

U of I Financial planning course cuts down to the WIRE

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POCATELLO—With prices at bottom and market competition increasing, today's food producer must be closer to being a financial genius than ever before.

To better equip farmers and ranchers to handle their business decisions, the University of Idaho Cooperative Extension System has expanded its education services to include the Western Integrated Resource Education program.

In its second year in Idaho, the six-day course includes step-by-step instruction and practice in writing financial goals and business plans, developing the strategy for meeting those goals and then adjusting operational practices to best meet those needs.

"This is what U of I is doing to address the current ag crisis. We have always focused a lot on the operational management decisions. WIRE addresses the financial first," said extension educator for Bannock County, Reed Findlay. "Most of these guys haven't started from the drawing board establishing their businesses. WIRE starts from that foundation."

WIRE was developed several years ago at the University of Wyoming to help producers deal with increasing financial demands of today's agriculture industry.

WIRE programs are now taught at the University of Wyoming, Montana State University, Utah State University and the University of Idaho.

"WIRE training is based on a three step process of strategic planning, tactical planning and then operational management. As goals are accomplished or changes occur, producers can go back through the process, helping to sustain their operations over the long term," said Findlay.

When the program was started in Idaho last year, U of I workers customized it to fit the state's special needs, said Findlay.

"We have a lot of factors here related to markets, climate ... that are unique to the area and we need to make those a consideration," he said.

Those who have taken the classes take with them ideas they can easily adapt to their own operations and that is what makes the program so valuable, said Findlay.

"It helps you look at your overall picture as far as your costs, where your income is coming from, what your expenses are, and how to optimize your resources those resources," said WIRE participant Todd Holbrook. "Those are tools you can plug into any operation."

Funding comes mainly from a USDA Sustainable Agriculture Research and Education grant. SARE grants are given to projects that improve the financial and environmental health of agricultural operations to keep the nation's farmers and ranchers on the land.



Though it teaches no environmental practices, WIRE does fit in with sustainable agriculture ideology, said Findlay.

"If they are taking a loss or not making any money, they have to start rapping the land. The health of the land depends on the farm being productive," he said.

SARE looks at a number of different criteria, said Paula Jones of the Natural Resource Conservation Service, which oversees the grant program. SARE looks for ways to teach farmers and ranchers new techniques for sustainable living, not just environmental, but economic as well, said Jones.

Having the funds to run the farm well, as well as reducing costs and inputs through better management, results in less stress on the land.

"SARE provides funding for decision-making education projects like WIRE because those tools are considered really important in making an enterprise sustainable over the long term," said Kristen Kelleher, Western SARE program communication specialist.

Money is one of many resources that producers need to manage well in order to be sustainable, and one that often gets overlooked from the educational perspective, she said.

"The idea is to encourage inte-

grating resources and getting the best use of resources within the operation," said Kelleher. "It's a holistic review, rather than a cookbook approach of inputs and outputs. It is a way to look at your enterprise that says what do you already have that you can use and reuse ... finance is still a part of that."

Without the SARE funding, WIRE training might be too expensive for many struggling growers. The idea was to make it accessible, said Findlay.

In absence of the grant, the course could easily cost each participant \$300.

However, the cost is \$200 per operation with more than one person from each farm or ranch encouraged to attend.

"We have found that when we charge by the person and only one person comes, when the course is over, no one else at the operation but that one person has caught the vision. We encourage more than that so that it doesn't die on the vine after they leave," said Findlay.

WIRE is no workshop or lecture series, but an intensive educational program. Participants spend eight hours in class, working in small groups. Two field trips are also taken and homework is assigned.

Much of the information taught

in the course is the result of six-years of

application at a Wyoming ranch. Students use this case study as a model in developing their own plans as they work in together.

Rather than using fancy technical computer models to guide producers through the planning process, WIRE provides each person with a hand held calculator.

"Computer models are great, but the calculators give them something they can have in their hands or on the dash of their trucks as they go around the farm. It's meant to be mobile and easily usable," explained Findlay.

The idea, explained Findlay, is to take a process that may seem complicated and intimidating and make it understandable.

"It needs to be something they can really apply to their day to day

operation," he said.

That's exactly what prompted Holbrook, who has grown barley and hay and grazed cattle on his Bancroft ranch for 20 years, to enroll in the course for a second year.

"I knew it was something that would be very important to the overall management of my operation," said Holbrook. "It's taught a way that I really can use."

Winter feeding of his cattle has always been a major expense, said Holbrook.

But, by applying the ideas he has learned in WIRE courses he has cut his cost considerably.

Now he monitors daily feed output to more accurately match the nutrition needs of his cattle, including feeding straw to his dry cows and stretching out his range use.

"It really has saved me a lot of money on feed," said Holbrook. "My oldest son is 11 ... I plan to teach the tools WIRE has taught me. Because of the tools and the strategies I have gained from this, I will have something to pass on to him."

While WIRE was designed primarily for farmers and ranchers, its principles can be used in any agriculture business, said Findlay.

For more information on the next series of WIRE courses, contact Findlay at the U of I Extension office in Bannock County at 236-7310.