

**V(A). Planned Program (Summary)**

**Program # 5**

**1. Name of the Planned Program**

Profit Focused Agriculture

Reporting on this Program

**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	50%			
602	Business Management, Finance, and Taxation	17%			
603	Market Economics	20%			
604	Marketing and Distribution Practices	4%			
605	Natural Resource and Environmental Economics	4%			
606	International Trade and Development	1%			
607	Consumer Economics	1%			
610	Domestic Policy Analysis	2%			
611	Foreign Policy and Programs	1%			
	<b>Total</b>	100%			

**V(C). Planned Program (Inputs)**

1. Actual amount of FTE/SYs expended this Program

Year: 2012	Extension		Research	
	1862	1890	1862	1890
Plan	17.0	0.0	0.0	0.0
Actual Paid Professional	19.0	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
767989	0	0	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
679913	0	0	0
1862 All Other	1890 All Other	1862 All Other	1890 All Other
0	0	0	0

**V(D). Planned Program (Activity)**

**1. Brief description of the Activity**

Conduct multisession workshops using curricula or other appropriate material. Participate in or give presentations at meetings, workshops, conferences, seminars. Develop or update curricula or educational materials. Provide individual assistance as follow-up to group activities. Consult with individuals upon request. Develop and distribute information on current issues related to farm/agricultural profitability through newsletters, Internet postings, personal contacts, and media releases. Keep updated and assist farmers with computer and Internet applications. Conduct surveys or develop case studies relevant to improving farm/agricultural profitability. Evaluate the effectiveness of workshops, training, and other activities. Cooperate with agencies and organizations on activities related to the program objectives.

**2. Brief description of the target audience**

Farmers/ranchers (beginning, primary income, secondary income and transitioning) Landowners (absentee, women, seniors) and agribusinesses/agencies, agribusinesses/agencies (commercial, farmer cooperatives), and agencies/farm organizations (governmental, commodity groups).

**3. How was eXtension used?**

eXtension was not used in this program

**V(E). Planned Program (Outputs)**

**1. Standard output measures**

2012	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
<b>Actual</b>	16973	69614	817	2538

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

**Patent Applications Submitted**

Year: 2012  
 Actual: 0

**Patents listed**

**3. Publications (Standard General Output Measure)**

**Number of Peer Reviewed Publications**

<b>2012</b>	<b>Extension</b>	<b>Research</b>	<b>Total</b>
<b>Actual</b>	3	0	0

**V(F). State Defined Outputs**

**Output Target**

**Output #1**

**Output Measure**

- Annual training for regional specialists on curriculum-based MO programs and new programs related to Ag Business Management series teaching programs conducted by regional specialists will be monitored and participants invited to complete evaluations.

<b>Year</b>	<b>Actual</b>
2012	1

**V(G). State Defined Outcomes**

**V. State Defined Outcomes Table of Content**

O. No.	OUTCOME NAME
1	Fifty percent of the participants in Annie's Project will develop a strategic plan. A follow-up survey will be conducted after training is complete.
2	Fifty percent of the participants in Golden Age Framing will develop an estate plan. A follow-up survey will be conducted after training is complete.
3	New value-added collective agricultural business organizations will be established annually. A follow-up survey will be conducted after training is complete.

## **Outcome #1**

### **1. Outcome Measures**

Fifty percent of the participants in Annie's Project will develop a strategic plan. A follow-up survey will be conducted after training is complete.

### **2. Associated Institution Types**

- 1862 Extension

### **3a. Outcome Type:**

Change in Action Outcome Measure

### **3b. Quantitative Outcome**

<b>Year</b>	<b>Actual</b>
2012	818

### **3c. Qualitative Outcome or Impact Statement**

#### **Issue (Who cares and Why)**

Missouri Ag Census data says: 12,754 women farm operators - up 17.9%, and 1.95 mil ac owned by women - up 8.4%. Annie's Project covers various risks: marketing, production, financial, legal and human resources. The class empowers farm women to be better business partners.

Annie's Project target audience is farm women. The class helps develop skills and provides tools to make better decisions. The goal is to make farms more profitable, which leads to more economic benefit to the community.

#### **What has been done**

Ag business specialists customized Annie's Project curriculum. Eight Annie's Project classes (18 hrs) and two Annie's Project III - Managing for Today & Tomorrow classes (12 hrs) were delivered. Total participants were 119. Extension specialists and professionals taught the classes.

Annie's Project III curriculum was taught for the first time. Curriculum has been improved. Evaluations were reviewed and modified. Extension specialists shared teaching ideas via intranet and e-mail.

#### **Results**

(KA codes 601, 602, 604) The media continued positive marketing of Annie's Project. During Annie's Project classes, participants completed balance sheets to enhance their understanding of current and noncurrent assets and liabilities. Each person also started or completed a business plan.

Participants were sent an electronic survey 6 months post-class. The response rate was 30%. 99% said they had shared class information with at least one other person. 65% had visited with their crop insurance agent and 60% had filed a claim. 54% had used the financial scorecard since the end of class. 70% checked their bank accounts/vehicles for Pay on Death or Transfer on Death options. 40% found they did not have persons identified but added them.

A purpose of Annie's Project is to empower farm women to be better decision makers. The survey asked if they had made purchasing decisions by themselves or helped farm partners. 70% said yes, which indicated they were applying class information.

#### 4. Associated Knowledge Areas

<b>KA Code</b>	<b>Knowledge Area</b>
601	Economics of Agricultural Production and Farm Management
602	Business Management, Finance, and Taxation
603	Market Economics
604	Marketing and Distribution Practices
605	Natural Resource and Environmental Economics
606	International Trade and Development
607	Consumer Economics
610	Domestic Policy Analysis
611	Foreign Policy and Programs

#### Outcome #2

##### 1. Outcome Measures

Fifty percent of the participants in Golden Age Framing will develop an estate plan. A follow-up survey will be conducted after training is complete.

##### 2. Associated Institution Types

- 1862 Extension

##### 3a. Outcome Type:

Change in Action Outcome Measure

##### 3b. Quantitative Outcome

<b>Year</b>	<b>Actual</b>
2012	40

##### 3c. Qualitative Outcome or Impact Statement

###### **Issue (Who cares and Why)**

Estate and business succession planning are of critical importance to farmers. However, it can be very difficult due to the complicated terminology, lack of attorneys with expertise in agriculture, and the unique issues that agricultural producers face. The continuing increase in land and asset values has caused equitable treatment of farm and non-farm heirs to be an even tougher task.

###### **What has been done**

A 3-session estate planning series was developed with assistance from a USDA Risk Management Agency grant several years ago and was updated and taught again in FY12. It was designed to assist participants prepare for developing an estate plan with their attorney and professional advisors after the course. Since its development in 2008, 257 people have completed this course and many more have received information on an individual basis.

**Results**

(KA Code 602) The knowledge gained increased dramatically between pre- and post-series questionnaires. The biggest gains were in knowledge about advantages and disadvantages of probate, estate planning tools available, and the difference between estate and gift taxes. In a post-series survey, 92% said they had checked how their property was titled and 42% said they had communicated their wishes to heirs. Several were in the process of completing or updating an estate plan.

**4. Associated Knowledge Areas**

<b>KA Code</b>	<b>Knowledge Area</b>
601	Economics of Agricultural Production and Farm Management
602	Business Management, Finance, and Taxation
603	Market Economics
604	Marketing and Distribution Practices
605	Natural Resource and Environmental Economics
606	International Trade and Development
607	Consumer Economics
610	Domestic Policy Analysis
611	Foreign Policy and Programs

**Outcome #3**

**1. Outcome Measures**

New value-added collective agricultural business organizations will be established annually. A follow-up survey will be conducted after training is complete.

**2. Associated Institution Types**

- 1862 Extension

**3a. Outcome Type:**

Change in Action Outcome Measure

**3b. Quantitative Outcome**

<b>Year</b>	<b>Actual</b>
2012	208

### 3c. Qualitative Outcome or Impact Statement

#### Issue (Who cares and Why)

Farmers and agribusinesses were interested in expanding into further-processing of agricultural products and finding new and environmentally beneficial ways to improve farm profitability and the local economy.

#### What has been done

A large organic farming operation was assisted in planning for expansion and further-processing facilities. Meetings and feasibility studies were conducted on the potential for obtaining and processing biomass and developing a farmer-owned soybean processing facility. A workshop on grant writing was held for those seeking funding for value-added projects. Workshops and meetings were held on beekeeping, use of high-tunnels, improving the value of crops, and use of photovoltaic systems.

#### Results

(KA 604, 601, 605) The large farming operation in SE MO decided to expand, to construct rice milling and popcorn processing facilities in 2013 and applied for grants. Educational meetings and a study of biomass availability in SE MO concluded that locating a biomass-to-fuel facility in the region was not feasible. Another study determined that building a biomass pellet plant in the region was not feasible. A study conducted to determine the feasibility of a farmer-owned soybean crushing facility to be a local source of oil for 3 biofuels plants in the area was also shown to be not feasible. Grant funding had been obtained for the studies conducted by MU and Extension personnel. Approx \$120 million were estimated to have been saved by not developing projects which had a high degree of failure. Two Extension photovoltaic workshops stimulated increased interest in solar technology in SE MO. 80 persons attended and at least 5 new systems were installed as a result.

### 4. Associated Knowledge Areas

<b>KA Code</b>	<b>Knowledge Area</b>
601	Economics of Agricultural Production and Farm Management
602	Business Management, Finance, and Taxation
603	Market Economics
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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
- Populations changes (immigration, new cultural groupings, etc.)

### **Brief Explanation**

No significant external factors affected program outcomes negatively. As usual, programming was limited by amount of funds and personnel available. The number of MO Regional AgBusiness Specialists remained the same as the previous year. Land values, leases, investments, and business management were popular topics at many events. Unusually high grain prices increased the interest of both farmers and non-farmers in making investments in agriculture. Farmers were buying and/or improving cropland, converting marginal land into crop production, buying equipment. Non-farmers saw investment in agricultural land as a more profitable option than other types of investments and increased the bidding for good cropland. However, differences in the state's topography (i.e., poor soil with little cropland in south Missouri vs. good cropland in the north) determined how topics were presented. Farmers in areas with poor agricultural land were interested in economic issues related to livestock, pasture, and frugality. Producers in areas with good cropland were interested in issues related to expansion, increasing production, and investments. There was statewide interest in legal issues and taxes, but from different perspectives. In the fall of 2011, flood recovery was an issue in some areas. By June 2012 drought was beginning to affect pasture conditions in south MO and programs were beginning address this issue.

## **V(I). Planned Program (Evaluation Studies)**

### **Evaluation Results**

According to USDA data, Missouri farmers' cash receipts from sales of all farm commodities increased to \$9.7 billion in 2011, up from \$8.5 billion in 2010. The average value of cropland increased \$250 to \$2,940 per acre and average cash rent increased \$7 per acre. Both the number of farms and land in farms declined slightly. Agricultural lending institutions remained sound and adequate financing was available. Overall, the Profit Focused Agriculture program appeared to meet its goals of improving the profitability and viability of Missouri's agricultural industry.

Specific activities and results include:

15 seminars for agricultural lenders were held over the state in Nov-Dec with a total audience of 327 lenders who reviewed an average of \$13 million in loans per year each. They rated the usefulness of the seminars at 8.65 on a 10-point scale, recommended the seminars be continued next year, and suggested topics for next year's seminars. They

find the seminar's annual enterprise budgets and projected prices and costs to be most useful.

Extension's annual series of 6 Business/Farm Income Tax Schools for tax preparers attracted a record audience of 389 tax professionals from 93 of Missouri's 114 counties. The schools are approved for Continuing Education credits for CPAs, IRS Enrolled Agents, Public Accountants, and Attorneys. Attendees rated the schools as 8.7 on a 10-point scale for usefulness and value of information. The series will continue in 2012.

An ITV session held on Farm Leases reached 5 locations with a total attendance of 53. After the session 83% of participants said they had learned the legal requirements of leases and where to find forms and information. Workshops on farm leases were also held at 2 locations with 60 participants. Similar sessions have been held in the past and interest remains high. With changes in land ownership and new leasing methods becoming popular, the need for educational activities on farm leases will continue.

An ITV session on Fence Law reached 14 locations and 122 people. 90% of attendees indicated they learned that Missouri has multiple fencing laws and which ones affect their land. Since Missouri's fencing laws are complex and county-specific, and much of Missouri's land is mixed-use, the need for education in this area will continue.

Regional Specialists conducted 10 workshops on farm recordkeeping via Excel, QuickBooks, and other methods. The need for these activities will continue as small and part-time farmers decide to improve their recordkeeping methods.

Specialists will continue to respond to adverse weather conditions with appropriate programs as they occur.

## **Key Items of Evaluation**