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 clipboard, free of notes

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.

Exam Questions will be from a combination of the last five years of available National FFA tests.

The exam will be administered and an appropriate amount of time, not to exceed two hours, will be given by the event officials.

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 sole proprietorship and partnership as organizations for operating farms.

Part II - A Farm Problem

Individuals will work separately 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

SCORING

Individual scores will be the total of scores received on the Knowledge Exam and Farm Problem.

Team scores will be the total of top 3 individual scores.

TIE BREAKER

Tie Breakers between two teams will be settled in the following order:

1. Total score on the problem section
2. Total score on the hardest question section on the problem question

DETERMINING AWARDS

The top 1/3 of teams and/or contestants will be awarded Gold or Silver ratings. Gold and Silver awards will be determined by the Michigan FFA Office.

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 are also available.)

MSU Extension - Developing and Educating Managers and New Decision-makers (DEMaND)

Developing and Educating Managers and New Decision-makers (DEMaND)

Previous National Farm Business Management contests.