

# **Farm & Agribusiness Management**



## **CDE Handbook**

# **FARM AND AGRIBUSINESS MANAGEMENT**

## **1. Purpose**

The Farm and Agribusiness Management CDE provide 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.

## **2. Objectives**

The Farm and Agribusiness Management CDE is for participants to demonstrate their ability to:

- a. Analyze business management information.
- b. Apply economic principles and concepts of business management to the decision-making process.
- c. Evaluate business management decisions.

## **3. Rules**

- a. Each chapter may enter a team of three to five individuals with the three highest scores tallied for the team score.
- b. Team members will work as individuals for all parts of the CDE.
- c. Non-programmable, silent calculators can be used and must be furnished by participant.
- d. Universal E Scranton will be used for all parts of the CDE.
- e. Participants should bring #2 pencils.

## **4. Format**

The Farm and Agribusiness Management Event will consist of two parts

### **Part 1 - A Written Test**

- a. The written test is designed to test team members' understanding of the application of economic principles in farm management. Human resources questions will be added (not more than 5) and questions pertaining to the current happenings in the state of ND (3-5 questions).
- b. Multiple choice questions, some related to problematic situations, form the basis for testing this understanding.
- c. Team members work as individuals and each will complete the written test.
- d. There will be 50 multiple choice questions with 60 minutes allowed for completion of this section.
- e. One hundred points allowed for this section with each question worth two points.
- f. The resource for this part will be the John Deere "Farm and Ranch Business Management" text-2014 edition.

### **Part 2 - Problem Solving Analysis**

1. The problem-solving analysis portion is designed to determine the team members' ability to use decision-making and problem-analysis skills while applying the economic principles and concepts taught in farm business management.
2. Multiple-choice questions will also be used for this section.
3. Team members work as individuals and complete all problems assigned.

4. There will be a total of 50 multiple choice questions.
5. One hundred twenty minutes (2 hours) is allowed for completion of this section of the contest.
6. Two hundred points allowed for this section. (4 points per question)
7. An information packet will be presented to each participant for use during the event. The information packet may include any of the financial background information needed to solve the problem.
8. Problems to be used may include:
  - A. Balance Sheet
  - B. Income Statement
  - C. Cash Flow Projection
  - D. Enterprise Budget Analysis
  - E. Marketing Situation
  - F. Family Living Analysis
  - G. Income Tax Management
  - H. Investment Analysis
  - I. Analysis of the Farm Business

## **5. Resources**

- a. John Deere "Farm and Ranch Business Management" 2014 edition.
- b. Current North Dakota Farm Management "State Averages" booklets.
- c. Past three (3) years State Farm Management tests.
- d. Past two (2) years National Farm Management Contest tests.
- e. Past Years' Farmer's Tax Guide (IRS)
- f. Past Years' USDA Farm Program Guide (FSA)

## **6. Scoring**

<b>Activity</b>	<b>Individual</b>	<b>Team</b>
Written Test	100	300
Problem Solving	200	600
<b>Total Maximum points</b>	300	900

## **7. Awards**

### a. Individual

1. Individual scores will be tabulated and broken into gold, silver, and bronze award areas.
2. Individual ties will not be broken.
3. The high individual receives the "baby bison" trophy and a \$100 stipend is awarded by the ND FFA Foundation.

### b. Team

1. Team scores will be tabulated by adding the top three individual team member scores. They will be broken into gold, silver, and bronze.
2. The high team will receive possession of the traveling trophy, a travel stipend from the ND FFA Foundation and be eligible to represent North Dakota in the National Career Development Event.
3. Tie breaking will be decided by using the problem-solving questions listed above as tie breakers (in ascending order).