

Trends Analysis

Farm Management Education Team

Subject area

Farm Management Education: Decision-Making for Improved Profits & Lifestyles

Names of external partners included in process

Farm management associations; farm record associations, loan officers, technical college system, high school agriculture instructors, and professional farm advisors.

Summary of the significant trends in topic area

Management decisions on farms are becoming larger, in terms of dollars and the cost of reversing them. Farm managers need to use systematic approaches to making decisions. The number of factors a farm manager must consider and the amount of information available increase the need for a methodical approach to all areas of decision making, especially financial decision making.

Access to financial data is growing rapidly. Increasing use of computers by farm managers to enter their own financial detailed data and Internet access is causing this trend. The access to financial data will continue to expand as the vendors obtain the ability to provide the farm manager with computer billing and records transfer. Soon farm managers will pay for and obtain a record of their purchases without paper. Farm managers will have very detailed financial data at their disposal. This data could be the genesis of better decision making.

However, data is not information and information is necessary for decision-making. Information technology will play a key role in facilitating a more coordinated management system. Distilling data available into useful information for decision making is the task of managers and their advisors.

Farm managers want the information they need for decision making as quickly as possible. The financial advisor's easy access to farm manager's financial data will decrease the time required to obtain the information necessary for decision making. Farm managers and their advisors will be electronically connected. The information transferred will include pre-entered data, data being entered currently, voice, and video (both pre-recorded and live).

The dollars available for and number of public funded farm management advisors will continue to decrease. Travel time and mileage are a significant share of those dollars. The electronic access to a farm manager's data will save physical trips. The saving, in travel time, will allow the public funded farm management advisors to service more farms and the saving in mileage will relieve stressed travel budgets.

The continual move from paper to electronics will eventually allow the farm manager to enter data directly on-line. For example, farm financial information would be accrued on a specific website, managed and accessible by only advisors the farm manager designates. In the future, the industry will turn primarily to the Internet or other forms of electronic media to do their business

Relevance of those trends to County Program Planning

The farm manager's demand for decision making information quickly will require the advisor to have Internet access to farm manager's financial data and/or whole farm planning information. County educators will need to learn to assist their citizens while at a remote location. This assistance may be similar to a help line, except the county educator would first access the same data the farm manager is viewing.

Also, electronic access to the same data the farm manager is viewing will allow more agents to specialize and/or county clusters.

Sources of supporting data that can be used by counties

Internet Sites

<http://www.uwex.edu/ces/ag/Teams/busmgt.htm>

<http://www.wisc.edu/dairy-profit>

<http://usda.mannlib.cornell.edu:80/usda/>

<http://www.ams.usda.gov/>

<http://www.econ.ag.gov/>

Farm Management Education Team
Center for Dairy Profitability
USDA Economics and Statistics System
USDA Agricultural Marketing Service
USDA Economic Research Service