



12.002
12/23

Farm and Agribusiness Management

Purpose

The New Jersey FFA Farm and Agribusiness Management Career Development Event 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. The New Jersey FFA Farm and Agribusiness Management Career Development Event enhances and encourages opportunities for all participants to receive instruction that develops business management and entrepreneurial skills.

Objectives

Participants will demonstrate their ability to:

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

Principles and Concepts

The principles and concepts listed below may be included in each section of the event.

Economic Principles Related to Business Management

- Production functions
 - Diminishing returns
 - Profit maximization
- Cost concepts
- Input combinations
- Enterprise selection
 - Equi-marginal returns
 - Specialization and diversification
- Supply and demand concepts
- Types of market competition
 - Perfectly competitive markets
 - Oligopoly markets
 - Monopolistic competitions
 - Monopoly markets

Concepts related to the use and analysis of records to manage resources

- Financial statements
 - Balance sheet
 - Income statement
 - Statement of owner equity
 - Statement of cash flow
- Financial analysis
- Budgeting
 - Partial budgets
 - Whole-farm or business budgets
 - Enterprise budgets
 - General operating budgets
- Cash flow analysis
- Managerial accounting
- Tax management

Concepts and functions of risk management

- Categories of risk
 - Financial
 - Market
 - Legal
 - Production
 - Human resources
- Risk management process
- Risk management plan

Business Management

- Strategic management
 - Vision statement
 - Mission statement
 - Goals
- Tactical planning
- Operational planning
- Succession planning
- Estate planning
- Cost analysis
 - Fixed costs
 - Variable costs
- Business structure
- Commodity and agribusiness marketing
- Real estate acquisition

Event Rules

The complete rules, policies and procedures relevant to all New Jersey FFA Career and Leadership Development Events may be found in the CDE & LDE Event Participation Policy: https://nj.gov/agriculture/ag_ed/ffa/activity/CDE_LDE_Policy.pdf

- Teams will consist of four members, and all four scores will count toward the team score.
- The team score is comprised of the combined scores of each individual and the team activity in which all team members will participate.
- Official Dress is required for this event.
- Participants are NOT allowed to use (or have visible) electronic devices during the event, unless for medical reasons or a portion of the event requires usage. This includes cell phones, tablets, etc. Participants will be allowed to use calculators, if specified for that event; however, cell phone calculators and graphing calculators are not permitted! Failure to adhere to these rules will result in disqualification.
- All individuals participating will judge in a cooperative manner following the rules set forth by the event coordinator.
- No school/chapter will use Rutgers University or Delaware Valley University facilities or locations for the training of teams. Contact with University faculty and staff is permissible. Penalty will be disqualification.
- Portions of this event may be scored using "Scan-tron" sheets. It is important for students to listen to directions and fill out the sheets correctly in order to receive credit. Sample scan-tron sheets are available for practice on the State Activity Guide. This event uses the Ag Sales/FB Mgt/Ag Mech scan-tron sheet.
- There will be no separate alternate teams.
- A student may not compete in more than one event during the New Jersey FFA Fall Career Development Events.
- The State level competition fee of \$11 per contestant will be paid by the competing school. If a chapter is at least blue affiliated, registration to state FFA career development events is waived.

Event Format

EQUIPMENT

Materials to be provided by the student:

- Two no. 2 pencils
- Clipboard

Equipment provided by event host:

- Non-programmable calculator (calculators with programmable abilities are not permitted)

Participants are not to use:

- Cell phones or other electronic devices

EVENT SNAPSHOT

Below is a brief overview of the Farm & Business Management CDE

- Team Activity – 200 points (60 minutes)
- Written Exam (multiple choice, short answer, fill-in-the-blank) – 300 points (90 minutes)

A chapter must have a team of four (4) for team awards. All four (4) scores are used in determining the team's rank.

Scantron may be used to score portions of this event. At the end of this document is a sample of the sheet to be used. You can get practice sheets here:

https://www.nj.gov/agriculture/ag_ed/ffa/activity/Scantron-FBM.pdf

Team Activity (200 Points)

Team members will 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 complete this section.
- Sixty minutes are allowed for completion of the team activity. Participants may be required to submit a written report and/or respond to questions. All topics in the outline under the "Principles and Concepts" section can be included in the team activity.
- The team activity has a maximum value of 200 points per team and is only included in the team score.
- Teams will **NOT** be observed by event judges and evaluated on the team's ability to work cooperatively as a group.

Individual Activities

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 team member receives an individual score on the written exam.
- Ninety minutes are allowed for completion of the written exam.
- The written exam may include any type of question (such as multiple choice, short answer and fill-in-the-blank). The questions may require calculations to determine the correct answer.
- All topics in the outline under the "Principles and Concepts" section can be included in the written exam. Business management forms and procedures follow the samples and procedures as presented in the most current farm and ranch business management text published by John Deere Publishing.
- The written exam has a maximum value of 300 points per team member.
- Individual scores on the written exam are used to calculate both the 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	90 minutes	300	1,200
Team activity	60 minutes		200
TOTAL		300	1,400

Tiebreakers

If ties occur, the following events will be used to determine award recipients:

TEAM

1. Team Activity

INDIVIDUAL

1. Multiple Choice section of the written exam

Awards

Awards will be presented to individuals and the first team based on their rankings at the CDE awards ceremony at the New Jersey State FFA Convention. Awards are sponsored by the New Jersey FFA Foundation, Inc., the New Jersey State FFA Association, and/or the National FFA Organization.

Individual

- Overall Medals
 - Medals – Top three individuals
- H.O. Sampson Certificates (hands-on practicum areas ONLY)
 - Certificate – Top five individuals

Team

- Plaque Sponsored by the National FFA Organization - 1st place

The 1st place team will represent New Jersey at the National FFA Convention in October.

References

This list of references is not intended to be all-inclusive.

Other sources may be utilized, and teachers are encouraged to make use of the best instructional materials available. The following list contains references that may prove helpful during event preparation.

Numerous sources of materials exist, and participating teams should consult with their state's cooperative extension service, the colleges and universities teaching farm and ranch business management and other material services available to the participating school. For the most current listing of resources and definitions for economic terms, refer to the farm and agribusiness management CDE section of the national FFA website at FFA.org.

Primary

- Jobes, Steward, Casey and Purcell (2010). Farm and Ranch Business Management (latest edition). Deere & Company, John Deere Publishing, East Moline, Ill. 61244. <http://www.deere.com/publications>
- Kay, Edwards and Duffy. Farm Management. McGraw-Hill Book Co., New York, N.Y. (most current edition).
- CDE NCQ, FFA.org. Examples of enterprise budgets and financial statements used in the CDE.

Secondary

- Boehlje and Eidman (1984). Farm Management. John Wiley and Sons, New York, N.Y.
- Bowers, Love and Kletke (1994). Machinery Replacement Strategies. Deere & Company, John Deere Publishing, East Moline, Ill. 61244. Deere & Company. <http://www.deere.com>
- Dicks, Michael (1998). Agricultural Policy and How It Affects You, Deere & Company, John Deere Publishing, East Moline, Ill. 61244.
- Oltmans, Klinefleter, and Frey (2001) Agricultural Financial Reporting and Analysis. Doane Agricultural Services, St. Louis, Mo.
- Purcell, Wayne D. (1995). Marketing Agricultural Commodities. Deere & Company, John Deere Publishing, East Moline, Ill. 61244.
- Wilson, Purcell, Burton, and Wahlberg (1994). Managing Livestock Production. Deere & Company, John Deere Publishing, East Moline, Ill. 61244.
- Wilson, Purcell, Burton, and Wahlberg (1994). Managing Agricultural Commodities. Deere & Company, John Deere Publishing, East Moline, Ill. 61244

Technical References

- Farmers Tax Guide, published by the Department of the Treasury, Internal Revenue Service, can be obtained from the IRS Forms Distribution center in your state or the IRS website. <http://www.irs.gov/publications/p225/index.html>
- Farm Financial Standards Council, Financial Guidelines for Agriculture Producers, 1998. <http://www.ffsc.org/>
- Assorted educational materials are available on hedging, forward contracting and commodity futures trading from any of the following addresses.
 - Chicago Mercantile Exchange, 30 South Wacker Drive, Chicago, Ill. 60604. <http://www.cmegroup.com>

- Kansas City Board of Trade, 4800 West Main Street, Kansas City, Mo. 64112.
- New York Cotton Exchange, New York Mercantile Exchange Building, One North End Avenue, New York, N.Y. 10282-1101.
- New York Mercantile Exchange, Commodity Exchange Ctr., One North End Avenue, New York, N.Y. 10282-1101.
- Doane Agricultural Services, Vance Publishing Corp., 77 Westport Plaza, #250, St. Louis, Mo. 63416. Doane provides a variety of educational materials related to farm and ranch management.
- Cooperative Extension Service in your state. Contact your local extension agent for access to farm and ranch management educational materials.

Request for Reasonable Accommodations

The New Jersey FFA Association is committed to providing equal access to our events and activities for all people. Use this form to request a reasonable accommodation or assistance at least 3 weeks before any state-level events: <https://form.jotform.com/NJFFA/accommodations-request>. A new form will need to be submitted for each event in which a reasonable accommodation is being requested. This information will be kept confidential and will be used only to process the request. Our staff will review the request upon receipt and contact the requestor with additional information. The association cannot guarantee accommodations or assistance if a form is received less than 3 weeks before an event. Accommodations being requested that require the assistance of another person (nurse, interpreter, scribe, reader, etc.) is the responsibility of the school/requestor. It is also the school/requestor's responsibility to provide any approved equipment to aide in the accommodation process, if applicable.

Within Exam A				
1	21	41	41	61
2	22	42	42	62
3	23	43	43	63
4	24	44	44	64
5	25	45	45	65
6	26	46	46	66
7	27	47	47	67
8	28	48	48	68
9	29	49	49	69
10	30	50	50	70
11	31	51	51	71
12	32	52	52	72
13	33	53	53	73
14	34	54	54	74
15	35	55	55	75
16	36	56	56	76
17	37	57	57	77
18	38	58	58	78
19	39	59	59	79
20	40	60	60	80

Within Exam B				
1	21	41	41	61
2	22	42	42	62
3	23	43	43	63
4	24	44	44	64
5	25	45	45	65
6	26	46	46	66
7	27	47	47	67
8	28	48	48	68
9	29	49	49	69
10	30	50	50	70
11	31	51	51	71
12	32	52	52	72
13	33	53	53	73
14	34	54	54	74
15	35	55	55	75
16	36	56	56	76
17	37	57	57	77
18	38	58	58	78
19	39	59	59	79
20	40	60	60	80



