

## Farm and ranch management training for Upper Snake River area producers

### The Situation

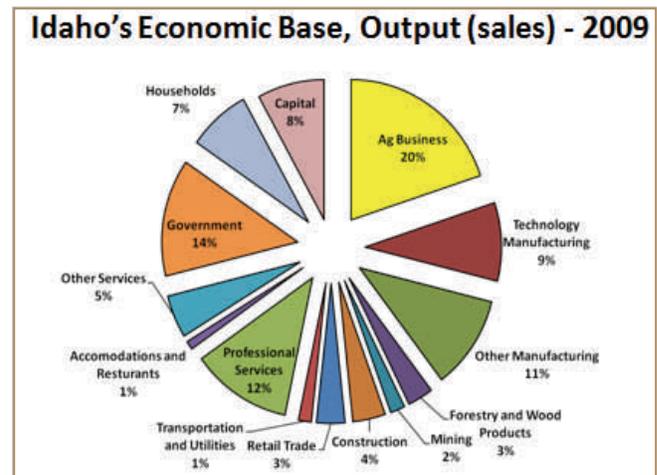
Agriculture is the number one sector in Idaho's economy. In 2009 agriculture was responsible for generating \$20 billion in sales (20% of Idaho's total), 137,000 jobs (16% of Idaho's workforce), \$3.5 billion in wages (12% of Idaho's total), and \$7.2 billion in value added (17% of Idaho's GSP) according to an economic base analysis study conducted by the University of Idaho. Agriculture plays an even stronger role in Idaho's rural communities. The economic health of Idaho depends on a healthy agricultural sector.

Agriculture is an inherently risky business. With volatile commodity markets and rising input prices, Idaho farm and ranch families are caught in a cost-price squeeze that has driven many of them out of business. As price takers, it can be difficult for them to establish or maintain an economically sustainable business operation that can be passed to the next generation. Idaho farmers and ranchers need access to up-to-date farm management information and tools that will help them identify financial problems, evaluate alternatives, and develop a viable business plan with accurate financial statements.

### Our Response

In an effort to help Idaho farm and ranch families increase profitability and management efficiency, University of Idaho Extension Educators have provided in-depth Farm and Ranch Management classes and workshops in southeast Idaho.

The training targets established operations as well as beginning farmers and ranchers. The objectives of the five week program are to help producers set goals, inventory resources, monitor performance, and improve profitability. Some of the topics covered in the training include:



In 2009, agribusiness was the largest economic driver in Idaho, with 20 percent of the total sales.

- Financial Statements
- Financial Analysis
- Machine Costs
- Enterprise Budgets
- Employee Compensation
- Strategic Goals and Mission Statements
- Cash Flow Budgets

Participants are also introduced to several business management tools including the University of Idaho's Crop and Livestock Enterprise Budget Worksheets, a Machine Cost Calculator, an Employee Compensation Worksheet, and the FinPack financial planning and analysis program.

## Program Outcomes

In 2011, sixteen producers completed the Farm and Ranch Management training in Rexburg. Participants came from Madison, Fremont, Jefferson, Clark, and Teton Counties. An evaluation of the program showed the following:

- After the training 100% of the producers could answer the three course objectives:
  1. Where are we now?
  2. Where do we want to be?
  3. How do we get there?
- 100% wrote a mission statement, set strategic goals, and completed an income statement, balance sheets, and a financial analysis.
- Most completed enterprise budgets and cash flow budgets for the coming year.
- 100% said they would or already had recommended the program to a friend.
- When asked which tools they planned to continue using in the future the responses were:

Mission Statements	70%
Strategic Goals	90%
Balance Sheets	100%
Income Statements	100%
Machine Cost Program	90%
Enterprise Budgets	80%
Cash Flow Budgets	80%
Financial Analysis	90%
FinPack Program	60%

Some comments from participants were:

“This program properly and effectively helps producers understand the importance of keeping good records in order to succeed in the future.”

“It inspires me to make sure I keep better and more up to date records.”

“I was skeptical before we came, but glad we did.”

“[The class] helped me personally organize my own income and track expenses.”

“It’s essential to producers to help us overcome present day troubles.”

“I really like the FinPack program, especially the balance sheets and the enterprise budgets.”

“They (Farm Service Agency) sent me as a mole to find out about your class. When I take things that I learn back to the

office, everyone says, I never thought of that. It’s good to be on the other side and see everything we put producers through.” – FSA Employee

## FOR MORE INFORMATION

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