

Department of Agricultural and Resource Economics

Program Impacts: 2020 MANAGE Extension Educational Program

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Introduction

Area Specialists–Farm Management (ASFM) develop and teach educational programs in farm and financial management, marketing, recordkeeping and other economic-based subjects. The intent of this summary report is to provide administration and the public with an annual report of accomplishments and impacts of these educational programs. The report is divided into six sections: contacts, financial planning, production, educational meetings, success stories and other impacts. Data tables and/or explanations are included with each section.

The MANAGE program, and most everything else in society, faced numerous challenges and changes during 2020. Face-to-face group meetings are typically a strength of our educational delivery. Changes were made to focus on digital meetings and webinars, increasing personal correspondence and maintaining direct on-site assistance to farm families and agribusinesses.

Contacts

Table 1. Direct Contacts

Personal Correspondence	On-Site Visits	Digital Contacts	Group Meetings	Total
23,249	1,612	3,766	4,570	33,197

From Table 1, ASFM contacted more than 33,000 people as a part of their educational programming. Contacts by group meetings were greatly reduced in 2020 due to meeting cancelations and restrictions; however, digital contacts via webinars provided a new educational opportunity, and on-site visits and personal correspondence remained strong. ASFM continued to focus on individual educational efforts with Tennessee farmers, land owners and agribusinesses.

Financial Planning

Table 2. Financial Planning

Farm Financial Analyses	Average Debt/Asset Ratio	Average Gross Farm Income	Average Net Worth
94	0.45	\$567,190	\$2,082,066

One of the mainstays of the MANAGE educational program is its emphasis on farm-level financial planning. The financial planning comes in various forms, depending on the needs of the farm families. In 2020, 113 farm families participated in intensive one-on-one financial planning sessions, resulting in 94 complete financial plans (Table 2). These plans include base, or current farm enterprises, compared to potential enterprises which can assist farmers in selecting more profitable farming methods and making better financial decisions. The average debt/asset ratio in Table 2 shows that farm families owe 45 cents for every dollar of the value of their farm assets. That debt load underscores the value and opportunity of using the MANAGE educational program. The average net worth of \$2.08 million indicates that these farm families have a vested interest in protecting and growing their farm businesses.

Production

Production data are important in defining the farm situation in Tennessee and in describing the scope of the MANAGE program. The total farm crop acreage included in financial planning in 2020 was 65,393 acres. Gross income from these farms totaled \$46.5 million and net income totaled \$6.5 million. In a very real sense, the ASFM helped manage, through their on-farm financial planning, an enormous amount of acreage and income for Tennessee farm families. The relatively low profit margin between gross and net income reflects the importance of this management function.

Educational Meetings

ASFM teach or facilitate in group educational meetings across the state. In 2020, they taught or facilitated in 116 educational meetings. ASFM made educational presentations at 93 in-person or digital sessions with an audience of 8,336. Through these educational meetings, ASFM teach such topics as budgeting, financial planning, taxes, computerized recordkeeping and other economic and production topics to agricultural producers and other educators. During 2020, the focus of these educational meetings included recordkeeping and tax planning, crop/livestock budgeting and marketing, and farm transition planning.

Success Stories

Tennessee Master Farm Manager Program: A highlight of the 2020 educational efforts was the statewide launch of the Tennessee Master Farm Manager Program. This intensive farm management program focuses on solid business principles and efficiently utilizing resources on the farms. A pilot program was held in East Tennessee during January and February with 23 producers in a group meeting setting. Meeting restrictions and social distancing required the statewide effort to be delivered in an eight-session webinar format.

ASFM and faculty from the Department of Agricultural and Resource Economics taught the individual sessions. The subject matter topics included financial statements, types of business structure, farm taxes and recordkeeping, equipment purchase decisions, cost of borrowing, farm and management transition, lease agreements and trade issues.

Participation in the webinar series included 224 producers and 54 Extension, state and agri-industry personnel. The new delivery method was successful in reaching new clientele with 40 participants indicating it was their first Extension event or activity.

Through an end-of-program survey, participants indicated they were very satisfied with the educational series. Ninety-eight percent indicated they would recommend the Master Farm Manager program to others. When asked to estimate the economic impact the information could have on their operation, the participants reported a total impact of \$2,172,500 or \$10,917 per participant. Tennessee producers who complete the Master Farm Manager Program and meet additional requirements are eligible for 50 percent

cost share projects available from the Tennessee Department of Agriculture's Tennessee Agricultural Enhancement Program.

Comments from Master Farm Manager Participants:

- “I plan to spend the last 10 years of my career developing and implementing a transition plan to take our family farm from my father's generation to my son's generation. The topics covered in this webinar could not have come at a better time for our family.”
- “Absolutely great class!! While I have a background in accounting and understand financial statements, I learned how to apply that knowledge to farming to be able to make decisions for equipment, seed and livestock purchases and management. I'll be referring to the handouts frequently as I write my business plan for my farm.”
- “As a first-time emerging farmer...the information is invaluable to me. I plan on attending each offering in the future to help build on my knowledge.”
- “There should be some way to make Master Farm Manager a requirement for owning/managing a farm.”

Income Tax Seminars: ASFM's assist with teaching and facilitating income tax seminars across the state. Nine two-day sessions and one webinar were held during 2020. Six hundred thirty-two (632) accountants and tax preparers earned more than 10,000 continuing professional education credits by attending these educational training sessions. The seminars provide an excellent opportunity for participants to maintain knowledge and skills for their profession.

Cooperative Beef Cattle Marketing: ASFM assisted beef producers in a multi-county cooperative marketing effort to group and market feeder cattle in truckload lots. A total of 5,054 head of cattle were sold by 266 producers in four sales during 2020. Prices received by producers were \$9.61/cwt. higher than state-reported weekly average market prices. This cooperative marketing effort resulted in an increase in feeder calf value (compared to the Tennessee average) of \$329,960 for those producers or \$65.29 per head marketed.

Webinar Series: ASFM coordinated and assisted in teaching a seven-session webinar series focused on improving farm management skills. Session topics included farm tax filing tips, financial business planning and recordkeeping, budgeting, risk management, marketing, labor management and succession planning. One hundred seventy-one (171) individuals participated in the webinar series. Program evaluations indicated that 96 percent of respondents increased their knowledge of farm management fundamentals as a result of the webinars. In addition, 86 percent indicated they set goals to

implement new or improved financial management skills. The webinar reached a diverse audience with participants from the United States, Brazil, India and Lebanon.

Other Impacts

ASFM worked with a dairy farm family expanding with a value-added cheese processing facility. With the assistance of the ASFM, the dairy was able to secure a Value-Added Producer Grant for \$250,000.

The ASFM assisted a producer in restructuring enterprises on the family farm resulting in a savings of more than \$13,000 annually.

ASFM also assisted a number of producers in applying for funds available from the USDA Coronavirus Food Assistance Program. One ASFM reported assisting 13 producers with a total estimated impact of \$195,000 or \$15,000 for each farm family.

One producer stated, “Due to the advice of the ASFM, courses attended and farm visits, I have much improved my business plan and recordkeeping of our farm businesses. I was given direction with tax planning, recordkeeping and helped with an overall business plan. I am so very thankful for the support!”

A dairy family facing financial hardship worked with ASFM over a two-year period, evaluating refinancing options and tracking production costs in order to make more informed business decisions. By mid-year 2020, the farm had more than \$150,000 in cash reserves and is in a much stronger financial position.

ASFM assisted county Extension agents with corn and soybean test plots, 4-H beef and dairy shows, facilitating meetings and conferences, and promoting Extension educational programs throughout the state.

Summary

This annual report provides evidence of the MANAGE educational program’s relevance and importance. With the production and financial risks Tennessee farmers face each year, it is imperative to provide these farm families with the ability to make better-informed financial decisions. Area Specialists–Farm Management continue to work in partnership with Extension agents on the county level and state specialists in the Department of Agricultural and Resource Economics to assist farm families in reaching their financial goals.

Additional Information Links:

University of Tennessee MANAGE Program: arec.tennessee.edu/extension/manage

Tennessee Master Farm Manager Program:

arec.tennessee.edu/extension/manage/tennessee-master-farm-manager

Department of Agricultural and Resource Economics: arec.tennessee.edu



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