

Changing the Way You Farm Extension Program:

Description and Evaluation

George Flaskerud

and

Daniel J. Klenow

Introduction

Dramatic changes are taking place in agriculture. Genetically modified crops suggest vertical coordination of identity preserved crops. Farm size continues to increase as farmers are striving to achieve adequate family income through expansion. The government farm program is destined to end in 2002. Low crop prices and disasters have resulted in low incomes for many producers, which may be accelerating the rate of change.

A new agriculture may be emerging, which will offer opportunities. Producers, however, need to learn how to manage and adjust to change. These issues were addressed in the "Changing the Way You Farm" program.



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Target Audience and Learner Objectives

Several audiences were targeted because of the need for producers and the professionals working with them to understand the changing agricultural environment. Specifically, Extension agents, agricultural lenders, adult farm management educators, and producers were the target audiences.

Participants in the program were expected to learn about the changes taking place in agriculture and how to adjust to them. Specifically, objectives were developed so the participants would become enabled to manage or understand the:

1. Changes taking place in agriculture
2. Procedures to assess the financial condition of the farm and family
3. Arrangements needed to overcome difficult financial conditions
4. Strategies for a successful farm operation in the future
5. Educational programs available to strengthen needed skills

Program Development and Design

The program content was designed around the learner objectives. Extension specialists took responsibility for developing topical handouts and for speaking on these topics at workshops:

- Changes taking place in agriculture
- Genetically modified crops for specialty end use
- Long-term price outlook for crops and livestock
- Managing change
- Trends in farm financial performance
- Assessing your business for today's market and beyond
- Making family decisions in farming and ranching
- Overcoming difficult financial conditions
- Farming strategies
- Educational programs to strengthen needed skills

Program Delivery

The program was delivered by means of workshops and a packet of handouts that was distributed at the workshops and on a "Changing the Way You Farm" web site.

The presentations and handouts also served as a basis for media articles, interviews and mailings.

The program was initially released to county, area and state faculty at Extension Fall Conference in October 1998. Then it was released to the public.

Agricultural lender workshops were held in four locations during November. Lenders received the same information as producers.

Six producer workshops (same program) were held across the state to accommodate producers and give broad media exposure to the issues. The workshops were held in December so there would be sufficient time for follow-up Multicounty Program Unit and county level Extension meetings on topics that producers wanted more information or training than could be provided in the one-day workshop. Team member county Extension agents took local responsibility for facilities, meals, sponsors, brochure distribution and publicity.

Follow-up mailings to workshop participants were made in January and March to reinforce workshop objectives. The mailings were short and highlighted main points in workshop materials.

Program Evaluation

The producer workshops were attended by about 300. The program was evaluated by 250 participants. As a learning experience, the participants gave the workshop an average rating of 5.78 on a 1 to 7 scale where 7 is excellent.

Evaluation comments indicated that participants learned the concepts presented:

- That dramatic changes are taking place in agriculture
- The importance of being willing to change
- That their thought process must change from the traditional to alternative methods
- That they must become a low-cost producer and/or a producer of niche crops
- What planning prices are realistic
- What farming strategies hold promise and that bigger is not always better
- That every entity must be profitable
- The importance of financial statements
- The need to reduce their debt-to-asset ratio to improve long-term viability
- The importance of including family in the decision-making process
- Where to go for help

The agricultural lender workshops were attended by 237 lenders. Evaluation forms were completed by 153 participants. As a learning experience, the participants rated the workshop as 5.46, on average, where 7 is excellent. Evaluation comments indicated that participants learned the concepts presented in the producer workshops. They felt the information reinforced their concerns and would be of use to their customers.

Evaluation Survey

In June and July of 1999 a follow-up survey of producer participants was conducted. That survey gave further insight on how the learners' behavior, attitudes, or skills changed as a result of attending the workshops.

A series of 38 content statements were written based on the workshops. A telephone survey format was used to administer the questions. A list of workshop participants included 175 names which was reduced to 157 because of retirement, death, non-producer status, etc. All participants on the list were called up to three times. A total of 72 interviews were completed for a response rate of 45.8 percent. Many of the workshop participants could not be contacted because they were out in the field until late in the evening.

Results of the survey are presented in Tables 1-4.

Survey participants evaluated 38 statements. Participants rated each statement on a scale of 1 through 5 with 1 being strongly disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree. Whether the statement was true or false is noted at the end of each statement in this report, it was not related in the survey. Eleven of the statements were considered false.

Responses to the statements were generally consistent with the presenters' true/false viewpoints, indicating that participants agreed with what was being presented. A number of respondents evaluated two statements (17 and 26) significantly different than expected. Those two statements should be further clarified in future correspondence and more fully discussed in future workshops.

Producers will likely make some changes in their farm operation because they are aware of the implications of changes taking place in agriculture, the procedures for assessing the financial condition of the farm and family, arrangements that can be made to overcome difficult financial conditions, strategies for a successful farm operation, and the educational programs available to strengthen needed skills. Highlights of their awareness follow.

Statement	Do Not Know	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Table 1						
1. Farm business planning means developing goals for the farm and family. (T)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	66.7% (48)	33.3% (24)
2. Anger and feelings of inadequacy are normal emotions in the change cycle. (T)	4.2% (3)	0.0% (0)	11.1% (8)	12.5% (9)	63.9% (46)	8.3% (6)
3. Technology can decrease cost of production per unit, but it is hard to maintain an increase in profit because prices tend to decline with increased productivity. (T)	0.0% (0)	0.0% (0)	8.3% (6)	6.9% (5)	54.2% (39)	30.6% (22)
4. Genetically modified crops provide a number of unique products that present niche marketing opportunities. (T)	4.2% (3)	1.4% (1)	12.5% (9)	18.1% (13)	56.9% (41)	6.9% (5)
5. Trend watching, information gathering, looking ahead, are all important business management survival skills. (T)	0.0% (0)	0.0% (0)	0.0% (0)	1.4% (1)	58.3% (42)	40.3% (29)
6. In North Dakota, the trend in total revenue exceeds the trend in total costs. (F)	1.4% (1)	11.1% (8)	66.7% (48)	5.6% (4)	13.9% (10)	1.4% (1)
7. The median debt/asset ratio in North Dakota is less than .30. (F)	26.4% (19)	5.6% (4)	44.4% (32)	8.3% (6)	15.3% (11)	0.0% (0)
8. The long-term decline in farm numbers has been about 5% a year. (F)	19.4% (14)	1.4% (1)	33.3% (24)	9.7% (7)	36.1% (26)	0.0% (0)
9. Over the past few years, wheat yields have increased more than costs per acre. (F)	4.2% (3)	19.4% (14)	62.5% (45)	2.8% (2)	11.1% (8)	0.0% (0)
10. Age of farm operator, size of farm, and debt level have all trended higher in the past 3 years. (T)	1.4% (1)	0.0% (0)	0.0% (0)	2.8% (2)	80.6% (58)	15.3% (11)
11. Farming will likely return to business as usual as soon as crop prices recover. (F)	1.4% (1)	5.6% (4)	50.0% (36)	18.1% (13)	23.6% (17)	1.4% (1)
Table 2						
12. Farmers may have a better chance to receive higher profits when participating in contract farming.	4.2% (3)	2.8% (2)	30.6% (22)	27.8% (23)	31.9% (23)	2.8% (2)
13. Critical financial questions are where am I, where do I want to be five years from now, and how do I get there? (T)	0.0% (0)	1.4% (1)	2.8% (2)	0.0% (0)	80.6% (58)	15.3% (11)

T = True, F = False

Statement	Do Not Know	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
14. Three ways to increase profits include increasing gross revenue, decreasing direct costs and decreasing overhead payments. (T)	0.0% (0)	0.0% (0)	4.2% (3)	2.8% (2)	79.2% (57)	13.9% (10)
15. North Dakota producers spend about \$50,000 per year for family living and taxes, on average. (F)	8.3% (6)	5.6% (4)	55.6% (40)	4.2% (3)	25.0% (18)	1.4% (1)
16. Nonfarm wages and salaries for North Dakota farm families have varied little in the past 10 years. (F)	6.9% (5)	5.6% (4)	52.8% (38)	4.2% (3)	29.2% (21)	1.4% (1)
17. A useful ratio for predicting crop prices is the exports/supply ratio. (F)	11.1% (8)	1.4% (1)	26.4% (19)	16.7% (12)	43.1% (31)	1.4% (1)
18. The beef cycle is typically about 10 years. (T)	13.9% (10)	0.0% (0)	9.7% (7)	5.6% (4)	62.5% (45)	8.3% (6)
19. Mediators are looking out mostly for the Ag lender. (F)	13.9% (10)	2.8% (2)	40.3% (29)	20.8% (15)	20.8% (15)	1.4% (1)
20. When producing an undifferentiated bulk commodity such as wheat, being a low cost per bushel producer is not important. (F)	1.4% (1)	12.5% (9)	80.6% (58)	2.8% (2)	1.4% (1)	1.4% (1)
21. Rotations will generally reduce nitrogen requirements and increase yields. (T)	5.6% (4)	2.8% (2)	20.8% (15)	12.5% (9)	55.6% (40)	2.8% (2)
22. Outside of the valley, large farms tend to provide a higher return to fixed costs including family labor. (T)	11.1% (8)	4.2% (3)	25.0% (18)	5.6% (4)	51.4% (37)	2.8% (2)
Table 3						
23. The level of debt is a critical factor in determining profitability and a positive cash flow for a farm. (T)	0.0% (0)	0.0% (0)	0.0% (0)	2.8% (2)	73.6% (53)	23.6% (17)
24. Diversified producers tend to be more profitable than traditional farming operations. (T)	4.2% (3)	1.4% (1)	15.3% (11)	16.7% (12)	52.8% (38)	9.7% (7)
25. Livestock operations are difficult to cash flow when a substantial investment must be made in buildings and equipment. (T)	9.7% (7)	0.0% (0)	6.9% (5)	4.2% (3)	68.1% (49)	11.1% (8)
26. Organic yields tend to be about 50 percent of traditional yields. (F)	38.9% (28)	1.4% (1)	16.7% (12)	8.3% (6)	34.7% (25)	0.0% (0)
27. A green manure crop is required about every three or four years when organic farming. (T)	45.8% (33)	0.0% (0)	0.0% (0)	5.6% (4)	48.6% (35)	0.0% (0)

Statement	Do Not Know	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
28. Prices for organic commodities are higher than for traditionally commodities but cleaning and trucking costs are high. (T)	40.3% (29)	0.0% (0)	1.4% (1)	2.8% (2)	50.0% (36)	5.6% (4)
29. The organic market is growing at a rate of about 5 percent a year which may be insufficient if a large number of producers switch to organic (T) farming.	41.7% (30)	0.0% (0)	4.2% (3)	11.1% (8)	41.7% (30)	1.4% (1)
30. Above average yields are critical to long-term survival of the farm. (T)	1.4% (1)	0.0% (0)	16.7% (12)	5.6% (4)	68.1% (49)	8.3% (6)
31. When land costs are a high percentage of total costs share rents tend to be more profitable for the operator. (T)	0.0% (0)	2.8% (2)	31.9% (23)	8.3% (6)	55.6% (40)	1.4% (1)
32. Contract farming is a risk management tool. (T)	4.2% (3)	1.4% (1)	5.6% (4)	9.7% (7)	76.4% (55)	2.8% (2)
33. Family decision making on the farm or ranch during tough economic times is about more than making ends meet, it is about continuing a generational way of life. (T)	0.0% (0)	1.4% (1)	6.9% (5)	4.2% (3)	75.0% (54)	12.5% (9)

Table 4

34. Making good family decisions in farming and ranching involves considering farm/ranch business management, family financial management, and family relationships. (T)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	86.1% (62)	13.9% (10)
35. Making impacts on the farm or ranch more manageable involves assessing and using available resources and applying effective management strategies. (T)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	87.5% (63)	12.5% (9)
36. Many good family decisions on the farm or ranch may require a change in your values, goals, or ways of thinking and not just in what you raise or how you raise it. (T)	0.0% (0)	0.0% (0)	1.4% (1)	1.4% (1)	88.9% (64)	8.3% (6)
37. Communication is the most important factor for an effective process of making family decisions (T)	0.0% (0)	0.0% (0)	0.0% (0)	1.4% (1)	80.6% (58)	18.1% (13)
38. Many educational programs are available to help producers adjust to the changes taking place in agriculture. (T)	0.0% (0)	1.4% (1)	13.9% (10)	5.6% (4)	70.8% (51)	8.3% (6)

The importance of developing goals for the farm and family in farm business planning was highly recognized by the participants. Statement 1 was one of the few with which participants strongly agreed. Participants also strongly agreed that increases in profits due to technology is temporary (statement 3) and that the trend in total costs exceeds the trend in total revenue (statement 6). A large number agreed that genetically modified crops have niche marketing opportunities (statement 4), a potential source of increased profits.

Producers had mixed feelings about how crop prices will affect their farm operation, according to statement 11 responses. One-fourth tended to feel that better crop prices would be the solution to inadequate profits, which is in contrast to long-run historical evidence. Short-run versus long-run impacts may need further clarification.

About one-third of the respondents were negative about contract farming's future in agriculture, about one-third were neutral and about one-third gave contract farming a positive response (statement 12). For many, the opportunities need to be better defined.

A strong positive response was given to statements (13 and 14) regarding basic steps that need to be taken to assess the financial condition of the farm and family. Many still do not understand the role of mediation (statement 19).

Participants appeared to have a strong grasp of production and economic factors critical to success. Strategies for a successful farm operation were examined in statements 20-37. Survey results were highly consistent with "correct" responses. A large majority agreed that educational programs are available to help producers adjust to changes taking place in agriculture (statement 38).

Summary

Participants in the "Changing the Way You Farm" program were expected to learn about the changes taking place in agriculture and become enabled to manage them. The program was delivered by means of workshops, a web site, media articles, interviews and mailings. Evaluation comments indicated that participants learned the concepts presented and planned to make changes which were further assessed in a follow-up survey.

The survey gave additional insight on how the learners' behavior, attitudes or skills changed as a result of attending the workshops. Responses to the survey statements were generally consistent with the presenters' true/false viewpoints. The importance of developing goals for the farm and family in farm business planning was highly recognized by the participants. Producers had mixed feelings about how crop prices will affect their farm operation. Many of the respondents were negative about contract farming's future in agriculture. A strong positive response was given to statements regarding basic steps that need to be taken to assess the financial condition of the farm and family. Many do not understand the role of mediation. Participants appeared to have a strong grasp of production and economic factors critical to success. A large majority agreed that educational programs are available to help producers adjust to changes taking place in agriculture.

Results of the survey will be considered when conducting future educational efforts. Evaluation results suggest that many producers are able and willing to adjust to the changes taking place in agriculture.

Program Team Members

George Flaskerud

Harlan Hughes

David Kraenzel

Duane Berglund

Willie Huot

Wayne Markegard

Dwight Aakre

Ron Haugen

Sean Brotherson

Michael Peel

Randy Mehlhoff

William Klein

Julie Hudson-Schenfisch

Andrew Swenson

Frayne Olson

Roger Ashley

Eugene Elhard

Tim Semler

Brad Cogdill

