

**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	8%		9%	
602	Business Management, Finance, and Taxation	48%		13%	
603	Market Economics	38%		20%	
604	Marketing and Distribution Practices	0%		23%	
605	Natural Resource and Environmental Economics	4%		12%	
607	Consumer Economics	0%		10%	
608	Community Resource Planning and Development	2%		0%	
609	Economic Theory and Methods	0%		3%	
610	Domestic Policy Analysis	0%		10%	
	<b>Total</b>	100%		100%	

**V(C). Planned Program (Inputs)**

**1. Actual amount of FTE/SYs expended this Program**

Year: 2014	Extension		Research	
	1862	1890	1862	1890
<b>Plan</b>	4.6	0.0	13.4	0.0
<b>Actual Paid</b>	6.1	0.0	12.7	0.0
<b>Actual Volunteer</b>	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
239158	0	125708	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
239158	0	134793	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 Supply Chain Management Strategies
- 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 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 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
<b>Actual</b>	8150	591192	293	1501

**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
<b>Actual</b>	2	4	6

**V(F). State Defined Outputs**

**Output Target**

**Output #1**

**Output Measure**

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

Year	Actual
2014	8

**Output #2**

**Output Measure**

- Number of Estate and Transition Planning Conferences During the Evaluation Period  
 Not reporting on this Output for this Annual Report

**Output #3**

**Output Measure**

- Number of Ag CEO Workshops

Year	Actual
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2014 1

**Output #4**

**Output Measure**

- Conduct Studies to Identify Product Attributes and Willingness to Pay for Locally Produced Beef

<b>Year</b>	<b>Actual</b>
2014	0

**Output #5**

**Output Measure**

- Number of Publications Posted on iGrow Website

<b>Year</b>	<b>Actual</b>
2014	16

**Output #6**

**Output Measure**

- Number of Articles Posted on iGrow Website

<b>Year</b>	<b>Actual</b>
2014	104

**Output #7**

**Output Measure**

- Number of Podcasts Posted on iGrow Website

<b>Year</b>	<b>Actual</b>
2014	1

**Output #8**

**Output Measure**

- Number of Radio Programs Posted on iGrow Website

<b>Year</b>	<b>Actual</b>
2014	34

**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
4	Increased Understanding of Consumer Willingness to Pay for Locally Produced Beef

## **Outcome #1**

### **1. Outcome Measures**

Number of Economics, Markets, and Policy Hatch Research Projects

### **2. Associated Institution Types**

- 1862 Extension
- 1862 Research

### **3a. Outcome Type:**

Change in Knowledge Outcome Measure

### **3b. Quantitative Outcome**

<b>Year</b>	<b>Actual</b>
2014	10

### **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 10 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 commodity prices, energy and the environment, agricultural land market trends, and the economic impacts on wildlife and crop production from biofuel production.

#### **Results**

Through research, our Department of Economics continues to build a scientific knowledge base to improve agricultural marketing and trade, farm and ranch management, and agricultural policies. Examples include:

Market studies for South Dakota produced beef, agricultural and international trade policy issues in the Northern Great Plains, commodity characteristic values of Hard Red Spring Wheat and vegetable oils, land markets and land management in South Dakota, and opportunities for cellulose based ethanol production in South Dakota. In addition, graduate students gain valuable knowledge and skills while collaborating on research projects.

#### 4. Associated Knowledge Areas

<b>KA Code</b>	<b>Knowledge Area</b>
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
609	Economic Theory and Methods
610	Domestic Policy Analysis

#### Outcome #2

##### 1. Outcome Measures

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

Not Reporting on this Outcome Measure

#### Outcome #3

##### 1. Outcome Measures

Number of Participants in the Ag CEO Program

##### 2. Associated Institution Types

- 1862 Extension

##### 3a. Outcome Type:

Change in Action Outcome Measure

##### 3b. Quantitative Outcome

<b>Year</b>	<b>Actual</b>
2014	10

##### 3c. Qualitative Outcome or Impact Statement

###### **Issue (Who cares and Why)**

Whether producers are just beginning, changing roles, or already experienced, they face difficult times if they are not fully engaged in strategic planning of their business operations. To be a

manager and CEO of today's farms and ranches, producers must have a solid foundation in financial management, and the ability to make decisions that will be profitable and work toward the long term goals of the operation.

**What has been done**

The Ag CEO program is an SDSU Extension signature program with emphasis on beginning farmers and ranchers. The program is a series of workshops and self-study, with additional training for producers completing Farm Services Agency (FSA) borrower training. 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. In addition, the Ag CEO program developed and conducted the Ag CEO Lender Conference in response to stakeholder's requests.

**Results**

Since the Ag CEO program started in the spring of 2012, 152 people have now taken part in the program. In this reporting period, 10 new farmers and ranchers participated. All 10 participants received Farm Services Agency (FSA) borrower training and all were able to renew their FSA loans. Everyone also completed a strategic plan specific to their operation, which included vision, SWOT analysis, GAP analysis, and scenario planning. One hundred and thirty people participated in the Ag CEO Lender Conference. The conference focused on land values and trends, production costs and price input outlook, grain commodity trends and outlook, macro-economic outlook, farm bill update, and cattle price outlook.

**4. Associated Knowledge Areas**

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

**Outcome #4**

**1. Outcome Measures**

Increased Understanding of Consumer Willingness to Pay for Locally Produced Beef

**2. Associated Institution Types**

- 1862 Research

**3a. Outcome Type:**

Change in Knowledge Outcome Measure

### 3b. Quantitative Outcome

Year	Actual
2014	0

### 3c. Qualitative Outcome or Impact Statement

#### Issue (Who cares and Why)

As producers increase efforts to meet the demand for locally produced food, demand-side information is needed to better understand the consumer's willingness to pay. This information is necessary to help producers develop efficient production and marketing strategies to increase profitability.

#### What has been done

In the last reporting period of this project, a study concluded that consumers were willing to pay higher prices for locally produced rib-eye steaks. In this reporting period, the focus has shifted to examine the effectiveness of social media at encouraging Millennial and Generation-X consumers to purchase more beef. On-line surveys and focus group interviews were conducted.

#### Results

The on-line survey of 126 respondents indicated that websites are the number one source for Millennial and Generation-X consumers to obtain nutritional information and recipes, followed by family and friends, magazines, and social media. The majority of respondents said nutrition and health were first priorities when considering buying beef but they also had misunderstandings of information that could potentially discourage more beef consumption. The findings suggest that there is a potential marketing opportunity for the beef industry to explore on-line and social media to promote beef consumption. The focus group interviews are being analyzed.

### 4. Associated Knowledge Areas

KA Code	Knowledge Area
607	Consumer Economics

### V(H). Planned Program (External Factors)

#### External factors which affected outcomes

- Natural Disasters (drought, weather extremes, etc.)
- Economy
- Competing Public priorities
- Competing Programmatic Challenges

#### Brief Explanation

Western South Dakota experienced one its worst blizzards on record, killing an estimated 50,000 or more livestock. Valuable man-hours and resources had to be redirected for both livestock and non-livestock issues.

Salary and benefit increases have eroded the impact of federal funds, deferring vacancy fills in both SDSU Research and SDSU Extension.

Many of the research facilities at SDSU have exceeded their useful life and no longer accommodate the needs of the scientists in the Agricultural Experiment Station. Deferred maintenance and repair of facilities remain a serious limit to research, faculty recruiting and retention.

## **V(I). Planned Program (Evaluation Studies)**

### **Evaluation Results**

#### **Ag CEO**

10 Participants

67% indicated they will increase their record keeping

50% will change how they keep electronic records

83% indicated they have now analyzed production practices and size, financial position, and natural resources and conservation

80% indicated they were now more confident in making decisions

40% now have written short-term and mid-term goals

20% now have long term written goals

### **Key Items of Evaluation**