



Extension helps farmers learn how to manage complex farming situations. Ed Usset, Extension economist (right), works with David Bau, an Extension agricultural business management educator, to create timely and relevant learning experiences for Minnesota farmers.

Calculated decisions

Management is crucial when so many factors control farming outcomes

Extension applies agricultural economics research to the real world and high stakes of farming.

To help farmers thrive in better times and survive in tough ones, Extension offers a host of online tools, programs and resources on:

- Investment decisions, such as large machinery and equipment
- Pricing for crops and livestock
- Land rental
- Land transfer and estate planning
- Agribusiness, crop insurance
- Navigating the 2014 farm bill

To learn more, visit
www.extension.umn.edu/agriculture/business

When Ed Usset, Extension grain marketing specialist, tells farmers to “find that dime,” he means a dime more per bushel of corn or soybeans that they can earn with a good marketing plan. Those dimes add up, and not only for the farmer. Farm profits circulate through farmers’ cities and towns. When farmers lose money, whole communities lose out on employment, sales and tax revenue that don’t materialize.

The most recent production season gives ample insight into why planning matters. Though 2015 welcomed ideal growing weather, volatile market forces brought crop prices to the lowest in recent years. Even the savviest farmers may not profit in such a tough year, but because of Extension education they and their communities won’t have as deep a hole to climb out of.

Informing decisions

One place farmers learn to “find that dime” is on a virtual farm in south-central Minnesota. It’s much like any other crop and livestock operation. Informed decision-

making is essential, especially because external forces, like weather and market fluctuations, can exert unwelcome influence on a farm’s bottom line.

A group of Redwood County farmers meets monthly to study commodity marketing on this virtual farm, designed to replicate real-life decisions they face when bringing crops to market. David Bau, Extension agricultural business management educator, with input from Usset, presents scenarios on applying lessons to their own enterprises.

When Debra Sue Lee attended her first Extension agricultural business management workshop in the mid-’90s, she’d had a bad crop year and was facing the failure of her farm. “I didn’t know terms like futures and options, but Extension helps everyone learn no matter what level they are at,” she says. “And I was getting the fast realization that I needed to understand it all.”

Lee now helps her husband, Randy, farm near Franklin in Renville County and has gone from not understanding the market to taking up a career in commodity marketing. She still participates in Extension’s

HELPING DRIVE MINNESOTA'S ECONOMY

Minnesota agriculture is a major contributor to the state's economy, contributing \$75 billion in economic activity and more than 340,000 jobs. Extension's research and education on improving agricultural business management and agricultural production help keep Minnesota strong.

Minnesota ranks in the top five states in total agricultural cash receipts in:

- Turkeys
- Hogs
- Sugar beets
- Spring wheat, oats
- Soybeans
- Canola and other oilseeds
- Grain corn
- Hay
- Sweet corn, dry beans, green peas

Minnesota also ranks high in dairy, chickens and eggs, and many other commodities.

*Minnesota Department of Agriculture; National Agricultural Statistics Service



agricultural business management education. "It's great for listening and bouncing ideas off of each other," she says. "Extension has opened doors for me to learn and grow."



Farmers and others who work in Minnesota agriculture rely on Extension for current, timely and accurate information.

Tim VanDerWal, a Redwood County corn and beef farmer and president of the Wanda State Bank, also encourages farm clients to participate. "As a farmer, I learn a lot from the knowledge base and experience Extension brings to the table, including seeing how 'surprises' can affect the outcomes in farming," he says. "When it comes to everything you have to do right in farming, we know it and we live and breathe it because it's critical to rural Minnesota communities. Extension helps identify those areas which have the greatest impact on profitability."

No margin for error

"All things equal, management is everything," says Extension economist Kevin Klair. "Management is the key that makes the difference on whether a farm thrives or struggles."

Of course, all things are never equal in farming, known for volatility from global markets, weather, diseases and input prices. This only makes proactive management all the more critical.

FINBIN, the nation's largest public farm financial database, is one Extension tool that makes analyzing and planning more informed and effective. It's used by farmers, crop insurers, consultants and bankers.

It's always been important for farmers to understand business. "Today, with larger operations and substantial investments, there's just no margin for error anymore," says Bob Craven, Extension economist and leader of the agricultural business management program. "You need to have a reliable decision framework. You need to understand how to work with your lender and your lender needs to understand the intricacies of agriculture."