Program Impacts:
MANAGE Extension Educational Program
2019

David Bilderback, Iris Cui, Chuck Danehower, Kevin Ferguson, Alan Galloway, Adam Hopkins, Les Humpal, Dallas Manning and Danny Morris
Area Specialists-Farm Management
Department of Agricultural and Resource Economics

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.
Contacts

Table 1. Direct Contacts

<table>
<thead>
<tr>
<th>Direct Mail/Telephone</th>
<th>Extension Office</th>
<th>On-Site Visits</th>
<th>Group Meetings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,079</td>
<td>416</td>
<td>1,511</td>
<td>20,871</td>
<td>32,877</td>
</tr>
</tbody>
</table>

From Table 1, ASFM contacted more than 32,000 people as a part of their educational programming. Strength is noted in group meetings; however, on-site and Extension office visits focus on individual educational efforts with Tennessee farmers, landowners and agribusinesses.

Financial Planning

Table 2. Financial Planning

<table>
<thead>
<tr>
<th>Farm Financial Analyses</th>
<th>Balance Sheets Developed</th>
<th>Complete Financial Plans Developed</th>
<th>Average Debt/Asset Ratio</th>
<th>Average Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>99</td>
<td>83</td>
<td>81</td>
<td>0.40</td>
<td>$1,707,346</td>
</tr>
</tbody>
</table>

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 2019, 114 farm families participated on one-on-one financial planning educational sessions, resulting in 99 complete financial plans (Table 2). These plans include base, or current farm enterprises, compared to potential enterprises that can assist farmers in selecting more profitable farming methods and making better financial decisions. The average debt/asset ratio in Table 2 shows that, on average, farm families owe 40 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 $1.7 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 2019 was 69,264 acres. Gross income from these farms totaled $48.5 million and net income totaled $6.1 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 2019, they facilitated 280 educational meetings. ASFM made educational presentations at 218 sessions with an audience of 11,425. Through these educational meetings, ASFM teach such topics as budgeting, financial planning, computerized recordkeeping and other economic and production topics to agricultural producers and other educators. During 2019, the focus of these educational meetings included industrial hemp budgeting and economics, recordkeeping and taxes, crop/livestock budgeting and marketing, and farm transition planning.

Success Stories

**Dairy Benchmarking:** Fourteen dairies in southeast Tennessee completed the dairy benchmarking educational program. The dairies produced 189,162,173 pounds of milk, representing 27 percent of Tennessee milk production. The 14 dairies had a total of 7,775 cows. Each dairy received a summary of its cost structure and a comparison with the group average. Multiple producers in the group stated the benchmarking program was one of the best educational programs they have completed. As a result of the program, eight dairies focused on their cost structure and cost-saving strategies. Those eight dairies reduced expenses by 8 percent annually, with a total direct economic impact of $2.32 million.

**Income Tax Seminars:** ASFM assist with teaching and facilitating income tax seminars across the state. Eight two-day sessions were held during 2019. Seven hundred sixty-four (764) accountants and tax preparers earned over 12,200 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 multicounty cooperative marketing effort to group and market feeder cattle in truckload lots. A total of 5,366 head of cattle were sold by 298 producers in four sales during 2019. Prices received by producers were $11.83 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 $439,658 for those producers or $81.93 per head marketed.

**Computer Recordkeeping Workshops:** Thirty-one producers attended workshops to improve their computer recordkeeping skills. All of the participants planned to adopt the software system and the information provided in the workshops. Participants estimated the value of this new management program to their operations at over $100,900.
Webinar Series: ASFMs coordinated and assisted in teaching a seven-session webinar series focused on improving farm management skills. Session topics included business planning, financial health, budgeting, risk management, marketing, stress management and succession planning. Two hundred eighty-two (282) individuals registered for the sessions, with many participating live and others viewing the recordings of the sessions. The webinar reached a diverse audience with participants from the United States, Mexico, Brazil, Canada, Italy, Puerto Rico and Germany.

Other Impacts

ASFМ assisted one row-crop producer with budgeting and farm planning information that allowed for the renegotiation of lease arrangements on 300 acres. The changes resulted in a savings of approximately $9,000. The producer was able to share the farm plan with the landowner, negotiate a change, and continue to maintain a profit.

ASFМ worked with a number of farm families in completing detailed crop projections and balance sheets to assist in securing operating loans for 2019. One farm family, faced with refinancing a portion of their line of credit, noted that the farm plan made them better prepared to communicate and work with their lender.

Following budgeting and farm planning assistance, one farm family was able to turn an annual loss of more than $50,000 into a positive cash flow. Restructuring loans to match the timing of revenue and selling nonproductive assets helped accomplish the change in annual cash flow.

One producer stated, “working with the MANAGE program has reduced family stress, improved farm financial decision-making, and strengthened the family.”

“Because of the MANAGE program, we know where we are at, where we want to be, and how to get there,” stated a participating dairy producer.

ASFМ assisted in developing and publishing an industrial hemp budget. The budget was utilized in educational meetings across the state. In addition, the web-based version of the budget assisted producers in many states and other countries. A hemp processor from Florida noted that the budget was “an outstanding resource.”
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.