

V(A). Planned Program (Summary)

Program # 2

1. Name of the Planned Program

Economics and Management for Sustainable 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	0%	70%	0%	0%
602	Business Management, Finance, and Taxation	25%	10%	25%	0%
604	Marketing and Distribution Practices	25%	10%	25%	0%
605	Natural Resource and Environmental Economics	10%	0%	10%	0%
606	International Trade and Development	10%	0%	10%	0%
608	Community Resource Planning and Development	5%	0%	5%	0%
610	Domestic Policy Analysis	25%	0%	25%	0%
903	Communication, Education, and Information Delivery	0%	10%	0%	0%
	Total	100%	100%	100%	0%

V(C). Planned Program (Inputs)

1. Actual amount of FTE/SYs expended this Program

Year: 2013	Extension		Research	
	1862	1890	1862	1890
Plan	20.0	11.0	10.0	0.0
Actual Paid Professional	12.3	6.0	8.9	0.0
Actual Volunteer	0.0	20.0	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
180745	361553	439643	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
180745	204663	943409	0
1862 All Other	1890 All Other	1862 All Other	1890 All Other
1483097	0	1388911	0

V(D). Planned Program (Activity)

1. Brief description of the Activity

AgriLife Extension and AgriLife Research

Numerous activities, events and experiences were conducted to address the needs of producers and other clientele in the area of economics and management. These include but are not limited to workshops, one-on-one intervention, marketing clubs, cooperatives, popular press articles, extension publications, and other methods as needed. These educational approaches focus on the identified needs of those who participate in our programs.

Work of AgriLife Research and AgriLife Extension is conducted jointly where research-based information is generated and then transferred to clientele. This work is conducted primarily on campus with dissemination efforts both on campus and at various research and extension centers across the state.

Collaborative efforts are also an important part of this area. Work with various commodity groups and other agencies are routinely conducted by both AgriLife Research and AgriLife Extension faculty. Examples of this work include cooperating with Grain and Livestock organizations on risk management and Biofuels programming and the Texas FSA office on price forecasts for lending purposes for the coming year.

Cooperative Extension Program

Workshops and trainings were conducted for both staff and clientele
 Conducted educational programs
 Provided one-on-one consultations
 Develop and maintain social media sites

2. Brief description of the target audience

AgriLife Extension and AgriLife Research

The target audience for the economics and management program includes all Texas producers. Specifically, commercially viable agricultural producers are targeted, but additional efforts are targeted to small scale operators, part-time producers, new/young landowners/producers, and commodity groups.

The target audiences are very diverse in knowledge, skills, attitudes, and aspirations to learn and adopt important strategies to be successful. Therefore, the methods used in this area vary depending on which audience is being addressed.

Cooperative Extension Program

Limited resource farmers, ranchers, and agribusiness owners needing to increase profitability through efficient business practices.

3. How was eXtension used?

AgriLife Extension and AgriLife Research

The Cooperatives Community of Practice for eXtension is supported by Texas AgriLife Extension personnel. It provides a resource to individuals and groups interested in cooperative agricultural business practices. A focus for the community of practice is youth leadership, with the intent of drawing talented youth to careers in cooperatives. Such careers are typically located in rural communities and help to strengthen rural economies. In addition, several faculty members answer the ask an expert questions that come in through eXtension.

Cooperative Extension Program

Agents and Specialist were able to download publications customized with PVAMU-CEP logo to share with Producers. Agents also direct producers to the eXtension website to search for information.

V(E). Planned Program (Outputs)

1. Standard output measures

2013	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
Actual	21109	216882	169	809

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

Patent Applications Submitted

Year: 2013

Actual: 0

Patents listed

3. Publications (Standard General Output Measure)

Number of Peer Reviewed Publications

2013	Extension	Research	Total
Actual	0	340	340

V(F). State Defined Outputs

Output Target

Output #1

Output Measure

- # of group educational sessions conducted.

Year	Actual
2013	497

Output #2

Output Measure

- # of research-related projects.

Year	Actual
2013	51

Output #3

Output Measure

- # of one-on-one technical assistance/consultations.

Year	Actual
2013	342

V(G). State Defined Outcomes

V. State Defined Outcomes Table of Content

O. No.	OUTCOME NAME
1	Percent of producers that report a savings in money or increased profit by best management practices adopted.
2	% of target audience that reports an increased knowledge of economics and management strategies.
3	Number of producers who conduct whole farm or ranch risk assessment evaluations.
4	Number of loan packages submitted and approved for funding

Outcome #1

1. Outcome Measures

Percent of producers that report a savings in money or increased profit by best management practices adopted.

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Condition Outcome Measure

3b. Quantitative Outcome

Year	Actual
2013	84

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Producers attending in-depth workshops are learning the information needed to improve their risk management skills, and increase their economic returns. This improvement in risk management skills, and increased economic returns should improve the long-run viability of the agricultural sector, result in improved economic returns to related businesses and employment in the region as well.

What has been done

A 2.5 year post survey was mailed to participants of the 2011 Master Marketer program held in Waco Texas, to determine knowledge gain, adoption of new practices, and economic impact. The survey was an in-depth 14-page survey that was followed up with reminder postcards and phone calls. The survey was done 2.5 years after the initial program to allow time for adoption of new practices and to identify economic impacts.

Results

Results from survey questions indicated; an increase in the use of a marketing plan from 42% pre-Master Marketer to 89% post-Master Marketer, an increase in determining production costs and incorporating those into the marketing plan from 47% pre-Master Marketer to 74% post-Master Marketer, an increase in using market fundamentals in developing their personal market outlook from 22% pre-Master Marketer to 89% post-Master Marketer, and knowing when to use forward cash contracting from 33% pre-Master Marketer to 88% post-Master Marketer. Master Marketer education had an average individual economic impact of \$41,657 or 3.1% of gross farm income for the Waco class. At a Business Planning for Small Acreage Producers workshop, participants showed that there was a 72% increase in knowledge as a direct result of the workshop. In addition, 100% of respondents anticipate a positive economic benefit as a direct result of the information presented at the workshop.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation
604	Marketing and Distribution Practices
605	Natural Resource and Environmental Economics
610	Domestic Policy Analysis

Outcome #2

1. Outcome Measures

% of target audience that reports an increased knowledge of economics and management strategies.

2. Associated Institution Types

- 1862 Extension
- 1890 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Actual
2013	85

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

AgriLife Extension

Producers attending in-depth workshops are learning the information needed to improve their risk management skills. This improvement in risk management skills, and increased economic returns should improve the long-run viability of the agricultural sector, result in improved economic returns to related businesses and employment in the region as well.

Cooperative Extension Program

Access to Capital ranks as the most important issue facing small producers in Texas and most other states. Many producer fail to understand the process they must undertake to obtain loans from banks. CEP conducted educational programs in this area to address this issue.

What has been done

AgriLife Extension

Pre-test and post-test instruments and retrospective post-tests were used to determine knowledge gained at Master Marketer, Advanced Topics Series, and Beef Management Economics Workshops.

Cooperative Extension Program

Five programs were conducted utilizing staff persons from FSA to educate producers on the new Microloan program offered by FSA. Each program was followed up with One-on-One training to help individuals interested in applying for loans on how to fill out the application.

An ongoing outreach program is being conducted in a three county area in South Texas to assist producers obtain operating loans. This program also assists producers obtain the necessary training to meet FSA's Borrower Training requirements.

Results

AgriLife Extension

The 25th Master Marketer program (approximately 70 hours of classroom training over a six-week period of time) was conducted in El Campo, Texas during September-October 2013. Pre-test and post-test scores of subject matter knowledge level indicated a 50.77% improvement in participant's scores from the beginning of the Master Marketer program (average pretest score 48.15%) to the end of the Master Marketer program (average posttest score 72.59%). In an exit evaluation, participants suggested that they were much more confident in how and when to use various risk management/marketing tools. If this increase in knowledge levels and confidence translates to improved marketing performance similar to preceding Master Marketer graduates, then an increase in annual income of approximately \$35,268 per year, on average, can be expected for each of the 35 graduates of this year's program. If so, these returns would work out to over \$1.2 million per year for the graduates of the 2013 Master Marketer program in El Campo. At the Upper Sabine Cattlemen's Conference, evaluation results from a pre and post survey analysis indicated that participants in the workshop increased their understanding of what is involved in determining what a replacement female is worth by 87.5%.

Cooperative Extension Program

The following results were shared from the program evaluations to indicate the achievements of the program.

- 92% gained knowledge of FSA loan programs
- 95% gained knowledge on keeping production and financial.
- 95% gained knowledge on developing a farm operating budget.
- 98% gained knowledge on net worth/owner equity
- 68% ability to fill out FSA loan application.

150 individual producers attended the five Microloan workshops conducted by CEP. Agents and Specialist worked one-on-one with 50 producers in preparing loan applications for submission to FSA. The South Texas Loan Assistance program assisted 66 producers in applying for loans. Another 15 producers were serviced in the Borrower Training program. Five young farmers attended the Texas Young Farmer Grant Program workshop. Three submitted applications for grants. One received a grant for \$10,000.00.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation
604	Marketing and Distribution Practices
605	Natural Resource and Environmental Economics

Outcome #3

1. Outcome Measures

Number of producers who conduct whole farm or ranch risk assessment evaluations.

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Actual
2013	132

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

The FARM Assistance model (financial simulation strategic planning tool) was used to complete 132 analyses for producers, for demonstrations or agent planning purposes. Survey respondents showed that as a result of participating in FARM Assistance, 91% claim a better understanding of the financial aspects of their own operations, and 92% claim an improved ability to assess the financial risks and potential impacts of strategic decisions they make. A comparison of various scenarios analyzed showed that strategic planning tools can have economic benefits.

What has been done

Participants are able to analyze their own economic situation over a 10-year planning horizon using the FARM Assistance model. Producers were able to utilize their own financial, yield, and production information to analyze alternative strategic opportunities such as adding or reducing acreage, changing the crop/livestock mix, changing the machinery complement or purchase/lease arrangements, financing options, irrigation investments etc., to determine long run impacts on the operations financial situation for planning purposes.

Results

The outcome of client participation is measured through participant evaluations. Client assessments of the FARM Assistance program over the last year indicate a very positive impact on management ability. As a result of participating in the FARM Assistance program, 91% claim a better understanding of the financial aspects of their operation and 92% claim an improved ability to assess the financial risks and potential impacts of strategic decisions they make. One of the objectives of the program is to help managers become more comfortable with formal financial analysis, and 83% indicated that they would be more likely to use formal financial analysis (like FARM Assistance) to help make decisions in the future. 92% of respondents indicated they would recommend FARM Assistance to another producer. Finally, in responding to anticipated economic value, respondents estimated an average \$23,788 annual benefit to their operation as

a result of their FARM Assistance participation.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation
604	Marketing and Distribution Practices
610	Domestic Policy Analysis

Outcome #4

1. Outcome Measures

Number of loan packages submitted and approved for funding

2. Associated Institution Types

- 1890 Extension

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Actual
2013	66

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Access to Capital ranks as the most important issue facing small producers in Texas and most other states. Many producer fail to understand the process they must undertake to obtain loans from banks. CEP conducted educational programs in this area to address this issue.

What has been done

Each program was followed up with one-on-one training to help individuals interested in applying for loans on how to fill out the applications.

Results

150 individual producers attended the five Microloan workshops conducted by CEP. Agents and Specialist worked one-on-one with 50 producers in preparing loan applications for submission to FSA. The South Texas Loan Assistance program assisted 66 producers in applying for loans. Another 15 producers were serviced in the Borrower Training program. Five young farmers attended the Texas Young Farmer Grant Program workshop. Three submitted applications for grants. One received a grant for \$10,000.00.

4. Associated Knowledge Areas

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

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 Programmatic Challenges

Brief Explanation

AgriLife Extension and AgriLife Research

Budget reductions as a result of reduced state appropriations in 2011 resulted in a reduction in FTEs available to carry out research and educational activities during 2012, 2013 and into the future. While remaining faculty picked up additional responsibilities, some educational opportunities were missed due to reduced faculty numbers. The record-breaking drought of 2011 carried over into 2013 across parts of the state and caused a continued realignment of educational priorities. While traditional risk management educational programs were still popular, significant faculty time and effort was redirected toward immediate clientele needs associated with the impacts of drought, management issues tied to continued livestock destocking in some areas, restocking in others, and crop producers dealing with reduced irrigation water availability and related economic decisions.

Cooperative Extension Program

One of the limiting factors in working with small farmers is the fact that many of them are working part time on their farm or ranch. They do not treat their operation like a business i.e. no records, no business plan and in many cases no title to the land they are farming or ranching. The education curve is very steep requiring a lot one-on-one assistance to move the needle.

V(I). Planned Program (Evaluation Studies)

Evaluation Results

AgriLife Extension Program

Clientele/participants involved in Master Marketer, Advanced Topic Series, Livestock Management Economics Workshops, and FARM Assistance are evaluated in several ways, depending on the length of the training activity, whether we are trying to identify short-term knowledge gains, or adoption/change of practices and economic impacts over time. Pre-tests and post-tests are used at the beginning and end of programs to better identify knowledge gains. Retrospective post evaluation surveys are used to identify adoption/change of practices and economic impacts over time. Results indicate that

producers are learning, and adopting/changing practices, and these changes are producing economic benefits.

Cooperative Extension Program

Agents conducted an initial participant survey to gauge producer's level of understanding and the likelihood of adoption of the information being presented. Each Participant was contacted using the enrollment list to follow up on their interest and adopting the information. Those who wanted to apply for a loan were worked with one-on-one. One-on-one evaluations were conducted to monitor progress of each producer.

Key Items of Evaluation

Cooperative Extension Program

Number of producers submitting applications for loans.

Number of producers receiving loans and grants.

Number of producers completing Borrower Training requirements