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## GENERAL SESSIONS

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### *Keynote Address – Where is Commercial Ag Going?*

**Kevin Dhuyvetter and Terry Kastens**

*As with managers in other industries, farm managers are exposed to economically-driven trends or forces that can profoundly impact their businesses. They routinely must assess the characteristics, persistence, and implications of those trends, as well as how their businesses should or will react to them. In their strategies, managers can choose to either ignore, resist, or participate in current business trends. We identify five such trends: 1) increasing consolidation, 2) rapid technological change, 3) greater connections to the non-agricultural world, 4) increased requirement of paperwork and computer work, and 5) more reliance on people with specialized skills.*



Kevin C. Dhuyvetter is a professor and extension agricultural economist in the Department of Agricultural Economics at Kansas State University. Dhuyvetter works primarily in farm management related areas, focusing most of his efforts on land, crop and livestock production economics. Dhuyvetter is coordinator and editor of the KSU Farm Management Guides Handbook and was instrumental in the development and implementation of the Ag Econ MAST educational program and AgManager.info website.

Terry Kastens is a professor in the Department of Agricultural Economics at Kansas State University, working as an extension farm management specialist. Kastens holds a B.A. degree in Economics from the University of Kansas (1973) and a Ph.D. in Agricultural Economics from Kansas State University (1995). Kastens has a business background in production agriculture. Since 1973, he has been a co-partner with family in a diversified crops and livestock operation in Rawlins County, Kansas.



## *Changing the Face of Agriculture*

### **Zelia Z. Wiley and Vincent Amanor-Boadu**



Dr. Zelia Wiley is Assistant Dean and director of the K-State College of Agriculture Office of Diversity Programs. The position and the office are all new to K-State, as is Wiley, who came to Manhattan from the University of Kentucky, Lexington. At the University of Kentucky, she served in a very similar position as the coordinator for minority programs in the College of Agriculture/Cooperative Extension Service. She was the 2002 recipient of the Evelyn Black Award -- Adviser of the Year, presented by the University of Kentucky office of minority affairs. Since joining K-State, Wiley has become adviser of the K-State chapter of Minorities in Agriculture, Natural Resources and Related Sciences, for which she was recently nominated as K-State Adviser of the Year, and presented the 2005 Alpha X-cellence Award for her service and dedication to KSU students. She also chairs the College of Agriculture Diversity Committee and serves on the President's Committee on Multicultural Affairs.

Vincent Amanor-Boadu is the Director of the Ag Innovation Center and Assistant Professor of Agribusiness Strategy at Kansas State University. Prior to joining the faculty at Kansas State University's Department of Agricultural Economics, Vincent was the Director of Research at the George Morris Centre, Canada's only independent agri-food think-tank. His research, teaching and outreach programs cover strategic management in agri-food supply chains and agribusiness entrepreneurship. Vincent has served on numerous for-profit and not-for-profit corporate boards including Family Tradition Foods and the Centre for Rural Leadership in Ontario, Canada. Vincent is passionate about his search for real, practical and operational solutions for enhancing wealth creation in rural and agricultural communities.



## *Entertainment*

### **Mark Mayfield**



Mark Mayfield is one of the rare individuals in the world who is equally adept at performing stand up comedy or presenting high content speeches. He excites, educates, and always entertains. Known as "The Corporate Comedian", he has shared the stage with celebrities like Paul Newman, Peter Frampton, Colin Powell, and Bob Newhart and has introduced the President of the United States on a live, nationwide television broadcast. He delivers over 100 presentations annually to conventions, trade associations, and Fortune 500 companies and is the author of the popular book, "Mom's Rules", a comedic yet poignant look at all those things that mom said to us as kids. Raised on a farm, he received two degrees Magna Cum Laude from Kansas State University , served as National President of the Future Farmers of America, and spent time as a teacher, lobbyist, and nightclub owner. He is also a professional model and spokesman seen in print and television commercials.

## *Livestock Outlook*

### **James Mintert**



Dr. James Mintert is a Professor and Extension State Leader, in the Department of Agricultural Economics at Kansas State University. Mintert holds B.S. and M.S. degrees in agricultural economics from Purdue University and a Ph.D. from the University of Missouri-Columbia. Since joining the KSU faculty in 1986, Dr. Mintert has received numerous awards including Outstanding Extension Program Awards from both the American Agricultural Economics Association and the Western Agricultural Economics Association, and the American Agricultural Economics Association's

Premier Forecaster Award for his livestock production and price forecasts. Dr. Mintert is also the author of over 100 publications focusing on the economics of the livestock industry. Recently, Professor Mintert has focused on his attention on developing and maintaining the livestock and meat marketing component of AgManager.info, one of the nation's premier internet sites for livestock outlook and price analysis information. This site is located at [www.agmanager.info/marketing/livestock](http://www.agmanager.info/marketing/livestock).

## *Grain Outlook*

**Mike Woolverton**

*Production problems plagued grain and oilseed producers through most of the growing season, and continue to be of concern for fall harvested crops. For producers that haven't already sold, attention must now shift to factors that affect overseas demand as they move into the marketing half of the crop year.*



Michael W. Woolverton received his Ph.D. from the University of Missouri. After serving on the faculties of The Ohio State University and Arizona State University, he became the Continental Grain Professor of Agribusiness at the American Graduate School of International Management, where he now has emeritus status. Woolverton is currently Professor and Extension specialist at Kansas State University with responsibilities that include grain marketing and international trade policy. Professor Woolverton has written five textbooks, the most recent of which is *Agribusiness Marketing: The Management Perspective*, and was the founder and long-time Managing Editor of *Agribusiness: An International Journal*. He was a member of the founding board of directors of the International Agribusiness Management Association, now called the International Food and Agribusiness Management Association. Woolverton was named an Association Fellow in 2003.

## BREAKOUT SESSIONS

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### *Entrepreneurship and Transition in Agriculture*

**Vincent Amanor-Boadu**

*This paper explores the role of entrepreneurship in managing transition by agricultural producers. It focuses on an essential fact about our economic system: the entrepreneur's incessant desire to creatively destroy perceived sources of competitive advantage in order to create new ones in a marketplace that is constantly changing. Using a series of case examples and system dynamics analysis, the paper assesses alternative paths to economic competitiveness for different agri-food industries. The paper provides producers with a model to manage their transition decisions. It concludes that producers need to develop and draw on entrepreneurial skills to successfully manage the transition of their businesses in a rapidly changing 21st Century agri-food sector.*



Vincent Amanor-Boadu is the Director of the Ag Innovation Center and Assistant Professor of Agribusiness Strategy at Kansas State University. Prior to joining the faculty at Kansas State University's Department of Agricultural Economics, Vincent was the Director of Research at the George Morris Centre, Canada's only independent agri-food think-tank. His research, teaching and outreach programs cover strategic management in agri-food supply chains and agribusiness entrepreneurship. Vincent has served on numerous for-profit and not-for-profit corporate boards including Family Tradition Foods and the Centre for Rural Leadership in Ontario, Canada. Vincent is passionate about his search for real, practical and operational solutions for enhancing wealth creation in rural and agricultural communities.

## *Time to Sell the Double-Wide and Buy a Winnebago?*

*“The identification of unsustainable asset price movements”*

**Joe Arata**

*A discussion of interest rates, real estate prices, the supply and demand for money and the US balance of payments and budget deficits. The relationship between the supply of loanable funds and US interest rates has become more complicated as long-term interest rates have remained near historic lows while short-term rates have increased. Among the complications is the possibility that financial globalization may be changing the links between interest rates, liquidity and asset prices. Movements in asset prices across countries appears to have become more synchronized.*



Dr. Joe Arata is an Assistant Professor in the Department of Agricultural Economics at Kansas State University, where he has taught since 1997. Joe researches the financial structure of firms; the role of a firm's capital constraints and access to capital in determining the value added to commodities; and the application of fourth generation activity based costing to agribusiness firms. He teaches agribusiness management, futures, options, small business operations, and commodity price analysis. Prior to joining the faculty at K-State, Dr. Arata was vice president at Merrill Lynch Capital Markets where he managed the risk level and the finance structure of commodity inventories.

## *Economics for Fun and Profit*

**Andrew Barkley**

*Economics provides a deep and useful source of knowledge that provides insights for career enhancement, improved decision making, and personal growth. This presentation will provide 12 simple economic ideas that can be put to immediate use to enhance happiness, business success, and profitability. Topics include:*

- ***Evolution vs. Creationism:*** “scientific” or “faith-based” business decisions?
- ***The Law of Diminishing Returns:*** use economics to know when to cry uncle.
- ***Wal-Mart Economics:*** enhance profits with everyday low prices.
- ***Natural And Organic Beef:*** “Give the lady what she wants.” —Marshall Field
- ***Golden Handcuffs:*** escape from the limitations of money-based decisions!

*These, plus seven more simple economic ideas that will daze and amaze you with how fundamental economic principles can make your life more enjoyable and business more profitable. The goal of this presentation is to leave you with at least one life-enhancing idea that could be immediately adopted.*

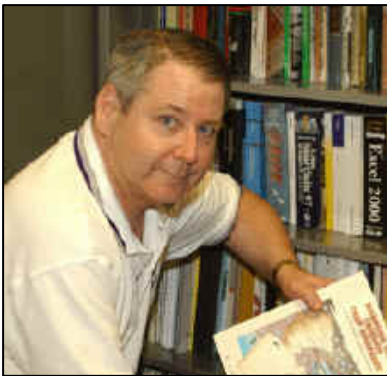


Andrew Barkley is Professor of Agricultural Economics at Kansas State University, where he has worked since 1988. He has taught economics at Kansas State University, the University of Chicago, Cambridge University in Cambridge, England, the University of Arizona in Tucson, and Quaid-I-Azam University in Islamabad, Pakistan. Current research projects include the economics of international agricultural trade, biotechnology, and international trade of organic food.

## *Risk and Insurance*

**Art Barnaby**

*Group Risk Income Protection (GRIP) and Group Risk Plan (GRP) are available to many Kansas farmers. GRP has been expanded to include more crops and counties. GRIP has just been introduced for corn, grain sorghum, and soybeans. It is anticipated in the near future GRIP will be introduced for wheat. GRIP has a Harvest Revenue Option (HRO) and is similar to the Harvest Price Option (HPO) on Revenue Assurance (RA). GRIP/GRP may be a better alternative for growers that have suffered from multiple year crop losses caused by declining APH. This is because GRIP/GRP guarantees are based on 30 years of county yield data so short run losses have little effect on the guarantee. Before growers switch to GRIP/GRP they need to understand the limitations. GRIP is a “put” option on expected county revenue and GRP is a “put” option on expected county yield. This will require growers to manage the basis risk.*



Dr. Art Barnaby was raised on a diversified farm, located in Elk County, Kansas. Art received his B.S. degree from Fort Hays State University, M.S. from New Mexico State University and a Ph.D. in Agricultural Economics from Texas A&M University. He joined the Agricultural Economics faculty in 1979. He currently holds the rank of Professor. Art conducts statewide extension education programs on financial planning, risk, government commodity programs, and crop insurance and is a frequent speaker at professional, farmer-producer, ag lender, and insurance industry meetings. Art contributes to the KSU Risk Management website located at: [www.agmanager.info](http://www.agmanager.info). He is an author on several research projects that cover alternative crop insurance designs and their impacts on farmers. Art has also worked with the private crop insurance industry, RMA, and Farmer Commodity groups on crop insurance issues. His research work with the private sector was the basis for the first revenue insurance contract, Crop Revenue Coverage.

## *White Wheat in Western Kansas*

### **Todd Ziegler and Arlo Biere**

*After 40 years of plant breeding devoted to developing hard white winter wheat varieties adapted to Kansas, producer adoption has been slow. This session will be devoted to understanding the economic and business conditions surrounding white wheat and to explore future potential developments. The focus of this presentation is to present and discuss the analysis of a survey taken of Kansas Farm Management cooperators concerning production of white wheat and farmer attitudes that led to the decision of whether or not to grow white wheat*



Todd Ziegler is an Extension Agricultural Economist with the Farm Management Association in Northwest Kansas. He provides services to approximately 120 farm members in the 17 counties. He graduated from Kansas State University in 2002 with a Bachelor's degree in Agricultural Economics and a minor in Agronomy. In 2004 he graduated from Kansas State University with a Master's degree in Agricultural Economics. His research emphasis was to characterize producer adoption of hard white winter wheat in Western Kansas. Todd grew up on a 5,000 acre, 450 head cow herd farm north of Grainfield in Northwest Kansas.

As director of the department's undergraduate program, Dr. Biere provides leadership, for the continued development, promotion and operation of the undergraduate program. Dr. Biere also teaches courses in the areas of business behavior in the face of different market structures that result in different forms of competition in food and agriculture (AGEC 505) and in the area of agribusiness logistics and supply chain management (AGEC 632 and AGEC 730). In the later area, he integrates logistics with evolving information technology, emerging management strategies in the face of those changes and with the changing demands of the global and local markets as they relate to food, agriculture and related industries. Likewise, his research addresses business behavior and supply chain issues in food and agriculture.



## *Ownership and Retirement*

**Robert O. Burton, Jr. and Nathan Hendricks**

*Using data from the most recent 30-year time period, ownership of Kansas nonirrigated cropland is evaluated as a source of retirement income. To provide perspective on land ownership as a retirement strategy, sale of the land and purchase of stocks or U.S. government bonds is compared to retaining ownership of the land. In addition to the 30-year analysis, 15-, 10-, and 5-year time periods are also analyzed. Portfolios of nonirrigated cropland, stocks and bonds are also considered.*



Bob Burton is a Professor in the Agricultural Economics Department at Kansas State University. He has B.S. and M.S. degrees from Virginia Tech and a Ph.D. from Purdue University. Dr. Burton teaches *Production Economics*, and *Computer Applications in Agricultural Economics and Agribusiness*. He also teaches *Farm and Ranch Management* on campus and as a distance learning course. His research interests include: whole-farm modeling; interdisciplinary farm and ranch management; and student characteristics, benefits, and costs of alternative instructional and learning strategies.

Nathan Hendricks is a Research Assistant in the Agricultural Economics Department at Kansas State University. Nathan grew up on a farm in Northwest Kansas. He received his B.S. in Agricultural Economics from KSU in the spring in 2005 and will begin his M.S. in the fall. As an undergraduate, he studied the economic aspects of litigation in an antitrust lawsuit against meatpackers. After he completes his M.S., Nathan plans to pursue a Ph.D.



## *Beef Trade Issues*

### **Hikaru Hanawa Peterson and Kim Cerny**

*Since 2003, US beef and cattle trade has been disrupted due to BSE. In particular, the largest beef export markets, Japan and South Korea, remain closed, and Canadian cattle remain banned in the US. An export market that reopened early in 2005, such as Taiwan, closed again after the second BSE case was confirmed. This session discusses how much the closed borders have cost the US beef industry, the on-going process of reopening the Japanese market, the current beef market in Japan, and what may happen if the borders reopen.*



Hikaru Hanawa Peterson joined the faculty of agricultural economics at Kansas State University in 2000. She teaches an upper-undergraduate course on risk management and a graduate course on agricultural marketing. Her research focuses on agricultural pricing and marketing issues in various commodity and agribusiness sectors. She holds a B.A. in economics from University of Tokyo, and an M.S. and a Ph.D. in agricultural economics from Cornell University.

Kimberly Cerny is the Agriculture and 4-H Agent for Kingman County, Kansas. She graduated with her B.S. from Oklahoma State University in Agricultural Economics, with a minor in Animal Science and an option in International Agricultural Marketing. She graduated in May 2005 from Kansas State University with a M.S. in Agricultural Economics. The topic of her thesis was “Impacts of Beef and Cattle Trade on U.S. Producer Prices.”



## *Productivity and Farm Size*

**Paul Clark**

*Productivity measures the quantity of outputs of a production process relative to the level of inputs. The more output resulting from a given level of input, the more productive the process. Productivity provides a measure of prosperity and is an indication of the relative competitiveness of a sector or firm. The productivity of U.S. Agriculture has increased significantly in recent years, allowing fewer farmers to produce increasing amounts of farm commodities on a relatively constant or even declining acreage base. Using a subset of Kansas farms, we estimate that overall, as farm size increases, there is a small, positive and statistically significant impact on productivity growth.*



Paul Clark, a Nebraskan, earned a B.S. and a M.A. in Economics from the University of Nebraska at Omaha. He has extensive agricultural production experience gained as owner/operator of a dryland crop and livestock farm in Nebraska and gained food industry experience working for a gourmet food company.

## *GM Wheat and International Trade*

**Sean Fox and John Crespi**

*The decision to adopt genetically modified wheat rests on a comparison of expected costs and benefits. Costs include potential loss of international markets and reduced domestic demand for wheat based products. In this presentation we summarize some recent work that suggests that adopting GM wheat would have a minor impact on domestic demand but a potentially large impact on overseas demand resulting in demand losses that could outweigh the productivity gains from the GM adoption.*



John (Sean) Fox is from Ireland and has a B.S. in Agricultural Science from University College Dublin. He obtained his Ph.D. in Agricultural Economics from Iowa State in 1994. At K-State he teaches classes in Agricultural Policy, Managerial economics, and Commodity Futures Markets. His research deals with consumer demand for new and safer foods.

Dr. Crespi's research focuses on product differentiation issues in food and agriculture. His interests include analyses of product-quality differences that affect commodity promotion, food safety regulations, and food labeling issues. He has worked as a consultant for several commodity boards performing studies to measure the effectiveness of industry-financed generic advertising. Dr. Crespi teaches courses in agribusiness management and marketing, as well as a team-taught course in quantitative methods for agricultural economists.



# *No-Till, Short- and Long-Run Economics*

**Terry Kastens and Kevin Dhuyvetter**

*In some places, for example the High Plains, no-till leads to immediate and obvious increases in crop yields due to immediate savings in water. In such areas, despite input costs rising with no-till, crop revenue tends to rise more, increasing profitability. But, no-till also changes crop production costs associated especially with labor and machinery management. Though such “reduced cost” features are harder to measure, they make no-till profitable even in areas where yields might be flat or even diminished due to no-till. It is in this second area where most Kansas no-tillers now find themselves from a decision-making standpoint. A third area of no-till economics, the idea that no-till induces changes to soils over time, likely will lead to differences in profitability among farmers according to their time and intensity of involvement in no-till. Important issues are changing surface residue and soil structure and related changes in water evaporation, infiltration, and storage, as well as changes in soil organic matter and related changes in optimal fertilizer requirements.*



Kastens’ research focuses on economic risk management issues at the farm level, and the risk and profit expected of new production and management technologies, especially those related to precision agriculture. He is especially interested in the application of unconventional statistical predictive modeling techniques, such as neural networks, fuzzy logic, genetic algorithms, and entropy. The purpose is always to generate more accurate mathematical models that ultimately do a better job of prediction and help producers increase profit and manage risk.

Kevin grew up on a diversified crop and livestock farm in northwest North Dakota and holds B.S., M.S., and Ph.D. degrees in agricultural economics from North Dakota State University, Iowa State University, and Kansas State University, respectively. As an extension agricultural economist, Kevin focuses his attention on leasing and buying land issues, crop and livestock production economics, and marketing.



## *Impact of Farm Programs*

**Troy Dumler**

*U.S. farm subsidies have faced increased scrutiny in recent years. The increased coverage of special interest groups in the media, coupled with successful challenges of farm subsidies in the WTO and record domestic budget deficits result in a negative outlook for U.S. farm subsidies. Using several measures, this paper will determine the relative importance of U.S. farm program payments for Kansas farms, and evaluate the economic consequences of reducing or eliminating government payments.*



Troy Dumler is the Southwest Area Extension Agricultural Economist for K-State Research and Extension. He received both his B.S. and M.S. degrees in agricultural economics from Kansas State University in 1996 and 1998, respectively. Troy subsequently joined K-State Research and Extension in June, 1998. While encompassing many crop and livestock topics, Troy's Extension program primarily focuses on farm management, including dryland and irrigated cropping systems, and machinery economics.

## *Credit Quality of Kansas Farms*

**Allen Featherstone**

*Using previous research on the probability of default for agricultural loans, farms in Kansas were examined to estimated credit quality. After estimating credit quality, farms were assigned a credit rating similar to Standard and Poors' rating system. These credit ratings were analyzed to determine how the credit ratings change and factors that may be used to anticipate changes in overall credit quality. From 1980 to 2003 Kansas farms had an average credit rating equivalent to a B, which represents a vulnerable to adequate borrower. Borrowers of this type can currently meet all financial obligations but are dependent upon current conditions to meet future obligations. Farms tend to remain in the same ratings category from year to year with smaller tendencies to increase or decrease in credit quality. When movement did take place, there was a high likelihood of only a one category movement.*



Allen M. Featherstone is a professor and the Director of the Masters in Agribusiness program. Allen received a dual B.S. in agricultural economics and economics from the University of Wisconsin – River Falls in 1982. He received a M.S. in agricultural economics in 1984 and a Ph.D. in agricultural economics in 1986 from Purdue University. Featherstone was recently awarded the American Agricultural Economics Association award for Outstanding Graduate Instruction. Featherstone is recognized as an international expert in the areas of finance and production economics.

# *Things You Need to Know About Labor Management*

**Sarah Fogleman**

*If you've ever been intimidated by the thought of hiring your first employee or managing your current ones, this session will help you to focus on the big picture of labor management with easily-implemented steps guaranteed to help. Sarah will take you through the issues of initial paperwork, writing position descriptions, establishing wages, and performing the dreaded performance appraisal.*

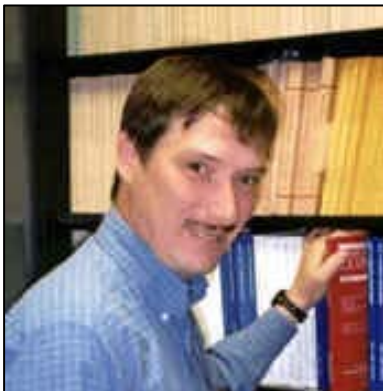


Sarah Fogleman is the Extension Agricultural Economist for the Southeast Area of Kansas. She joined the K-State faculty in April of 1999 after receiving her Master's Degree from Cornell University in Agricultural Resource and Applied Economics. She graduated with honors from Oklahoma State University with a degree in Agricultural Economics in 1997. While at Cornell, Sarah did extension research with the Northeast Dairy producer's Association (NEDPA). This ground-breaking research examined the compensation structure and employee satisfaction on NEDPA member farms. She is an accomplished speaker with state and national awards and has the privilege of coordinating the Employee Management for Production Agriculture Conference. A native of Oklahoma, Sarah understands production agriculture, and brings first-hand experience to any topic.

## *Successful Family Business Transitions*

**Rodney Jones**

*When considering significant changes to the family business (such as business succession) it is important to consider the delicate balance between the business system (which demands productivity), the family system (which is oriented toward the security and family harmony), and the ownership system (which is interested in long-term growth and return). Family business managers have identified the management of human relationships as often being the weakest link in their business management system. This session will address the integration of communication, strategic transition planning, and the realities of financial planning within the context of family business transition planning.*



Dr. Jones is an Associate Professor of farm management in the Agricultural Economics Department. In addition, he is actively involved in the management and operation of diversified family farming interests in South Central Kansas and North Central Oklahoma. He monitors the financial performance of various livestock production systems over time, and works with producers to improve financial performance and develop strategic business plans and transition plans for the future. Research interests focus on the relative profitability and economic efficiency of alternative farm production systems and management strategies, and factors that contribute to overall economic risk facing farmers and ranchers. Through his extension program Dr. Jones has been a long time advocate of improved information systems and planning to enhance producer profitability and to facilitate achieving other business and personal goals. He is a regular contributor to the AgManager.info website and extends information and decision making tools to producers through a variety of media and extension channels. Dr. Jones teaches an upper level undergraduate class in Farm Management.

## *Efficiency and Livestock Production*

### **Michael Langemeier**

*The number of farms with a livestock enterprise has been declining for years. Using Kansas Farm Management Association data, this presentation will examine the impact of a major decline in livestock production on individual farm efficiency, financial performance, and downside risk. Information on the relative efficiency of various farm types and farm sizes will also be presented.*



Michael Langemeier is a professor of Agricultural Economics at KSU. He has been on the faculty for 15 years. Michael has B.S. and M.S. degrees from Nebraska and a Ph.D. from Purdue. Extension and research interests include benchmarking of technical and financial performance, strategic positioning, and economies of size. In addition to his extension and research program, Michael teaches a graduate Production Economics course.

## *Thinking About the Next Farm Bill*

**Brad Lubben**

*The 2007 Farm Bill is just around the corner. The Secretary of Agriculture has already started his listening tour to find out what producers and other stakeholders want from Washington. But how will that compare with what they get? Several factors will be competing to influence the direction of the 2007 Farm Bill, including federal budget deficits, WTO negotiations and rulings, other trade agreements, and as always, competing political interests. The presentation will highlight these factors and other issues, including competing demands for spending between traditional program commodities and new commodities and between commodities in general and conservation and other program areas. In short, the development of the next Farm Bill will be a complicated, sometimes unpredictable process that producers will need to carefully watch over the next couple of years.*



Brad Lubben is the Northeast Area Extension Agricultural Economist for K-State Research and Extension. Prior to coming to Kansas in November 1999, Lubben served for seven years as a farm business management educator for University of Illinois Extension. A native of a grain and livestock operation in southeast Nebraska, Lubben holds B.S. and M.S. degrees in agricultural economics from the University of Nebraska-Lincoln and is finishing a Ph.D. in agricultural economics from K-State. Lubben's research and Extension interests focus on agricultural and trade policy, assessing the economics and politics of major policy developments and studying the role public policies and government programs play in farm-level decision-making.

## *Factors Motivating Agritourism Entrepreneurs*

**Dave Mace**

*Agritourism is a relatively new concept in the United States, but it is gaining in popularity with farmers and ranchers as a way to make extra money and contribute to the preservation of their communities and lifestyles. Because agritourism is new, much is left to be understood about what motivates farmers and ranchers to undertake agritourism ventures. This paper analyzes the results of a survey of 85 farmers and ranchers, with an eye toward understanding the factors that are motivating producers to embark on agritourism initiatives. The author found that the reasons for involvement in agritourism ventures encompass a complex web of both economic and social motives, with neither economic nor social factors predominating. This implies that farmers and ranchers have a pragmatic view of agritourism, rather than seeing it as a panacea for the economic and social problems ailing themselves and their communities.*



Mr. David Mace is a Business Development Specialist, working directly with our clients to achieve their most competitive positions. He holds degrees in Finance and Communication from Baker University and a Master in Agribusiness from Kansas State University. Dave joined us after industry experience with the Kansas City Board of Trade, Knight-Ridder Financial News and Valentine Radford Communications. David works at the Kansas State University office of the Kansas Ag Innovation Center.

## *Does KSU's College of Ag Represent You?*

**Dan O'Brien**

*Just as a Kansas farmer or agribusiness chooses to invest limited resources in a mix or portfolio of enterprises that maximize returns, so does an educational institution such as the Kansas State University College of Agriculture. People, dollars, and positions are invested across various departments within the K-State College of Ag in a manner that is intended to maximize the value of those resources to the public. A descriptive categorization of KSU Ag College physical enterprises (i.e., people/faculty) will be compared in a very general (and careful!) manner with the value of agricultural enterprises in the state of Kansas for the sake of context and perspective.*



Daniel O'Brien was raised on a grain and livestock farm in south central Nebraska, in which he still has an interest with his father and three brothers. After attending the University of Nebraska and receiving both BS (1978) and Masters (1980) degrees in Agricultural Economics, he worked as an extension agent in western and northeastern Nebraska for seven years. While attending graduate school at Iowa State University in 1987, O'Brien worked as an Extension Assistant in the area of Agricultural Marketing. During and after the completion of his Ph.D. in 1993, he served as an extension farm management specialist in Northwest Iowa, becoming heavily involved in analysis of the structural changes in the hog industry that was occurring in that region. From March 1995 through June 2003 O'Brien worked as the Extension Agricultural Economist in Northwest Kansas. He is currently Northwest Area Extension Director for K-State Research and Extension based out of the Northwest Research and Extension Center in Colby. O'Brien's extension and applied research interests are in the areas of commodity price analysis and forecasting, producer grain marketing strategies, the economics of intensive dryland and irrigated cropping systems, and more recently, local government finance in rural Kansas.

# *Valuing Cattle Based on Beef Tenderness*

**Ted Schroeder and John Michael Riley**

*Marketing fed cattle using grid pricing where USDA quality and yield grades are used to measure individual carcass merit and determine value has become a popular way to sell cattle. Assigning value to each carcass according to individual carcass quality increases the amount of information flowing from retail and wholesale markets to producers. This increases overall market coordination in the beef industry and benefits both producers and consumers. One of the most important characteristics consumers care about and have demonstrated willingness to pay for is beef tenderness. USDA quality grades are poor predictors of meat tenderness. However, mechanical shear force can be used to objectively measure tenderness. This presentation will illustrate how problematic USDA quality grades are at assigning appropriate value to beef carcasses and propose and evaluate a new tenderness-based fed cattle valuation system. We show how cattle of all quality grades are substantially over- or under-valued using a grid relative to a tenderness-based valuation system.*



Schroeder was raised on, and remains actively associated with, a diversified crop and livestock farm. He has been on the K-State faculty for 16 years. He has worked with NCBA, KLA, and many other livestock associations evaluating issues affecting fed cattle markets. His most enjoyable activity is educating our future leaders.

John Michael Riley is currently a graduate research assistant at Kansas State University where he is pursuing a Ph.D. in Agricultural Economics. His research interest includes livestock, with primary focus on beef cattle, and futures and risk management. He attended Mississippi State University for his Bachelor's Master's and degrees as well as Northeastern Oklahoma A & M Junior College where he was a member of the livestock judging team. John Michael grew up on a small cow/calf farm in Quitman, Mississippi.



## *Taxing Farm Real Estate*

**Leah Tsoodle**

*Given the importance of land valuation to the various stakeholders, the objective of this research is to develop a theoretically sound model that robustly estimates the market value of land in Kansas, accounting for urban influence. This calculation will enable one to determine how residential rents would be affected by a property tax policy change to market value appraisal of all land types (residential, agricultural, commercial, etc.). The market value of land will be estimated using a hedonic model for the state of Kansas that includes factors related to urban sprawl.*



Leah Tsoodle grew up in Texas and worked on the family farm and ranch. Prior to entering the doctoral program at KSU, she received a B.S. degree in Ag Economics from Texas Tech University and earned a C.P.A. For the following seven years, Leah worked in the cotton industry and two years in the grain industry. The cotton industry position provided Tsoodle with extensive experience in accounting, commodity marketing, computer software, and member relations. Since July of 2000, she has been the Coordinator of the Land Use-Value Project in the Department of Ag Econ at K-State, while completing course work to obtain my doctorate degree. Use-Value Coordinator responsibilities include maintaining communication lines among several groups, and managing, training, and evaluating an office staff. Research is continually being conducted in the Use-Value project and the office conducts four surveys annually to collect information to calculate property owners' incomes. The results of these surveys have been published in University publications. Leah's research and publications has appeared in Extension and journal publications.