

Final Report

Title:	Mitchell Technical Institute's State-Wide South Dakota Beginning Farm and Business Management Program		
Sponsoring Agency	NIFA	Project Status	COMPLETE
Funding Source	Non Formula	Reporting Frequency	Final
Accession No.	223513	Grants.gov No.	
		Award No.	2010-49400-21727
Project No.	SDW-2010-03161	Proposal No.	2010-03161
Project Start Date	09/01/2010	Project End Date	08/31/2012
Reporting Period Start Date	09/01/2010	Reporting Period End Date	08/31/2013
Submitted By	Roger De Rouchev	Date Submitted to NIFA	10/30/2013

Program Code: BFRDP**Program Name:** Beginning Farmer and Rancher**Project Director**

Roger De Rouchev

605-995-3065

roger.derouchev@mitchelltech.edu

Recipient Organization

MITCHELL SCHOOL DISTRICT

1800 E SPRUCE ST

Mitchell, SD 573012002

DUNS No. 180982902

Performing Department

Farm and Ranch Management

Co-Project Directors

Pietz, Calvin

Departments

Farm and Ranch Management

Non-Technical Summary

Fifty-two percent of farm and ranch producers in South Dakota are in the process of or will be turning over their operations to the next generation of producers within the next 12 years. As the largest industry in South Dakota at \$21.3 billion dollars (36.3 % of South Dakota's total economic activity), the impact that the next generation of farmers and ranchers can have on the state's economy is incalculable. The most recent Census of Agriculture shows roughly 5,000 SD farmers are under the age of 34. These young farmers are facing a difficult economy and a minefield when it comes to lending regulations and new technologies in the industry. When compared with information from USDA's National Agricultural Statistics Service 2007 Census of Agriculture, the numbers show the edge that MTI's FRBM program participants have. MTI's FRBM program participants have higher average farm sizes (1,842 acres vs 1,401) as well as net incomes (\$96,136 vs \$71,160) and net incomes per acre (\$52.19 vs \$50.79), demonstrating that the program is of great benefit to the sustainability of South Dakota's beginning farmers and ranchers. These figures show participating farmer and rancher in the MTI FRBM program ends the year benefitting from the education received and by utilizing all of the tools and information provided by instructors throughout the year. It is the goal of MTI to expand the program statewide by hiring an additional instructor, developing a hybrid online/onsite curriculum and beginning to expand services to cover the entire state as the solution to this burgeoning problem. The Level 1 course will be expanded to include any beginning farmer and/or rancher and will become a first step in the Beginning Farm and Ranch Business Management Program offered through MTI. Level 1 instruction will provide a beginning program that is 10 weeks in length, provided via classroom and online instruction, a basic understanding of business plans, agricultural credit, financial and risk management, marketing and whole farm planning, and a basis for valuable referrals and resources. After completion of the 10 week course, farmers and ranchers can choose to continue with Level 2. Level 2 instruction includes individualized farm/ranch business analysis instruction and mentoring for farm and ranch families to assist them with development of business plans and improved marketability and profitability, identification of business' strengths & weaknesses through an individual end-of-year business analysis, accurate record keeping methods for tax purposes, lenders, and others, profitability projections, utilization of cash flow, net worth, profit & loss calculations, and enterprise analysis, estate, tax planning and a look at risk management through commodity marketing. Currently one additional instructors will be hired to work with participants in the northeastern quarter of the state. Outcomes are to increase Level 1 participants from 40 in 2010 to 60 in 2011 and 80 in 2012, increase Level 2 participants from 85 in 2010 to 140 in 2011 and 160 in 2012. Participants will have a better understanding of their operation and what it will take to be a successful farmer and/or rancher.

Final Report

Accession No. 223513

Project No. SDW-2010-03161

Accomplishments**Major goals of the project**

Overarching Objective: To expand the current program at Mitchell Technical Institute into a state-wide program available to all beginning farmers and ranchers. An expanded statewide program will provide education for additional beginning farmers and ranchers, and a verified management and financial data collection system, educational opportunities for agriculture borrowers and data for crop and livestock budgeting and benchmarking. The objectives of an expanded program include: A two-level statewide approach to MTI's Farm and Ranch Business Management program focusing on beginning farmers and ranchers. Statewide availability for the Online Agriculture Education Management Toolkit (OAEMT) developed by the MTI FRBM program to all for enhanced financial decision making for beginning farmers and ranchers. A hybrid online/onsite delivery method offering two levels of study for beginning farmers and ranchers will allow MTI to increase the served population from the southeastern corner of South Dakota to the entire state. A comprehensive annual report that provides benchmarks for program participants, commodity groups, lenders, government agencies and others. The ability for this program to be self-sufficient within three years, based upon an increase in the number of farm and ranch participants. Milestones and target dates include a fourth instructor beginning in November of 2010, offering all Level 1 curriculum and some Level 2 curriculum online beginning in January 2011, compile, analyze and print Financial & Enterprise Analysis data for Annual Report in March - April of 2011 and 2012, increasing Level 1 participants from 40 in 2010 to 60 in 2011 and 80 in 2012, increasing Level 2 participants from 85 in 2010 to 140 in 2011 and 160 in 2012.

What was accomplished under these goals?

With the assistance of this USDA/NIFA grant, the previously regionalized Farm Business Management program at Mitchell Technical Institute was able to expand to become a state-wide program and officially became the South Dakota Center for Farm/Ranch Management. This expansion created the opportunity to add additional instructors to cover a larger area. We now have 3 instructors working out of the Mitchell, SD office, 1 in NE SD, one in Central SD, and one in Western SD. With the added instructors, we have been able to expand both our Level 1 (FSA Beginning Farmer Borrower training) and our Level 2 programs. The Level 1 program is now offered in the traditional on-site delivery method with 2 locations in South Dakota as well as an online method. The comprehensive annual report is created each year which is a compilation of the data collected from our participating farms. This data is used for comparative and benchmarking purposes. This report serves as a resource on agricultural data to government agencies, extension educators, lenders, and professionals such as accountants and attorneys. Since the inception of this grant in 2010, we have increased our total program enrollment by 43%. We had 95.5 students enrolled in the 2010/2011 enrollment period, 129.5 in the 2011/2012 enrollment period, and 137 in the 2012/2013 enrollment period. It appears that we are well on our way to another 20% increase for the 2013/2014 enrollment period.

What opportunities for training and professional development has the project provided?

With the assistance of our USDA/NIFA grant funding, our instructors have been able to attend PEP training put on by the MnSCU (Minnesota State Colleges and Universities), FINPACK training, and be able to attend the National Farm Business Management Conference annually. With the expansion of the program and the added staff associated with this, along with the retirement of two long time instructors, the training has been very vital to the success of the program.

How have the results been disseminated to communities of interest?

Through the Annual Report, the data collected from our participating farms is provided back to the participants to enable them to analyze their operations by benchmarking to their peers as well as provide the data to their financial institutions and tax accountants. The compiled data is distributed to multiple outlets such as USDA, RMA, NASS, South Dakota Department of Agriculture, South Dakota State University Extension, commodity groups, financial institutions, agribusinesses, and professionals such as attorneys and accountants in the form of the South Dakota Annual Report. In addition to this publication, our data is uploaded to the FINBIN National Benchmarking Database which is housed by the Center for Farm/Financial Management at the University of Minnesota.

The SDCFRM has a website through the Mitchell Technical Institute's website:

<http://mitchelltech.edu/programs/ViewProgram.aspx?id=6&ContentID=9>. A producer can obtain copies of the brochure, this year's annual report, a silage calculator, a description of the program, and links to information about the instructors.

In addition, all the instructors and the director of the program provide presentations at numerous workshops and seminars. During these events results directly attributable to this funded project are discussed and presented. Small audiences and one-on-one meetings are also ongoing and give instructors another opportunity to disseminate key information from this program.

What do you plan to do during the next reporting period to accomplish the goals?

{Nothing to report}

Participants

Final Report

Accession No. 223513	Project No. SDW-2010-03161
----------------------	----------------------------

Actual FTE's for this Reporting Period

Role	Non-Students or faculty	Students with Staffing Roles			Computed Total by Role
		Undergraduate	Graduate	Post-Doctorate	
Scientist	0	0	0	0	0
Professional	6	0	0	0	6
Technical	0	0	0	0	0
Administrative	0	0	0	0	0
Other	0	0	0	0	0
Computed Total	6	0	0	0	6

Student Count by Classification of Instructional Programs (CIP) Code

{NO DATA ENTERED}

Target Audience

The target audience of our program is agricultural producers. This would include both grain and livestock producers. We will work with any age or socioeconomic group, but have put an emphasis on marketing the program to younger and beginning farmers.

Products

Type	Status	Year Published	NIFA Support Acknowledged
Other	Published	2013	YES

Citation

2012 SD Center for Farm and Ranch Management South Dakota Annual report. Authors: DeRouche, R., Downs, C., Walter, W., Koupal, D., Meland, K.,(2013). The South Dakota Center for Farm and Ranch Management program published the South Dakota Annual Report. The Annual Report is the compilation of statistical data measurement of the Level 2 farm and ranch families. The measurements are comprised of the financial records, plus the crop and livestock enterprises. This Annual Report is used as a benchmark by numerous government agencies throughout the state of South Dakota to influence agricultural policy. Also, the agricultural lenders utilize the Annual Report to make lending decisions. This report is available in hardcopy and also on the South Dakota Center for Farm and Ranch Management's website www.sdcfm.com. USDA logo was printed on the cover, but no specific acknowledgement was given to NIFA.

Type	Status	Year Published	NIFA Support Acknowledged
Other	Published	2013	NO

Citation

Farm Management Minute is a weekly publication which is sent out to various local and regional weekly agricultural newspapers. Topics include those related to current events such as marketing, financial, or crop/livestock themed news. This weekly article has helped with the expansion of our program. Authors: DeRouche, R., Downs, C., Walter, W., Hall, T., Meland, K., Hofer, J., and Tonak, L. This column is published in the following papers: Aberdeen Farm Forum - the Green Sheet and Tri-state News (5000 readers); the Highmore Herald and Onida Watchman (1650 readers)

Final Report

Accession No. 223513

Project No. SDW-2010-03161

Type	Status	Year Published	NIFA Support Acknowledged
Other	Published	2012	YES

Citation

2011 SD Center for Farm and Ranch Management South Dakota Annual report. Authors: DeRouchey, R., Downs, C., Walter, W., Melikant, D.,(2012). The South Dakota Center for Farm and Ranch Management program published the South Dakota Annual Report. The Annual Report is the compilation of statistical data measurement of the Level 2 farm and ranch families. The measurements are comprised of the financial records, plus the crop and livestock enterprises. This Annual Report is used as a benchmark by numerous government agencies throughout the state of South Dakota to influence agricultural policy. Also, the agricultural lenders utilize the Annual Report to make lending decisions. This report is available in hardcopy and also on the South Dakota Center for Farm and Ranch Management's website www.sdcfm.com. USDA logo was printed on the cover, but no specific acknowledgement was given to NIFA.

Other Products**Product Type**

Audio or Video

Description

The 2012 Level 1 training, which is a requirement for the FSA Beginning Farmer program, was offered both in-person as well as online via archived video of the live sessions. This delivery method allowed participants to receive the training without the driving and also allowed them to take it at different times during the year.

Product Type

Data and Research Material

Description

The South Dakota Annual Report was a compilation of the data from the participating farms. This data was compiled, analyzed, and distributed for the purposes of benchmarking for produces as well as a resource on ag data for interested parties.

Changes/Problems

The only major change during this grant period revolved around instructor turnover. During this period, the two long-time instructors of the program both retired, bringing in new instructors to replace them. The other change was when the instructor originally funded by this grant, Dawn Mellikant who was located in Aberdeen, SD resigned in August 2012. Her replacement, Kathy Meland was hired in December 2012.

This did slow down the participant recruiting and training for a few months, but the team has come to speed quickly with minimum loss in participant training time over all. The team feels it may have reduced the overall number of participants during this grant period but not the potential for numbers in the future.

As of the date of this submission, there were 21 farms/students enrolled for the northeast South Dakota region.

Administration feels this number is slightly behind where we would like, but progressing the right direction. Overall program enrollment has increased by 50% during this grant period.