



# IOWA FARM BUSINESS ASSOCIATION

## Inside this issue:

- 2008 Analysis Data** 2
- NAFBAS Conference** 2
- New Analysis** 3
- PcMars Fix Utility** 3
- Consultant Certification** 3
- New Voice in the Office** 3
- Ag Decision Maker Info** 4

## Consultant Workshop

The IFBA annual consultant spring workshop was held May 18-19 in Ames. This 2 day workshop covered a wide range of topics and speakers, which included:

- Roger McEowen (Director of the Center for Agricultural Law and Taxation at ISU) held a question and answer session that focused on FSA farm payment and entity rules; LLC & partnership sales & liquidation; and new tax updates.
- Dr. Robert Jolly (ISU Department of Economics) presented the consultants with a financial problem case study. This review of ratio analysis, liquidity/solvency issues and budgeting led to discussions of additional reports

in the new analysis program.

\*Steve Johnson (Field Specialist with ISU Extension) discussed the “latest” news regarding the government programs (SURE & ACRE). Additionally, Steve discussed the extension budget cuts and the “future” of extension. The impact of loosing each county office is creating a lot of uncertainty regarding the types of service that extension can provide in the future. Other workshop items included continued training on the new Windows Individual Analysis and PcMars, and a review of program reports.

 If you ever forget your consultants email address, just remember it's their first name initial followed by their last name @ iowafarmbusiness.org



Consultants Bob McHugh, William Hunt, Dean Phelps, Paul Gogerty, Tom Thaden, and George Moriarty busy at committee meeting

## Membership Survey Your opinion is needed

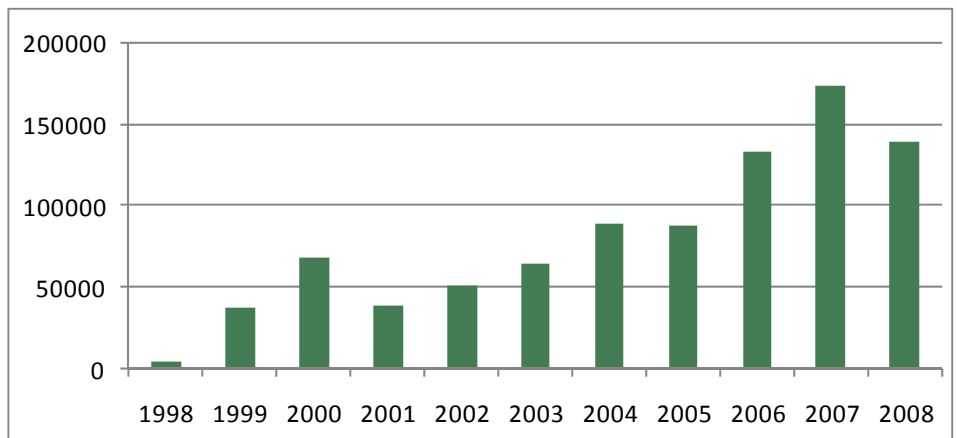
The Iowa Farm Business Association is asking you to fill out a short survey about your membership services. This survey will help provide feedback to your consultant on the service he/she is currently providing and will allow you to comment about additional services you may want.

To complete the survey, go to:

<http://www.iowafarmbusiness.org> and click on the “survey button” in the upper right hand corner. If you don't have internet access, just give us a call at 515-233-5802 to request a survey be mailed to you.

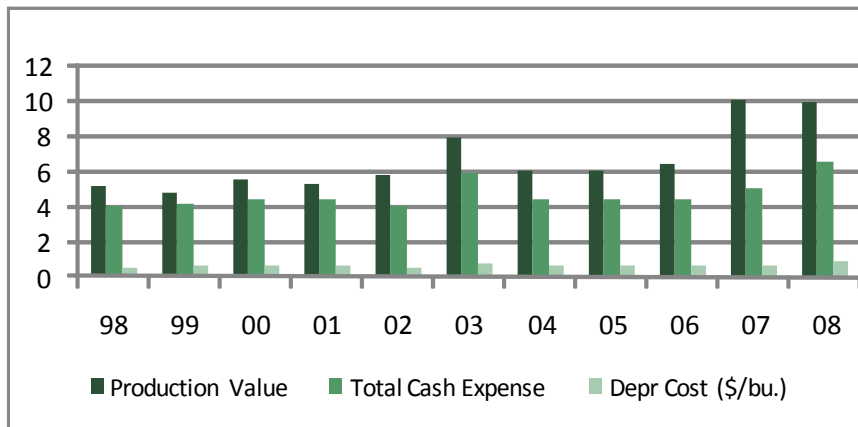
## Iowa Farm Analysis Data

Each year analysis members receive their farm analysis compared either against their Association averages or the State averages. However, the question usually pops up as to what the “trends” are over the past years. To show these trends, I have combined ten years data into a presentation you can see by viewing our web site at: [www.iowafarmbusiness.org](http://www.iowafarmbusiness.org) and click on “2008 Analysis presentation”. The presentation consists of 38 slides covering corn, beans, hogs, cattle, and financials. Not everyone has access to the internet, so several sample graphs and a table to show some of the trends has been included in this newsletter. If you don't have access to the Internet, ask your consultant for a hardcopy of the slides.

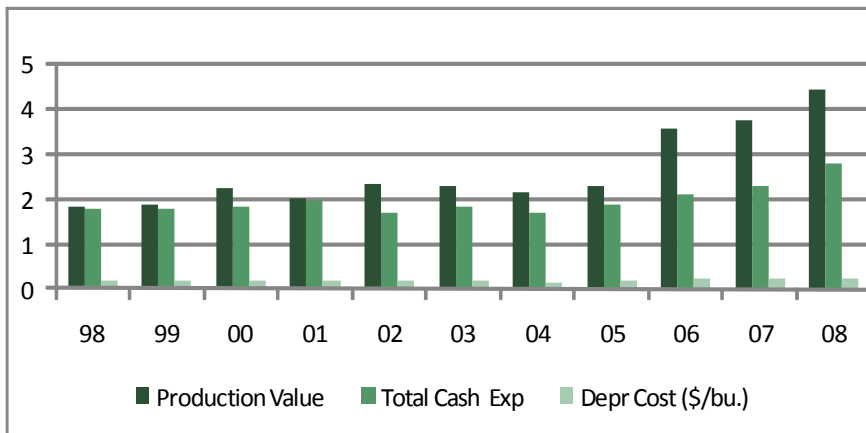


10 Year Accrued Net Farm Income History

Bean Selling Price VS Expenses for 2008



Corn Selling Price VS Expenses for 2008



## NAFBAS National Conference

“New Rules – New Tools” was the theme of the 2009 Farm Management Conference in St. Louis, MO this year. This was the 4<sup>th</sup> joint conference between the National Association of Farm Business Analysis Specialists and Ranch Business Management Education Association. The associations’ joint memberships total 400 consultants/educators who work directly with 40,000+ farm families across the United States. The conference agenda was comprised of a wide variety of topics, including discussion on current federal fiscal economic policy; livestock production & marketing outlook; farm taxation issues; farm entity structuring; farm bill provision and farm business planning .

Additionally, the conference included tours of farm import supplies, such as Monsanto and ADM which further added to the education experience. This 2009 NAFBAS conference was attended by Bob McHugh, Lyle Stewart, Tom Thaden, Jim Vermazen, and Gary Johnson.



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Accrued Net Farm Inc.	4547	37309	68096	38047	51093	64169	88287	87440	133581	176401	138772
Total Cash Farm Income	291189	309236	345826	347954	334388	392821	437272	467112	486962	560209	696826
Total Cash Expense	230775	250824	272637	277120	278031	315344	350569	374151	393452	446615	509642
Management Return	-47094	-3227	26162	-5269	7551	19002	41016	37553	79606	114383	70335
NFI % T Cash Inc	1.56%	12.06%	19.69%	10.93%	15.28%	16.34%	20.19%	18.72%	27.43%	31.48%	19.91%
Gross Profits/Man Year Equiv.	143067	175240	213273	203816	222001	247306	282111	300730	348665	425327	440192
Gross Profits/\$ Expense	1.07	1.22	1.36	1.21	1.29	1.30	1.36	1.34	1.53	1.61	1.4
Mach & Power Cost/acre	60.12	59.29	61.52	63.77	61.96	64.11	72.50	82.26	78.56	88.39	105.68
Mach & Power Invst/acre	222.69	217.57	217.85	217.86	233.84	232.34	245.78	279.22	287.07	300.51	312.17
Corn Yield/Acre	151	149	149	146	163.3	161.4	186.8	175	169.1	171.4	178.7
Bean Yield/Acre	50	47	46	46	49	35	50	53.9	54	55	50.8
Current Ratio CA/CL	2.101	2.189	2.535	2.37	2.288	2.43	2.55	2.45	2.79	3.405	3.544
Current Debt Ratio CL/TL	0.39	0.379	0.36	0.357	0.38	0.381	0.392	0.409	0.408	0.391	.373
Debt to Asset Ratio TL/TA	0.314	0.309	0.292	0.291	0.296	0.286	0.279	0.28	0.273	0.239	.231

## New Analysis Introduced

This year the IFBA introduced a new Individual Windows Analysis. To help the consultants make this transition, both the DOS & Windows Individual Analysis program could be utilized for the 2008 data. The new Windows Individual program was used by about 50% of the consultants. As a result of consultant and member suggestions, the new redesigned program focuses on several “big” changes:

- “Friendlier” Reports: these include an analysis key factor report summary, accrued income statement, detailed cash flow, and more graphs incorporated into reports.
- Flexibility: the new program allows your consultants to create “custom” enterprises to handle specialty enterprises, such organic crops, trucking, or ethanol investments.
- Imports directly from PcMars, this allows your analysis to easily be “tracked” back to your PcMars data.
- Enhanced Database Design: we are still in the “idea” stage of what members would find beneficial. Ideas currently being discussed are financial ratio analysis, sensitivity table, “what if” ability, and cash rent opportunities. The new design will allow for these new tools to be developed in the future.

To view some of the new sample reports, go to [www.iowafarmbusiness.org](http://www.iowafarmbusiness.org) and click on “news” on the right hand side of the page.

## PcMars Tips



### •Fix Utility

We are into thunderstorm season and you may experience power outages or flickers while working in your PcMars program. Sometimes when this happens you can get an error message saying “index out of date”, “table does not exist”, “file or directory does not exist, and others. Our newest version of PcMars (2.1.3) has an improved “Fix Utility” that you can “run” after receiving any of these messages. The utility will “rebuild” the “bad” data files. When the power flickers, the data can be “lost” in the temporary memory cache before the data can be saved to the hard drive. The Fix Utility retrieves that data and saves it to the hard drive. We have posted step by step instructions (along with screen shots) demonstrating how to run this utility at [www.pcmars.com](http://www.pcmars.com), under Newsletters and Tips. You can print these off and have them handy next to your computer.

### •Make sure you have the Current Version

Free patches available to update your PcMars the to the current version for the 2.1 version. To check what version you are using: open your PcMars Program, click on “help” (in the title bar), then select “About PcMars” in the drop down menu.

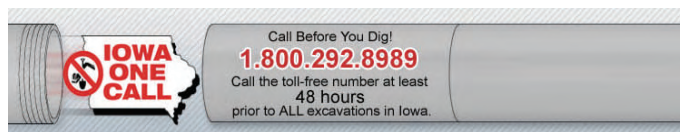
## Consultant Certification

The Iowa Farm Business Association has developed a “Certified Iowa Consultant” Certificate which they receive after achieving the required continuing education criteria. The basic requirements necessary to receive a certificate are 15 hours of consultant workshops; 12 hours of tax schools; and attendance at 4 consultant workshops & ISU tax schools. Those receiving certificates this year at the Spring Workshop are: Back (left to right) Alvin LaMar, Virginia Berger, Bob McHugh, Clint Van Roekel, Andy Thompson, Paul Gogerty, Bob McEntee, Front (left to right) Larry McAlexander, William Hunt, Tom Thaden, George Moriarty, Dean Phelps, and Bill Shafer. Not pictured: Ken McKenney, David Stensland, Kent Ruppert, Dennis Donovan, Gary Johnson, Jim Vermazen, Daryl Kruse, Russ Thompson, Doug Streeper, Lyle Stewart, and Lowell Lewis.



## New Voice in the Office

I thought I would introduce myself to you, my name is Lorelei. Those of you who have called for support or information recently may have been wondering about the new voice at the IFBA State Office. Since Claudia retired, I have been working hard to learn the “ropes”. It has been a whirlwind of being introduced to new software and procedures. I have been learning our PcMars programs and working with Kent to design the new analysis program. I have enjoyed talking to our software customers over the phone and via email while attempting to answer your software questions—as well as talking to many of you about your personal farming experiences. I come from a farming background and am very happy to be working in the Agriculture field again. I think that working with the members and software users is my favorite part of the job. I have also enjoyed getting to know the consultants and the state board members at workshops, board meetings and chatting on the phone. I have found that we have a very diverse and committed group of people in our organization, each of them working hard to make the IFBA a helpful resource to our members. I look forward to a long and happy working relationship with the Iowa Farm Business Association and its members and software users. I invite you to call me to update your PcMars software and to ask me for help with any of our current versions of PcMars software. If you are not currently a member and would like information on becoming a member, I can send you a brochure and put you in contact with a consultant in your area.





IOWA FARM  
BUSINESS  
ASSOCIATION

226 SE 16TH ST.  
AMES, IA. 50010

Phone: 515-233-5802

Fax: 515-233-5803

[lbuechler@iowafarmbusiness.org](mailto:lbuechler@iowafarmbusiness.org)

[kvickre@iowafarmbusiness.org](mailto:kvickre@iowafarmbusiness.org)

We're on the Web

[www.iowafarmbusiness.org](http://www.iowafarmbusiness.org)

[www.pcmars.com](http://www.pcmars.com)

## More PcMars Help Topics

Several "topics" to help PcMars users have been posted on our web site at [www.pcmars.com](http://www.pcmars.com) under Newsletters and Tips. A few of the topics posted are:

- Capital Purchases  
*Typically, there are four "common" scenarios when purchasing a capital asset:*

1. *Buying the item outright*
2. *Financing the whole purchase*
3. *Trading previously owned equipment for down payment and financing the balance*
4. *Making a down payment and financing the balance*

- How to Backup To A Flash Drive and Restore From A Flash Drive
- Reconciling Bank Statements
- Revolving Credit and Recurring Transactions
- Reusing a Transaction
- Setting up Loan Vendors

Check the web site to see additional "topics" of help for PcMars users.

## Ag Decision Maker

Each month Iowa Farm Business Association sends out the Ag Decision Maker Newsletter by email to members. These newsletters contain timely agriculture issues covering production, financial and legal information from Iowa State Extension.

If you **have not** been receiving these notices and you have an email address, just let us know so we can add your email address to the email list.

## Pioneer Growing Point Magazine Articles

Again this year the Iowa and Illinois Farm Business Associations will be co-authors for the tax/financial articles in Pioneer's "Growing Point" magazine.

For the past several years the Farm Business Association has alternated writing these articles with Dwight Raab (Illinois State Coordinator). These articles discuss financial and tax planning for producers.

For a complete list of past articles go to: "New and Articles" on the Iowa Farm Business Association website, the double click on the "pdf" of the article you wish to read or print.