

FARM MANAGEMENT

Purpose:

This contest is designed to stimulate instruction of economic and agricultural business management principles in the secondary agriculture curriculum.

Principles and Concepts:

The ability to apply the economic principles and concepts in analyzing the farm business in the following areas:

Economic Principles Related to Business Management

- Production functions
 - o Diminishing returns
 - o Profit maximization
- Cost concepts
- Input combinations
- Enterprise selection
 - o Equi-marginal returns
 - o Specialization and diversification
- Supply and demand concepts
- Types of market competition
 - o Perfectly competitive markets
 - o Oligopoly markets
 - o Monopolistic competitions
 - o Monopoly markets

Concepts related to the use and analysis of records to manage resources

- Financial statements
 - o Balance sheet
 - o Income statement

- o Statement of owner equity
 - o Statement of cash flow
- Financial analysis
- Budgeting
 - o Partial budgets
 - o Whole-farm or business budgets
 - o Enterprise budgets
 - o General operating budgets
- Cash flow analysis
- Managerial accounting
- Tax management

Concepts and functions of risk management

- Categories of risk
 - o Financial
 - o Market
 - o Legal
 - o Production
 - o Human resources
- Risk management process
- Risk management plan

Business Management

- Strategic management
 - o Vision statement
 - o Mission statement
 - o Goals
- Tactical planning

- Operational planning
- Succession planning
- Estate planning
- Cost analysis
 - o Fixed costs
 - o Variable costs
- Business structure
- Commodity and agribusiness marketing
- Real estate acquisition