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Applied Economics at the University of Minnesota



@ApEcMN



# FROM THE DEPARTMENT HEAD



**A**s I've said many times, I love coming to work, every day, in a building named after Vernon Ruttan. He left an enduring legacy in the field of agricultural economics, and inspired me and many others through his curiosity, work ethic, and kindness. I thought it fitting to have a way to convey something of his life and legacy to those who visit us in our building, Ruttan Hall. I asked Lore Ruttan, Vernon and Marilyn's daughter, if she'd be interested in creating an art piece in his memory. She writes:

*Frances and I have many connections. Of course the most obvious is that she is now Head of the department that my Dad was so closely associated with for most of his professional career. Her Ph.D. supervisor was also on my Ph.D. committee. (I have a Ph.D. in human ecology from UC Davis and taught Environmental Studies at Emory University before I left to pursue a career in science illustration.) As so many Minnesotans do, we also have connections between spouses, children and summer camps. So, I was really delighted when she asked about commissioning me to create an illustration commemorating my Dad's life and work.*

*My first thought when she asked me was of a wood carving showing a water buffalo pulling a plow that we have at our cabin. My Dad loved water buffalo, or caribao as we called them in the Philippines. Apparently, he really wanted to have one of his own! From that initial visual response, I came up with the idea of illustrating the theory of induced innovation with a face-off of sorts between a caribao-drawn plow and a tractor. I've surrounded this main image with lots of smaller images referencing other aspects of his work, as well as things he loved in his personal life, e.g. boyhood fishing for brook trout, peaches he ran away from home to get, and of course blueberries we harvested every year at our cabin in Northern Minnesota. I hope I'm able to pull all these things together as harmoniously as he pulled together the disparate elements of his life.*

We will unveil Lore's drawing at the Outstanding Alumni Award event on October 5.

*Frances Homans*

DEPARTMENT OF APPLIED ECONOMICS

## 2018 SCHOLARSHIPS

**Brady Bobendrier  
and Alexander Broderius**  
YOST FAMILY SCHOLARSHIP

**Isabelle Rose Lindahl,  
William Macheel,  
and Katie Welschinger**  
WILLIS PETERSON SCHOLARSHIP

**Stephon Sharp**  
ROUTHE-CHRISTIANSEN SCHOLARSHIP

## 2018–2019 FELLOWSHIPS

**Linnea Graham (Fall)**  
KINSEY FELLOWSHIP

**Linnea Graham (Spring)**  
LITTERMAN FELLOWSHIP

**Linnea Graham (Spring)**  
ANTONOVITZ FELLOWSHIP

**Ling Yao (Fall)**  
HSIEH FELLOWSHIP

**Ling Yao (Spring)**  
PETERSON FELLOWSHIP

**Ling Yao (Spring)**  
COCHRANE FELLOWSHIP

**John Anderson  
and Jesse Eklund**  
CFANS FELLOWSHIP

**Amanda Delp**  
CFANS DIVERSITY FELLOWSHIP

**Tiague Djoumessi**  
DOVE FELLOWSHIP

**Sebastian Anti**  
ICGC RESEARCH YEAR FELLOWSHIP

# Better Farm Management Recommendations through Public and Private Partnerships

Farm managers have one of the most rewarding and challenging jobs around. Each day they make decisions to help ensure their farming operations run smoothly while considering how those decisions affect their long-term goals. Many farm managers say that they started farming because it is a way of life that they love. By choosing a career as a farmer, they have jointly agreed to be agricultural stewards, their farm's chief financial officer, chief executive officer, and accountant, in addition to a nutritionist, crop scout, and manure specialist (dependent upon their farm type). Each role is equally important, and one of the most interesting challenges for the principal operator is to determine where they should allocate their management skills and time.

Determining a way to improve the efficiency of farm management decisions is Dr. Joleen Hadrich's main objective as an Extension Economist and Associate Professor in the Department of Applied Economics. Dr. Hadrich is developing new methods to combine public and private farm level data to help farmers make efficient and successful farm management decisions. In particular, she is collaborating with the Minnesota State Colleges and Universities Farm Business Management Education program (FBM), the Southwest Minnesota Farm Business Management Association (SWFBMA) and the Center for Farm Financial Management (CFFM) to study the characteristics of financially successful farms and how those skills can be translated to improved efficiency and profitability. The strong collaborative relationships among these groups and with Extension and agribusinesses made the move to Minnesota particularly attractive to Joleen.

Hadrich is working with Rob Holcomb, AgBusiness Management Regional Extension Educator, to study

results of a "Top Farmer" survey distributed in Spring 2017 to participating FBM and SWFBMA farmers. Dr. Hadrich combined the survey responses with the farm characteristics provided in the FINBIN database managed by CFFM to identify how farm level variables affect the success of farms over time. FINBIN is the largest nationally representative farm financial database, which collects and manages the FBM association's farm-level data for Minnesota and ten additional states. By focusing on management decisions associated with risk, Hadrich and Holcomb have informative responses on marketing strategies, employee management, input negotiation strategies, technology adoption, and the effect of management meetings and goals on farm success from 2014–2017. The results of this work will be distributed in twelve monthly newsletters starting September 2018. Breaking this out on a monthly basis gives farmers one thing to focus on rather than all twelve at once. It also creates the opportunity to build increased relationships with their FBM instructors to determine how their farm matches up to the benchmarks created with this work.

The key to the success of this research is the relationship between the University of Minnesota and the FBM programs in Minnesota. The FBM instructor provides an outside perspective of the farm operation and can help the farmer work through how alternative strategies will affect the financial success of their farming operation. The success of the "Top Farmer" survey demonstrates the value of this opportunity, which can be further expanded to production data collected through precision agriculture, dairy herd improvement association records, soil tests, and





BY JOLEEN C. HADRICH



environmental considerations, among other factors. This will provide Dr. Hadrich with a rich dataset to study how farm decisions have affected profitability over time with the ability to merge additional production data with their farm financials. Providing a comprehensive management analysis gives farmers the ability to see how input decisions, management, and other factors affect farm output and profitability to add to overall farm success.

Hadrich hopes that the methodologies developed through the collaborations across Minnesota will become the national standard for innovative farm management research. Farm management connects financial and production decisions, and research rarely accounts for this connection outside of projection models. Using real historical data that includes the interconnectedness is the first step to providing comprehensive farm management decision support to improve the financial success of farms in an ever-evolving environment.



# STAFF UPDATES



## APPLIED ECONOMICS WELCOMES CHRISTINA OLSON

We are excited to introduce **Christina Olson**, Principal Office and Administrative Specialist, who has now joined our department.

Christina Olson is a recent graduate of the University of Minnesota with a B.S. in Animal Science and a B.S. in Agricultural Communication and Marketing. As a student in CFANS, she worked in the UMN Dairy Barn, CFANS Admissions, and the Department of Applied Economics in Waite Library. She was involved with a variety of student organizations and activities like the CFANS Student Board, UMN Hunger Banquet, and International Agriculture Club. Christina grew up in Garden City, MN just south of Mankato, and enjoys art and travel. In her new role she will be providing support to 10 faculty members, including working on their Canvas course sites and updating faculty web pages. Christina will be helping to coordinate the The Food Industry Center (TFIC) Luncheons and update their website. This summer, she is also assisted in the project that is replacing all the windows in Ruttan Hall. Welcome, Christina!

## THREE LONG-TIME STAFF MEMBERS RETIRE

**Diane McAfee** worked with the department for about 43 years, providing excellent service to our undergraduate programs, faculty support, and general support staff teamwork. Her quiet dedication to the department and university has always been steady and outstanding. She takes with her a wealth of experience and knowledge of the department.

**Ellen Carlson** has been with the department for almost 20 years. Ellen's job has evolved many times over her time here, allowing us to benefit from her varied skill set and experience. She has supported faculty and programs, worked on communications through Marginal Memos and the website, and provided valuable computer and technical assistance over the years. And, while not in her official position description, she served as our resident bird expert.

**Sue Pohlod** was with the department for 38 years, consistently providing high-quality administrative support to faculty and departmental programs. Probably one of the wisest decisions Jim Houck made as Department Head was to assign Sue to the Minnesota Council on Economic Education – Sue helped the Council get off on the right foot and then

continued to help the Council run smoothly. It's worth repeating a sentiment from a letter in support of her nomination for the President's Award for Outstanding Service: "... it seems like whenever we have trouble with almost anything, we turn to Sue!"

*Diane, Ellen, and Sue will be sorely missed but we wish them the best in their retirements!*



Diane McAfee



Ellen Carlson



Sue Pohlod

# Join us!

## APPLIED ECONOMICS OUTSTANDING ALUMNI AWARD EVENT

Friday, October 5, 2018 • Cargill Building

2–3:00 pm Forum and panel discussion  
*featuring award winners, alumni  
and faculty*

3–4:30 pm Award presentation and reception

### APPLIED ECONOMICS OUTSTANDING ALUMNI AWARD EVENT

FIRST NAME

LAST NAME

EMAIL

AFFILIATION

I plan to attend:

- Both the forum and the reception
- Only the forum
- Only the reception
- I cannot attend either event

Please return RSVP in the envelope provided.



Matt and Mike Boerboom

We are delighted to announce four recipients of the department's Outstanding Alumni Award, and invite you to an event in their honor.

**Matt and Mike Boerboom** earned their undergraduate degrees in Agricultural and Food Business Management and returned to their third-generation family farm after graduation. The focus of their family farm is raising pigs from birth to market. In 2012, a feed milling operation including corn storage bins, truck scales, and corn drying capacity was added to the farm. Most recently, they have added an open-pen gestation sow farm for further diversification. We recognize the Boerboom brothers for their entrepreneurial and forward-looking approach to farming in the modern era.

**Ed Lotterman** is the author of the “Real World Economics” column that appears in multiple newspapers, including the Saint Paul Pioneer Press. Ed earned his MS in Agricultural Economics in 1981, with John Waelti as his adviser. Ed worked closely with Ford Runge during the 1980s managing the Common Property Resources Network and then worked at the Federal Reserve as regional economist. Ed has had a long writing career focusing on explaining what’s happening in the economies of countries, governments, businesses and households. We recognize Ed for his career in economics and for teaching economics through his writing.

**Xinshen Diao** is a prolific scholar whose career focuses on economic growth and poverty reduction. Xinshen received her PhD in 1995 under the supervision of Terry Roe. She is currently the Deputy Division Director and a Senior Research Fellow in the Development Strategy and Governance Division of the International Food Policy Research Institute (IFPRI). We recognize Xinshen for her outstanding achievements and scholarly work which have played a critical role in improving the lives of the world’s most underprivileged people.

Congratulations to all of our outstanding recipients. Please join us to honor them on Friday, October 5th, beginning with a forum discussion entitled “US Agriculture and the World Economy” at 2:00 p.m. in the Cargill Building on the St. Paul Campus. Forum will feature Mike and Matt Boerboom, Ed Lotterman, Chris Hodges, Gopi Munisamy and Alex McCalla. The award ceremony will follow the forum and begin at 3:00 p.m., where we will also take time to announce and honor our scholarship and fellowship recipients and their generous donors. And, if that’s not enough, we will have the reveal of Lore Ruttan’s art piece commemorating the life and career of her father Vernon Ruttan! A reception featuring light refreshments will follow the ceremony. We hope you will be able to join us! Please use the RSVP form above to let us know if you will be attending the event.



Ed Lotterman



Xinshen Diao



Department of  
**APPLIED  
ECONOMICS**

1994 Buford Avenue  
Ruttan Hall Room 231  
Saint Paul, MN 55108

*First* FULLY-ENDOWED LAND GRANT  
LEGACY SCHOLARSHIP GIVEN BY  
DENNIS AND VICTORIA JOHNSON

**Dennis and Victoria Johnson** are the first CFANS donors to fully endow a scholarship in the Land Grant Legacy Scholarship (LGLS) Program. Conceived in the Spring of 2017, the LGLS Program was designed support access to the University of Minnesota for Greater Minnesota students. The program offers a four-year experience which includes targeted, programmatic elements designed to support students during their time at the University of Minnesota and build community through a cohort model, as well as a financial scholarship worth \$20,000 over four years. With their gift, the Johnsons have chosen to support students pursuing majors in Applied Economics or Agricultural and Food Business Management.

Dennis Johnson graduated from the University of Minnesota in 1973 with a Master of Science in Agricultural Economics. He and his wife Vicki have been long time donors to the University, contributing to both the CFANS Dean's Excellence Fund and the Willis L. Peterson Undergraduate Study Fund, amongst many more.

Raised on a small dairy farm in east central Minnesota, Dennis learned early on the integral role the cooperative business model plays in rural America. Under his leadership, the St. Paul Bank for Cooperatives was a leader in financing and supporting cooperatives and new cooperative formation, thereby encouraging the application of the cooperative business model to rural economic development.

Recognizing the need for technical resources to support cooperative development, Johnson was an early supporter of the cooperative



development center known today as Cooperative Development Services and helped secure U.S. congressional authorization and appropriations for federal funding of cooperative development. He contributed to helping emerging democracies in Eastern Europe move to free market economies through his work with ACDI and as a board member of WNISEF.

Johnson has long played a leading role in the senior cooperative housing sector, beginning with Homestead Housing Center in the mid-1990s. He was a founding member of the Senior Cooperative Foundation. He strengthened Cooperative Housing Resources, the nation's only lender focused solely on financing senior housing cooperatives. Johnson organized the first annual Senior Cooperative Housing Conference and developed the Senior Cooperative Housing Education Program. He worked with senior housing cooperatives to incorporate SCH Purchasing Cooperative to leverage their buying power.