

Districts 3, 4, & 10

Northeast Community College, Norfolk, NE

2023 NEBRASKA FFA Farm & Agribusiness Management Contest

Purpose

The Farm & Agribusiness Management CDE provides competition that fosters information assimilation, critical thinking and problem-solving skills necessary for successful business management. The skills learned in this event can be used to successfully manage a farm, agribusiness, pursue agricultural business careers and can be applied to personal financial management. Students will be asked to recall and apply the material to actual and hypothetical management scenarios meant to replicate management decisions on farms, ranches, and other agricultural-based businesses.

Objectives

- Analyze business management information.
- Apply economic principles and concepts of business management to the decision-making process.
- Evaluate business management decisions.
- Work together cooperatively as a team.

Principles and Concepts

- Financial Statement Analysis
 - Cash vs. Accrual Accounting
 - Financial Statements
 - Chart of Accounts
 - Financial Ratios (Financial Statement Analysis)
 - Liquidity
 - Solvency
 - Profitability
 - Financial Efficiency
- Budgeting
 - Partial Budgets
 - Whole-Farm (Business) Budgets
 - Enterprise Budgets
 - Operating Budgets
- Cash Flow Planning
 - Cash Flow Analysis
 - Statement of Cash Flows
- Marketing
 - Commodity (Grain and Livestock) Marketing
 - Agribusiness Marketing

- Income Taxes
 - Tax Status
 - Tax Information
 - Depreciation
 - Deductions
- Farm Business Organization
 - Business Organizations (Sole Prop., Partnerships, LLCs, Corporations, Cooperatives)
 - Characteristics of Business Organization Structures (Liability, taxation, etc.)
- Analyzing an Agriculture Business
 - Strategic Management
 - Vision Statement
 - Mission Statements
 - Business Planning
 - Goals and Objectives
 - Tactical Planning
 - Operational Planning
 - Succession Planning
 - Estate Planning
- Economic Principles
 - Utility
 - Supply and Demand
 - What Shifts/Moves market curves
 - Marginal Cost and Marginal Revenue
 - Profit Maximization Points
- Investment Analysis
 - Time Value of Money
 - Simple vs. Compound Interest
 - Amortization
 - Partial vs. Full Investment Analysis
- Risk Management
 - Categories of Risk (Financial, Market, Legal, Production, & HR)
 - Risk Management Process
 - Risk Management Plan

Contest Schedule

Date: Monday, February 27th, 2023

Contest Length: 2 Hours

Location: Union 73

Required Supplies for Students

1. Personal calculator (Cell Phones may NOT be used as calculators)

2. Two #2 lead pencils

Rules and Format

1. A team consists of four members. A team score consists of the total of four individuals' scores on the written exam plus the team activity score (all members must participate in the team activity).
2. It is highly recommended that participants wear FFA Official Dress for this event, teams not in FFA Official Dress will lose points on their team presentation score.
3. Each team will be provided at laptop computer for the purpose of completing the team activity portion of the CDE event. Teams will want to bring a Flash Drive with them to the contest to save their files.
4. The contest will be broken into 2 parts and will start in a "Shotgun" start set-up with half the teams starting on the team activity and the other half starting with the exam.

Team Activity

The team activity evaluates the ability of team members to work together to use decision-making and problem-analysis skills while applying economic principles and concepts taught in business management.

- Members of a team work together cooperatively to compete this section.
- 30 minutes are allowed for completion of the team activity. Participants will be required to submit a digital presentation and oral presentation. All topics outlined under the "Principles and Concepts" section can be included in the team activity.
 - Teams will have 10 minutes to present before a judge or panel of judges.
- The team activity has a maximum value of 300 points per team and is only included in the team score. Points are divided as follows:
 - Team Evaluation (100 points)
 - During the team activity section, the team is observed by event judges and evaluated on the team's ability to work cooperatively as a group.
 - Team Written Answer Sheet and Presentation (200 points)
 - All team members must be involved in the team activity to receive credit. If a team has two or fewer participants, no credit will be allowed for the team portion of the event.
- A Sample Case Study Scenario is provided at the bottom of this document in Appendix A.

Written Exam

The written exam tests the ability of the participants to use decision-making and problem-analysis skills while applying economic principles and concepts taught in business management.

- Each team member works independently to complete the written exam. Each member receives an individual score on the written exam.
- One hour will be allowed for completion of the written exam
- The written exam may multiple choice and fill-in-the-blank style questions. The questions may require calculations to determine the correct answer.

- All topics in the outline under the “Principles and Concepts” section can be included on the written exam.
- The written exam has a maximum value of 150 points per team member.
- Individual scores on the written exam are used to calculate both individual and team score.

Scoring

The following table summarizes the breakdown of points, event section for each point allocation, and the amount of time allowed for each section of the event.

Points			
Section	Time	Individual	Team
Written Exam	60 Minutes	150	600
Team Activity	60 Minutes		300
TOTAL		150	900

Tiebreakers:

Judges will break ties on team scores using the following sequence:

1. The score on the written section of the team activity
2. The score on the oral presentation section of the team activity
3. The score on pre-selected questions of the written exam.

Judges will break ties on individual scores using pre-selected sections of the written exam.

Preparation

Students are encouraged to utilize the reference information provided on the State CDE website:

<http://alec.unl.edu/agedcde/farm-business-management>

Or the National FFA CDE website:

<https://www.ffa.org/participate/cdes/farm-business-management/>

Contest Superintendent Contact Information

Brandon Keller - 402-844-7185 or brandonk@northeast.edu

APPENDIX A.

SAMPLE CASE STUDY

General Information

Attached is some background and financial information for Hawks Acres, LLC, an urban farm operation located just outside Norfolk, Nebraska. The operation is owned and managed by Richard and Vivian Hawk, who manage the operation part-time in addition to their full-time jobs at Northeast Community College. Their operation is located on the Northeastern edge of the city of Norfolk, Nebraska. Their property is accessible via a local paved road. The operation was started in 2020, and is developed on a previously unoccupied 10 acre section of land.

About the Operation

Hawks Acres, LLC is an urban farming operation that sits on 10 acres: 2 acres of orchard space, 2 acres of gardening space, 1 acre of outdoor classroom space, and 5 acres that have yet to be developed.

- The 2 acres of orchard space contain 15 species of fruit and nut trees, that will undergo their first harvest in the 2025 production season and are currently producing no revenue for the operation.
- The produce and fresh-cut flowers that are grown in the 2 acres of gardening space are currently sold at the Norfolk Farmer's Market twice a week, and the quality products have a strong local following.
- The outdoor classroom space is available for free to local nonprofit organizations, and for rent to all others at the price of \$100 per half day, or \$150 per full day.

Due to the seasonal aspect of the operation, their business currently only operates between the months of April and October of every year. Sales made during this time of year are directly related to the amount of inventory that can be produced on the operation.

The owners are now prepared to develop the unused 5-acre section of their operation, and have hired your team as consultants to identify potential enterprises for their business to expand to within their operation. Hawks Acres, LLC has made it clear that due to this being an urban farming operation, they DO NOT want to introduce a traditional livestock or crop enterprise into their operation.

Case Study Task

You will be presenting to the owners of Hawks Acres, LLC. Please prepare a brief (no more than 10 minute) presentation for the owners that addressed the following:

- What is the current state of Hawks Acres, LLC?
 - What is their business outlook without making any changes to the current operation?
- What are a minimum of two enterprise options for Hawks Acres, LLC to develop their remaining 5-acres of their operation?
 - What would be the strengths and weaknesses of these opportunities?
 - What is the cost associated with these options?
 - What will the financial impact be on the operation in 5 years? Both expenses and revenues?

Presentation should include: Introduction, Analysis of Problem, Methods for Analysis, Proposed Solutions, Summary/Conclusion

2021 Business Records

Orchard Income	\$0	Orchard Expenses	\$4,750
Garden Income	\$15,987	Garden Expenses	\$6,350
Classroom Income	\$2,250	Classroom Expenses	\$1,250
Misc. Income	\$7,890	Misc. Expenses	\$4,065
TOTAL INCOME	\$26,127	TOTAL EXPENSES	\$16,415