



Farm Business Management and Benchmarking in Time of COVID-19

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INTRODUCTION

The Texas Farm Business Management and Benchmarking Education and Outreach Alliance targets agricultural producers in the state of Texas through an interdisciplinary and multi-institutional alliance. Project members rely on their relationships with regional Extension Service agencies, Farm Service Agencies, credit institutions, cooperatives, and outreach programs to recruit agricultural producers. The project uses the FINPACK financial software to create financial statements (Income Statements, Balance Sheets, Cash Flows), conduct financial analysis (FINAN), and enter information into the national farm financial management database (FINBIN). However, due to the COVID-19 pandemic, farm agencies and institutions have had limited physical contact with people; agricultural producers have also limited their communication to emails and phone calls; and many producer and research conferences have been cancelled or converted to online versions.

HOW IT WORKS

The project proposes an interdisciplinary and multi-institutional alliance among Texas A&M University-Commerce, West Texas A&M University (WTAMU), and regional Texas A&M AgriLife Extension Service agencies. This partnership seeks to support the intellectual and collaborative efforts of regional farm institutions by supporting Texas farm management producers to solve agricultural and educational challenges. Texas agricultural producers benefit by comparing the benchmark of their agricultural practices with the agricultural practices from the leading states. For example, a comparison of Texas producers' cost and revenue structures with the leading states or other regions such as the Mid-West has helped to identify ways for Texas agricultural producers to become more profitable.

Project members rely on their long-standing relationships with regional Extension Service agencies, Farm Service Agencies, credit institutions, cooperatives, and outreach programs to recruit agricultural producers. Project members are connected to agricultural producers and have extensive experience with outreach programs, including contact information for beginning farmers and ranchers and small, socially-disadvantaged producers. Several of them are linked to or have advisory roles with producers and agribusinesses. In addition, every year A&M-Commerce hosts an Agricultural Technology Conference for regional producers in collaboration with Crops Cereal Research Incorporated (CCRI) and Texas A&M AgriLife Extension Service. WTAMU as well as the Texas A&M AgriLife Extension Service hosts several field days and other producer-related events throughout the year, which provides a great avenue for outreach.

The partnering universities will rely on and expand their current collaboration efforts with farm management and producers associations to recruit agricultural producers. The partnering universities will operate in their respective Texas region. A&M-Commerce focuses on counties in Northeast Texas, including Hunt, Hopkins, Franklin, Rains, and Wood counties. WTAMU focuses on counties in West Texas, including several counties in the top 26 counties of Texas, where Hartley county is among the top five counties in agricultural sales in the state of Texas (ERS, 2012). In East Texas has dairies, forages and pasture, grains, and livestock operations while West Texas is abundant of dairies, CAFOs, and beef cow operations.



Ag Technology Conference hosted by Texas A&M AgriLife Extension, Texas A&M University-Commerce, Cereal Crops Research Incorporated and the Agribusiness Industry in Commerce on Dec. 9, 2021.



Private Application Training hosted by Hopkins County Texas A&M AgriLife Extension Service at the Civic Center in Sulphur Springs on Nov. 3, 2021.



Ag Day Football Game at Texas A&M University-Commerce on Oct. 9, 2021.



Beef Day hosted by Hopkins County Texas A&M AgriLife Extension Service in Sulphur Spring on Oct. 2, 2021.



Producer Field Day hosted by Hopkins County Texas A&M AgriLife Extension Service in Sulphur Bluff on Oct. 1, 2021.



Landowner Workshop Series hosted by Collin County Texas A&M AgriLife Extension at the Myers Park & Event Center in McKinney on Jun. 25, Jul. 23, and Aug. 27, 2021.



Landowner Workshop Series hosted by Collin County Texas A&M AgriLife Extension at the Myers Park & Event Center in McKinney on May 28, 2021.



Vegetable Production and Marketing Program hosted by Hunt County Texas A&M AgriLife Extension and Natural Conservation Service (NRCS), Outdoor Learning Center in Greenville on Apr. 30, 2021.



Northeast Texas Beef Improvement Organization (NETBIO) Anniversary Sale and Annual Meeting at Sulphur Springs Livestock in Sulphur Springs on Nov. 18, 2020.

GOAL

The overall goal of this project is to contribute to the well-being of agricultural producers by providing them with the knowledge, skills, and tools to conduct financial benchmarking and increase their profitability and competitiveness.

CHALLENGES

- Limited physical contact with people;
- Limited communication to emails and phone calls;
- Many producer and research conferences have been cancelled or converted to online versions.

RESULTS TO DATE

Agricultural producers benefit by comparing the benchmark of their agricultural practices with the agricultural practices from the leading states. Project members provide professional consulting services to interested agricultural producers through FINPACK financial software (FINPACK, 2020), sponsored by USDA, to create financial statements (Income Statements, Balance Sheets, Cash Flows), conduct financial analysis (FINAN), and enter information into the national farm financial management database (FINBIN). FINPACK training and software for the project director is provided by the Center of Farm Financial Management (CFFM, 2020). Both FINBIN and CFFM are hosted at the University of Minnesota. Financial Benchmarking is conducted through FINAN and FINBIN.

The project is an ongoing effort to develop strategies to increase participation of agricultural producers in financial benchmarking programs. Addressing the farm business management and financial benchmarking (FBMB) needs of agricultural producers is consistent with the AAEE National Research Agenda research priority 3 of creating a professional workforce that addresses the challenges of the 21st century.

FUTURE PLANS

After two years, the project plans to expand its alliance to gain a broader coverage in South Texas. Our prospective collaborators include the Weslaco Research and Extension Center where there are several livestock operations, vegetable operations, and a strong citrus industry, including grapefruit, orange, lemon, tangelo, tangerine, etc. We also plan to reach out to neighboring southern states such as New Mexico and Arizona for future collaboration.

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