

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 Economics	1%			
607	Consumer Economics	1%			
610	Domestic Policy Analysis	2%			
611	Foreign Policy and Programs	1%			
	Total	100%			

V(C). Planned Program (Inputs)

1. Actual amount of FTE/SYs expended this Program

Year: 2014	Extension		Research	
	1862	1890	1862	1890
Plan	17.0	0.0	0.0	0.0
Actual Paid	20.0	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
803020	0	0	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
735399	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), 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

2014	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
Actual	16705	50198	3243	3759

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

Patent Applications Submitted

Year: 2014
 Actual: 0

Patents listed

3. Publications (Standard General Output Measure)

Number of Peer Reviewed Publications

2014	Extension	Research	Total
Actual	0	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.

Year	Actual
2014	17

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

Year	Actual
2014	164

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Missouri Ag Census data reports 12,754 women farm operators-up 17.9%, and 1.95 m ac. owned by women-up 8.4%. Annie's Project curriculum covers risk areas: marketing, production, financial, legal & human resource risk. The class empowers farm women to be better business partners. The 18 hour class is designed for farm women to 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 made improvements to Annie's Project curriculum. 7 Annie's Project classes (18 hrs.) and one conference (12 hrs.) were conducted. Participants totaled 164. Extension specialists and professionals taught the classes. Evaluations were reviewed and modified. Classes used evaluations and a 6 month follow-up was sent electronically. Extension specialists met in person to share teaching ideas, curriculum suggestions and creative techniques.

Results

During Annie's Project classes, participants completed balance sheets to enhance the understanding of current and noncurrent assets and liabilities. Each person also learned about business plans and started/completed a plan. Participants were sent an electronic survey 6 months post class. The response rate was 21%. 100% said they had shared class information with at least one other person. 44% of those with leases made modifications. 58% checked bank accounts/vehicles for POD and TOD, and 44% were without a POD/TOD, so added them. A post survey comment, "Annie's Project gave my late husband and I a vehicle to open lines of communication to make farming a true business and not simply to farm the way Grandpa always

did." Annie's Project empowers farm women to be better decision makers. The survey indicated 86% made purchasing decisions themselves or helped farm partners, showing application of the information.

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
606	International Trade and Development Economics
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

Year	Actual
2014	75

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

High land and farm asset values along with more complex family units (divorces, step-children, longer-life) continue to make farm estate and succession planning difficult. The average age of farmers in Missouri is 57, and landowners even higher, so this is a critical, high priority issue for many farm families. However, the complexity has caused many of them to put it off or utilize local professional expertise (attorneys, etc.), who are often not equipped to handle farm estates of over \$1 million.

What has been done

This curriculum has been taught successfully in Missouri for over 5 years. Its goal is to help participants understand terms and issues related to estate and succession planning and to begin the process to complete a plan. In FY14 the course was taught via Interactive Television so it was accessible to more portions of Missouri. The course was taught in 3 nights, 3 hours each, and included an outside speaker (Probate Judge) and work exercise (figuring their potential probate and estate cost).

Results

Participant evaluations have continually demonstrated a large, measureable increase in knowledge in several categories. These include estate planning tools available, the pros and cons of probate, stepped-up basis and its importance, and the difference between gift and estate tax. Actions that class participants have taken are: 85% have calculated an estimate of their estate value; 90% have identified goals and objectives; and 78% have communicated their wishes to their heirs. In addition, in one rural area where the class was held where no estate planning attorney is close, an attorney with local roots was brought into the county. In that instance alone, 60% of the attendees have completed their estate/succession plans since the class in February.

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
606	International Trade and Development Economics
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

Year	Actual
2014	0

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

The Missouri cattle industry is entering a critical point based on available supply, especially the shortage of cattle that grade Choice, Premium Choice, or Prime. This quality is needed to supply the growing domestic and global demand for high-quality beef. Efforts are being made to value cattle on an individual-carcass basis rather than on an average live-price basis. As a result, value-based grids have supported efforts to improve and reward producers for high quality beef. More than half of all fed cattle are marketed on a grid, rewarding higher quality grade, cut ability, and uniformity.

What has been done

Building off the Show-Me-Select Replacement Heifer Program model, Missouri is building a new value added programming effort called The Missouri Beef Project. This program will build on carefully researched, scientifically proven practices that effectively combine reproductive control of the bovine estrous cycle and careful selection of genetically superior sires that conservatively increase the value of steer calves per beef cow by \$100. Added value will be captured by Missouri's cow-calf producers' adoption of the "Missouri Recipe" for production, management, and marketing of high-quality cattle.

Results

Missouri's beef industry is a leading segment of our state's agricultural economy. Building off the Show-Me-Select Replacement Heifer Program model, Missouri is building a new value-added programming effort entitled The Missouri Beef Project. This new program when fully implemented will increase the value of steer calves per beef cow by \$100, added value that will be captured by responding to increasing world-wide consumer demand for high-quality beef. The Missouri Beef Project has the potential to return up to \$200 million per year to the state, which conservatively can be multiplied as high as five-fold in terms of the total economic benefits to Missouri. In simple terms, deployment of the Missouri Beef Project offers a potential return on investment that far outweighs the Show-Me-Select Replacement Heifer Program and positions beef producers in Missouri to lead the country in the production and sale of high-quality beef.

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management
603	Market Economics
604	Marketing and Distribution Practices

V(H). Planned Program (External Factors)

External factors which affected outcomes

- Public Policy changes
- Government Regulations
- Competing Public priorities
- Competing Programmatic Challenges
- Populations changes (immigration, new cultural groupings, etc.)

Brief Explanation

The drought that began in 2012 began to ease in the fall of 2013. Pastures began to improve and cattle producers were able to begin rebuilding their herds in 2014. Grain prices began to fall, which was positive for the livestock industry, but had a negative effect on the value of cropland. A new farm bill was passed in the spring of 2014, but details of the specific programs in the bill were yet to be resolved. The Affordable Care Act was also being implemented and caused some concern among farmers. How to deal with the economic impact of the weather conditions on grain and livestock operations and the potential impact of the new legislation on farm businesses were common topics for meetings and individual assistance during this period. Hog producers were also faced with a new and costly disease of baby pigs. All of the above issues had economic consequences for agricultural producers and increased the need for educational efforts by our AgBusiness specialists.

V(I). Planned Program (Evaluation Studies)

Evaluation Results

Many successful educational activities were conducted to help cattle producers recover from economic losses resulting from the drought of 2012-13. These included demonstrations of the software program "Replacement Cow Bid Price Calculator," grazing schools explaining the effect of hay and forage management on the profitability of cattle operations, and marketing strategies for selling and buying cattle. Five dairy profit workshops explained a complete tool kit available for managing risk in dairy operations. Missouri's beef cattle industry improved in FY14, but dairy producers continued to face problems with milk pricing. Grain producers saw yields and profitability return with the end of the drought. Our annual farmland values survey indicated cropland values had been affected by the decrease in profitability in FY14. Our annual series of seminars for agricultural lenders at 14 locations over the state had record attendance. They rated the information gained from these seminars as very valuable, with economic outlook information and example enterprise budgets most valuable. Our annual income tax schools maintained attendance and their high rating of previous years, including approval by the IRS for Continuing Education Credit. Workshops on estate planning and events targeting women in agriculture were also very successful.

Key Items of Evaluation

None