

Executive Summary
North Central Farm Management Extension Committee
September 28-29, 2006
Rochester, Minnesota

Attendance: Ray Massey, Barry Ward, George Patrick, Doug Jose, Don Breece, Dave Goeller, Dwight Aakre, Gary Schnitkey, Dale Nordquist, William Edwards, Steve Harsh, Burton Pflueger, Jack Davis, Damona Doye, Arlin Brannstrom, and Rick Klemme.

Domona Dye, Chair, opened the fall committee meeting at 8:00 am at the Kahler Hotel in Rochester, Minn. Also meeting at the Kahler Hotel were members of the National Association of Farm Business Analysis Specialists (NAFBAS) and the National Farm and Ranch Management Educators Association (NFRBMEA).

Vernon Eidman, Department of Applied Economics, University of Minnesota, gave a presentation on "Biofuels Update: Implications for Crop and Livestock Producers". Ethanol production has increased every year since 1990 except for 1996, when the price of corn increased. Ethanol has been priced at a 35 cent per gallon premium to gasoline, but that may decrease in the future. Eidman discussed new technologies currently being used to increase the efficiency of newer ethanol plants.

Ed Usset with the Center for Farm Financial Management gave a talk on Ethanol and Grain Marketing. He thinks USDA is underestimating the rapid growth in ethanol production. The expansion in ethanol production has significantly increased demand for corn leading to expected higher prices. Both futures prices and basis will be affected. New futures contracts in corn are trading much earlier now than they have in past.

Rick Klemme provided the Advisors Report. The North Central Agricultural Program Leaders are working on strategies to respond to GAO criticism of federal formula funds. There is concern that formula funds may be converted to competitive grants. The Program Directors have also been looking at how to report outcome and impact indicators across state lines. Rick briefly discussed multi-state programming and also E-extension. He emphasized that E-extension must reinforce the local connection.

Dave Goeller gave a report on the TAA program. He covered the time-line for Extension's response in providing the technical assistance program. He also discussed the results of a survey of the participants during the first two years. The evaluation indicated the technical assistance, cash payments and the Department of Labor job training were all beneficial to participants.

Dave Goeller also reported on the Farm Transitions Program. Workshops will be held in Oklahoma, North Dakota, South Dakota, Michigan and Texas.

A representative from the Mayo Clinic gave a presentation on development of technology at Mayo Clinic along with a background of the Mayo Clinic business. A similar presentation is planned for the triennial conference next June at Rochester.

The 2007 triennial conference will be held June 11-14, 2007 in Rochester. This will be the first time the Extension triennial conference is being combined with the annual conferences

of the National Association of Farm Business Analysis Specialists and the National Farm & Ranch Business Management Educators Association. This will bring together a much larger audience and provide more variety of professional improvement presentations. All three groups met together to discuss some of the plans for this workshop. Gary Schnitkey and Dale Nordquist will continue working with representatives from the farm business management groups to make final preparations for the triennial conference.

We briefly discussed in-service training for Extension educators. Each state representative explained the farm management staffing arrangements and the current programming for staff with farm management responsibilities. Damona Doye and Don Breece expressed interest in developing on-line in-service training. William Edwards indicated Iowa has a curriculum intended for farmers but may work better for agents.

Dale Nordquist provided an update on the NCFMEC website. Dates of national and regional meetings should be sent to Dale for inclusion on the website calendar.

Gary Schnitkey gave an update on the FAST spreadsheets. They will be releasing a 2007 crop insurance premium calculator that will include winter and spring wheat, corn and soybeans for all North Central states. This program calculates premiums for several insurance policy options and provides a side by side comparison.

The NCFMEC is coordinating the paper presentations for the triennial conference. Gary Schnitkey and Dale Nordquist are coordinating this effort. Arlin Brannstrom, Doug Jose and William Edwards will assist in reviewing the papers.

Doug Jose announced the 2007 Risk Management Conference will be held April 17-18 in Phoenix, Arizona. Doug said the limits for the North Central RME grants have been increased for 2007 to \$50,000 for single state proposals and to \$75,000 for multi-state proposals. There is a web based training to assist in writing successful proposals scheduled for November 28.

William Edwards reported on the AAEA annual meeting. This is the eighth year for the Extension section. William is president this year.

William also reported on the Midwest Plan Service. The staff engineer and the marketing director positions have been eliminated. One employee remains who will continue to sell inventory, fill orders, and coordinate reprints.

The task force to develop material on "Helping Producers Design Low-cost, Low-risk Grain Harvesting Systems" provided a progress report.

Dale Nordquist presented an overview of the Farm Financial Standards Council Managerial Accounting Guidelines.