

ACCESSION NO: 0219707 **SUBFILE:** CRIS
ROJ NO: WISW-2009-03849 **AGENCY:** NIFA WISW
ROJ TYPE: OTHER GRANTS **PROJ STATUS:** TERMINATED
CONTRACT/GRANT/AGREEMENT NO: 2009-49400-05874 **PROPOSAL NO:** 2009-03849
START DATE: 01 SEP 2009 **TERM:** 31 AUG 2012
GRANT AMT: \$151,515 **GRANT YR:** 2009
INITIAL AWARD YEAR: 2009
PI INVESTIGATOR: Padgham, J. L.
PERFORMING INSTITUTION:
MIDWEST ORGANIC AND SUSTAINABLE EDUCATION SERVICE
PO BOX 339
SPRING VALLEY, WISCONSIN 54767

DEVELOPING FARM FINANCIAL KNOWLEDGE OF BEGINNING ORGANIC AND SUSTAINABLE FARMERS

ON-TECHNICAL SUMMARY: The Developing Farm Financial Knowledge of Beginning Organic and Sustainable Farmers project has been designed by the Midwest Organic and Sustainable Education Service to respond to the need of beginning farmers involved with sustainable and organic agriculture to better understand farm financial management. The 2285 farmers participating in this project will gain understanding of basic farm financial management, and will learn to utilize a diversity of simple tools and resources to help them assess their financial situation and achieve their farm financial goals. Clear knowledge of a farm's financial position is critical to maintaining stability and ensuring success. A farm that operates without good record keeping systems and accurate tools for assessing financial position can easily veer to a path of instability, potentially overwhelming debt and eventual demise. By understanding the basics of financial management and learning straightforward record keeping and assessment tools, farmers will be able to make effective decisions on pricing, assess markets and review product and enterprise mix. New farmers will learn how to assess potential farm enterprises, and explore the feasibility of their plans before they make expensive decisions. This knowledge will improve long term farm sustainability and profitability of both new and existing farms. Although various resources and tools are available to help individuals understand financial management, very few are simple, yet comprehensive and geared toward agricultural enterprises. Studies have shown that many farmers, particularly those in the first ten years of operation, do not have a good understanding of financial management and do not maintain effective records that can help them develop and maintain strong farm systems. The multitude of financial decisions that must be made on a farm can be very complex and require an understanding and logic that a new or beginning farmer will often not bring with them to their enterprise. Successful financial management generally must be learned and can be vastly refined through exposure to proven and effective systems. The ultimate product of this project is a comprehensive, easy to understand, yet rigorous book on farm financial management with an emphasis on using data to increase profitability. The primary intended audience is beginning organic and sustainable farmers. We plan to produce a resource book that is a reference manual that no farm operator should be without. Several other offerings will be provided through the life of the project to highlight the concepts and materials that are being refined for ultimate publication in the book. These offerings include three annual workshops at the MOSES Organic Farming Conference, and presentations to students of the Land Stewardship Project's "Farm Beginnings" program. After the book is published a two-day training, a MOSES Organic University course, and community workshops will be designed to bring the most important concepts highlighted in the book to a broad farm audience.

OBJECTIVES: The objectives of the Developing Farm Financial Knowledge of Beginning Organic and Sustainable Farmers Project are to 1). Increase the ability of 500 beginning farmers to develop and assess farm financial records and achieve greater farm profitability through information shared at three Organic Farming Conference workshops. 2). Increase the ability of 50 beginning farmers to set up and use effective record keeping systems, understand farm financial management and make changes to enhance profitability through two day training. 3). Increase the ability of 60 beginning farmers to assess the financial health of their operation through information shared at a one-day Organic University class. 4). Develop a well-rounded understanding of the various concepts involved in successful farm financial management of 25 LSP Farm Beginnings students. 5). Improve the overall understanding of how to use effective record keeping systems, understand farm financial management and make changes to increase profitability of 1,500 farmers who purchase the book produced by this project. Provide follow-up support through a web site associated with book material. 6). Inform 150 beginning farmers of the availability and content of a comprehensive book resource to help them understand how to increase farm profitability through effective farm financial management at three community workshops. Detail of the project activities and timeline

ct 2009: Project begins, Winter 2009/2010: Authors begin writing book content, Feb 2010: Workshop on farm financial management at MOSES OFC, Feb 2011: Workshop on farm financial management at MOSES OFC, Fall 2011: Book trialed in Farm Beginnings classes all 2011: Two day training on farm financial management, Nov-Dec 2011: Book to printer, Dec 2011: Support web site set up, Feb 2012: Book roll out at MOSES OFC, Feb 2012: Day-long course in farm financial management at Organic University, Feb 2012: Workshop on farm financial management at MOSES OFC, Winter/spring/summer 2012: Presentations at three partner venues on book content, Sept 30, 2012: Project activities completed. Project Outputs: Annual workshops on farm financial management at each MOSES Organic Farming Conference in 2010, 2011 and 2012. An est. 200 page book on farm financial management, 4000 copies printed. A two-day public workshop on farm financial management in fall 2011. A web site designated to farm financial management, based on and supporting book content. A one-day Organic University class on farm financial management in 2012. Presentations at three partner venues on farm financial management.

APPROACH: The project deliverables will culminate in the production of a book offering basic information on farm financial management and suggestions on how to increase farm profitability through the use of data. This book will be developed by a collaboration of individual partners to ensure that it offers material that is accurate, useful, easy to understand and following generally accepted accounting rules. A committee consisting of the four authors (Jody Padgham, Midwest Organic and Sustainable Education Service financial manager and farmer; Chris Blanchard, large-scale vegetable farmer and experienced trainer on financial systems for small farms; Paul Dietmann, Director of the Farm and Rural Services Bureau of the Wisconsin Farm Center at WI DATCP and experienced farm financial advisor; and Jim Munsch, beef farmer and regular presenter on improving farm recordkeeping and enterprise analysis), and Karen Stettler of the Land Stewardship Farm Beginnings Program, will meet early in the project and on an ongoing basis to outline the book content and style. The depth and diversity of the group's experience ensures that the book will approach this often challenging topic in a thorough and thoughtful way. As the book content is being outlined and detailed, educational opportunities will be conducted to highlight the included material to new and beginning farmers. 90-minute workshops will be held at the MOSES Organic Farming Conference in each year of the project on farm financial systems or analysis. The book will be trialed in the fall 2011 LSP Farm Beginnings course to test the usefulness of the material and the effectiveness of the presentation on the intended audience. A two-day community workshop and a one-day course at the MOSES Organic University will be held highlighting the book content in in-person, hands-on sessions with the authors highlighting the concepts and strategies outlined in the book. In the months after the book release, at least three short presentations will be made in conjunction with MOSES partners to highlight the value of the book to diverse farm audiences. A website will be set up in association with the book offering downloadable materials that farmers can use in their own recordkeeping systems and any updates to the book material. Through each of these offerings, including the completed book, farmers will learn the value and use of financial statements, gain skills in assessing proper pricing for their particular market, and be exposed to a variety of tools to help them make good financial decisions. These skills have the potential of allowing them access to more credit, to making more informed farm business decisions, to developing greater profitability and to enhancing farm development and retention. Project success and impact will be assessed through the use of written evaluations at in-person trainings, and through web hits and book purchases. We expect farmers will increase the potential for making positive changes within their operations from the knowledge they gain by participating in the project.

PROGRESS: 2009/09 TO 2012/08

OUTPUTS: A group of four qualified writers/presenters met regularly throughout the entire project period to develop content for a book, a set of online resources, a 2-day training, one day-long course and several workshops on farm financial management. Presentations were made at four additional conferences around the country highlighting the material we collected/created. A total of four 90-minute workshops were held at the MOSES Organic Farming Conferences, two in 2011 and two in 2012. Workshop titles include "Working Backwards Toward a Profit" and "Getting Ahead on the Farm" in Feb., 2011 and "Show me the Money" and "How Much for One Egg" in Feb., 2012. An average of 35-60 people attended each workshop. A day-long class titled "Overcoming Your Fear of Farm Financials" was held on Feb. 23, 2012, attended by 65 participants. A two-day training was held on December 10-11, 2011, and attended by 78 people. Presentations were held at the Southern Sustainable Ag Working Group (SSAWG) conference Jan 18-20, 2012 in Little Rock, AR, at the Practical Farmers of Iowa Conference, Jan 13-14 in Marshalltown, PA, at the MN Organic Conference, Jan 13-14 in St Cloud, MN and at the PA Association for Sustainable Agriculture Conference Feb 2-4, 2012 in State College, PA. At all of these events, some portion of the content that was put together for our book, Fearless Farm Finances, was explained and the book promoted. Online resources were put up at <http://www.mosesorganic.org/farmfinances.html>. Presentations about the project were made at both the 2010 and 2011 BFRDP project partner meetings, and sample copies of our book were mailed to all project partners.

who signed up to receive one. Free copies were also sent to various institutions and organizations to draw interest in using the book as a teaching tool. Several national new farmer organizations have linked to our resource webpage, directing their constituents to purchase our book and utilize our resources. PARTICIPANTS: Jody Padgham, the project director, is the MOSES Financial Manager, as well as a small scale farmer. She managed all of the organizational work behind the project. She coordinated the meetings and kept communications flowing. She managed in-house MOSES staff in setting up and hosting the two-day training, the 90-minute workshop and day-long OFC training, and coordinated with outside organizations for visiting workshop presentations. Jody conducted all of the farmer interviews and wrote profiles for the book. She wrote all of the chapter introductions and front and back material, edited all of the content, and did the book layout. She has been the printer contact and has worked with MOSES staff to develop and implement publicity, promotion and distribution of the book. She also made two presentations at the PASA conference. Chris Blanchard, owner of Rock Springs Farm, in Decorah, IA, was one of the contract writers. Chris wrote book content about on-farm systems, budgeting and planning, and recordkeeping, including tips for the use of Quickbooks bookkeeping program. Chris also presented at the 2-day training, at the MN Organic Conference, SSAWG and PASA Conferences. Paul Dietmann is an assistant vice president at Badgerland Financial in Wis. Paul was a contract writer for the project, and developed material on creating and using traditional financial statements, using numbers to make investment decisions, and how to develop numbers for successful relationships with bankers and others. Paul also was a presenter at the two-day training, for two of the 90-minute workshops, at the one-day class and at SSAWG. Craig Chase is an Extension Specialist at the University of Iowa. As a contract writer Craig contributed material on enterprise analysis, pricing and the use of numbers to assess product mix, best market opportunities and what things on the farm are making how much money. Craig also was a presenter at the two-day training, for two of the 90-minute workshops, at the one-day class and as a presenter at the PFI conference. We contacted a wide diversity of farmers for profiles, examples, case studies, and with help reviewing. We also worked with two bankers and one accountant for review of the entire book and contributions to particular sections. Review drafts of the book and press releases about the book and the training opportunities were sent to other organizations doing work with new and beginning farmers. The list of partners is long, but included the Land Stewardship Project, University of WI Extension, Univ. of WI Center for Dairy Profitability, University of Minn. Center for Farm Financial Management, Southern SAWG, PASA, Association of Sustainable Agriculture (PASA), Farmer Veteran Coalition, ATTRA, Iowa State Extension, and many others. Many of our partners ran press releases about the book and workshops, some are also using the book in trainings they are doing for new farmers. Several organizations have posted online links about the work to our FFF webpage.

<http://www.mosesorganic.org/farmfinances.html>) TARGET AUDIENCES: Our target audience was new and beginning farmers involved with sustainable agriculture. Evaluation responses tell us that we hit this mark, as the majority of participants (85%) in all of the in-person trainings were farmers with less than 10 years of experience, or those not yet farming. We also reached a significant audience of those who are also themselves training new farmers, such as bankers, lending officers, project managers for nonprofits and other service providers and educators. Although it is difficult to capture who is purchasing the book, we sold over 120 copies at the 2012 MOSES Organic Farming Conference, where the majority of participants are farmers, and are consistently selling copies of the book online throughout the country to rural addresses. PROJECT MODIFICATIONS: Other than the replacement of one of our core writers before the start of the project, we had few major changes. We had planned on hiring the book marketing to an outside contractor, but developed capacity within the MOSES organization to do this in-house midway through the project. We had hoped that the book would be utilized in the Land Stewardship Project "Farm Beginnings" classroom, but the timing of the book's release made this difficult. We anticipate that the book may be picked up by LSP for future sessions.

IMPACT: 2009/09 TO 2012/08

The development of the Fearless Farm Finances book, website and use through in-person trainings increased the knowledge of several hundred farmers about farm financial management. Access to the book and website allow farmers to learn at their own pace, and have readily accessible resources that they can refer back to as specific issues come up. The book fills a unique niche and is now available for partner organizations to use in their training programs. Evaluations from various workshops and trainings include comments such as: "I am very glad I took this workshop at this point in time. We are hoping to be farming within the next few years; this workshop helped to provide a reality check and has given me confidence that we'll be able to figure it all out." "The value for me was in the applications evaluating specific crops and comparing alternatives (enterprise budgets and partial budgets)." "I learned that there was a lot more to learn. I can't say I'm fearless. I really like the book and I think the presenters did a great job of making a complicated topic understandable." "I can't begin to explain how informative this course has been for me. I am much more confident about starting farming now, and I know where to get help." At the 2-day training, in answer to the question "This training will change

the way I manage my farm" 81% of respondents answered "Agree." 52% said that they would be better able to set up a farm record keeping system, 50% said they would be better able to create farm financial statements and 46% said they would be able to do enterprise analyses in their operations. Community partners appreciated access to the book and our skilled presenters: "Thank you for working with us on getting Chris and Paul to present at the Southern SAWG conference. Their presentations went well, and it allowed us to cover some new topic areas with experienced presenters." (Keith Richards, SSAWG). Comments about the book include: "We really like the Fearless Farm Finances book, it is a very helpful addition to our library and the vets that we have given it to really like it." (Ross Erickson, Farmer Veteran Coalition); "Thanks Jody. We are hosting some beginning farmer workshops (funded by a RMA grant) and your book is perfect for some of the concepts we are teaching. Thanks for putting together such a great resource!" (Margot Gale, NCAT/ATTRA Specialist); "What a fantastic, user-friendly tool for farm businesses!! We work with a lot of small and new farmers and understanding and working through finances is often the most mysterious and scariest part for people. By including pictures and real life scenarios, Fearless Farm Finances eases people into the subject. With interesting and practical examples and easy-to-use worksheets, this book is a must have for new and not-so-new farmers." (Jan Joannides, Renewing the Countryside); "I've been searching for a good way to learn more about this aspect of farming. This book is so clear, straightforward and easy to understand--like turning a light on! It all sounds so simple, like it never needed to be so hard!" (Kim Cassano, The Rustic Table Meat CSA, Catawba, N.C.)

PUBLICATIONS (not previously reported): 2009/09 TO 2012/08

Padgham, J.L.; Dietmann, Paul; Chase, Craig; and Blanchard, Chris; 2011, Fearless Farm Finances: Farm Financial Management Demystified. Midwest Organic and Sustainable Education Service, Spring Valley, Wis. (published book)

PROGRESS: 2010/09/01 TO 2011/08/31

OUTPUTS: Project staff and contractors have continued to meet regularly. The entire content of the book "Fearless Farm Finances" has been developed and is in the final editing stage at the end of the project year. Printing is planned for late November 2011. A 2-day training titled "Fearless Farm Finances" is scheduled for Dec 9-10, 2011 in La Crosse, WI. Marketing on both of these outputs has begun. Two workshops were held in February 2011 at the MOSES Organic Farming Conference in La Crosse on financial management: "Working Backwards Towards a Profit" and "Getting Ahead on the Farm." We have planned two more workshops for Feb 2012 and a full-day course on farm financial management for Feb 23, 2012. We are also planning to attend conferences in TN, MN, IA and PA, with book authors giving workshops and marketing the book. PARTICIPANTS: Jody Padgham, the MOSES financial manager and a small scale farmer, is the project director, and has been doing all of the organizational work for the project. She is the editor of the book "Fearless Farm Finances," and is doing all the coordination for book layout, printing, and marketing. She is coordinating other MOSES staff to organize the annual conference workshops, the one-day Organic University course and the 2-day December training. Paul Dietmann, director of the Farm and Rural Services Bureau of the Wisconsin Farm Center at the WI Department of Agriculture, Trade and Consumer Protection, has contributed significant content to the book in the area of understanding and creating standardized financial forms such as the income statement and balance sheet. He has and will continue to be a presenter at all of the planned events. Dr. Craig Chase is a Farm Management Specialist at Iowa State University. He has contributed book content related to his expertise in enterprise analysis, partial budgeting and market analysis. Craig has also contributed as a presenter. Chris Blanchard owns a diversified vegetable farm in northeast Iowa. Chris has contributed content to the book in the areas of data collection and organization, budgeting, and planning. He will also travel with Paul and Jody to various conferences around the country to give presentations and market the book. Twelve farmers from all over the country were interviewed or contributed their own stories which were included in the book. The project coordinator has met with staff at the MN Land Stewardship Project's Farm Beginnings to talk about the book content and organization and the potential use of the book as a resource for the LSP project. Two LSP staff reviewed the draft of the book. The Associate Director of the MN Center for Farm Financial Management agreed to contribute farm data for the book. A farm loan officer at the USDA Farm Service Agency contributed a chapter for the book on working with bankers. A specialist at the WI Center for Dairy Profitability also contributed content for a section of the book. Instructors at two regional technical colleges have contacted MOSES asking to use the book as a resource in their classrooms. TARGET AUDIENCES: Our primary target audience is individuals that have farmed for less than ten years or are just starting a farm career. However, our secondary audience is those who may have been farming longer, but are not comfortable or knowledgeable about good farm financial management. We are reaching to a national audience, and thought our program content is relevant to farms at any scale we are specifically targeted to smaller, diversified farms. The MOSES Organic Farming Conference annually draws over 2900 participants, and will be the primary marketing venue for the book and is the background event for the workshops and one-day training. PROJECT

MODIFICATIONS: One of our primary writers was replaced before the project was begun, but otherwise the project has unfolded as planned.

IMPACT: 2010/09/01 TO 2011/08/31

Evaluation comments for conference workshops "Working Backwards Towards a Profit" and "Getting Ahead on the Farm" rate the workshops between 3.5 and 4.5 (on a scale of 1=poor and 5= excellent) for quality of presentation materials and speakers. Questions and feedback at the presentations helped to continue guiding the presenters (=the book writers) in developing relevant book content. The draft of the book was sent to 13 reviewers- 2 are beginning farmers, 5 are experienced farmers, 2 are bankers, 2 are ag education professionals and 2 work for other non profits in beginning farmer training programs. Reviews were extremely valuable in improving the book content, tone, and sequence.

PUBLICATIONS: 2010/09/01 TO 2011/08/31

0 publications reported this period

PROGRESS: 2009/09/01 TO 2010/08/31

OUTPUTS: Project staff and contractors have held four meetings to plan and refine the planned outputs of the project. We have begun work on writing our book, not yet titled, on farm financial management for new and beginning farmers ("the farm fin book.") Initial plans have been sketched out for two 90 minute conference workshops in February 2011 at the MOSES Organic Farming Conference in La Crosse, and for a two-day training, potentially to be held in Winona, MN in December of 2011. We have explored various book styles, and have decided on a format we think will work well. We have a strong and comprehensive outline of subjects for the book, and several chapters already in rough draft. We have names of several farmers we will be interviewing for case studies and examples. We have a plan for the activities for our two day meeting. **PARTICIPANTS:** Jody Padgham is the MOSES Associate Director, a small scale farmer and the financial manager at MOSES. She is the project director, and has been doing all of the organizational work behind the project. She coordinates the meetings, keeps communications flowing, takes and types up minutes and structures outlines and summaries for her colleagues. She is researching farmer stories, book layout and publishing options, and venues for the two day meeting. She will be creating the book index and resource section, overseeing the layout, design and publishing and conducting or overseeing the farmer interviews. Chris Blanchard is the owner of Rock Springs Farm, in Decorah, IA. He is one of the contract writers to date he has put in about 140 hours, and in that time has attended the four meetings, has written draft content and fully participated in all the discussions and communications. Chris's strengths are in the use of on-farm systems, recordkeeping systems, including the use of Quickbooks, and the use of numbers in making on-farm decisions. Paul Dietman is the Bureau Director of the WI Farm Services at the WI Department of Ag. He is also a contract writer, and has contributed about 140 hours of work. He has also attended the four meetings, has written draft content and fully participated in all the discussions and communications. After working for several years as an Extension advisor to farmers, Paul's strengths are in the traditional uses of numbers, including the use of balance sheets and income statements and how to develop numbers for successful relationships with bankers and others. Craig Chasman is an Extension Specialist at the University of Iowa. He is replacing one of our original contractors, Jim Munsch, who became too busy with other things while we were waiting for the project to be funded. Craig brings a very strong background in enterprise analysis, pricing and the use of numbers to assess product mix, best market opportunities and what things on the farm are making how much money. Craig joined the project after the first meeting, but has put in a lot of time writing and has contributed 140 hours. As the book writing continues we will dedicate more time to reaching out into the community, contacting a wide diversity of farmers for profiles, examples and case studies, bankers and accountants for review of the entire book or particular sections, and other organizations doing work with new and beginning farmers, such as the nearby Land Stewardship Project, and University Extension Services for their use and review of the book and to help publicize the in-person educational opportunities such as the two-day training. We will be sending a flyer advertising the two conference workshops for 2011 to over 17,000 individuals in Nov of 2010. **TARGET AUDIENCES:** The book audience is designed to be new and beginning farmers throughout the country. We are specifically choosing case study farms from throughout the US so that the information feels familiar to people in all regions. We will be self-publishing, and so will be doing marketing through sister organizations throughout the US, and through extensive web and social media promotion. The roll out of the book will be for the 3000+ farmers that will be attending the 2012 MOSES Organic Farming Conference. These are organic and sustainable farmers, primarily from the Midwest. The book is designed for new and beginning farmers, but the authors have targeted the audience as "People new to farm financial management," whether they are new to farming, or those with farming experience that have a new found interest in understanding what is going on on their farm through the numbers. The audience of the workshop sessions planned for both the 2011 and 2012 Organic Farming Conference will be primarily from the Midwest, and interested in

rganic and sustainable production. We will publicize the offering of the two-day training to partner organizations that train new farmers (such as the Land Stewardship Project and the Michael Fields Ag Institute, among others,) or serve new farmers, such as university Extension services. PROJECT MODIFICATIONS: We have only one major change, which is the replacement of project consultant Jim Munsch, by Craig Chase. Jim's life became too busy with other projects in the time between when we submitted the proposal and when we held our first meeting in the fall of 2009, and so he asked to withdraw, though he is still willing to contribute some text to the book, be a case study and possibly review portions of the book. We are very pleased to have brought on Craig, as though he isn't a farmer, he has worked for years with farmers and has similar emphasis as Jim did on enterprise analysis and using numbers to make specific changes on product mix, pricing, markets or other things. Craig has taken on the same responsibilities that Jim had committed to and is working for the same rate of pay, so it has been a very simple transition. Craig came into the project in January before our second meeting and has come nicely up to speed to be a full contributor.

IMPACT: 2009/09/01 TO 2010/08/31

We are finding that our process of meetings every two or three months with in-between writing deadlines is working well. Our in-person meetings help the writers to discuss as a group specific financial issues that they wish to explain, and various options and style for doing so. The collaboration has been very powerful and productive and will create a very comprehensive and valuable set of products. We are all reading each other's draft text and offering feedback, which is taken in and immediate revisions made. The book content is coming together very collaboratively and organically.

PUBLICATIONS: 2009/09/01 TO 2010/08/31

no publications reported this period