

# Pass It On

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I want to share with you today some winning strategies farm families and the extension team of specialists, agents and ag communicators should use in today's economy.

The secret to contentment in all walks of life is to become a possibility thinker.

*Possibility Thinkers:* People when faced with a mountain do not quit. They keep on striving until they climb over, find a pass through, tunnel underneath, or simply stay and turn the mountain into a gold mine.

*Possibility Thinkers:* People who stop thinking up reasons why something won't work and start thinking of ways in which they can make it work.

*Impossibility Thinkers:* Their attitude produces doubt, stimulates fear, and generates a mental climate of pessimism and fatigue.

No one in the family benefits from impossibility thinking! There are a number of specific winning strategies farm families can follow, but before we get into these strategies I want to share with you several key megatrends that are influencing agriculture today or will influence agriculture during the next decade. Ag communicators will play a key role in helping farm families and ag-dependent communities adjust to the implications of these megatrends. I believe farmers will be facing the following megatrends.

1. U.S. agriculture will become increasingly global.
  - An increasing percentage of our products will be sold overseas.
  - We must recognize that we will have to "run fast to hold our ground."
  - We are no longer the most efficient producer of some key commodities, like grain sorghum and soybeans.
  - Only the most efficient U.S. producers will make profits in most years during the next decade.
  - The top farm managers in the next decade will receive a premium for knowledge associated with understanding this

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global agriculture. It will be crucial in developing their marketing plans.

2. We will see a whirlwind of new technology.

- Growth regulators, genetic engineering, drought-oriented technology, and possibly twinning in calves.
- The top farm manager will adopt these new technologies; but only if they are cost effective. Perhaps 50,000 to 125,000 farms will produce 90 percent of gross receipts.

3. Cost of farming will decrease per unit of production.

- Machinery (used at least, is down), land prices are lower.
- New technologies will lower cost/unit—lower petroleum prices—lower inputs.
- Rest of decade may be best time since 1940–1944 to start farming.
- Top managers will recognize the dividends for working hard and working smart.

4. Many farmers are drowning in a sea of unproductive debt.

- Many were caught unexpectedly by the change of monetary and fiscal policies since October of 1979.
- Some will not survive the current financial crisis.
- However, all farmers with the help of possibility thinking, can survive as individuals and families and move forward to better times either in agriculture or some other occupation.
- Successful farm managers will recognize that, if necessary, there is “life after farming” and they develop themselves as “possibility thinkers.”
- Successful farm managers that stay in or enter the business in the next decade will structure debt so that the price of money (interest) is not higher than the earnings rate on the financial assets they control.

- Many successful farm managers will be more concerned with controlling assets rather than owning them.

5. Intensive farm management is the most important job skill.

- Successful farm managers will recognize their farms as “money farms,” where money is the ultimate commodity and they are always focusing on the bottom line.
- Successful farm managers will set goals, change attitudes, and will recognize that the average farm manager will be eliminated.
- Many farmers like to be “home run hitters”—they tend to strike out a lot. Successful farm managers will concentrate on consistent hitting—winning the game with singles and doubles.

6. Interdependence of world financial markets and its impact on 1) American farmers, 2) U.S. and foreign consumers, 3) competitors.

- Strength of the dollar, monetary and fiscal policies since October, 1979.

- Our huge debt—causing problems for U.S. and others.

A. Third World countries

- One point in real interest rates would free up 9 billion in Third World money.

B. Assets

- Income capitalization for farmers. American farmers have experienced a decapitalization of their assets. \$200 billion loss in value since 1981.

- Successful farm managers recognize the likely swings in real interest rates and net income and plan accordingly.

7. Changing ag-dependent communities. . . Impacts on schools. . . Changes in sales tax revenue. . . Number of farms. . . and Farm credit.

Get new economic base or adjust to the decline.

8. Megatrend involves economic common sense.

- Neither good nor bad times stay forever because “what goes up, must come down” and “what goes around, comes around.”

- I’m convinced better times will come again. I’m optimistic.

- Successful managers make a deliberate effort at self-improvement. They work at enhancing their enthusiasm, recognizing enthusiasm as the most important ingredient in life.

- Successful managers also expect to be surprised.

- Successful managers recognize that tough times don’t last but tough people do!

Successful managers as well as successful professionals adhere to the following six winning strategies:

1. The first winning strategy is to identify business and family goals. Just as a road map helps you go in the direction you want to go, taking time out to identify your goals or to reassess the goals you have made in the past will help you determine the direction you want to go.

There are four basic goals in life: social, physical, mental, and spiritual. Family and financial goals are part of these four basic goals. It is very important to separate family from financial goals (and within these) to develop short and long term goals. Goals will change over time. Not having a goal is more

to be feared than not reaching a goal. Some family goals could include: Creating an environment for one's family that is stimulating, healthy, and progressive . . . Family closeness, communication, and respect . . . Contentment . . . and Retirement goals.

Financial goals may include: Debt reduction . . . Financial independence . . . Farm size and growth . . . and Financial security or stability.

Whatever your goals, talk about them with all family members. Establish your own goals and prioritize them. It helps define what is important to you and your family. Goal identification helps with the question, "is farming an 'end' in itself or a means to an end?" And for some of us "is there life after farming?" We must be able to separate land from self-esteem.

2. The second winning strategy involves positive self-awareness or "finding the beef." Self-knowledge leads to a cure. No matter how uncomfortable a person is, "ignorance is not bliss." "Finding the beef" involves a detailed financial and production analysis of the business. Every problem contains the seeds to its own solution. Doing a detailed financial and production plan for the farm and family is a positive step in the right direction. Again, I stress "self-knowledge leads to a cure."

Farmers can get so frustrated that they don't want to even change the oil on the tractor. But to ignore the tractor will lead to even more severe problems. The same is true, for a farm family's finances. What a farmer needs is an analysis of his farm's balance sheet, income statement, detailed cash flow budget, and enterprise budget and partial budgeting.

3. The third winning strategy is to stay on top of technology, with an emphasis on cost-effective technology. Production techniques are still extremely important but farmers today must make sure the adaptation of any new technology will provide cash flow. Farmers need to stay current and stay on top of the knowledge base. Two reasons for us to stay on top of cost-effective technology are 1) keep farmers competitive—locally, state, U.S., and world and 2) prices aren't likely to get better soon so we'll have to make money on the cost side. We may be living in normal times. We could get lucky, if choice between good and lucky, take lucky every time!

4. The fourth winning strategy is to develop effective com-

munication skills for the family, and institutions such as credit agencies and the community. Communication skills are the most important skills in the job world today. Some ideas for effective communications include:

A. Being a good listener—treating listening as active, not passive. It is better to remain silent though a fool than to speak up and remove all doubt.

B. Developing a rapport, vocabulary, or terminology with the person you are trying to communicate with.

C. Make some effort to stay current with your kids. Don't abandon the child in you, spend time dreaming each day. Kids should spend some time with the senior citizens of the community.

D. Take time to cultivate communication skills—doesn't happen unless you try. Make time for discussion at suppers. Learn how to use verbal, written, and body language to your advantage.

E. Finally, empathy is important—walk a mile in your neighbors moccasins but don't wear his moccasins. Detached concern—don't allow other people's problems to drag you down.

5. The fifth winning strategy is to *remember the importance of togetherness as a family unit*. This strategy is closely tied to the goal identification and communication strategies. We can all handle bigger problems if we are all pulling in the same direction. If we have our goals straight, found the beef, kept on top of technology, and developed our communication skills then it will be easier for the family to pull in the same direction. Some tips on togetherness as a family unit include:

- Outside the home is not his—inside the home is not hers.
- Spending is ours.
- Remember to have fun, smell the roses. It doesn't have to cost so much—bake a favorite cake, go for walk, or meet for lunch.

Old English prayer: we ask o'Lord for a bit of sun, a bit of work, and a bit of fun. Farmers mark out time for yourself and your family on your calendar every month. Keep it as the number one priority. You'll be more productive. Productivity is quantity and quality. Togetherness can help you tough the storm as in the ole folk song where daddy sang bass, momma sang tenor, and me and little brother would join right in there.

6. The sixth winning strategy is a by-product of the other five—developing a good self-worth.

- People who feel good about themselves produce good results.

- Farm families must separate business from personal goals. Even if farm goes belly up you are still an “o’kay” person.

- Rulers, church leaders, etc. who have gone broke and lost fortunes have recovered if they have invested in themselves.

- They kept their positive self-image and feeling of self-worth.

- People who feel good about themselves recognize tough times don’t last but tough people do.

- Develop the “possibility thinker” in you. Remember it is better to attempt to do something and fail, than attempt to do nothing and succeed.

## Summary

These six winning strategies: goal identification, finding the beef, staying on top of technology, developing effective communications, family togetherness, and the importance of self-worth are the winning strategies for all of us. These winning strategies lead to confidence, which leads to self-esteem and a feeling of high positive self-worth.

You see, I believe ag communicators should go to the office all fired up three out of five days. The other two days can be rather ho hum and used to recharge. If you try this approach you will certainly be successful. You will be able to take this enthusiasm and pass it on.

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