



Making a Difference

2016 – 2017

Farm Management Program Focus Team Top 10 Considerations to Navigate the Struggling Farm Economy

Grand Challenges

K-State Research and Extension: providing education you can trust to help people, businesses, and communities solve problems, develop skills, and build a better future.

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Situation

Kansas farmers play an important role in the global food system. The Kansas and U.S. farm economy experienced a period of record profitability from 2008 through 2013, only to be followed by an extraordinary downturn in farm income with many parallels to the farm crisis of the 1980s. The pressures of low commodity prices and high input costs, including high loads of debt from land and equipment purchases, have left the farm economy in a vulnerable position. Many farm families are facing tough decisions about the future of their operations.

What We Did

With significant involvement by county extension agents working with Department of Agricultural Economics, educational efforts that began the previous year to help producers, lenders, and other agricultural stakeholders evaluate the financial situation of farm operations, as well as understand the situation in the current agricultural economy were continued and expanded. Eight meetings were conducted statewide from December 2016 to February 2017 to address many of the issues of interest to producers during the economic downturn. In addition, two trainings for agents and Kansas Farm Management Association (KFMA) economists were conducted to help them become proficient in assisting financially stressed producers. Consultations with individual farm operations were conducted, including a pilot program in Manhattan with 20 producers.

Outcomes

Of the 814 participants at the eight meetings across the state, more than 92 percent found the information valuable or very valuable. The primary participants were farmers and landowners (70 percent) and lenders (18 percent). Producers from almost every county in Kansas were reached, as well as some from surrounding states. In addition, 56 county agents and KFMA economists were trained to assist producers in analyzing their financial situation and developing strategies for weathering the current difficult financial situation. Agricultural lenders and producers better understand the current situation with respect to price outlook, production costs, debt levels, and potential strategies for keeping operations solvent and liquid.

Success Story

After the statewide meetings, many positive comments were received from producers, including:

- Fantastic program for a beginning farmer in the early stages of investing and making sure my plan is financially sound.
- I am 78 years old and this was one of the best awareness programs I ever attended. Been a member of K-State Farm management since 1969.
- So glad that these concerns are being addressed. This type of meeting wasn't available in the 80's ... might have helped some farms experiencing the financial crash then. Great Job!

From lenders:

- Gave me ideas of how to get through these times. As a lender we are always wishing to get our customers through this."
- As a lender, I'm glad K-State is educating producers in the manner consistent with banks. The more producers hear the same message, the better.