

V(A). Planned Program (Summary)

Program # 12

1. Name of the Planned Program

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	28%		60%	
602	Business Management, Finance, and Taxation	25%		10%	
603	Market Economics	22%		10%	
607	Consumer Economics	5%		10%	
610	Domestic Policy Analysis	20%		10%	
	Total	100%		100%	

V(C). Planned Program (Inputs)

1. Actual amount of FTE/SYs expended this Program

Year: 2014	Extension		Research	
	1862	1890	1862	1890
Plan	6.0	0.0	4.0	0.0
Actual Paid	8.0	0.0	1.3	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
130000	0	65948	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
130000	0	65948	0
1862 All Other	1890 All Other	1862 All Other	1890 All Other
1260000	0	326842	0

V(D). Planned Program (Activity)

1. Brief description of the Activity

Develop and communicate research based information that farm and agribusiness managers can use to improve decisions.
 Develop decision aids developed that assist farm and agribusiness managers in improved decisions.
 Conduct educational programs 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?

The cooperatives community of practice (COP) on eXtension was used extensively in 2014. It was used to develop and deliver information to cooperative managers, board of director members and producer members. During 2014 a national webinars was conducted on eXtension. Ten articles were also published in a new blog titled "Farmer Cooperative Commentary" . Seventeen articles were also published in the general section of the Cooperatives COP on eXtension.

V(E). Planned Program (Outputs)

1. Standard output measures

2014	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
Actual	17806	777787	280	3000

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	35	24	59

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
2014	35

Output #2

Output Measure

- Number of software decision analysis aids developed

Year	Actual
2014	6

Output #3

Output Measure

- Number of manuscripts submitted to refereed journals

Year	Actual
2014	48

Output #4

Output Measure

- Number of farm income tax management schools conducted

Year	Actual
2014	11

Output #5

Output Measure

- Number of participatory experiential learning workshops conducted

Year	Actual
2014	3

Output #6

Output Measure

- Number of extension fact sheets, current reports, department staff papers, newsletter articles and other reports developed.

Year	Actual
2014	55

Output #7

Output Measure

- Number of articles published, questions answered, and webinars conducted through eXtension system

Year	Actual
2014	77

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 producers and agribusiness managers using OSU developed decision aids
5	Number of producers gaining an improved understanding of risk management through participatory experiential learning experiences

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 Condition Outcome Measure

3b. Quantitative Outcome

Year	Actual
2014	1900

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 48 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 2014 attendance for the schools was approximately 1,900 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.

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
2014	50

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 supplemented with advanced training open only to directors completing the credentialed training.

The OCCD program was initiated in November of 2001. Since then it has been offered eleven times (spring and fall) with nine advanced sessions. Over 3600 directors have attended the Credentialing sessions and over 1,800 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. 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

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
2014	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

OSU specialists from Animal Science and Agricultural Economics developed a comprehensive educational program in cooperation with others in 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

70 producers were certified under the OSU Master Cattleman Program in 2014. Approximately 1,016 farmers and ranchers have enrolled in the Master Cattleman program since 2004 and, to date, 815 have completed the program. In program evaluation surveys, graduates estimate annual improvement in their cattle operation's profitability at approximately \$3,500. With an average of 81 producers graduating per year, the impact is approximately \$280,000 each year for 10 years for a total impact of \$2.8 million over the program's history if the increase is a one-time event. Arguably, the \$3,500 impact per producer could be in perpetuity for the individual operation, resulting in a much bigger impact. On average, graduates indicate that they use the Beef Cattle Manual at least once monthly and that they have referred 5 additional people to the Beef Cattle Manual and three people to the Master Cattleman program.

Approximately 9,000 manuals have been distributed through local Extension offices, area, state and national meetings and from the Master Cattleman website. Beef manual requests have been filled to 37 states and 5 foreign countries. The manual has been used as a textbook in 8 universities and community colleges in 5 states.

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 producers and agribusiness managers using OSU developed decision aids

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Actual
2014	1300

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

While tax reporting is often the primary motivation for record-keeping for many producers, records that support farm and ranch decisions can be invaluable.

What has been done

Quicken is software that is user-friendly, widely available, and inexpensive and can be adapted for farm use where only cash records are required. OSU Extension Specialists updated a Quicken instruction manual and developed a quarterly newsletter for past workshop participants and notebook purchasers.

Results

Approximately 1,300 individuals are receiving financial information via the newsletter. Team members are also responding to phone, mail, e-mail requests for assistance and/or support. Extension educators who participated in a fall 2014 in-service training estimated the economic benefits (reduction in tax preparation charges, value in supporting decisions, etc.) from workshop participation at \$500 per person. This estimate is perhaps conservative given estimated bookkeeping cost savings of \$35-50 per month plus \$100 per hour for tax preparation as noted by professional tax preparers. Assuming that 75 in-state workshop participants and one-quarter of the 1,300 website users gained a \$500 benefit, the economic impact exceeded \$187,500 for 2014. Arguably, this estimate is conservative in that savings would also be derived in future years through the life of the business--once skills are gained, they are likely to continue to be applied. OSU Farm Quicken website has more than 4,000 page views per year and is one of the most frequently accessed departmental Extension sites. Educators in other states are frequent users and adopters of our material as they recognize the practicality and quality of the materials. This saves scarce Extension resources nationwide as they are not creating similar materials.

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
610	Domestic Policy Analysis

Outcome #5

1. Outcome Measures

Number of producers gaining an improved understanding of risk management through participatory experiential learning experiences

2. Associated Institution Types

- 1862 Extension
- 1862 Research

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Actual
2014	70

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

OSU Specialists in Animal Science and Agricultural Economics 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

70 producers were certified under the OSU Master Cattleman Program in 2014

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

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 Data Entered}

V(I). Planned Program (Evaluation Studies)

Evaluation Results

Master Cattleman program - since 2004 and 815 have completed the program. In 2014, 14 graduated and 62 additional students are progressing towards graduation. In program evaluation surveys, graduates estimate annual improvement in their cattle operation's profitability at approximately \$3,500. With an average of 81 producers graduating per year, the impact is approximately \$280,000 each year for 10 years for a total impact of \$2.8 million over the program's history if the increase is a one-time event. Arguably, the \$3,500 impact per producer could be in perpetuity for the individual operation, resulting in a much bigger impact.

Key Items of Evaluation