

V(A). Planned Program (Summary)

Program # 6

1. Name of the Planned Program

Economics, Markets, and Policy

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	0%		14%	
602	Business Management, Finance, and Taxation	28%		12%	
603	Market Economics	18%		24%	
604	Marketing and Distribution Practices	0%		20%	
605	Natural Resource and Environmental Economics	2%		9%	
607	Consumer Economics	0%		8%	
608	Community Resource Planning and Development	2%		4%	
609	Economic Theory and Methods	0%		4%	
610	Domestic Policy Analysis	0%		5%	
801	Individual and Family Resource Management	50%		0%	
	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
Actual Paid Professional	4.6	0.0	13.4	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
361440	0	259936	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
361440	0	295911	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

- Analyze Farm Real Estate Market Developments
- Analyze Agricultural Commodity Prices
- Research Trends and Financial Risks
- Develop Marketing Strategy Recommendations
- Conduct Estate and Transition Planning Conferences
- Partner with the South Dakota Soybean Research and Promotion Council
- Conduct Ag CEO Workshops

2. Brief description of the target audience

- Agricultural Commodity Groups
- Policy Makers
- Environmental Groups
- Farmers, Ranchers
- Producers
- Ag Land Owners
- Women in Agriculture
- Youth
- Agricultural Leaders

3. How was eXtension used?

eXtension is not part of this Planned Program.

V(E). Planned Program (Outputs)

1. Standard output measures

2012	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
Actual	2381	210546	216	31206

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	7	14	21

V(F). State Defined Outputs

Output Target

Output #1

Output Measure

- Percentage of all Hatch Research Projects in Economics, Markets, and Policy

Year	Actual
2012	8

Output #2

Output Measure

- Number of Estate and Transition Planning Conferences During the Evaluation Period

Year	Actual
2012	18

Output #3

Output Measure

- Number of Ag CEO Workshops

Year	Actual
2012	20

Output #4

Output Measure

- Number of Articles Posted on igrow Website

Year	Actual
2012	48

Output #5

Output Measure

- Number of Podcasts Posted on igrow Website

Year	Actual
2012	20

Output #6

Output Measure

- Number of Radio Programs Posted on igrow Website

Year	Actual
2012	39

V(G). State Defined Outcomes

V. State Defined Outcomes Table of Content

O. No.	OUTCOME NAME
1	Number of Economics, Markets, and Policy Hatch Research Projects
2	Number of Family Farms or Ranches that Participated in Estate and Transition Planning Conferences
3	Number of Participants in the Ag CEO Program

Outcome #1

1. Outcome Measures

Number of Economics, Markets, and Policy Hatch Research Projects

2. Associated Institution Types

- 1862 Research

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	12

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

The economy is always changing and as new problems arise, research programs are needed to focus on the efficiency of crop and livestock sectors, sustainability of the food and fiber system, and rural development.

What has been done

Within the College of Agricultural and Biological Sciences, there are 12 Hatch projects that are categorized in the Planned Program of Economics, Markets, and Policy. The research activities in this program are supported by our Department of Economics. Hatch funded projects include but are not limited to research involving agricultural land market trends, economic impacts on wildlife and crop production from biofuel production, agricultural commodity prices, the enhancement of the value of U.S. beef, and policies regarding agriculture, energy and the environment.

Results

Through research, our Department of Economics continues to build a scientific knowledge base to improve and understand land values and cash rental rates, socioeconomic well-being, farm profitability and sustainability, the impact of bilateral ethanol trade flow, and market transparency in fed cattle markets. In addition, graduate students gain valuable knowledge and skills while collaborating on research projects.

4. Associated Knowledge Areas

KA Code	Knowledge Area
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
607	Consumer Economics
608	Community Resource Planning and Development
609	Economic Theory and Methods
610	Domestic Policy Analysis
801	Individual and Family Resource Management

Outcome #2

1. Outcome Measures

Number of Family Farms or Ranches that Participated in Estate and Transition Planning Conferences

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	279

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Farmers and ranchers without an estate and transition plan could face challenges detrimental to the future of their agricultural operation. With the average age of farmers and ranchers in South Dakota over 55, it becomes more and more important that all generations involved in the operation understand estate and transition planning.

What has been done

The data for this outcome is a five-year evaluation of the program from 2008-2012. The Sustaining the Legacy conferences were 4-day workshops that engaged SDSU Extension personnel, farm families, and estate professionals. The participants were provided the tools to understand the importance of communication, wills, probate, retirement planning, trusts, life insurance, and the South Dakota long-term care partnership.

Results

Prior to the workshops, nearly half of the participants said they did not have an estate plan. After the workshops, 82 of the 279 participants responded very favorably to a follow-up survey. At least 74% said that they have started an estate or transition plan, with 15% stating 100% completion of their plan. Another 35% are at least three-fourths the way finished with their plans. Approximately

half of the participants updated their wills and created a trust, but just as important, created a channel of communication with their heirs. Participant comments overwhelmingly found the workshops to be informative, necessary and very important for the future of their operations.

4. Associated Knowledge Areas

KA Code	Knowledge Area
801	Individual and Family Resource Management

Outcome #3

1. Outcome Measures

Number of Participants in the Ag CEO Program

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	109

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

By the year 2050, producers will be charged with feeding nine billion people. With the changes to agriculture in the past years, and with rural America shrinking, new skills are needed for agricultural operations to remain viable and sustainable.

What has been done

The Ag CEO program is an SDSU Extension signature program with emphasis on beginning farmers and ranchers. One hundred and nine participants from five communities attended the 4-session series of workshops. The program uses a systems approach to farm business planning that includes topics in farm vision, resource inventory and management, and financial subjects including record creation and budget development and analysis.

Results

Prior to the workshops, nearly half of the participants had little or no knowledge of financial tools. They also viewed planning and analysis as of little or no value. At the end of the workshops, about three-fourths of the producers had at least some understanding of balance sheets, cash flow, enterprise analysis, income statements, and financial ratios. And approximately 90% changed their view that there is at least some value in inventories, SWOT analysis, vision statements, GAP analysis, and strategies and scenario planning. By the end of the workshops,

more than half of the producers also had written goals in business management or social responsibilities.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation
603	Market Economics
605	Natural Resource and Environmental Economics
608	Community Resource Planning and Development

V(H). Planned Program (External Factors)

External factors which affected outcomes

- Economy
- Other (Staff Turnover)

Brief Explanation

The effects of restructuring SDSU Extension in October of 2011 are likely being felt with the greatest impact during this reporting period. With the huge loss of staff and the turn-around time to hire new employees, many vacancies were created. This means less programming and less data to work with in all areas of this report.

Funding cuts continue to impact South Dakota State University.

V(I). Planned Program (Evaluation Studies)

Evaluation Results

Due to continued budget constraints, a full-time evaluator has not been hired. However, we are diligent in our efforts to teach staff how to collect and report meaningful, useful programming data. This includes establishing baseline data, templates that correspond to NIFA reporting, and writing impacts that show strong results.

Estate and Transition Planning

Pre and Post Conference Surveys
279 surveys with 82 respondents

- 80% started an estate plan
- 39% are 75% complete with their estate plan
- 15% are 100% complete with their estate plan
- 74% started a transition plan
- 34% are 75% complete with their transition plan
- 15% are 75% complete with their transition plan
- 51% updated their will
- 51% communicated with heirs
- 48% created a trust
- 15% modified life insurance policies and gifted assets

- 11% completed funeral planning
- 10% added retirement accounts
- 6% sold assets to heirs

Ag CEO

Pre, Post and Online Follow-up Eight Months after Post Workshop Surveys

109 participants with 67 post respondents, 17 respondents to the Online Follow-up

Pre 39-58% little or no understanding of financial tools

Post 69-90% some understanding of financial tools

Pre 45-60% little or no value in planning and analysis tools

Post 69-90% some value in planning and analysis tools

Post

79% completed a financial inventory

78% completed a physical inventory

69% completed a natural resource inventory

64% completed a human resource inventory

72-81% plan to increase record keeping

57% plan to increase electronic record keeping

84% at least somewhat confident moving forward and making decisions

Follow-up (17 respondents)

70% increased record keeping or planning in key areas

44% increased electronic record keeping

75% increased overall use of computer technology

65% developed new financial tools

94% completed financial inventories

69% developed physical inventories

75% increased communication

For future Ag CEO evaluations, we should modify the evaluation by splitting the evaluation into shorter separate evaluations. This should produce less erratic results. Also, we should add some open ended to get a feeling about what the respondents are thinking, as open ended questions are helpful in program improvement.

Key Items of Evaluation

Estate and Transition Planning

60 family farms or ranches have started an estate or transition plan

12 family farms or ranches have completed an estate or transition plan

28 family farms or ranches are 75% finished with their estate or transition plan

Ag CEO

13 operations increased record keeping or planning in key areas

7 operations increased electronic record keeping

13 operations increased overall use of computer technology