



MICHIGAN FFA

To view additional
contest details, see the
contest clarification
sheet on the Michigan
FFA Website

FARM BUSINESS MANAGEMENT

Career Development Event

PURPOSE

The purpose of the Farm Business Management CDE is to provide a 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 or agribusiness, pursue agricultural business careers, and be applied to personal financial management.

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.

EDUCATIONAL STANDARDS

For educational standards, please refer to the Farm Business Management Handbook located at <https://www.ffa.org/participate/cdes/farm-business-management/>

EQUIPMENT

Students are to **bring their own**:

- Two sharpened No. 2 pencils.
- Electronic calculator
 - Calculators must be silent, battery operated, and non-programmable. No other calculators are allowed to be used during the event, including cell phones.
- Clean, free of notes, clip board

PROCEDURE

Contest Procedures

The Farm Business Management Career Development Event consists of two parts. Part I is a general test over the subject matter of farm management. Part II is geared towards specific farm problems.

Part I - The Subject Matter of Farm Management

Contestants will be tested on their general knowledge of farm management principles. They will have an opportunity to demonstrate understanding of the following areas:

1. Analysis of the operations of a farm business with respect to the size of business, crops and soils program, livestock program, and expense factors.
2. The nature of various credit and tenure arrangements and institutions that affect the organization and operation of a farm business.
3. Income tax management skills, which farmers may use.
4. The nature of the sole proprietorship and the partnership as organizations for operating farms.

Contestant should focus on the material and questions which are in multiple choice format located on the Michigan FFA website.

Part II - A Farm Problem

Individuals will work separately in analyzing the problems of a particular farm business.

The background information about the business will be obtained from written materials and prepared financial statements. They will be tested on their ability to detect important characteristics, to recognize problems, to identify management alternatives, and to evaluate those alternatives.

Contestants should focus on problems which require interpretation and

additional manipulation of information to determine the correct answer in the following areas:

1. Cashflow Statements
2. Budgeting
3. Marketing

REFERENCES

Contest materials from Farm Business Management Contests at the national level. Copies of previous contests are available on the National FFA Website.

The Farm Business Management Contest will emphasize planning skills used for Crop and Livestock/Dairy Farming Enterprises.

"Farm & Ranch Business Management," by Jim Steward and Raleigh Jones, Deere & Co., Service Training Dept., John Deere Road., Moline, IL 61265. (Teacher guide and student workbook also available.)

"Farm Business Arrangements: Which One for You?" (1991 edition) North Central Regional Extension Publication NCR 050, MSU Cooperative Extension Service.

MSU Extension Website

https://www.canr.msu.edu/farm_management/DEMaND-Series/

Previous National Farm Business Management contests.