

IOWA FARM BUSINESS ASSOCIATION NEWS

November 2003

VOLUME 3, NO.11

We **need** your email address! If your address label on this mailing is white, we would like to get your email address on our database for future Newsletter mailings. With the increasing costs of paper, stamps and time, we are thinking of cutting these costs through email. Please email us at: cpauk@iowafarmbusiness.org. Let us know how you would like in the future to have the IFBA Newsletter emailed, mailed or both.



ASSOCIATION NEWS

■ Southwest Iowa has a new office located in Stanton. William Hunt started working with the other three Southwest Iowa FBA consultants last November and is working now on his own membership.

Bill graduated from ISU majoring in Ag Business. He has lived and farmed in the southwest Iowa area where he has also taught agriculture classes at Iowa Western Community College. If you're in the Stanton area, stop in and welcome Bill to the Iowa Farm Business Association.



Bill Hunt, Consultant
SWIFBA



Kent Ruppert, Consultant
MVFBA

■ Mississippi Valley Association has hired Kent Ruppert as the new consultant for the Clinton/Jackson/Scott county area. Kent lives in Maquoketa and has a strong understanding of production agriculture.

Kent grew up on a small dairy farm in Southwest Wisconsin near the town of Darlington. There he gained hands on knowledge of farming and an appreciation for the hard work it takes to be successful.

Kent attended classes at the University of Wisconsin and graduated in the spring of 1991 with a bachelor's degree in Agricultural Business.

For the last 7½ years Kent has been working for the River Valley Cooperative in Lost Nation, Iowa. His responsibilities there have included utilizing financial tools to increase producer profitability (break evens, closeouts, cashflows), assist in yearly budgets, create spread sheets to analyze data and helping local farmers become more profitable in their livestock and farming enterprises.

We welcome Kent to the Iowa Farm Business Association.

■ The 2003 Murken Scholarship was awarded this year to MacKenzie Neal from Mount Vernon. Her father is Kenneth Neal and a member of Murk-N-T. She will be attending ISU this fall in Pre Vet Med/Animal Science. Her goal is to become a large/small animal veterinarian.





New Murk-N-T Office

■ Murk-N-T has moved into their new location a block west of the old office the middle of July. The new location is the old fire station that they remodeled. The new location is all on one level for much easier access. Their new offices are set-up with 9 offices and a conference boardroom, which will allow them to expand as they grow. The new facilities will give more privacy to their clients and allow greater space for meetings with one to thirty people. Their new address is 209 Rose Avenue SW, P.O. Box 249, Swisher, IA 52338. Their phone number is still 319-857-4638 and FAX number is 319-857-4648.

■ Murk-N-T developed an aging corporation's seminar held on August 22nd at Kirkwood Community College and August 26th at the Iowa Farm Bureau office in Des Moines. It was attended by 90 corporations. The all day seminars addressed four major areas for maturing corporations. Respondents agreed that the seminar increased their subject knowledge and it was presented professionally.

■ This year the consultants fall workshop was hosted by Northwest Iowa Farm Business Association at the Okoboji Lakes in Milford, Iowa. The workshop consisted

of 2½ days of training for the consultants. A few of the items covered was the 2003 Tax Act, in depth financial analysis review and financial investment updates. Special guest speaker, Dale Nordquist, from Minnesota gave a daylong presentation on the use of Finpack.

The consultants hold workshops twice a year as a form of continuing education along with their yearly Tax School training.

Plans are currently being made to hold a joint workshop with Illinois in the spring of 2004.



Common Recording Errors

You can avoid many year-end problems by careful review of business records now prior to fall visits. Following are a few common "errors" or "omissions".

1. When capital purchases are "dealer financed", those transactions often do not flow through your checking account. Therefore, record the amount borrowed as "**Loan Proceeds**", and as a "**Capital Purchase**". Also, provide copy of purchase agreement to your consultant.
2. Record "Quantities" on all sales and purchases of grain and livestock.
3. Record Coop Patronage Dividend "Equity" received as well as cash paid.
4. Make a list of issues to be reviewed with your consultant when you meet!

Market Outlook Meeting

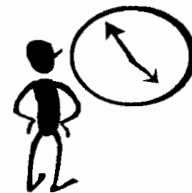
The Iowa Farm Business Association is again sponsoring the Market Outlook Meeting to be held Wednesday, December 10, 2003 at the **Holiday Inn, Amana Colonies**, Interstate 80, Exit 225.

The Market Outlook 2003-2004 meeting will be held from 7:00 to 9:00 p.m. and will be presented by Terry Jones of the "Russell Consulting Group" out of Panora, Iowa.

The Market Outlook meeting cost is \$30.00 per person or \$35.00 per couple.

For more information call the Iowa Farm Business Association at 515-233-5802.

The time is **now** to start your market planning for 2004!



July 13 Marked 63rd Anniversary of MVFBA

■ Since its incorporation in 1940, Mississippi Valley Farm Business Association and its consultants are still serving farmers and their families.

The farm analysis was compiled by hand and then combined into association averages by hand. The factors calculated were basically the same as we use today, however in the 30's the power on farms was horses as well as a few tractors.

The fieldmen (as they were called until the 1960's) covered many more counties than the present day consultants and many of the roads were still dirt paths. Sometimes fieldmen stayed overnight with farm families (to save costs) and few motels/hotels were available.

The Association has witnessed a lot of change in the last 63 years, but still the consultants continue to provide their membership with the services to aid the farmer in his financial decisions.

TAX TIPS



■ Here are some highlights of the recent Tax Law changes to be thinking about before your tax-planning visit.

Section 179 Expense Election:

The new law raised the expense limit to \$100,000 and the total purchases limit to \$400,000. This allows a large amount of variance in scenarios for tax planning this fall.

30% & 50% Bonus Depreciation:

This year you can choose to elect a 50% bonus, a 30% bonus, no bonus or a combination as long as only one is chosen for each life classification. Qualified property must be new property and it must be placed in service after May 6th, 2003 to qualify for the 50% bonus. All new property placed in service

this year qualifies for the 30% bonus.

Capital Gains/Dividends:

The rates of capital gains tax has been reduced to a maximum of 15% for those tax payers who fall in the ordinary tax brackets above 15%. For those who fall in the 10% and 15% ordinary tax brackets, the maximum capital gains rate is only 5%. The rates that dividends are taxed at also have changed. In the past, they have been taxed as ordinary income, but are now subject to the same rates as the new capital gains.

Child Tax Credit:

The Child Tax Credit was raised to \$1,000 per qualifying child. Remember: if you received a check this summer for \$400/child, we can only claim the other \$600 on your return. **Your consultant needs to know what you received at tax planning time!**

\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$

WANT MORE TAX INFORMATION?

Contact your local consultant for information on the Iowa Communication Network (ICN) live broadcast scheduled for November 25th at 7:00 p.m.



FOUNDATION NEWS

■ The Farm Business Association Foundation is still in the formative years of its existence. The Iowa Farm Business Association is supporting their efforts to develop and publish a book on rural "stories" from Iowans about their rural lives and heritage. The Foundation is asking for your stories (passed along from earlier generations or rising out of today's changes) stemming from your connections with rural, agricultural communities in Iowa.

The stories, recollections or articles can be:

- *Historical in nature
- *About earlier times in rural life and passed down through the generations
- *Recollections about main street businesses, farms, schools and churches
- *Observations from or about current times and people
- *About people, families, places or events
- *About lessons learned, changes in the rural scene or a wide variety of other subjects

Suggested maximum length of articles is 800 words. A targeted publication date is fall 2004. Watch your mail for updates and additional information/details. Submit articles to:

**Jim Almquist, Board President
FBA Foundation
226 SE 16th Street
Ames, Iowa 50010**





SOFTWARE CORNER

This year Iowa Farm Business Accounting, Inc. held seven PC Mars across the State. The classes consisted on a "Beginners" class covering the basics of entering income, expense, loan balance and general shortcuts. The "Advanced" class focused on many of the new features in Version 2.0 such as sealed grain transactions, revolving credit and advanced payroll. If you would like a copy of either workbook, you can download them **free** at www.pcmars.com.

Do You Have the Current Version of PC Mars 2.0??

With the release of PC Mars 2.0 we now have the ability to post updates on our web site. All PC Mars 2.0 users should have received a notice of the PC Mars class and instructions to download the updated version. As a reminder—this is **only** available to PC Mars 2.0 users. To check your program, simply click "Help" (above your icons in your PC Mars program), then "About PC Mars". The most current version is 2.0.6. If you have an earlier version, simply go to www.pcmars.com to download the most recent version.

COMING SOON-----

The release of **PC Mars Plus** this spring. PC Mars Plus will have several **new** abilities.

1. **Inventory Tracking:** This will make it possible to track grain/livestock on hand or any prepaid expenses and automatically include these items on your net worth.
2. **Enterprise Allocation:** This will have the ability to override enterprise allocated for income/expense to give you more complete enterprise reports.
3. **Combine Set of Books:** This ability will allow users to combine two fiscal year books into one calendar year set of books for analysis purposes. (We will also be selling this as a stand-alone utility for PC Mars).

PHSHT STD
US Postage Paid
Ames, IA 50010
Permit No. 126

Iowa Farm Business
Association News
226 S.E. 16th Street
Ames, Iowa 50010

