



IOWA FARM BUSINESS ASSOCIATION

INSIDE THIS ISSUE:

Mississippi Valley Consultant Retires	1
Foundation News	2
Consultant Fall Workshop	3
NAFBAS Conference	3
Cedar Valley Annual Meeting Suspended	3
Software Corner	4

“38 YEARS – LOOKING BACK”

By Phillip Benge, MVFBA Consultant
1967-2005

Grade school, high school, college, air force, and then back to college; after many years of education I graduated into the work force. So where do you go next? Everett Stoneberg, one of my ISU Economics instructors, advised me of an opportunity with the Farm Business Association in Eastern Iowa. After applying and accepting the position, I moved to Tipton to begin working as a Farm Management consultant with Mississippi Valley Farm Business Association.

My first office was in my home (a small upstairs apartment on the edge of town) and consisted of a filing cabinet, fireproof safe, calculator, a Spirit duplicating machine, maps of members’ farms, extra record books/binders, and a couple three-hole paper punches. There were no computers, internet, tax preparation software, or email and I provided my own car and briefcase--same as today’s consultants. During my first week, I followed consultant Chuck Greenlee around on in his summer farm visits and daily routine. Seemed like pretty brief training, but Chuck told me the members would help me work into the job.

The next week I started my own summer visits to about 145 members scattered over Cedar, Johnson, Muscatine, Scott, Clinton, and Jackson counties--what an experience! I made that round of visits to the members thinking, “This isn’t too bad and besides I really want to farm, so maybe 5-6 years at this job would be good for me”. My members’ farms ranged from 80 to 500 crop acres and many types of livestock operations. Each operation had different ideas, goals, and views on how to make a living from their farming operation. I wondered how I was going to help them all?? I also began to wonder if I was capable of analyzing each member’s records. Slowly, I began to learn the background of each person and then by looking at his “history book” (aka the Individual & Comparative Analysis), I saw trends that could help him in his decision making.



Phil Benge, Mississippi Valley FBA Consultant, retires after 38 years of service with the Iowa Farm Business Association.

Some problems were easy to spot. I remember one farm that had a cattle feeding history for two generations, but the son’s analysis records showed that he was a better crop farmer than a cattle feeder. I encouraged him to rent an additional farm. After reviewing his records, the profits on this rented farm surprised him. Shortly thereafter he dropped the cattle feeding operation. In some cases you don’t always make friends; his dad didn’t speak to me for about 5 years because of my involvement.

Tax preparation was a mystery to me when I started, but I became trained and proceeded to prepare taxes that first year. I later learned that a few members took their tax returns and had them double checked by an old “Fieldman” who still lived in the area. I can’t say that I blame them, as I was pretty green. The tax returns were hand figured and entered on a pencil copy. A typical return consisted of 1040, Sch. F, Fed & IA gas tax credit, Form 4797 (sows/cows sold), Sch. D & IA-1040. Then we made an ink return and two carbon copies--ink return to Federal, a copy to Iowa, a copy to member. In those days, we drove to each farm and prepared the tax return. In an hour and a half, we would complete the return, have coffee and be heading on down the road.

Continued on Page 2 — “38 Years—Looking Back”

TIP



If you ever forget your consultants email address, just remember—it’s their first name initial followed by their last name

@

iowafarmbusiness.org

For example:

Kent Vickre email address is

kvickre@iowafarmbusiness.org

“38 Years—Looking Back”— Continued from Page 1

Unless, the snow blocked the lane or the plows couldn't keep up with the drifting. Visit schedules were approximate—the weather ruled. In a few years, it became apparent to me that I really liked the tax work and that is probably why I stayed here so long. The only time I regretted doing tax was in the 70's when the IRS hit the farmers with many audits. I had about 25-30 audits in two years.

In my first years, you almost always were invited to eat lunch with the farm family and some still insist that you eat with them. One member always commented that the wife never did feed him decent food unless I or other company was there to eat--**not true**, but he loved to tease his spouse. I was thin then and I don't know how I stayed that way for a long time, as the food was always excellent and plentiful—plus I have no will power when it comes to eating. Everyone seemed to have coffee and donuts, rolls or pie for those mid morning or afternoon breaks. I should have weighed 300 lbs. With all those breaks, I drank so much coffee and I finally had to learn to drink iced tea for something different.

In 1963 or 1964, the Farm Analysis moved into the computer world. Individual farm data was entered onto an input form, sent to the Iowa Farm Business Association State Office in Ames for data entry into a computer and then sent by a modem to ISU Data Processing Center mainframe for processing and printing. The individual farm depreciation schedules were handled the same way. At that time, IRS required copies of the depreciation schedule to be attached to the returns. Occasionally there would be a keypunch error so we had to rerun those farms or submit corrections the next summer and hand correct the individual schedules. The Association Comparative Analysis average runs were also printed in Ames and mailed to us. Annual Analysis meetings were held to show trends, averages, and to distribute the Comparative analysis printouts to each farmer/member.

Sometimes a consultant gets involved in rather personal matters--father and son

disputes, should son/daughter go to college or just start farming. Once I had a visit on Christmas day from a member wanting to get married and asking my advice. No bad experiences here that I can remember, but occasionally you feel like you need pastoral training for this job. In college, I majored first in engineering and later in animal science, with the usual general courses required. At that time I could see no reason to take Psychology 101, but it was required. I soon learned psychology was just as important as my training in Animal Science & Agronomy classes. Psychology plays a huge part in presenting what you think is the right decision. People don't like change and sometimes resist advice from someone “outside”. How you present the idea of a change makes a world of difference. Also, you need to gain that person's trust before they will accept your ideas for solving the problem. Using the past analysis data makes it easier to show that person his weaknesses and find his operation's strengths. And sometimes, the individual goes in exact the opposite direction, but we are only Advisors.

Well, I never made it back to farming, but I frequently tell my members that the best consultant is only “one step off the tractor” physically and mentally. And yes, I still have a small touch with farming, as I have been helping one of my friends with his harvest the last two falls. This occupation is not a “job”; it is something you have to experience to understand the satisfaction you get from helping farm families with their financial problems, tax problems and some times their personal problems. I shall always remember all the good times of the past 38 years.

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Phil Bengé

NEWSLETTER BY EMAIL

We have been sending the Newsletter and PcMars Tips by email (if we have yours). If you haven't received an email, either your “spam” filter is blocking them or we don't have a **current** email address for you. All Emailed Newsletters will come from info@iowafarmbusiness.org, so be sure to add us to your “safe senders list”. Also—if you want to be added, just send an email with your name, address and email information to: info@iowafarmbusiness.org



FOUNDATION NEWS

The publication of the book “Glimpses, Iowa's Rural Legacy” has been an amazing instrument in reaching people interested in the history of family farms and the historical and cultural glimpses of rural life in 20th century Iowa.

The book has also brought about the creation of an “Adult” education course titled “Iowa's Rural Heritage”. Paul Lasley, Heil Harl and Jim Almquist are the instructors for this 1½ hour class held Monday afternoons at the Scheman Building on the ISU campus September 19-November 7. This is an eight session class and seems to be extremely well attended with 61 participants.

The students will have an opportunity to share their own stories, through short stories, personal biographies, artifacts and photographs. The course will explore the importance of personal accounts of one's life journey and how these personal biographies can be preserved and shared.

The class is being offered through the “College for Seniors” at Iowa State University, Ames, Iowa. These classes are available for adults aged 50+. For more information or a catalog on classes available call 515-294-3830.



With the holidays quickly approaching, now would be a good time to order a “special” stocking stuffer. To order a copy of “Glimpses, Iowa's Rural Legacy” contact your local consultant for an order form or call the Iowa Farm Business Association State Office at 515-233-5802.

GIVE A “SPECIAL” GIFT AND ORDER A BOOK TODAY! ORDER

CONSULTANT FALL WORKSHOP HELD IN AMES

The Iowa Farm Business Association consultants held their yearly Fall Workshop in Ames at the Comfort Suites & Conference Center September 19-21. The three day event included intensive meetings and several guest speakers.

Guest speakers for the Monday sessions were Loren Kruse, Successful Farming who spoke to the consultants on the importance of a comparative analysis for farmers. Roger McEowen, ISU Extension, answered questions and concerns the consultants had regarding new tax questions and changes.



Roger McEowen, ISU Extension, speaks to consultants at Fall Workshop about tax law changes.

Tuesday sessions started with a "Niche Pork Grant Update" from Gary Huber and Succession Planning presentation from Mike Duffy with ISU Extension. Consultant Andy Thompson held a discussion on C-Corp/S-Corp Conversion. The afternoon had a TASC (Section 105 Medical Reimbursement Plan) presentation by Jeff Taylor. This presentation was followed by the Technology, Economic and Ag Policy development by John Becker, Pioneer Farm Manager Coordinator.

Wednesday speaker was Mike Rosmann, AgriWellness, Inc. who spoke about rural mental health in Iowa.

The consultants were also given a review of the new analysis program being developed and also the PcMars Plus program. Consultant committees met to discuss analysis, software and record books. The next consultant workshop will be held in the spring in Omaha prior to the annual NAFBAS conference scheduled for June 5-8, 2006 to be held in the same location.

NAFBAS Annual Conference

The gleaming national monuments in Washington, D.C. served as an impressive setting for the 33rd annual conference of National Association of Farm Business Analysis Specialists. Local consultants Bob McHugh, Larry McAlexander, Daryl Kruse, George Moriarty, Tom Thaden, Lowell Lewis, Virginia Berger and State Coordinator Kent Vickre attended this professional development event June 26-30 and heard headline speaker John Block, former U.S. Ag Secretary detail his role in food marketing.

Presenters from inside the beltway described the process of government activities and policies that impact farm families. A special tour of the nation's monuments after dark was a first day highlight. The conference was hosted by USDA on Tuesday and featured current U.S. Ag Secretary Mike Johanns speaking about ag issues now on the USDA forefront. Other staff members gave conference members insight into trade, farm programs, conservation issues, and water rights.

Wednesday sessions convened on Capitol Hill with remarks from Elizabeth Paris, Senate Finance committee counsel; Senator Sam Brownback, Representative Ray LaHood, and Anthony Reed, legislative director for Speaker Dennis Hastert. Thursday featured a presentation by Mark Wilson of the World Bank and keynoter Dennis Avery of the Hudson Institute.

Over 225 staff and family attended the 2005 conference; the 2006 event will be in Omaha, NE. Members of NAFBAS help more than 20,000 farm families in the areas of accounting, tax management, and business analysis. To learn more about this program, please visit the website www.nafbas.org or contact:

Kent Vickre, State Coordinator
Iowa Farm Business Association
226 SE 16th Street
Ames, Iowa 50010
515-233-5802



CEDAR VALLEY ASSOCIATION NEWS

At the September 8, 2005 Cedar Valley Farm Business Association Board of Directors meeting, it was voted to suspend the 2005 Annual meeting. The board also discussed the future Annual meetings and reached a consensus that the Board of Directors would hold Annual meetings as the need arose.

If you have any comments or questions regarding this decision, please contact your Cedar Valley Board President, Dave Lubben, by email at info@iowafarmbusiness.org or call 515-233-5802. Please include "Cedar Valley Annual Meeting" in the subject line of your email.



**IOWA FARM
BUSINESS
ASSOCIATION**

**226 SE 16TH ST.
AMES, IA. 50010**

Phone: 515-233-5802

Fax: 515-233-5803

cpauk@iowafarmbusiness.org

kvickre@iowafarmbusiness.org

We're on the Web

www.iowafarmbusiness.org

Or

www.pcmars.com

CD's/Memory Pens

Many of you are getting new computers that don't come with a 3½" floppy drive. Instead you have a CD drive and usually a CD burner. We are getting several inquiries on how to back up to a CD. Here is a general review on CD's.

There are two types of CD's—**CD-RW** (read/writeable) or **CD-R** (read only).

RW—These can be used as R or an RW. The advantage of an RW is it can be used just as a big floppy disc **ONCE** it is formatted. The disadvantage is since your computer formatted the RW, many times other computers cannot read the data.

In PcMars you will be able to back up to a CD-RW through your PcMars program provided you format the CD first. You will need additional software to format your CD-RW.

R—The advantage of an R is it can be read 99.9% of the time on all CD drives. This is what you should use for your permanent backup. The disadvantage is that you generally need to do this through your CD burning software.

Another quick and easy way to back up your data is on external, removable drives or "pen drives, memory sticks, etc." Just insert the pen drive in the external USB port and select that drive from

SOFTWARE CORNER



the "Other back up location" in your PcMars program. These removable drives hold a lot of data and can be used over and over without losing data you already have backed up.

If you still have a 3½" drive and are using the new PcMars 2.0.8 version, you have the ability to "compress (zip)" your data to your 3½" floppy drive. This will compress your set of books into a "zipped" folder and copy it to your 3½" floppy drive very quickly and will only use one disk as compared to the conventional method of backing up directly to the "A:\:" drive which can be time consuming and sometimes use more than one disk.

Just remember that whichever method of backup you choose, it is very important to **backup your data**.

DON'T FORGET!

**YOU CAN UPDATE YOUR SOFTWARE
ANYTIME DURING YOUR ACCOUNTING YEAR.**