Welcome to the summer issue of *The Small Farms Newsbreak*! The purpose of this newsletter is to provide timely updates of educational information and events of importance to Sampson and Duplin Counties small and part-time farm families. This will be a continuing effort through the Sampson and Duplin Counties Small Farm Program, which is an outreach of the Sampson County Cooperative Extension Office, located at 55 Agriculture Place, Clinton, NC 28328.

Our professional staff is here to help you put knowledge to work by providing practical education to the citizens of Sampson and Duplin Counties. **We are here to serve you. If you need assistance, please visit or call our office at 910.592.7161. Our business hours are Monday through Friday, 8:00 am to 5:00 pm. I hope you enjoy this issue!**

Respectfully,

James Hartsfield
Area Extension Farm Management Agent

**COMPUTER CLASSES FOR SMALL FARMERS**

In my years as a farm management agent, I have seen personal computers go from being an afterthought for most farmers to a valuable tool used to make farms more profitable and sustainable. They use their computers to keep financial records, provide year-end data analysis of their farm operation, search the Internet for the latest information on commodity prices, alternative enterprises, and weather conditions, and complete applications for farm loans and federal agricultural programs.
Computer Classes for Small Farmers (continued)

Farming has never been more dynamic and competitive than it is today. Each decision a farm manager makes – or fails to make – can have a significant impact on the operation. In this fast-paced, high-risk climate, computers play an important part in helping farm managers make crucial decisions about their farm. Still there are some farmers that lack the knowledge of computer usage to keep and quickly access farm records and manage their farm. They generally rely on notebooks and paper files to keep farm records.

In order to help farmers gain this knowledge, North Carolina Cooperative Extension, Sampson County Center, North Carolina A&T State University Cooperative Extension Program and the Human Resources Department at Sampson and James Sprunt Community Colleges are offering computer classes for farmers in cooperation with the Farmers Adopting Computer Training (FACT) Program. The classes are designed for farm families who have never used a computer or have little experience using them. FACT trains farm families to use computers in their farm operations to become more competitive in the marketplace. These classes start with the basics of operating a computer and progress to providing fundamental instruction on using a computer to improve farm management record keeping. They also learn about word processing, keeping financial records using Excel spreadsheets, how to use the Internet, creating and making PowerPoint presentations, and creating business email addresses and individual personal farm business web pages to market their farm products.

Registration fee for the classes is $65.00 per person but may be waived for individuals who meet eligibility. For more information about the classes, including fee-waiver eligibility or to pre-register for the computer classes, please contact me, James Hartsfield, Farm Management Agent with the North Carolina Cooperative Extension – Sampson County Center at 910.592.7161 or e-mail at james_hartsfield@ncsu.edu or visit our website at http://sampson.ces.ncsu.edu.

KNOW YOUR PRODUCTION COSTS

Management is a process in which information is the input and decisions are the output. Budgets provide information for farm management decisions. An enterprise budget is an estimate of projected income and expenses associated with the production of a commodity. Once you know your production costs, then you can decide what prices are needed to make a profit.

Most agricultural operations are made up of a combination of several crops and/or livestock. Enterprise budgets break the operation down into segments in order to tell which commodity is contributing to profitability and which commodity is losing money. An enterprise is a distinct part of the farm business that can be analyzed separately and is usually based on some production unit such as an acre of corn or one breeding cow.
Know Your Production Costs (continued)

Enterprise budgets can be either historical or projected. Historical enterprise budgets are the same as income statements by enterprise and are created using actual income and expense information. Projected enterprise budgets attempt to estimate income and expenses in the future.

A business-minded producer will evaluate each commodity within his operation to determine where he is making money and where he is not. Budgets can help identify this as well as areas where he could cut costs and become more efficient, breakeven prices for marketing, and the operations level of risk exposure within his or her enterprises.

UNDERSTANDING FINANCIAL RISK

Financial risk has three basic components: 1) the cost and availability of debt capital, 2) the ability to meet cash flow needs in a timely manner, and 3) the ability to maintain and grow equity. Cash flow is especially important because of repayment and family living expenses. Your objective should be to manage this risk through sound planning and financial control. To do that, you should continually monitor your ability to bear financial risk.

Farm Records and Analysis

A set of well-maintained financial records is an absolute necessity to maintaining financial control of a farm or ranch. The flow of information is critical in evaluating past performance and in planning for future accomplishments.

Financial risk management is not achieved directly by maintaining comprehensive records. However, records do provide much of the information needed to understand critical financial risks.

Essential financial statements include the balance sheet and statement of owner’s equity, income statement, and projected and actual cash flows. These records provide a history of your business and the data you need to calculate financial performance measures. Even small farms need a basic level of record keeping.
Calendar of Events

**PQA and TQA Certification Training** – Thursday, June 7, 2012, from 10:00am to 4:00pm. For more information contact Amanda Hatcher, Livestock Agent for NC Cooperative Extension, Duplin County Center, at 910.296.2143 or amanda_hatcher@ncsu.edu.

**NCA&T Annual Small Farms Field Day: Improving Practices to Profits** – Wednesday, June 21, 2012, from 8:30am to 12:30pm. Small and part-time farmers will have the opportunity to visit a number of farm tour sites such as pastured poultry, alley cropping: pecan trees and watermelons, mixed grazing: meat goats and hair sheep, managing parasites in small ruminants and managing pests on collards. For more information, please contact James Hartsfield, Farm Management Agent with NC Cooperative Extension, Sampson County Center, at 910.592.7161 or james_hartsfield@ncsu.edu.

**Alternative Enterprise Tour** - August or early September 2012, small and part-time farmers will have the opportunity to visit a number of alternative systems such as intensive fruits and vegetable production with plasticulture, a pastured pork operation, greenhouse vegetables, and other alternative enterprises. Look for more detailed information to come.