

<b>Title:</b>	<b>Financial, Credit, and Marketing Training for Socially-Disadvantaged, Limited-Resource, and Beginning Farmers and Ranchers in Montana.</b>		
<b>Sponsoring Agency</b>	NIFA	<b>Project Status</b>	COMPLETE
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**Program Code:** BFRDP

**Program Name:** Beginning Farmer and Rancher

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**Recipient Organization**

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{NO DATA ENTERED}

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{NO DATA ENTERED}

**Non-Technical Summary**

The long-term goal of this project is to provide financial, credit access, business management, and marketing education workshops and training to socially-disadvantaged, limited-resource, and beginning farmers and ranchers in Montana as a means for increasing the likelihood of financial survival and success. Upon completing the project, participants will be able to establish, build, and manage financially successful and sustainable farms and ranches. This project is especially relevant for socially-disadvantaged, limited-resource, and beginning farmers and ranchers because they are often young producers. Many of these producers lack the education and/or experience required to succeed in the increasingly competitive agricultural production sector. These problems are even more acute for beginning farmers and ranchers because they typically lack skills needed to compete with larger producers. The technical merit of this project is a major strength. The overarching objectives are to educate beginning farmers and ranchers on: (1) financial management practices and credit opportunities; (2) marketing strategies to improve competitiveness; and (3) participating and networking with successful members of producer organizations. This project will develop curricula that address the educational needs of American Indian and limited-resource beginning farmers and ranchers. The project team has extensive experience in working with American Indian producers; hence, the curricula will be socially and economically relevant and culturally appropriate. The senior associates will deliver in-person workshops to American Indian participants, and use distance delivery techniques to reach other limited-resource producers. Local mentors will meet with the participants on a quarterly basis. The goals and objectives are achievable. Multiple pedagogical approaches will be used along with distance education and local mentoring to provide a sustainable, long term educational program. Socially-disadvantaged producers will be identified and coordinated by Fort Peck Community College. Montana's Farm Service Agency will recruit and coordinate limited-resource producers. The curricula will also be applicable for high school vocational education programs. We will assess the needs and appropriateness of the curricula for each level of beginning farmer and rancher participants. Finally, the collaboration of experienced adult educators, Tribal Colleges, nongovernmental organizations, and a public agricultural lender provides unique synergies for recruiting participants and achieving the project's goals.

**Accomplishments**

**Major goals of the project**

This project will provide financial, credit access, business management, and marketing education workshops and mentorship by experienced producers to American Indian beginning farmers and ranchers as a means for increasing the likelihood of their

survival and success. The target audience consists of beginning American Indian farmers and ranchers in Montana. Fort Peck Community College and its partners will provide culturally-relevant education, training, and mentoring programs for the target audience. The project has three supporting objectives for obtaining the project's goals: 1. Improve Access to Agricultural Credit 2. Develop Financial Management Expertise 3. Understand Production Risk and Marketing Strategies. The first supporting objective will be accomplished by teaching participants the basics of: a. Entrepreneurial ventures. b. Credit access issues, barriers, and constraints. c. Record keeping systems for financial and tax management. The second supporting objective will be accomplished by improving participants' ability to a. Develop and maintain balance sheets, income statements, and cash flow statements. b. Develop amortization schedules and understand the basics of capital budgeting. c. Understand and use production risk management tools. d. Participate in producer organizations to obtain education and leadership skills. The third supporting objective will be accomplished by helping participants' to: a. Understand the use of existing farm policy commodity programs. b. Implement marketing strategies and use price risk management tools. c. Develop mentoring relationships with experienced producers. Participants in the program will develop and improve their long-term financial management and marketing skills. They will understand the opportunities and obstacles of credit access, develop their abilities to maintain financial records, create income statements, and understand balance sheets. This will enable each to better manage the financial, tax, and risk aspects of their operations. In addition, participants will learn about marketing strategies that reduce price risk by studying the mechanics of futures and options markets, forward contracting, and other sales methods. The combination of these activities will improve the likelihood that American Indian beginning farmers and ranchers will be able to financially sustain successful farms and ranches. Most American Indian participants will become long-term members of, and contributors to, mainstream agricultural producer organizations.

### **What was accomplished under these goals?**

This project educated beginning producers in financial management practices and lending/credit access, record keeping, financial analysis, and entrepreneurship; developed their commodity marketing skills; and, increased their knowledge of federal disaster aid, commodity farm programs, crop insurance, and other financial/risk management programs. Participants implemented financial and physical record keeping practices, provided high quality financial statements to lenders, demonstrated an ability to interpret financial statements, conduct financial analyses, and use sound risk management and marketing strategies in their operation. In the end, American Indian beginning farmers and ranchers increased the likelihood of survival and success. Most importantly, this project developed long-term resources and strong linkages through agricultural producer organizations to 35 American Indian Beginning Farmers and Ranchers in Montana annually or 105 during the life of the project

The combination of these activities improved the likelihood that American Indian beginning farmers and ranchers will be able to financially sustain successful farms and ranches. Most American Indian participants will become long-term members of, and contributors to, mainstream agricultural producer organizations.

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

{Nothing to report}

### **How have the results been disseminated to communities of interest?**

Four hours of education were provided at the Montana Grain Growers Annual Convention on November 29, 2011. The program began with a pre-test, followed by lectures and problem sets related to production risk management, multiple peril combo crop insurance (including yield protection, revenue protection, and revenue protection – harvest price exclusion). This effort was followed by a post-test and seminar evaluation.

Four hours of education were provided at the Montana Stockgrowers Annual Convention on December 15, 2011. The program began with a pre-test, followed by lectures and problem sets related to production risk management principle, livestock risk protection crop insurance, and pasture, rangeland and forage insurance. This effort was followed by a post-test and seminar evaluation.

Six hours of education and workshops were provided as the 2012 Montana Grain Growers Annual Convention on December 4-6, 2012. The program began with a pre-test, followed by lectures and problem sets related to the basics of risk fundamentals, grain price risk management, grain production risk management, and agricultural insurance. Production risk management for both traditional and non-traditional crops was another focus of the workshops. Production risk management principles, options, and tools were presented followed by multiple peril combo insurance issues related to yield protection and trend adjusted yields. Nontraditional organic crop production risk management was also covered. Finally, price risk management through the use of contracting, futures, and options was also thoroughly presented. This effort was followed by a post-test and seminar evaluation.

Six hours of education and workshops were provided as the 2012 Montana Stockgrowers Annual Convention on December 13-14, 2012. The program began with a pre-test, followed by lectures and problem sets related to the basics of risk fundamentals, cattle price risk management, cattle production risk management, and agricultural insurance. Issues related to cattle price variability, price risk management, contracting, commodity futures, and options markets were thoroughly discussed. Pasture, Rangeland, and Forage Rainfall Insurance was the focus of one of the workshops. This effort was

followed by a post-test and seminar evaluation.

Two hours of education and workshops were provided at the Montana Stockgrowers Association 2013 Mid-Year Meeting on June 8, 2013. Topics included advanced price risk management education regarding price variability, price risk management, contracting, futures, and options.

Six hours of education were provided at the Montana Grain Growers Annual Convention on December 3-4, 2013. The program began with a pre-test, followed by lectures and problem sets related to financial statements (fundamentals, balance sheets, income statements, ratios, benchmarks), capital budgeting (net present value, amortization schedules, partial budgeting), and income taxes. In addition, discussions also focused on business transfers including family/business systems, transfer processes, and management/income issues. This effort was followed by a post-test and seminar evaluation.

Six hours of education were provided at the Montana Stockgrowers Annual Convention on December 12-13, 2013. The program began with a pre-test, followed by lectures and problem sets related to financial statements (fundamentals, balance sheets, income statements, ratios, benchmarks), capital budgeting (net present value, amortization schedules, partial budgeting), and income taxes. This effort was followed by a post-test and seminar evaluation.

Pre- and post-tests were administered to participants in the financial management workshop to determine how confident they were describing financial management, defining important terms and concepts and understanding how selected processes work. Twenty-two participants completed the pre- and post-tests. Substantial increases in confidence were realized across all of these dimensions. Seventy-three percent of were confident describing financial management in the pre-test, while over 90% were confident in the post-test. Only 26 percent were confident working a simple financial management problem in the pre-test, while over 95% were confident working the problem in the post-test. Less than 30% were confident defining terms associated with financial management in the pre-test, while over 80% were confident in the post-test. And finally, 50% were confident in the understanding of financial management processes in the pre-test, while over 90% were confident in the post-test. Overall confidence rose by 47 percentage points (43% to 90%) from the pre-test to the post-test.

An evaluation was conducted to assess the satisfaction of the 39 participants completing the evaluation. The process evaluation was very positive with participants agreeing that the program was well organized (97%), program objectives were clearly stated (95%), presenters had adequate knowledge of the subject (100%), the educational activity was important (97%), and they would recommend the program to other beginning farmers and ranchers (100%).

Substantial increases in confidence were realized across all of these dimensions for participants at the MSGA Convention. Thirty-four participants completed the pre- and post-tests. Less than 50% of were confident describing financial management in the pre-test, while over 90% were confident in the post-test. Only 26 percent were confident working a simple financial management problem in the pre-test, while over 88% were confident working the problem in the post-test. Less than 26% were confident defining terms associated with financial management in the pre-test, while nearly 80% were confident in the post-test. And finally, 49% were confident in the understanding of financial management processes in the pre-test, while over 90% were confident in the post-test. Overall confidence rose by 49 percentage points (37% to 86%) from the pre-test to the post-test.

An introductory web-based course on risk management (10 sessions) has been completed. The sessions have been developed for our specific audience.

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

This project provided participants with access to education, mentoring, and networking opportunities long after this project will have ended.

### Participants

#### Actual FTEs for this Reporting Period

Role	Faculty and Non-Students	Students within Staffing Roles			Computed Total by Role
		Undergraduate	Graduate	Post-Doctorate	
Scientist	0	0	0	0	0
Professional	0	0	0	0	0
Technical	0	0	0	0	0
Administrative	1	0	0	0	1
Other	0	0	0	0	0
Computed Total	1	0	0	0	1

### Target Audience

This project identified 35 American Indian beginning farmers/ranchers annually. American Indian beginning farmers and ranchers are often beginning producers. Many of these producers lack the education and/or experience required to succeed in the increasingly competitive agricultural production sector. These problems were more acute for beginning producers because they typically lacked the financial capital to compete with larger producers or cope with adverse price movements and production shocks. These producers greatly benefited from access to successful farm and ranch mentors and the educational opportunities this program offered

**Products**

{Nothing to report}

**Other Products****Product Type**

Audio or Video

**Description**

Ag In Uncertain Times Webinars: 2014 Farm Bill

**Product Type**

Audio or Video

**Description**

Retirement Planning for Farmers

**Product Type**

Audio or Video

**Description**

Price Risk Management: Lessons Learned from Put Options

**Product Type**

Audio or Video

**Description**

Partial Budgeting Details

**Product Type**

Audio or Video

**Description**

Agriculture Trade and the U.S. Farm and Ranch Sector

**Product Type**

Audio or Video

**Description**

A 2013 Farm Bill: What is Happening Today

**Product Type**

Audio or Video

**Description**

Income Tax Management

**Product Type**

Audio or Video

**Description**

Acquiring and Managing Agricultural Credit

**Product Type**

Audio or Video

**Description**

Financial Management I: Considering Drought Conditions

**Product Type**

Audio or Video

**Description**

Financing Sources (Debt, Equity, and Bootstrapping)

**Product Type**

Audio or Video

**Description**

Access to Agricultural Credit

**Product Type**

Audio or Video

**Description**

Entrepreneurship in Farming and Ranching

**Product Type**

Audio or Video

**Description**

Leasing Cropland and Livestock

**Changes/Problems**

{Nothing to report}