minute, or the last dollar runs out.

Producers work closely with an agronomist or feed nutritionist, but just as important, it is crucial for producers to work even closer with a financial advisor that carefully breaks down all financials for the business, including the often overlooked cost of family living, resulting in a complete financial picture for farm and ranch families.

Producers are excited to talk about the visual aspects of their operation, but it is our North Dakota nature to not discuss financials and it becomes difficult to carve out that dedicated time for analysis. Regardless of how we feel, financial management is one of the most important aspects of a successful and generational farming or ranching operation, requiring someone to “Do the Work” with the financials. One tool that can ease the stress and anxiety of financial management is to have an expert help you “Do the Work” and enroll in the North Dakota Farm Management Education Program.

Services and Benefits Provided

The North Dakota Farm Management Education program is one of North Dakota’s best kept secrets in providing critical thinking tools to farmers and ranchers by helping them understand their finances to make informed management decisions. Enrollees in the program

benefit from improving their farm or ranch's recordkeeping system. Enhanced record keeping leads to diligent planning and complete enterprise analysis. The result – producers are increasing their bottom line by implementing sound farm and ranch financial management decisions.

Farm Management Education offers very unique services that a majority of accountants and lenders do not provide. The difference maker is that the instructors make it a priority to build a very unique relationship with the producers. The program provides multiple formats of financial statements and training. This builds producers confidence to have productive and efficient conversations with their lenders and tax preparers, resulting in more invested relationships. In addition to those standard services, the instructors provide unique one-on-one training and assistance on personal financial skills, cost of production per unit, risk management and marketing, a complete year end analysis, a separate crop and livestock enterprise analysis, explanation of financial numbers, analysis of alternatives, and goal setting. This all occurs through approximately four to six visits throughout the year at the producer's operation or at the instructor's office.

Unbiased Assistance

Another unique feature of the Farm Management Education Program is that instructors are truly unbiased because they are not trying to sell the farmers and ranchers a product or service. Their purpose is to be an extra set of eyes on the operation providing a financial analysis from a neutral point of view.

An additional benefit is the ability to compare their operations to others in their region of the state and also statewide via the nonidentifiable and confidential data that is compiled into state and regional reports by the NDSU Extension Service Farm and Family Resource Management Specialists. This approximately 80-page detailed enterprise analysis report is

broken down by agriculture commodities and used by many loan officers, financial institutions, and state leaders in determining budgets. Having an instructor serve a guide to interpret and compare this unbiased data is invaluable.

Enrollee November 2020 Survey

People have the misconception that producers enroll in college or a class with others in a traditional classroom setting for a year or two and then graduate. This is far from the truth, as proven by a recent survey that 65% of the enrollees surveyed have been enrolled in the North Dakota Farm Management Education Program for 10 years or more (November 2020). This alone gives credit to the long-term relationship developed and invaluable benefit of lifelong learning identified by producers.

The survey also resulted in a very prominent fact that 50% of enrollees surveyed benefit from an annual economic gain of \$10,000.00 or more. 17% indicated an annual economic gain of \$50,000.00 or more. This is an excellent return on investment when a program enrollee pays an average annual enrollment fee of only \$650.00. There is not another comprehensive program with this low cost to high return ratio.

A producer's time is worth money and assistance in staying organized and continues to be a driving factor for return participants. Respondents of the 2020 survey indicated the top reasons why they maintain their enrollment in the program year after year. They are:

- Enhanced record keeping
- Enterprise analysis
- Helpful in planning for next year and the future
- Very useful in evaluating my farm and controlling expenses
- Determines profitability and management decisions

- Transitioning the operation to the next generation
- Helpful to the bank in securing operating loans
- Unbiased look at the entire operation

A Bismarck State College enrollee stated, "I tell all of the new farmers in the area that the best money they could spend is to join this program and learn how to do this part of farming correctly. I feel it is one of the most vital parts of my farming regimen. Everybody says a farmer needs a team to help on the farm (loan officer, agronomist, chemical specialist, equipment specialist, insurance agent). My instructor in this program is one of these parts of my farming team, and I hope it continues."

Enroll Today to “Do the Work”

Enrollee’s ages range from 18 to 70, and from first year farms to well-established generational operations. The program consists of 15 instructors spread out across North Dakota representing four community colleges (BSC, DCB, LRSC, NDSCS) and Glen Ullin High School. Enroll at any time to ensure a brighter future for your farm or ranch. Visit ndfarmmanagement.com to find an instructor near you.

The ND Farm Management Education Program provides lifelong learning opportunities in economic and financial management for persons involved in the farming and ranching business. Visit ndfarmmanagement.com, Facebook @NDFarmManagementEducation, or contact Craig Kleven, State Supervisor for Agricultural Education, at crkleven@nd.gov or 701-328-3162 for more information. The ND Farm Management Education Program is sponsored by the North Dakota Department of Career and Technical Education.