

V(A). Planned Program (Summary)

Program # 14

1. Name of the Planned Program

Farm Management and Agricultural Enterprise Analysis

V(B). Program Knowledge Area(s)

1. Program Knowledge Areas and Percentage

KA Code	Knowledge Area	%1862 Extension	%1890 Extension	%1862 Research	%1890 Research
601	Economics of Agricultural Production and Farm Management	45%	0%		
602	Business Management, Finance, and Taxation	35%	0%		
605	Natural Resource and Environmental Economics	10%	0%		
801	Individual and Family Resource Management	10%	0%		
	Total	100%	0%		

V(C). Planned Program (Inputs)

1. Actual amount of FTE/SYs expended this Program

Year: 2011	Extension		Research	
	1862	1890	1862	1890
Plan	8.5	0.0	0.0	0.0
Actual Paid Professional	5.7	0.0	0.0	0.0
Actual Volunteer	0.0	0.0	0.0	0.0

2. Actual dollars expended in this Program (includes Carryover Funds from previous years)

Extension		Research	
Smith-Lever 3b & 3c	1890 Extension	Hatch	Evans-Allen
83112	0	0	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
197782	0	0	0
1862 All Other	1890 All Other	1862 All Other	1890 All Other
591619	0	0	0

V(D). Planned Program (Activity)

1. Brief description of the Activity

The primary activities in this area are conducted relative to one Extension Team Project:ETP16D, Agricultural Business Management and Profitability. Detailed descriptions of the activities of this project are available on the ACES Intranet. In summary, Economists work with the Farm Analysis cooperators to assemble and maintain accurate farm records. They compile and analyze these records and develop standard financial and business statements. They advise cooperators relative to their operations in areas such as feasibility of alternative enterprise mixes, alternative technologies, alternative markets and methods, and alternative resource mixes. Consideration is given to impacts on efficiency, finance, taxation, income, and estate planning. Individual farm level data are compiled into Association and State Summaries which focus on major farm enterprises in the State and major production areas. Analyses are provided for lower, middle, and upper thirds of farms so as to isolate practices and conditions that might relate to particular farms being better or worse than others. The better farms can potentially serve as benchmarks for other farms. Information and knowledge gained from working with participating farmers is used to advise others who might be interested in particular practices, technologies, or conditions that promote efficiency and profitability. Basically, the program involves much real world, one-on-one education and advisement.

2. Brief description of the target audience

Primary focus and interaction is on cooperators in the State's four Farm Analysis Associations. However, data and information from these contacts will be used in conjunction with knowledge and expertise of Economists to guide and advise numerous other clientele, including but not limited to: other farmers; lenders; governmental authorities; tax consultants and accountants; research, teaching, and extension faculty; and leadership of agricultural commodity organizations. This program involves much education and training in farm management in the most broad terms, including decision making related to feasibility of enterprises, enterprise mixes, technologies, and/or alternative markets and methods; resource allocations; financial considerations; tax issues and ramifications; estate tax issues and ramifications; and family living conditions.

3. How was eXtension used?

{No Data Entered}

V(E). Planned Program (Outputs)

1. Standard output measures

2011	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
Actual	4750	62000	150	0

2. Number of Patent Applications Submitted (Standard Research Output)

Patent Applications Submitted

Year: 2011

Actual: 0

Patents listed

3. Publications (Standard General Output Measure)

Number of Peer Reviewed Publications

2011	Extension	Research	Total
Actual	12	4	0

V(F). State Defined Outputs

Output Target

Output #1

Output Measure

- Direct advisement and counselling of roughly 275 association members.

Year	Actual
2011	275

Output #2

Output Measure

- Advise and counsel other, non-member, clientele

Year	Actual
2011	75

Output #3

Output Measure

- Publish Annual Summaries

Year	Actual
2011	4

Output #4

Output Measure

- Participate in tax and commodity meetings

Year	Actual
2011	24

Output #5

Output Measure

- Indirect impacts on decisions of those who attend meetings, read publications, and/or review blog listings or newsletters.

Year	Actual
2011	95

Output #6

Output Measure

- Farming as a business versus a hobby

Year	Actual
2011	4

V(G). State Defined Outcomes

V. State Defined Outcomes Table of Content

O. No.	OUTCOME NAME
1	Contacts will better understand the farm decision environment.
2	Direct and indirect contacts will make better, more informed, decisions.

Outcome #1

1. Outcome Measures

Contacts will better understand the farm decision environment.

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Actual
2011	395

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

All of Alabama nearly 50,000 farms are required almost daily to make farm decisions. The vast majority of these farms make decisions with profit as the primary goal. Understanding the decision environment and how decisions impact the producers? profitability is critical to the long-term, sustainability of the farm. Demand for decision-making tools exist with many beginning farmers as well as established farms.

What has been done

Extension economists have developed nearly 150 fact sheets, timely information bulletins, Excel spreadsheets, enterprise budgets, Power Point presentations, popular press articles, and other publications to assist producers with becoming better decision makers. Team members conducted over 400 one-on-one meetings and participated in over 100 group meetings in conjunction with all other commodity teams.

Results

From one-on-one meetings 300 producers have improved their knowledge of the decision environment. Through group meetings and online downloads over 3,000 producers have increased their knowledge of policy changes, government programs, and the risks and returns of the decision environment for commercial horticulture, agronomic crops, and animal agriculture. All producers have indicated through assessments of team information that they were exposed to new information during meetings.

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management

- 602 Business Management, Finance, and Taxation
- 605 Natural Resource and Environmental Economics
- 801 Individual and Family Resource Management

Outcome #2

1. Outcome Measures

Direct and indirect contacts will make better, more informed, decisions.

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Actual
2011	200

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

All of Alabama nearly 50,000 farms are required almost daily to make farm decisions. The vast majority of these farms make decisions with profit as the primary goal. Making more informed decisions directly impacts the producers' profitability is critical to the long-term, sustainability of the farm. Demand for decision-making tools exists with many beginning farmers as well as established farms. Producers are seeking methods to cut input costs and reduce tax burdens.

What has been done

Extension economists have developed nearly 150 fact sheets, timely information bulletins, Excel spreadsheets, enterprise budgets, Power Point presentations, popular press articles, and other publications to assist producers with becoming better decision makers. Team members conducted over 300 one-on-one meetings and participated in over 100 group meetings in conjunction with all other commodity teams. Summary benchmark data was developed from comprehensive records collected from one-on-one meetings with farm analysis participants.

Results

About one third of the producers (1,000 producers) who have been exposed to decision making information actually adopted tools for improving their decision making ability. Producers have used information to manage production, financial, legal and other risks related to their operation. Producers have made simple production and record keeping changes, developed succession plans and wills, improved tax planning, as well as record keeping practices. Benchmark data provided by the farm analysis association members assisted producers with evaluating their operation based upon similar operations and making positive changes. Nearly 100 producers

have began using new technology such as smart phones and internet material for marketing and decision aids.

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management
602	Business Management, Finance, and Taxation
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V(H). Planned Program (External Factors)

External factors which affected outcomes

- Natural Disasters (drought, weather extremes, etc.)
- Economy
- Appropriations changes
- Public Policy changes
- Government Regulations
- Competing Public priorities
- Competing Programmatic Challenges
- Other (Participation of farmers in Asso)

Brief Explanation

Alabama was hit with major tornadoes during 2011 which influenced programs delivered and the ability to deliver some programs. Many direct farm cooperators were negatively impacted by storms. The team responded by provided facts and decision aids to assist producers with insurance issues, tax planning and the ability evaluate decisions to rebuild the farming operation. Human resource constraints related to retirements has made it difficult to meet the demand for services. One of the major outcomes from the Farm Analysis program is a state summary of all commodities that serves as a benchmark. The retirement of an Extension Economist in late 2010 made it impossible to complete a statewide report for 2010 and for 2011. A retirement a few years prior also reduced the number of clients directly served by the Farm Analysis program. A new specialists has been required to basically start from scratch to rebuild the program in the Wiregrass region of the state.

The economy has increased the demand for the services we deliver because the high cost environment has made producers more aware of the impact each decision can make on profitability. The amount of volatility in commodity markets has also caused producers to be more interested in being educated about economic and marketing factors. With a relatively small team and the demands to provide services to farm analysis clients and producers of all agricultural commodities, the team cannot effectively address all concerns. The average age of producers is continuing to rise, which is also an issue for program delivery.

Changes in immigration laws in Alabama has also made a huge impact on how we deliver programs. Producers are trying to determine planting intentions and future enterprise mixes with major changes in the amount of farm labor available. A large

percentage of migrant labor has left the state.

V(I). Planned Program (Evaluation Studies)

Evaluation Results

The team developed a pre and post assessment tool to better evaluate changes in the knowledge and attitude of Farm Analysis clients who they provide specialized one-on-one training.

In Response to the April 27th tornadoes in North Alabama, specialists developed presentations for Post-Storm Tax Management strategies that focused on Timber and Poultry producers. The team was able to document that strategies presented were implemented by 11 producers. It is likely that many other producers who viewed the video conference adopted some of the strategies presented. These strategies will result in significant reductions in tax burdens which can assist producers with rebuilding their operation.

From post evaluations at Farming: Hobby vs Business presentations 175 producers (over 50% of group participants) indicated that they increased their knowledge of IRS criteria for determining whether their operation would be considered a business or a hobby. 70 producers (over 20% of group meeting participants) indicated that they would definitely implement practices that were presented by specialists to be better prepared for a farm tax audit.

84 Farm Analysis clients provided detailed records that will be used to develop benchmark information for other producers in the state.

9 producers have used information and resources provided by team members to develop estate and succession plans for their operation. This area will be more heavily promoted in future years and it will have a substantial impact on the long term sustainability of farms in Alabama.

Key Items of Evaluation

The team developed a pre and post assessment tool to better evaluate changes in the knowledge and attitude of Farm Analysis clients

The team was able to document that Post-Storm Tax Management strategies presented were implemented by 11 producers. It is likely that many other producers who viewed the video conference adopted some of the strategies presented.

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