



IOWA FARM BUSINESS ASSOCIATION

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Fall Consultant Workshop

Murk-n-T, Inc., the consultants representing the Cedar Valley Farm Business Association hosted the 2007 Fall Consultant's Workshop September 17th through the 19th at the Holiday Inn & Convention Center in Coralville.

The theme for the first day was "Agricultural Update Day" and started off with a presentation from Kevin Gray, merchandising manager for Growmark, talking about the "Future of the Ethanol Industry". Next we heard from Jeff Ward, executive director of the Iowa Agricultural Development Authority (IADA). Jeff reviewed and updated the consultant's on the Beginning Farmer Loan Program, Beginning Farm Tax Credit Program, Livestock Water Quality Facilities Program, and the Loan Participation Program. If you have any question about these programs please contact the IADA website at: www.iada.state.ia.us.

Steve Moline, Assistant Attorney General of Iowa Farm Division, lectured on the current legal issues facing Iowa farmers. Steve talked about the lack of producers using UCC liens to protect their assets under contract feeding arrangements. There are only about six liens on file for the entire State. This appears to be a major oversight by producers in putting themselves as an unsecured creditor in contracted feeder livestock operations. Steve said, "The \$10 UCC lien is the cheapest protection a producer can buy!" UCC liens can be obtained at the Iowa Secretary of State website: www.sos.state.ia.us. Steve also commented on the complexity of contracts that producers are signing and that they have to be very carefully in reviewing the fine print.

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21 Consultants attend fall workshop in Coralville

Center for Agricultural Law and Taxation (CALT)

The need for accurate and timely agricultural law and taxation information is essential to consultants and IFBA members. In Iowa we are fortunate to have had this resource previously through Dr. Neil Harl and presently by Professor Roger McEowen.



Roger McEowen speaking to consultant group at a tax school workshop

Roger's knowledge on agricultural law and taxation makes him revered as an expert on a national level. Additionally his commitment and passion to educate individuals on these topics is unmatched. However because of department changes, he couldn't utilize the resources of the Center for International Agricultural Finance as his predecessor Dr. Harl did, a business plan to create a new center complimenting his teaching desires was developed. This center would provide additional staff to support Roger's activities such as publications, workshops and speaking engagements which is essential for him to continue the level of service previously provided.

Following this vision, the "Center for Agricultural Law and Taxation" (CALT) was created by the Iowa Board of Regents. The center's stated purpose is to "provide timely, objective information to producers, professionals and agribusinesses concerning the application of important developments in the law (federal and state legal opinions of relevance, as well as critical legislative developments) and is a primary source of professional educational training in agricultural law and taxation".

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TIP



If you ever forget your consultant email address, just remember its their first name initial followed by their last name

@

iowafarmbusiness.org

For example:

Kent Vickre email address is

kvickre

@

iowafarmbusiness.org

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Our final speaker for the day was Aaron Putze, executive director for the Coalition to Support Iowa's Farmers. Aaron shared the Coalition mission of promoting rural Iowa community growth, helping farm families that raise livestock responsibly and giving producers an opportunity to prosper and remain viable on the land. Aaron talked about their current advertising campaign where you are encouraged to log on to www.thewholestory.com. If you have questions or would like to support the Coalition directly, you can contact them at www.supportfarmers.com.

Day two started off with updates from Kent Vickre, Iowa Farm Business Association State Coordinator, on the new PcMars Accounting Software version 2.1 release, with on-line patches being available at: www.pcmars.com. Kent reviewed the progress being made on the conversion from Dos to a Windows based analysis program.

The balance of the day was entitled "Entrepreneur Day". Our first speaker was Lynn Jahn, managing director of the Bedell Entrepreneurship Learning Laboratory, part of the John Pappajohn Entrepreneurial Center at the University of Iowa. Lynn's presentation was on "Entrepreneurial Resources". She presented a good overview of exactly what the services are and the unlimited types of clientele that the John Pappajohn Entrepreneurial Center can work with. We learned there are five John Pappajohn Entrepreneurial Centers in Iowa: University of Iowa; Iowa State University; University of Northern Iowa; North Iowa Area Community College; and Drake University. Lynn also talked about the Pappajohn Center's work with the Iowa Center for Enterprise www.enterprise.uiowa.edu the Small business Development Center www.iabusnet.org and the Iowa Department of Economic Development www.iowalifechanging.com/business. We also learned that the Iowa Department of Economic Development has a list of venture capitalists per county at their website.

After a quick bite to eat and a short presentation highlighting the upcoming National Farm Business Management Conference to be held in Fresno, California, June 2008, we drove to Kinze Manufacturing for a tour. The plant was in the process of putting twin row planters together. One of the memorable quotes from a sign in the Kinze plant read, "We cannot spell S_CCESS without U". Next we were treated to a tour of the private collection of the hundred's of antique tractors at Jon Kinzenbaw's home.

Following our theme for the day we journeyed to P.H.A.T. Daddy's restaurant in Marengo for supper, where owner Mike Curry talked about how he had started the family's restaurant business in his home town. We ended the day of entrepreneurship at the Fireside Winery owned by Bill and Rona Wyant of Marengo and operated by their son-in-law Zach Bott. We were truly enlightened about viticulture in Iowa.

Day three began with updates by Kent Vickre on things happening at the State Office level. Next Bob Redman, from the Iowa College Access Network (ICAN), visited with us about college financial aid. It was a great review of the entire process needed for parents and students in regards to filing out the FAFSA form to receiving a SAR and understanding what it says. Most importantly he gave us an abundance of information of whom we can contact if we have questions about the financial aid. ICAN is part of the Iowa Student Loan Program and information can be obtained at: www.ICANsucceed.org. Before the final business meeting and adjournment of the consultant's group, Andy Thompson, from Murk-n-T, Inc., presented information on "Corporate Stock Evaluation", "Corporate Tools" and "Alternatives for Getting Land Out of a C-Corporation".

The consultants meet two times a year in the spring and the fall as a part of their continuing education along with a tax school every year.

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Roger McEowen will serve as the center's director and states "There continues to be a strong need for agricultural law education and outreach programs to support Iowa's agricultural economy. The center addresses the growing need in today's agriculture for expertise to help producers make decisions that are increasingly shaped by legal and tax issues".

This center is self-supporting by Roger's speaking engagements, tax schools and donations. To help provide direction and feed back, an advisory board was created. I am excited that I was asked to represent the Iowa Farm Business Association on this board.

For developments on agricultural issues, information on supporting CALT or other informative topics, go to www.calt.iastate.edu.

Pioneer Growing Point Magazine Articles

Again this year the Iowa Farm Business Association and the Illinois Farm Business Association will be co-authoring the tax/financial business articles for Pioneer Growing Point Magazine. The articles have covered a wide variety of topics that have included:

Taxable Income	Income Averaging
Health Insurance Options	Retirement Planning
Alternative Minimum Tax	Production Costs
Early Tax Planning	Production Activity Credit

Pioneer has permitted Iowa Farm Business Association to post these past articles on the IFBA web site under [IFBA News & Articles](#) for you to review. Please let us know any comments or suggestions you have for future articles.

SOFTWARE CORNER



New Features in PcMars

2.1 Accounting Software

The PcMars 2.1 version was released the end of January 2007. There are several changes in the program and we have tried to list a few of the major changes we feel are most important.

- 1. Recurring Transactions:** These are transactions that repeat weekly, monthly, etc. to the same vendor, but not necessarily the same amount. It can be anything from an automatic withdrawal to a paycheck deposit.
- 2. Reuse:** The “reuse” button is a time saver to “reuse” information entered in a previous transaction. We have added a new feature to this function to allow you to “reuse” information in a transaction from a “previous year”.
- 3. Reconciliation (Link to Past Year):** In order to make the reconciliation process easier, we have added a new feature to the reconcile screen. You can reconcile transactions from the previous year set of books by checking a new box “Reconcile previous year’s transactions”. This will show any “uncleared” transactions in your previous year set of books and automatically carryover the changed balances.
- 4. Revolving Credit:** New to revolving credit transactions is the ability to have an “income” transaction which would look similar to a deposit transaction.
- 5. Last Backup Location:** You can select to have the PcMars program automatically default your last back up location for each set of books.
- 6. Cash Flow Carry Over:** Previously only the Budget data was able to carry over to a new set of books. Now you are able to also carry over any cash flow file from a previous year.
- 7. New Report Options:** Several new reports are available such as the “Multi-year Loan Report”, “Bank Transfer Report”, “Vendor Summary/1099 Report” and also the capability to just print a specific page (or the current page you are previewing).

A few additional changes in PcMars 2.1 are:

- Backup deletes only the data files associated with PcMars (not all files) before a backup is done.
- A warning is given before you print and also “noted” on the report if deactivated codes are used in a budget file.
- All applicable report options are saved for the next time a report is run.
- Added payroll notes for each employee and hourly wage on paycheck stub.
- Added an option to print only the uncleared checks in the check Register.

- Whenever there is a change to a previous year’s data, all Asset, Liability and Bank balances are optionally carried over to the current year.
- Installing over an existing program does not overwrite previous program options.
- If the data version is higher than the program version, there is a clickable link to PCMARS.COM to download the latest patch.
- Added a “Web updates & info” screen under the Help menu and an icon for it on the tool bar with clickable links to PCMARS.COM and Softshell web sites.

Several new PLUS 2.1 features available are:

1. Added Profit Center Analysis report.
2. Cleared Balances are calculated in the Combine Utility.
3. Average per month figures are displayed on the livestock check and crop./feed check reports.
4. Added breeding/feeding/both livestock sub-type option in enterprise setup.
5. A warning given if the user checks “Inv Tr” box in all asset & liability screens.
6. On transaction screen, if an inventory number is entered but no limits, a warning given for production inventory codes.

Classroom Booklets FREE on Internet

The updated PcMars 2.1 classroom booklets are available at www.pcmars.com as a free download. A summary of the booklets are:

Set Up: This is a basic “Getting started booklet” that covers topics such as selecting account codes, enterprises, vendors, etc. Also basic backup information and the restore utility function are discussed.

Beginners: This booklet includes topics about loan vendors, CCC vendors, transferring money, recurring transactions, revolving credit transactions, reuse previous transactions, check register printing, reconciling bank statements and the back/restore utility.

Advanced: The Advanced booklet includes topics on sealed grain, crop insurance, coop dividends, payroll, cashflow/budget and inventory/networth.

These booklets cover the latest PcMars version 2.1.10. To see what version your PcMars program is, follow these steps:

1. Open PcMars
2. Click the word “Help” above your icon bar (to access the drop down menu)
3. Click “About PcMars” from the drop down menu

The program will display the version you have.

As a reminder—the current patches are **FREE** to download for your version at www.pcmars.com.

NOTE—you can upgrade your software anytime during your year as it will install over your current version without affecting any data you have currently entered.



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**AVOID
FRUSTRATIONS
AT TAX TIME!!**



FALL TAX PLANNING

You can avoid many year-end problems by a careful review of business records now prior to fall visits. Following are a few common "errors" or "omissions".

1. When capital purchases are "dealer financed", those transactions often do not flow through your checking account. Therefore, record the amount borrowed as **Loan Proceeds**", and as a "**Capital Purchase**". Also, provide a copy of purchase agreement to your consultant.
2. Record "Quantities" on all sales and purchases of grain and livestock.
3. Record Coop Patronage Dividend "Equity" received as well as cash paid.
4. Make a list of issues to be reviewed with your consultant when you meet!
5. Make sure you note all Cooperative & Farmland Industry equity write-downs issued this year.

**AG DECISION MAKER
NEWSLETTER**

The Ag Decision Maker notice is sent out monthly to members with a **current** email address. This monthly newsletter is the web version of the Iowa State University "Ag Decision Maker". The newsletters cover timely topics in areas such as financial, production and current agriculture issues. To review past articles, go to <http://www.iowafarmbusiness.org/ISULinks.htm> . If you haven't been receiving your notice by email, please let us know your email address information.



**WINNING THE GAME
SEMINAR**

The Iowa Farm Business Association production data is utilized by the Minnesota Center for Farm Financial Management to prepare the Iowa Winning the Game materials. In general the class helps producers recognize their cost of production. The 2006 data is posted for you to review at the [IFBA News & Articles](#).