

V(A). Planned Program (Summary)

Program # 13

1. Name of the Planned Program

Global Food Security and Hunger - Farm and Agribusiness Systems Economics

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	40%		60%	
602	Business Management, Finance, and Taxation	25%		10%	
603	Market Economics	15%		10%	
607	Consumer Economics	5%		10%	
610	Domestic Policy Analysis	15%		10%	
	Total	100%		100%	

V(C). Planned Program (Inputs)

1. Actual amount of FTE/SYs expended this Program

Year: 2012	Extension		Research	
	1862	1890	1862	1890
Plan	6.0	0.0	3.0	0.0
Actual Paid Professional	5.0	0.0	2.0	0.0
Actual Volunteer	0.1	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
160000	0	61421	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
160000	0	61421	0
1862 All Other	1890 All Other	1862 All Other	1890 All Other
500000	0	339752	0

V(D). Planned Program (Activity)

1. Brief description of the Activity

Research based information developed

Decision aids developed that assist farm and agribusiness managers in improved decisions

Educational programs conducted that improve the management skills of farm and agribusiness managers

Farm and agribusiness managers are able to better understand economic consequences and make more informed decisions

2. Brief description of the target audience

Managers, owners, and employees of farms and agribusinesses; policy makers; agency leadership

3. How was eXtension used?

Team member Phil Kenkel was a founding member and recently elected vice-chair of the Cooperatives Community of Practice in eXtension which was launched in October of 2010 as part of National Cooperative Month. During 2012 he developed a new section of the COP for Grain and Farm Supply Cooperatives and created four publications for the new section. Dr. Kenkel also chaired the peer-review panel that reviews and edits publications and material for all areas of the COP. He also chairs the finance area of the COP and have developed a number of publications which are under peer review will come out in 2013.

V(E). Planned Program (Outputs)

1. Standard output measures

2012	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
Actual	5199	518604	34	0

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

2012	Extension	Research	Total
Actual	33	23	56

V(F). State Defined Outputs

Output Target

Output #1

Output Measure

- Number of board members of farmer-owned cooperatives receiving credentialed director training for board governance

Year	Actual
2012	35

Output #2

Output Measure

- Number of software decision analysis aids developed

Year	Actual
2012	3

Output #3

Output Measure

- Number of manuscripts submitted to refereed journals

Year	Actual
2012	49

Output #4

Output Measure

- Number of farm income tax management schools conducted

Year	Actual
2012	11

Output #5

Output Measure

- Number of economists trained at other universities to deliver packer-feeder workshops and classes

Year	Actual
2012	0

V(G). State Defined Outcomes

V. State Defined Outcomes Table of Content

O. No.	OUTCOME NAME
1	Number of tax preparers using information from OCES tax schools
2	Number of credentialed board members serving on agricultural cooperative boards (cumulative)
3	Number of beef producers applying some level of financial management decision skills learned through Master Cattleman certification
4	Number of specialty crop producers and goat producers improving farm management and/or financial management skills
5	Wind Energy Leasing Issues

Outcome #1

1. Outcome Measures

Number of tax preparers using information from OCES tax schools

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	2100

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Frequent changes in Federal and Oklahoma State Tax Laws create a need to keep tax preparers informed of the impact of the changes and how to best help their clients utilize the tax planning and management opportunities available in the current tax laws. These tax schools are designed to update tax preparers about new laws and regulations covering farm, non-farm business and individual taxpayer issues.

What has been done

This program has been conducted for the past 47 years. It has grown from a one-day seminar to its present form of two days per location for the fall Farm and Business Tax Institutes and the summer Tax Clinic. The combination of all the schools allows a preparer to get the full 40 hours of CPE/CLE as required by state. Topics covered range from presentation of new tax laws and their implications, agricultural issues, business issues, tax planning opportunities, professional ethics, retirement, and social security to name a few. Twelve two day sessions are conducted each year with two of these in the summer and ten in the fall and two one day special topics courses. Total 2012 attendance for the schools was approximately 2,100 tax preparers in 11 workshops. Certified public accountants make up 46 percent of the attendance, 27 percent are tax preparers and bookkeepers, 10 percent are enrolled agents, 2 percent are attorneys, and the remaining 15 percent come from a variety of backgrounds. These tax preparers file roughly 80 percent of the farm returns for taxpayers in the state of Oklahoma.

Results

High quality, professional instruction is provided to make continuing education credit available for Certified Public Accountants, Enrolled Agents, and Tax Attorneys. Many of those attending have stated that they have been coming to these programs since they began. Participants filed more than 37,645 Federal farm tax returns and 255,428 Federal non-farm tax returns as reported by the participants in the most recent program evaluations. Most of the tax preparers that attend are

from Oklahoma however there have been preparers from Kansas, Texas, New Mexico, Arkansas, Florida, and California attending the program in order to maintain their Oklahoma accreditation.

This is roughly 65 percent of the total farm returns filed in Oklahoma. A recently added question asked the participants to place a subjective value on the education received which they then use to assist their clients with tax planning advice to reduce Federal and Oklahoma income taxes, to increase return filing accuracy, to provide retirement planning assistance, and/or to educate their clients of important estate planning tools. The participants were asked specify a value per return they filed which averaged just slightly greater than \$80.00 per return. Therefore using the number of participants willing to provide this information (roughly 25% of the participants) and the average number of returns completed by this group annually (250 returns) the value of the tax schools is over \$10,000,000 for 2012.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation

Outcome #2

1. Outcome Measures

Number of credentialed board members serving on agricultural cooperative boards (cumulative)

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	150

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

The board of directors of an agricultural cooperative has responsibility for strategic decisions and for safeguarding the organizations assets. Agricultural cooperative board members are producers who are elected by the membership to serve with only token remuneration. In recent times, all board members, including cooperative board members are under intense scrutiny. The incidence of legal proceedings against board members has increased dramatically. These litigations are typically initiated by owner (member) groups and they focus on the competency and diligence of the board. The severe repercussions from errant business decisions and the intense scrutiny of board member competency have created a critical need for educational programs.

What has been done

In response to the critical need to improve the competencies of cooperative board members the Oklahoma Credential Cooperative Director (OCCD) program was created. The OCCD program involves two days of training on finance, legal responsibilities, parliamentary procedure, effective meeting management, strategic planning and other related topics. In designing the OCCD curriculum, board of director training material from across the U.S. was examined. OCCD instructors include OCES faculty as well as industry experts including bankers, auditors, attorneys and consultants. The OCCD program is delivered simultaneously at a central location and via two-way interactive video at eight remote locations across Oklahoma.

The OCCD program was initiated in November of 2001. Since its inception, the program has been offered eleven times (spring and fall) with nine advanced sessions. Over 3,600 directors have attended the Credentialing sessions and over 1,500 directors have returned for advanced training.

Results

The directors completing the OCCD program have a better understanding of financial management and the legal roles and responsibilities of the board of directors and are able to make better business decisions and to safeguard the assets of their cooperative organizations. Currently there are over 150 Credentialed directors representing 44 cooperatives and over 150 more directors who are progressing through the credentialing training. Over 400 directors from 37 separate cooperatives have attended an advanced session. Twenty cooperatives have achieved the status of having every board member credentialed. The typical Oklahoma cooperative includes 1,500 or more farmer members and organizational assets of over \$10 million. The OCCD program impacts thousands of Oklahoma producers by enhancing the board's ability to manage and safeguard cooperative assets.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation
603	Market Economics

Outcome #3

1. Outcome Measures

Number of beef producers applying some level of financial management decision skills learned through Master Cattleman certification

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	71

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Production management, business planning, risk management and marketing are major issues for the beef producers who comprise Oklahoma's #1 agricultural industry.

What has been done

David Lalman, Animal Science, and Damona Doye developed a comprehensive educational program in cooperation with Animal Science, Plant and Soil Science, Vet Med, Biosystems and Ag Engineering . The OSU Master Cattleman Program was launched in 2004 with the objective of enhancing the profitability of beef operations and the quality of life of beef producers by equipping them with vital information on many aspects of beef production, business planning, risk management and marketing. The educational curriculum is based on the Oklahoma Beef Cattle Manual. PPTs and lesson plans are available to educators via the Master Cattleman website. Producers must complete 4 hours in each of 6 subject matter areas plus an additional four hours of instruction or special projects. Local Extension educators plan and organize the Master Cattleman educational series and select the specific curriculum offered.

Results

71 producers were certified under the OSU Master Cattleman Program in 2012

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management
602	Business Management, Finance, and Taxation

Outcome #4

1. Outcome Measures

Number of specialty crop producers and goat producers improving farm management and/or financial management skills

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	50

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Production management, business planning, risk management and marketing are major issues for meat goat producers. Meat goat production is an important enterprise for small and medium scale farmers and for those beginning a farming operation.

What has been done

The Oklahoma Meat Goat Boot Camp is a three day camp that uses the combination of classroom exercises and hands-on instructions about the different production practices involved in a meat goat operation. Production practices include but are not limited to ear tagging, castrating, tattooing, hoof trimming, electric fence building, forage testing, forage production, farm business planning, nutrition, ration balancing, FAMACHA, determining fecal egg counts, herd health practices, kidding, neonatal care, reproduction and pregnancy determination using ultra sound. Class size is small to facilitate teacher-participant interaction.

Results

50 producers from 5 states participated in the meat goat boot camp in 2012. The participants knowledge and understanding of a wide range of production issues including: parasite management and control, record keeping, general herd management including herd health, herd nutrition, forages and forage production systems, marketing and business planning were measured by administering tests before and subsequent to the training. Average test scores improved from 58% correct to 80% correct. While it is difficult to place a dollar value on the knowledge gain, it is obvious that the educational program increased the efficiency and profitability of the participants operations.

The overall value of this program is best determined by using the producer's own estimation of the average value (\$/head) gained from the workshop, the average number of goats per participant and the total number of participants. By this estimation the value of the OSU Meat Goat Boot Camp was \$689,430.

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management
602	Business Management, Finance, and Taxation

Outcome #5

1. Outcome Measures

Wind Energy Leasing Issues

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	0

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Due to significant, rapid development of wind power leasing programs by a number of developers, stakeholders have been confronted with numerous issues related to wind energy leasing agreements. As of requests from such stakeholders, OCES county extension educators and other agency personnel have requested programming regarding these concerns.

What has been done

Programmatic response: programs providing basic education with respect to wind power and renewable energy and guidelines for lease evaluation were devised and presented. Over 3,000 producers attended 40 workshops held at various locations in Oklahoma in 2012. As a result of the training the individuals are better able to understand and negotiate wind energy lease arrangements.

Results

To better understand the impact of this education, an example would be in order. A typical wind energy contract can provide in excess of \$7,500 per year to the landowner with only one turbine. Some of the more wind-dense areas of Oklahoma can support up to four turbines per quarter-section (160 acres) of land and generate sufficient electricity to support annual payments of approximately \$10,000. Thus, the successful negotiation of a wind energy lease can have significant economic impacts for landowners. At the \$7,500 single-payment level, a 30 year lease agreement (typical for many Oklahoma leases) would have a total lifetime payout of \$225,000 (NPV of \$147,003 at 3% discount rate) and a \$10,000, four-turbine parcel would have a total lifetime payout of \$1.2 million (NPV of \$784,018 at 3% discount rate).

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management
602	Business Management, Finance, and Taxation

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

Two years of sever drought have changed some programming emphasis.

V(I). Planned Program (Evaluation Studies)

Evaluation Results

2012 Meat Goat Boot Camp

Of the 50 participants, this was the first extension program that 37 had attended. When asked to rank the topics that were the greatest of value to them the top five sessions were:

FAMACHA Eye Scores and Fecal Egg Counts

Parasite Life Cycle Management

Goat Nutrition

Hay Evaluation

Birthing and Neonatal Care

83% of the participants plan to adopt one or more of the production practices discussed at the workshop. Pre-test scores averaged 17.0 with a standard deviation of 3.84 and a range from 2-25 correct. Post test scores averaged 23.3 with a standard deviation of 3.25 and a range from 14-29 correct. This test shows a 37.1% increase in knowledge gained from the workshop.

There were five questions that showed an increase in knowledge of over 100%.

When the pre and post test questions are grouped by subject matter there are seven subject matter groups. Below are those subject matter groups and the change in knowledge gained for each group.

- Marketing - 114.55%
- Nutrition - 83.61%
- Forages - 49.18%
- Parasite Control - 37.8%
- General Herd Management - 24.57%

- Business Planning - 18.52%
- Record Keeping - -10.59%

Oklahoma State University Tax Schools

Oklahoma State University Tax Schools provide a quality tax education experience for income taxpreparers. Participants in these schools have indicated on the evaluation form that they file approximately 1.5 million Federal income tax returns which include about 55,500 Federal farm returns. The participants were asked specify a value per return they filed which averaged just slightly greater than \$80.00 per return. Another question on the evaluation asks the participants to tell us why the select to attend the OSU tax schools. More than 20 percent indicate that they like the quality of instruction, 17 percent indicate the quality of the materials, and 16.5 percent like the depth and variety of topics covered. Participants often indicated more than one reason for attending.

Key Items of Evaluation