

## Farm Business Management CDE

### Purpose

The Farm Business Management Career Development Event provides competition that fosters information assimilation, critical thinking, and problem-solving skills necessary to successfully manage a farm or pursue farm business management careers. Through participation in this event, students will be able to analyze farm business management information, while applying economic principles and concepts. Working individually and cooperatively, students evaluate farm business management decisions for effective farm returns.

### Sponsor

This event is sponsored by Southern States Cooperative, Inc. and through in-kind support by the Agribusiness Department at the University of Mount Olive.

### State Event Superintendent

The superintendent for this event is Mr. Jason Davis, State FFA Coordinator, Department of Agricultural and Extension Education, NCSU, Campus Box 7654, Raleigh, NC 27695-7654. Phone: 919.515.4206 Fax: 919.513.3201 Email: jason\_davis@ncsu.edu

### Eligibility

This event is open to all FFA chapters and FFA members in good standing. FFA Members may not participate in a Career Development Event that leads to a state level event after July 1, following their high school/early college graduation. Members winning a previous state event in this area or that have participated in a previous national event in this area are ineligible.

**Teams shall consist of three or four members. The fourth lowest team member score is not considered except in the case of a tie.** Any alternate found participating in a state event will result in team disqualification.

FFA members in good standing may also participate as individuals in this event. A chapter may have up to two members participate as individuals as long as the chapter does not have a team participating in the event. Their scores will only count toward individual recognition, and will not be tallied as a team score.

The use or possession of cellular phones, Personal Digital Assistants (PDA's) or any other mobile electronic communication device is prohibited during any state-level career development event. Any violation of this rule by any team member will result in total team disqualification.

Any member found cheating in any state-level career development event will result in total team disqualification for that event.

Calculators used for this event must be only basic five function (add, subtract, multiply, divide, and square root only) calculators. Possession of scientific calculators and other programmable calculators or other non-basic calculator by any team member shall result in a team disqualification. Calculators will be provide unless otherwise notified.

### Dress Code

Participants are required to follow the North Carolina FFA Career Development Event Dress Code. A ten percent reduction in the total team score will be taken if a participant violates the dress code. Participants are allowed to wear long pants, an appropriate shirt with a collar or an appropriate high school or FFA t-shirt.

## Procedures for Administering the Event

### Part 1: Multiple Choice (100 points)

There are 25 multiple-choice questions. Each question is worth four (4) points. Participants are allowed 30 minutes to complete this part of the event.

### Part 2: Problem Solving (200 points)

This section contains 8 to 12 problems. Some



problems cover more than one page. The main concept of each problem is stated at the beginning of the problem. The point value of each answer is stated in the brackets to the right of each blank. Participants are allowed 90 minutes to complete this part of the event.

The use of pencils with erasers, rather than ink pens, is recommended.

Problem solving questions will relate to subject areas stated in the Farm Business Management CDE section of the National FFA Career Development Event Handbook.

## Scoring

*Maximum Score*

300

Multiple Choice Exam

100

Problem Solving

200

## Procedure for Determining the State Event Winner When Scores are Tied

In the event a tie score exists, apply the following methods in sequential order until the tie is broken:

1. Compare the alternate scores. The lowest team member score is the alternate score.
2. Compare the total team scores for the problem solving component and the higher scoring team is the winner.
3. If these methods fail to break the tie, co-winners will be declared and a run-off event will be held to determine which team will represent North Carolina at the National FFA Convention. The run-off event will follow the same rules as the state event.

## State Awards

The following awards will be presented annually at the state FFA convention provided sponsorship is available:

State Winning Team

*\$500, first place team plaque & team pins*

Second Place Team

*Second place team plaque & team pins*

Third Place Team

*Third place team plaque & team pins*

High Scoring Individual

*Plaque*

## National Career Development Event Participation

State winning teams advancing to the national career development event will be automatically registered for the national event. It is the responsibility of the FFA Chapter Advisor to complete all necessary national certification and waiver forms and return them to the state FFA Coordinator by the assigned due date.

State winning CDE teams that choose not to participate at the national level should contact the state office by Sept. 1 prior to national convention. Teams that fail to inform the state office prior to Sept. 1 will be ineligible to participate in that same CDE for the next year (chapters may appeal to the State FFA Board of Directors). Teams that do not compete at the National Convention will be required to pay back the \$500 travel award.

## Bibliography

Tests used in previous state events are available to instructors who wish to use them as instructional aids. The following is a list of some of the general references for the material covered by the National FFA Farm Business Management Career Development Event.

### Textbooks

1. Bowers, Love and Kletke (1994), Machinery Replacement Strategies, Deere and Company Service Publications, John Deere Road, Moline, IL 61265-8098.
2. Farm Financial Standards Council, Financial Guidelines for Agriculture Producers, 1998. Page, <http://www.ffsc.org/>.



3. Higgs, Heisdenreich, Loberger, Cropp and Mitchell (1981). Agricultural Mathematics (2<sup>nd</sup> Edition). Interstate Publishers, Inc. P.O. Box 50, Danville, IL 61834-0050.
  4. Jobes, Steward, Casey and Purcell (1992). Farm and Ranch Business Management (3<sup>rd</sup> Edition), Deere and Company, John Deere Road, Moline, IL 61265-8098
  5. Kay and Edwards (1999). Farm Management (4<sup>th</sup> Edition). McGraw Hill Book Co. 1221 Avenue of the Americas, New York, NY 10020.
  6. Wilson, Purcell, Burton, and Wahlberg (1994). Managing Livestock Production, Deere and Company Service Publications. John Deere Road, Moline, IL 61265-8098
  7. Purcell, Wayne D. (1995) Marketing Agricultural Commodities, Deere and Company, John Deere Road, Moline, IL 61265-8098
  8. Deere and Company Web Site, <http://www.deere.com>
  9. Farm Business Management Career Development Event, National FFA Supply Service, National FFA, Indianapolis, IN.
  10. Dicks, Michael (1998). Agricultural Policy and How it Affects You, Deere and Company, John Deere Road, Moline, IL 61265-8098
2. Assorted educational materials are available on hedging, forward contracting, and commodity futures trading from any of the following addresses.
  3. Chicago Board of Trade, LaSalle at Jackson, Chicago, IL 60604, <http://www.cbot.com>
  4. Chicago Mercantile Exchange, 30 South Wacker Dr., Chicago, IL 60604 <http://www.cme.com>
  5. Kansas City Board of Trade, 4800 West Main St., Kansas City, MO 64112
  6. Mid-America Commodity Exchange, LaSalle at Jackson, Chicago, IL 60604
  7. New York Cotton Exchange, 4 World Trade Center, New York, NY 10005
  8. New York Mercantile Exchange, Commodity Exchange Center, 4 World Trade Center, New York, NY 10048
  9. Doane Information Services, 11701 Borman Dr., St. Louis, MO 63146. Doane provides a variety of educational materials related to farm management.
  10. North Carolina Cooperative Extension Service. Contact your local extension agents for access to farm management educational materials.

#### Technical References

1. Farmers Tax Guide, published by the Department of Treasury, Internal Revenue

