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

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FARM BUSINESS MANAGEMENT PROGRAM GUIDELINES,
SUGGESTIONS, AND RESOURCES

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.

MAJOR FARM BUSINESS MANAGEMENT PROGRAM AREAS OF EMPHASIS, OBJECTIVES,
RECOMMENDATIONS, AND PLANS FOR 1990-91

A. Farm Labor/Human Resource Management

Definition:

- Human Resource Management including: Job Design, Management Organization, Recruitment, Selection, Hiring, Orientation, Training, Motivation, Compensation, Human Relations, Employee Problems, Performance Appraisal, Discipline, and Discharge.
- Farm Labor Regulations including: New York State Farm Minimum Wage Law, Worker's Compensation, Unemployment Insurance, Social Security, Right To Know Law/Federal Hazard Communication Standard, Income Tax and Immigration Laws.

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.
 - b. Conduct Human Resource Management research.
 - 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.
3. Continue to develop, organize, and apply information and materials collected on how farm families are transferring assets and management in preparation for 1991-92 program. Hold in-service education in fall of 1991. Develop sequential school for farm families for winter 1991-92.

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.
3. Include alternative agriculture and sustainable agriculture in the Economic Outlook Conference.
4. Research and extension programs on marketing traditional and alternative products/services is needed.
5. 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

FARM BUSINESS MANAGEMENT AND MARKETING FACULTY AND STAFF
WITH EXTENSION RESPONSIBILITIES

<u>Name</u>	<u>Program Area</u>
William Tomek	Department Chairman, agricultural marketing and prices.
Jerry White	Department Extension Leader; business management and production economics for fruit, vegetable, floriculture, and ornamental horticulture businesses.
Bruce Anderson	Cooperative marketing, financing, and training of directors and management.
John Brake	W.I. Myers Professor of Agricultural Finance, New York FarmNet, Farming Alternatives. (On leave July 1, 1990 - June 30, 1991)
Joe Bugliari	Agricultural law, estate planning, and business taxes.
George Casler	Capital investment analysis, risk and uncertainty, feed and grain situation and outlook, farm taxmanship, farm management.
Enrique Figueroa	Marketing nondairy products.
Olan Forker	Agricultural marketing and prices, generic milk promotion, economics of biotechnology.
Gene German	Marketing and food distribution.
Judy Green & Alan Knight	Farming Alternatives Project.
Dale Grossman	Agricultural law, estate planning, and business taxes.
Brian Henehan	Agricultural cooperatives.
Harry Kaiser	Milk marketing.
Robert Kalter	Biotechnology and resource economics.
Wayne Knoblauch	Crop and livestock production economics, machinery economics, computer use in farm management, farming alternatives, and census interpretation and use.
Eddy LaDue	Agricultural credit and farm finance, computerized farm management decision aids, farm growth and investment analysis.
Bill Lesser	Marketing.
Tom Maloney	Farm Personnel Management, labor regulations.
Ed McLaughlin	Produce marketing and food retailing industry.
Bob Milligan	Pro-Dairy, farm management skills, economics of new technologies and dairy management practices.
Andy Novakovic	Agricultural marketing and policy.
Linda Putnam	Farm business summaries, computerized farm management decision aids.

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.

FARM BUSINESS SUMMARY PROJECTS
 Department of Agricultural Economics
 Staff Help For 1990-91

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 Knoblauch

Central New York Cortland, Cayuga, Madison, Onondaga, Oswego, Ontario,
 & Central Plain 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, Albany, Greene, Rensselaer, Saratoga, Schenectady,
 North Washington

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

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 DeMaree

Lake Ontario Niagara, Orleans, Monroe, Wayne
 Fruit Farms

Other Agricultural Economics Extension Publications

No. 90-9	Dairy Farm Business Summary, Western Plain Region, 1989	Stuart F. Smith Linda D. Putnam
No. 90-10	Dairy Farm Business Summary, Central New York and Central Plain Regions, 1989	Wayne A. Knoblauch Linda D. Putnam
No. 90-11	Dairy Farm Business Summary, Eastern Plateau Region, 1989	Robert A. Milligan Linda D. Putnam Carl A. Crispell William H. Gengenbach Gerald A. LeClar
No. 90-12	National and State Trends in Milk Production	Andrew Novakovic Kevin Jack Maura Keniston
No. 90-13	Dairy Farm Business Summary, Oneida-Mohawk Region, 1989	Eddy L. LaDue Mark E. Anibal Jacqueline M. Mierck
No. 90-14	Dairy Farm Business Summary, Western Plateau Region, 1989	George L. Casler
No. 90-15	Dairy Farm Business Summary, Northern Hudson Region, 1989	Stuart F. Smith Linda D. Putnam
No. 90-16	Dairy Farm Business Summary, Southeastern New York, 1989	Stuart F. Smith
No. 90-17	Present Value, Future Value and Amortization Formulas and Tables	Eddy L. LaDue
No. 90-18	The Milkfat Issue: Production, Processing, and Marketing	Tom Cosgrove Andrew Novakovic
No. 90-19	Dairy Farm Business Summary, Eastern New York Renter Summary, 1989	Linda D. Putnam Stuart F. Smith
No. 90-20	Improving Communication About Risks Associated With Residues of Agricultural Chemicals on Produce	Nancy Ostiguy Enrique E. Figueroa Carole Bisogni