



February 15, 2021

Dr. Michael Baumgartner  
Executive Director  
Coordinating Commission for  
Postsecondary Education  
140 N. 8<sup>th</sup> Street, Suite 300  
Lincoln, NE 68509

Dear Michael:

Enclosed is a copy of the proposal to establish the Center for Agricultural Profitability in the Department of Agricultural Economics in the Institute of Agriculture and Natural Resources at UNL. The proposal was approved by the Board of Regents at the February 12, 2021 meeting.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Susan M. Fritz".

Susan M. Fritz, PhD  
Executive Vice President and Provost

Enclosure

c: Chancellor Ronnie Green  
Executive Vice Chancellor Elizabeth Spiller  
Vice President and Harlan Vice Chancellor Michael Boehm  
Vice Provost David Jackson

TO: The Board of Regents Addendum XI-A-2

Academic Affairs

MEETING DATE: February 12, 2021

SUBJECT: Establishment of the Center for Agricultural Profitability in the Department of Agricultural Economics in the Institute of Agriculture and Natural Resources at the University of Nebraska-Lincoln

RECOMMENDED ACTION: Approval to establish the Center for Agricultural Profitability in the Department of Agricultural Economics in the Institute of Agriculture and Natural Resources (IANR) at the University of Nebraska-Lincoln (UNL)

PREVIOUS ACTION: None

EXPLANATION: Agriculture, and the processing of its products, comprises approximately 25 percent of Nebraska's economy, with one in four jobs related to agriculture. The economic viability of the agricultural sector in Nebraska reaches far beyond increasing the productive capacity of the farms and ranches comprising the industry. The liquidity and solvency of farmers and ranchers are dependent upon financially astute decision-making. The Center for Agricultural Profitability will bridge departments and bring together faculty with expertise in multiple disciplines (e.g., agribusiness, economics, business, animal science, agronomy, bioengineering, veterinary science, and natural resources) to focus research and outreach/Extension programs on the economic well-being of Nebraska farmers and ranchers.

This proposal has been reviewed by the Council of Academic Officers; it also has been reviewed by the Academic Affairs Committee.

PROGRAM COST: \$634,354 for Year 1; \$874,354 over five years

SOURCE OF FUNDS: External grants and fee revenue

SPONSORS: Michael J. Boehm  
Vice President, Agriculture and Natural Resources, University of Nebraska  
Harlan Vice Chancellor, Institute of Agriculture and Natural Resources,  
University of Nebraska-Lincoln

Ronnie D. Green, Chancellor  
University of Nebraska-Lincoln

RECOMMENDED: /s/ Susan M. Fritz  
Executive Vice President and Provost

DATE: January 15, 2021



October 26, 2020

Susan Fritz, Executive Vice President and Provost  
University of Nebraska  
3835 Holdrege Street  
Lincoln, NE 68583

Dear Susan,

I am forwarding materials related to a proposal to formally establish the Center for Agricultural Profitability. The program will be primarily administered by IANR and the Department of Agricultural Economics. The Center will bridge departmental silos and bring together faculty with expertise in several areas (agribusiness, economics, business, animal science, agronomy, bioengineering, veterinary science and natural resources) to focus on the economic well-being of Nebraska's farmers and ranchers through systems and a holistic approach.

The Center is aligned with the IANR priority communities of stress biology, science literacy, healthy humans, healthy agricultural production and natural resources systems, computational sciences, and drivers of economic vitality for Nebraska. No other programs or organizational units exist in the state with a comprehensive focus on research and education related to enhancing the profitability of agriculture in Nebraska. The center will bring together the strengths that exist individually in current programs in IANR, the College of Business and other colleges.

The establishment of this new center has the approval of the IANR Vice Chancellor and Deans, and the Academic Planning Committee. I support this proposal and recommend it to you for approval.

Sincerely,

Ronnie D. Green, Ph.D.  
Chancellor

- c: Kurt Geisinger, Chair, Academic Planning Committee
- Elizabeth Spiller, Executive Vice Chancellor, Academic Affairs
- Mike Boehm, Vice Chancellor, IANR
- Ron Yoder, Sr Associate Vice Chancellor, IANR
- Tiffany Heng-Moss, Dean, College of Agricultural Sciences and Natural Resources
- Archie Clutter, Dean, Agricultural Research Division
- Larry Van Tassell, Department Head, Agricultural Economics
- Mike Zeleny, Associate to the Chancellor and APC Secretary
- Renee Batman, Assistant Vice Chancellor
- Suzi Tamerius, Project Coordinator
- Alesia Zaruba, Executive Specialist
- Karen Griffin, Coordinator of Faculty Governance

# University of Nebraska-Lincoln

## New Academic Center

Academic Centers include bureaus and institutes

### I. Descriptive Information

<b>Name of Institution Proposing New Center</b>
University of Nebraska-Lincoln (UNL) – Institute of Agriculture and Natural Resources (IANR) – Department of Agricultural Economics
<b>Name of Proposed Center</b>
Center for Agricultural Profitability (CAP)
<b>Name of the Programs (majors) Involved</b>
The Center for Agricultural Profitability (CAP) will build on strengths currently present in the Department of Agricultural Economics, coupled with strengths in the Department of Animal Science, the Department of Agronomy and Horticulture, the Department of Biological Systems Engineering, the School of Veterinary Medicine and Biomedical Science, the School of Natural Resources and the College of Business (COB) to facilitate faculty research, conduct outreach efforts related to agricultural profitability, and to train undergraduate and graduate students. We also welcome expertise throughout the University of Nebraska System to complement these efforts.
<b>Other Programs Offered in this Field by Institution</b>
There are no other programs, or organizational units, at the University of Nebraska or in the state of Nebraska with a comprehensive focus on research and education related to enhancing the profitability of agriculture in Nebraska. CAP will bring together the strengths that exist individually in current programs in IANR, COB and other colleges, and focus those strengths on the profitability of our state’s agricultural producers.
<b>Administrative Unit(s) for the Proposed Center [e.g. college, school, division, etc.]</b>
Department of Agricultural Economics
<b>Physical Location, if applicable</b>
102 Filley Hall on the East Campus.
<b>Date Approved by the Governing Board</b>
<b>Proposed Date the Center will be Initiated</b>
Upon approval.

### II. Review Criteria

#### A. Purpose and Context for the Center

The economic viability of the agricultural sector in Nebraska reaches far beyond increasing the productive capacity of the farms and ranches comprising the industry. Though several innovations have been, and currently are being, developed to enrich agricultural production, not all are economically viable. The liquidity and solvency of farmers and ranchers are dependent upon financially astute decision-making. Though agricultural economists and faculty from other disciplines often present at the same extension meetings, their presentations are often disconnected. CAP will bridge departmental silos and bring together faculty with expertise in several

areas (e.g., agribusiness, economics, business, animal science, agronomy, bioengineering, veterinary science and natural resources) to focus on the economic well-being of Nebraska's farmers and ranchers through systems and a holistic approach. This will include applied research and educational outreach efforts.

## **B. Centrality to UNL Role and Mission**

At the 2017 Growing Nebraska Summit, one of the main topics was feeding a growing world. This has continued to be a theme espoused by the Institute of Agriculture and Natural Resources (IANR) at the University of Nebraska-Lincoln. An economically healthy agricultural industry is essential for Nebraska to play a major role in increasing agricultural production by more than 70 percent by 2050 to meet the global demand for food and related necessities. Some of the core aspirations over the next 25 years identified during recent University of Nebraska-Lincoln strategic planning discussions are to encourage individuals, programs, and units to cooperate in interdisciplinary activities that foster inclusion, innovation, and increase global prestige of the University of Nebraska's inclusive approaches for solving state, national, and global problems. Further, that new interdisciplinary efforts be fostered by establishing new centers, along with the desire to make engagement a fundamental part of the University of Nebraska-Lincoln's culture and to create transformative learning experiences that equip each student for their future. CAP will serve as an integrative magnet for interdisciplinary research and outreach, where profitability, risk management, and sustainability of the agricultural sector takes precedence over simply maximizing commodity yields, and where the next generation of students and educators learn through transformational experiences.

## **C. Relationship of the proposal to the NU Strategic Framework**

CAP supports and aligns completely with the NU Strategic Framework including:

- **Access & Affordability**—Lifelong educational opportunities, such as potential certificate programs offered through distance education, will be made available to citizens of Nebraska and beyond. The visibility of CAP among our constituents will attract more students to the University of Nebraska, particularly as the Center promotes the importance of financial analysis and increased management capacity in maintaining profitability in the agricultural industry.
- **Quality Academic Programs**—CAP will evolve into a regional, national, and international leader in the development of programs to increase profitability in the agricultural sector. The resources and programs developed by the integrated disciplines will also directly support the academic mission of the College of Agricultural Sciences and Natural Resources (CASNR) as these resources are integrated into CASNR's coursework and academic programs.
- **Workforce & Economic Development**—Because of the increase in technological advancements in agriculture, the knowledge base required to be successful will continue to grow exponentially. CAP will assist those in the agricultural workforce to remain current with these advancements, particularly from a profitability in adoption vantage point.
- **Research Growth**—CAP will serve a crucial role in bringing together faculty from various disciplines to engage in research centered on increasing the profitability in agriculture. This will provide research opportunities for undergraduate and graduate students to enhance their analytical and strategic thinking skills while developing solutions to issues impacting the economy of Nebraska.
- **Engagement with the State**—The central mission of CAP is to increase the management capacity of those in the agricultural industry to the end that this industry can be profitable in an increasingly competitive global marketplace.
- **Accountability**—CAP will be an open resource for all producers, students, and citizens of Nebraska. CAP will be a safe environment where our constituents can obtain research-based information in confidentiality and where the UNL IRB and Research Compliance Services will approve all human subject research on a project-by-project basis. CAP will create synergism among disciplines that will increase the efficient use of the resources attracted by the Center.

#### **D. Consistency with the Comprehensive Statewide Plan for Post-Secondary Education**

As discussed in the proposal, the CAP mission is very consistent with the following major goals of the Nebraska Comprehensive Statewide Plan for Postsecondary Education:

*Meeting the Needs of the State*—Postsecondary education in Nebraska will be responsive to the workforce development and ongoing training needs of employers and industries to build and sustain a knowledgeable, trained, and skilled workforce in both rural and urban areas of the state.

#### **E. Evidence of Need and Demand**

Agriculture, and the processing of its products, comprises approximately 25 percent of Nebraska's economy, with 1 in 4 jobs in Nebraska related to agriculture. According to the USDA National Agricultural Statistical Service, cash receipts from marketing of farm products contributed over \$21 billion to Nebraska's economy in 2017. The natural resource base in Nebraska, comprised of productive soils, rangeland, ground and surface water, and the infrastructure to procure inputs and market farm products, provides a solid foundation for a strong agricultural industry into the foreseeable future. The agricultural operating environment, though, has changed dramatically over the past 25 years and will continue to evolve in the next 25 years. Farms have increased in scale to capture the economies of size. There also has been restructuring in the agricultural input, marketing, and processing sectors. Price volatility for agricultural commodities has increased dramatically over the past decade, substantially increasing the need for price and production risk management. As these trends continue, the impacts of each economic decision at the farm production level become more pronounced. There is less flexibility for a wrong business decision. It is critical that producers have economic decision-making information that is current, factual, specific, and holistic, and that they have appropriate tools and procedures to analyze that information.

In today's economic environment, farmers and ranchers can no longer aim for maximum yields while ignoring financial considerations. A concerted effort needs to be expended by agricultural economists to expand the group of disciplines (e.g., social science, biological, and engineering disciplines) to provide the research and educational programs required to keep Nebraska's farmers and ranchers financially healthy. This will, in part, be accomplished by (1) engaging faculty from other disciplines who have already expressed an interest and commitment to the Center (see organizational structure and supporting letters in Appendix I and II), (2) attracting faculty of other disciplines already engaged with our applied research and outreach programming efforts, (3) utilizing encouragement of Extension leadership to further integrate disciplines in our outreach programs and in adding profitability assessments to outreach programs, and (4) creation of an interdisciplinary advisory council as outlined in Section F that will assist in identifying and recruiting faculty from other disciplines. The Center will, likewise, serve as a source for multiple disciplines that seek economic input into their applied research and outreach programs.

The mission of the proposed Center for Agricultural Profitability is to *support informed economic decision-making in agriculture through applied research and education*. The vision is to *be the innovative, responsive, and trusted source of agricultural business management research and education*.

#### **F. Organizational Structure and Administration**

CAP will be housed in the Department of Agricultural Economics. The directorship, which we estimate will take approximately 15% of an FTE, will be rotated among the faculty currently working on the Farm and Ranch Management Extension Team, with Allan Vyhnaek being the inaugural director (see Appendix III for CV). No director buyout or stipend is intended. An Operational Leader for Research and one for Extension will be voted upon by all CAP membership. They will serve as Vice-Directors to help coordinate the efforts of research and extension.

Membership will entail a commitment to share in the governance of the Center by participating in advisory board and in-service meetings, along with engaging in outreach programming and associated applied research programs germane to the mission of the Center. Benefits of being a member include sharing in the financial resources raised from industry sources, sharing in the expertise of Center staff, and association with the external advisory board. Members will also benefit from the synergy of cross discipline faculty providing innovative solutions to improve the producer's profitability.

Initial faculty and staff membership in CAP will be the membership of the interdisciplinary Extension Farm and Ranch Management team along with faculty members of the Department of Agricultural Economics working in areas applicable to production agriculture. Founding members from outside the Department of Agriculture Economics include, Randy Saner (Extension Faculty), Joe Luck (Department of Biological Systems Engineering), Mary Drewnoski (Department of Animal Science) and Daren Redfern (Department of Agronomy and Horticulture). Appendix I includes a listing of founding members and Appendix II includes letters of support from the founding Extension Specialists located outside the Department of Agricultural Economics and their department heads. Membership will continue to be extended to faculty and staff from other disciplines. Along with core faculty, we will welcome participation from other faculty through a fellows program.

An external advisory board consisting of 8 to 12 industry professional representatives of the agricultural industry in Nebraska will be established through a nomination and voting process by CAP membership. This advisory board will be given the charge to:

- provide council that will help bring relevancy to the work of the Center and to assure that the mission and vision of the Center are fulfilled;
- provide direction and feedback on the Center's outreach and research programs;
- identify trends in the ag sector that will influence the work of the Center;
- be an advocate for the Center to university administration; and
- promote Center programs in their circle of influence.

An internal advisory board consisting of six representatives of the disciplines we most frequently interface with will also be established via a nomination and voting process by CAP membership. Along with

- providing council that will help bring relevancy to the work of the Center and to assure the mission and vision of the Center are fulfilled, and
- provide direction and feedback on the Center's outreach and research programs,

the internal advisory board will be asked to identify and assist in recruiting faculty outside agricultural economics that would benefit by being associated with the Center and that will strengthen the mission and vision of the Center as a member or CAP Fellow.

A semiannual meeting will be held with the internal and external advisory boards to discuss issues and problems in production agriculture across Nebraska that need to be addressed and to report on successes and concerns from the previous year's efforts. A semiannual meeting of CAP members and Fellows will be held to discuss programming directions and needs, and to conduct an in-service training. A monthly call will also be held to coordinate efforts. Internal and external advisory board members will be welcome to participate in all meetings and events.

Facilities and Administrative (F&A) costs distributed by the college on grants written by CAP members with the intent to accomplish the CAP mission and vision will initially be shared one-third to the Center, one-third to the departments the investigators originate from and one-third to the investigators. This policy will need to be revisited as the university moves to the Incentive-based budget model. Additional rules and regulations governing CAP will be determined by the membership after the center is approved.

## **G. Partnerships with Business**

We have met with representatives of Farm Credit Services of America and the Nebraska Farm Bureau and they have expressed an interest in supporting CAP, both financially and programmatically. They have expressed a desire to have the Center organized before they commit financially to the ongoing operations of the Center. Joint meetings examining how we can cooperate are already scheduled. Other organizations that have expressed an interest, or will be approached, include: Nebraska Soybean Board, Nebraska Corn Board, Nebraska Cattlemen, Nebraska Wheat Board, Nebraska Department of Agriculture, Nebraska Cooperative Council and Nebraska Banking Association. These are all organizations that support research and educational programming of the Department of Agricultural Economics. Appendix II contains letters of support from many of these external constituents.

## **H. Collaborations with Higher Education Institutions External to the University**

The Department of Agricultural Economics has current working relationships with the Nebraska College of Technical Agriculture and the University of Nebraska at Omaha and has had previous discussions with Chadron State College and the University of Nebraska at Kearney. We will continue to foster those relationships and bring faculty members with needed expertise into projects with the Center. The Department of Agricultural Economics has close ties with the Land Grant Universities of the states surrounding Nebraska and beyond. We collaborate on grants and educational programs and see these interactions being strengthened with the formation of CAP.

## **I. Constituencies to be Served**

The agricultural producers located in Nebraska and beyond. Secondly, agribusinesses on both sides of the farmgate—input suppliers, merchandizers, processors, agricultural lending institutions, etc.—will also be served with stronger agricultural producers, as will the general citizenry and economy of Nebraska.

## **J. Anticipated Outcomes, Significance, and Specific Measures of Success**

To address the financial and management educational needs of Nebraska's agricultural producers, the anticipated deliverables of CAP over the first five years include:

- An annual "Needs Assessment" will assure research and education programming targets the most pressing needs of Nebraska's agricultural community and provide the visioning to be proactive in our efforts.
- The Agricultural Budget Calculator (ABC)—a computer application, sponsored by the Nebraska Soybean Board, that allows producers to develop cost of production estimates for each of their enterprises—will be expanded into a decision tool with assistance from agronomists (e.g., optimal fertilization and seed rate recommendations), livestock production specialists (e.g., feed allocation and cost minimization) and biosystems engineers (e.g., machinery and equipment purchasing decisions).
- With the inclusion of marketing plans and cash flow budgets, ABC will be used as a foundational tool in our outreach programs to assist agricultural producers in making financially astute decisions. Programming will be offered face-to-face and online to teach producers how to use ABC to make on-farm decisions that are data driven.
- A curriculum on farm and ranch management decision-making will be developed and offered to assist producers in understanding how to use financial statement analysis in their decision making.
- A multi-phase Farm and Ranch Management Executive training program will be developed and offered to increase the management capacity of producers in Nebraska and throughout the region.
- A USDA grant was recently obtained that allows the Department of Agricultural Economics to offer one-on-one financial assessment of individual agricultural operations. If demand for this service is sufficient,



the program will be expanded under CAP to integrate expertise from other disciplines into this assessment process.

- Graduate and undergraduate student training will be supported by grants and industry funding. These students will engage in applied research projects and accompanying outreach programming.
- Impacts from these programs will be quantified and qualified through primary (surveys of producers participating in our programming) and secondary (strength of the agricultural industry as surveyed by the National Agricultural Statistical Service) data collection. This data will be assessed with the appropriate statistical metrics and trends (e.g., number and demographics of participants, pre and post-knowledge and understanding gained, adoption of practices, estimated of the financial benefits to the operation of their education received), with a more detailed return on investment (ROI) assessment of projects where the data permit this detailed analysis. Number of undergraduate and graduate students engaging in research projects and extension programs will be assessed, along with testimonials from them as to the impact their association with CAP had on their education and professional success. Amount of external funding procured, articles published, and extension programs conducted will additionally be assessed.

#### **K. Potential for the Center to contribute to Society and Economic Development**

Yields of agricultural commodities have increased rapidly over the past several decades, while the economic stability of producers has been in question during this same period. As of 2018, the USDA-ERS estimated that Nebraska was one of three states experiencing the largest decline in Net Cash Farm Income in the United States relative to their 10-year average. In today's economic environment, farmers and ranchers can no longer aim for maximum yields while ignoring financial considerations. CAP has the potential to significantly increase the financial and business management of Nebraska's agricultural producers by providing the applied research, decision tools, and educational programs required to manage the multimillion dollars enterprises of today and tomorrow. More specifically, the expanded outcome and impacts of CAP include:

- More interdisciplinary research projects will be instigated and led by agricultural economists.
- Profitability and sustainability will be core principles of integration among disciplines engaged in serving Nebraska agriculture.
- More on-farm research trials will contain an economic component to assure profitable integration into Nebraska farms.
- Additional software and decision-aid tools will be developed to assist producers in their risk management and business decisions.
- The assimilation of education and research will produce peer-review publications and educational curriculums in greater abundance that address issues relevant to Nebraska producers.
- The capacity of all educators to integrate economic and business concepts in their programming will be critically improved.
- Education and research efforts will be better coordinated and unified.
- CAP will become a vehicle of consistent reliable communication and the *go to place* for information in Nebraska for farm and ranch management.
- A greater number of undergraduate and graduate students from all disciplines will engage in research and educational programming to assure a continual influx of exceptional talent into the Nebraska Extension system and agriculture in general.

#### **L. Adequacy of Resources:**

##### **1. Faculty/Staff**

A staff position has been redirected in the Department of Agricultural Economics to assist the CAP faculty in placing many of our Extension programs online (e.g., farm transitioning, estate planning, and managing your land) and manage recurring contact and interaction with the agricultural industry. This staff position was

obtained by decreasing the number of administrative assistants needed in the department because of faculty doing most of their electronic manuscript preparation themselves. A graduate student to assist with applied research and developing outreach programming to be supported from private funds is budgeted.

No additional faculty or staff members will be required.

2. Physical Facilities and Equipment

No additional physical facilities or equipment (other than a computer and software) will be needed.

3. Budget Projections *[included in Table 1 and Table 2]*

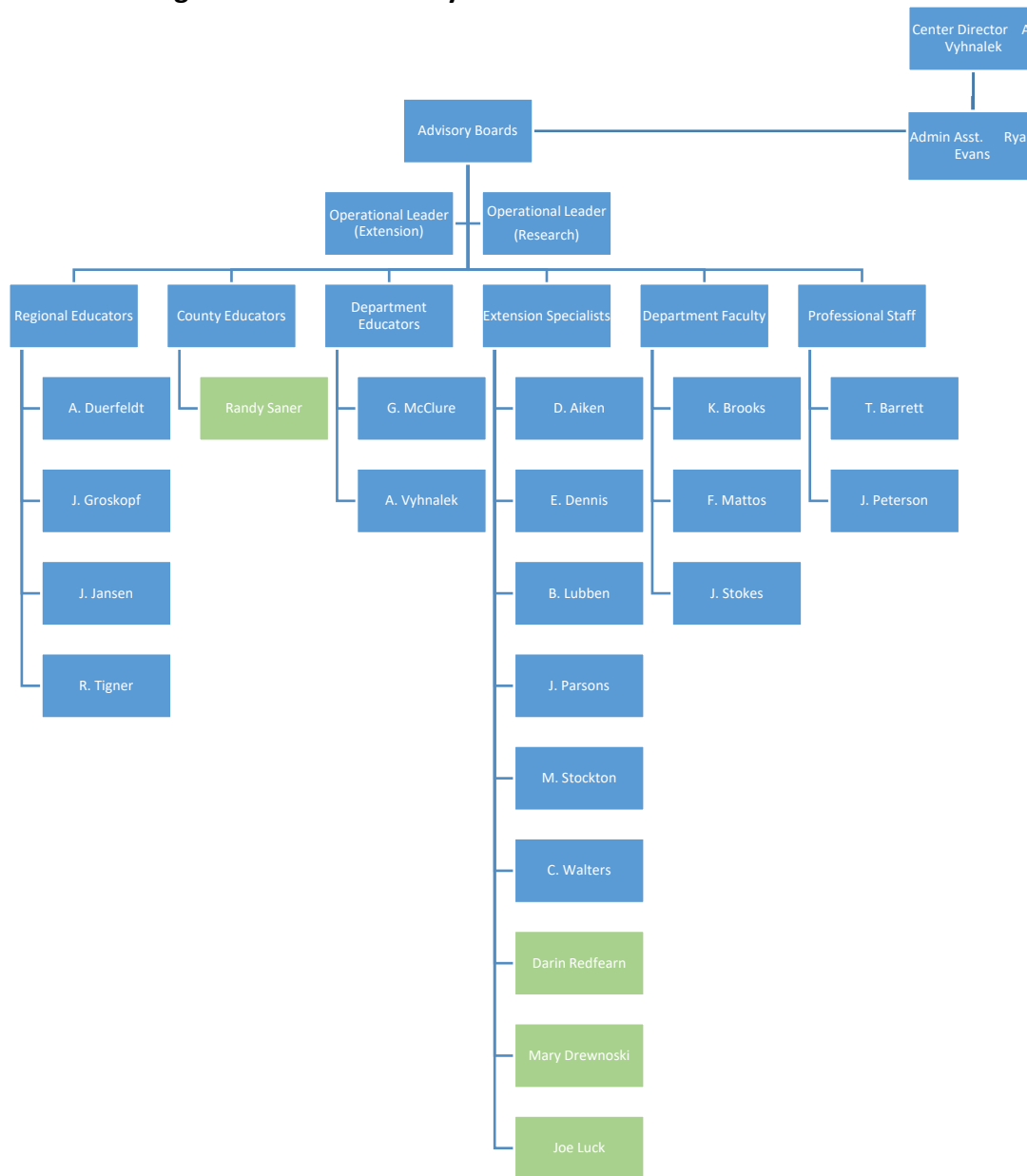
We plan to raise \$50,000 per year for five years from private industry. Farm Credit Services of America has expressed interest in financially supporting CAP and a formal meeting was held to discuss specifics of how we can support their producers. Co-Bank, Farmers National, and other agricultural firms also are being approached for their support. The Department of Agricultural Economics has a strong history with these agricultural firms, having previously raised almost \$750,000 to support our Commodity Marketing Room and program. Many of these firms have expressed an interest in further cooperating with us on projects that support the agricultural industry.

We consider the \$10,000 per year in program fees to be a conservative number. For example, we are developing a Farm and Ranch Management Executive training program that will be fee based. We anticipate many of the fee-based programs will be subsidized by agribusiness and banking firms that ag producers patronize. Also, during the 2018-2019 fiscal year, over \$1 million in competitive grant funding was obtained to support educational and research projects that will be under CAP. Current grant funding that will be used to support research and outreach are shown in Table 2. Continued grant funds, while expected, have not been included in the revenue source table.

## **Appendix I**

### **Proposed Structure for the Center for Agricultural Profitability**

# Proposed Structure for the Center for Agricultural Profitability<sup>1</sup>



<sup>1</sup> Founding members: Blue indicates Agricultural Economists; Green indicates other disciplines.

## Appendix II

### Letters of Support

- Clint Krehbiel, Head, Department of Animal Science
- Martha Mamo, Head, Department of Agronomy and Horticulture
- David Jones, Head, Department of Biological Systems Engineering
- Rick Rasby, Associate Dean, Nebraska Extension
- Mary Drewnoski, Associate Professor, Department of Animal Science
- Daren D. Redfearn, Associate Professor, Department of Agronomy and Horticulture
- Joe D. Luck, Associate Professor, Department of Biological Systems Engineering
- Randy Saner, Extension Beef Educator
- Jessica Groskopf, Panhandle Regional Extension Economist
- Farm Credit Services of America
- Nebraska Corn Board
- Nebraska Farm Bureau
- Nebraska Bankers Association
- Nebraska Soybean Board

September 15, 2020

Dr. Larry Van Tassell  
Department Head  
Department of Agricultural Economics  
University of Nebraska-Lincoln  
102 Filley Hall  
Lincoln, NE 68583-0922

Dear Dr. Van Tassell:

I am writing this letter to express my support for the development of the Center for Agricultural Profitability. Given the importance of the agricultural industry to Nebraska and the necessity for agricultural producers to be profitable, the Center can serve as a platform to facilitate bringing several disciplines together that are necessary to engage in this vital work.

The Department of Animal Science is committed to supporting the Center for Agricultural Profitability by collaborating in research and outreach endeavors. To assist with this effort, Professor Mary Drewnoski has willingly committed some of her time to be a founding member of the Center to aid in this effort. We look forward to having additional faculty joining in the interdisciplinary efforts this Center will support.

If I can provide any further information or assistance regarding support for the development of the Center for Agricultural Profitability, please contact me by phone (402/472-3571) or by email ([ckrehbiel2@unl.edu](mailto:ckrehbiel2@unl.edu)).

Respectfully,



Clinton R. Krehbiel  
Marvel L. Baker Department Head and Professor  
Department of Animal Science

September 28, 2020

Dear Dr. Van Tassell:

The Department of Agronomy and Horticulture supports the establishment of the Center for Agricultural Profitability. Given the importance of the agricultural industry to Nebraska and the necessity for agricultural producers to be profitable and development resilient systems, the Center can serve as a platform to facilitate bringing several disciplines together that are necessary to engage in this vital work.

The Department of Agronomy and Horticulture is committed to supporting the Center for Agricultural Profitability by collaborating in research and outreach endeavors. It was clear during the listening session held on 9/23/2020 that our faculty see the need and are eager and ready to engage with the Center for Agricultural Profitability. To assist with this effort, Professor Darin Redfearn has willingly committed some of his time to be a founding member of the Center to aid in this effort.

We look forward to having additional faculty joining in the interdisciplinary efforts this Center will support.

Sincerely,



Martha Mamo  
Professor and Head

September 11, 2020

Larry W. Van Tassell  
Department Head  
Agricultural Economics  
102 Filley Hall  
UNL

RE: Letter of support for the development of the Center for Agricultural Profitability.

Dear Dr. Van Tassell:

I am writing this letter to express my support for the development of the Center for Agricultural Profitability. Given the importance of the agricultural industry to Nebraska and the necessity for agricultural producers to be profitable, the Center can serve as a platform to facilitate bringing several disciplines together that are necessary to engage in this vital work.

The Department of Biological Systems Engineering is committed to supporting the Center for Agricultural Profitability by collaborating in research and outreach endeavors. To assist with this effort, Professor Joe Luck has willingly committed a portion of his time to be a founding member of the Center to aid in this effort. We look forward to having additional faculty joining in the interdisciplinary efforts this Center will support.

Sincerely,

A handwritten signature in blue ink that reads "David Jones". The signature is written in a cursive style with a large initial "D".

David Jones, Ph.D., PE  
Professor and Department Head  
[david.jones@unl.edu](mailto:david.jones@unl.edu)





October 7, 2020

Dear Dr. Van Tassell:

I am writing this letter to express my support for the formation of the Center for Agricultural Profitability. Given the importance of the agricultural industry to Nebraska and the necessity for agricultural producers to be profitable, the Center can serve as a platform to facilitate bringing disciplines together that are necessary to engage in this vital work.

Nebraska Extension is committed to the success of the Center for Agricultural Profitability and will encourage the participation of appropriate Extension faculty in collaborating in research and outreach endeavors. We particularly are supportive of Randy Saner and his time commitment as a founding member of the Center. We look forward to having additional faculty joining in the interdisciplinary efforts this Center will support.

If you have other questions, please contact me.

Best Regards,

Rick Rasby, Ph.D.  
Associate Dean, Nebraska Extension

Date: December 16, 2019

From: Dr. Mary Drewnoski  
Associate Professor, Beef Systems Specialist  
Department of Animal Science  
University of Nebraska-Lincoln  
ANSC C220F Lincoln NE 68583-0908

I would like to express my support for the development of a Center for Agricultural Profitability. The only way to truly help Nebraska's farmers and ranchers is take a holistic approach in which decisions are evaluated on a system level. The Center for Agricultural Profitability can offer the umbrella to foster more collaboration among disciplines by centering on the common mission of assisting agricultural producers in making research based financially sound decisions.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Drewnoski". The signature is fluid and cursive, with the first name "Mary" and last name "Drewnoski" clearly distinguishable.

Mary Drewnoski

December 11, 2019

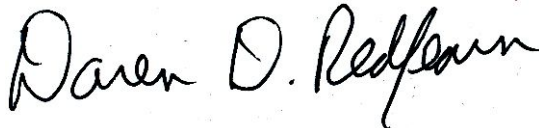
Dear Dr. Van Tassell,

It is my pleasure to write a letter in support of the Center for Agricultural Profitability. I have been aware of the concept for two years. Rapid changes in technology, fluctuating market prices, increasing input costs, and narrow return on investment fully justify the need for the Center for Agricultural Profitability. Information developed and delivered through the Center for Agricultural Profitability would have enormous value. For example, the ability to develop useful decision-aid tools to evaluate changes in management would be of great value to farmers and ranchers.

It is my opinion that the proposed work of the Center will provide numerous opportunities for collaboration among scientists across departments and campuses. One notable example are the many multidisciplinary research and extension programs with which I have been involved that include Dr. Jay Parsons in the Department of Agricultural Economics and Dr. Mary Drewnoski in the Department of Animal Science. Several fundamentals of our team-based programs are described in the summary of the Center proposal. Particularly important is use of farm and ranch management data for decision-making and including an economic component into all of our projects.

Again, thank you for the opportunity to provide a letter in support of the Center for Agricultural Profitability. If you feel that I can provide additional information, please do not hesitate to contact me.

Sincerely,



Daren D. Redfearn, Associate Professor  
Department of Agronomy and Horticulture  
Extension Forage and Crop Residue Specialist  
(402) 472-2662

December 10<sup>th</sup>, 2019

Members of the Review Panel,

I am pleased to provide this letter of intent for collaboration in support of the proposed Center for Agricultural Profitability. Economics are one of the most critical factors today in sustaining farms of all sizes and more effort in this focus area will benefit our stakeholders greatly across the state of Nebraska and beyond.

I have been conducting on-farm research studies for over seven years focusing on applying precision agriculture technologies for facilitating such studies. The ability to tie economic analyses to geospatial datasets for investigating the impact of variable crop input rates at the sub-field level has enhanced the feedback we give to producers. Simply put, if we can't provide them with dollars and cents, we can't tell them if changes in their production practices will be worth it.

I look forward to collaborating further with my colleagues in Agricultural Economics through the Center for Agricultural Profitability. Please let me know if I can provide any additional thoughts on this project moving forward.

Sincerely,



Joe D. Luck, Ph.D., P.E.  
Associate Professor and Precision Agriculture Engineer  
jluck2@unl.edu



Lincoln-Logan-McPherson Counties  
348 West State Farm Rd  
North Platte NE 69101  
308-532-2683, fax 532-2692



October 6, 2020

Dear Academic Planning Committee:

I support the Center for Ag Profitability. I have been a member since its inception and was a member of the issue team before the Center for Ag Profitability was an idea. I am an Extension Beef Educator and serve on the committee as an Extension supporter of the Center for Ag Profitability. I think this center will greatly increase agricultural profitability for Nebraskans through its educational programming for students, farmers, and ranchers. I plan to continue serving as a member of the Center as it is developed.

Sincerely,

A handwritten signature in black ink that reads 'Randall D. Saner'.

Randall D. Saner  
Extension Educator

Nebraska Extension is a Division of the Institute of Agriculture and Natural Resources at the University of Nebraska–Lincoln cooperating with the Counties and the United States Department of Agriculture.

Nebraska Extension educational programs abide with the nondiscrimination policies of the University of Nebraska–Lincoln and the United States Department of Agriculture.



December 6, 2019

Dr. Larry Van Tassell

As a Regional Extension Economist and the Director of the Nebraska Women in Agriculture program, I am excited to support the Department of Agricultural Economics proposal for a **Center for Agricultural Profitability**. This center fills a unique role, providing support informed decision-making in agriculture through applied research and education.

Nebraska farms and ranches are facing tough economic times. According to the USDA Economic Research Service, working capital has been decreasing for U.S. farms since 2012. The United States Bankruptcy Court of Nebraska has that reported 32 Chapter 12 bankruptcy cases have been filed in 2019. This is the highest number of filings in fifteen years.

Profitability is at the forefront of farms and ranchers decision-making process. However, the economic impact of changing production practices is often an afterthought of biophysical research. The **Center for Agricultural Profitability** will strengthen the interdisciplinary research happening at the University of Nebraska – Lincoln, encouraging agronomists, animal scientists and the like to collaborate with economists from the start of a project. This is especially important for the on-farm research network.

Once multi-disciplinary research is conducted, it can be more easily translated into a plethora of deliverables. As an Extension Educator, I am most excited about online decision-making tools. More importantly, I believe this will result in more Extension Educators integrating economic and business principals into their instruction.

Now more than ever, Nebraska producers are looking for tools and resources to help them survive. I look forward to helping farmers and ranchers make more informed decisions through applied research and education.

Sincerely,



Jessica Groskopf  
Panhandle Regional Extension Economist  
Director, Nebraska Women in Agriculture  
4502 Ave I  
Scottsbluff, NE 69361

**Farm Credit Services of America**  
**SouthWest Lending Division**  
855 Fallbrook Blvd  
P O Box 80298  
Lincoln, Nebraska 68524  
(402) 473-4300  
(888) 396-3276  
FAX (402) 474-0273

December 6, 2019

Dr. Larry Van Tassell  
Department Head  
Agricultural Economics  
102 Filley Hall  
University of Nebraska – Lincoln  
Lincoln, NE 68523-0922

RE: Proposed Center for Agricultural Profitability

Dear Larry,

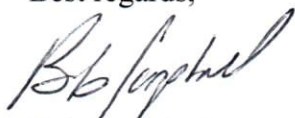
I am writing to express my support for the proposed Center for Agricultural Profitability (CAP). We have met a few times to discuss your vision for the CAP and your desire to bring a collaborative approach from within the University to help agricultural producers better manage their operations.

I fully support the vision and mission for the CAP. At Farm Credit Services of America, we have identified the need to help producers increase their overall business acumen and more specifically, understand the financial position of their operation and their cost of production. Our goal is for our customers to use that information to inform their business, marketing and risk management plans. We have created management tools, technology and customer education programs to help them run their business better. The work that we are doing for our customers aligns closely to the vision for the CAP and I believe we can collaborate for the benefit of producers.

The other reason that I am supportive is that the CAP will demonstrate the University's ability to re-invent it's approach to adult education and the value it can bring to the agricultural industry.

I'm excited to help you bring the vision to reality, please reach out if I can be of any assistance.

Best regards,



Bob Campbell  
Senior Vice President

December 11, 2019

Larry Van Tassell  
Department of Agricultural Economics  
102 Filley Hall  
University of Nebraska-Lincoln  
Lincoln, NE 68583-0922

Dr. Van Tassell,

On behalf of over 21,000 Nebraska corn farmers, I am writing in support of the proposed Center for Agricultural Profitability (CAP) at the University of Nebraska-Lincoln (UNL). Farmers in Nebraska are being challenged by tough economic conditions stemming from low commodity prices, trade disruptions, and extreme weather events. It is critically important that farmers have the resources to mitigate or adapt to these business challenges, both financially and managerially. The proposed CAP will play an important role in developing and implementing these needed resources.

A core tenet of the Nebraska Corn Board's vision is "Ensuring Sustainability" of Nebraska's corn farmers. This is very much in-line with CAP's mission of supporting informed decision-making from a holistic viewpoint – rather than a singular focus, such as maximum yield. CAP's outlined deliverables adequately support this mission and will set a strong foundation for producers to assess and improve their own decision-making philosophies.

As a land-grant institution, UNL is a trusted source of research, education, and extension. I have the utmost confidence in the quality and qualification of the cross-departmental faculty this will bring together, and look forward to the opportunity to collaborate on efforts, where appropriate, to accomplish CAP's objectives in increasing profitability of Nebraska's agricultural producers.

The Nebraska Corn Board strongly supports the proposed Center for Agricultural Profitability and sees great potential for it to benefit the constituency we serve as a board.

Sincerely,



Kelly Brunkhorst  
Executive Director  
Nebraska Corn Board





P.O. Box 80299, Lincoln, NE 68501 | (402) 421-4400

December 12, 2019

Dr. Larry Van Tassell  
Department Head  
Agricultural Economics  
102 Filley Hall  
University of Nebraska-Lincoln  
Lincoln, NE 68583-0922

Dr. Van Tassell,

I am pleased to write this letter in support of the Department of Agricultural Economics' proposal to establish the Center for Agricultural Profitability (CAP). Financial analysis, business management, and strategic planning skills are increasingly vital for today's farm and ranch operations. The CAP, we believe, can help foster producers' skills in these areas and help them navigate these increasingly challenging times.

Producers today face a multitude and variety of challenges not before experienced in agriculture. Consumer demands, sustainability, traceability, environmental regulation, globalization, volatile markets, and many other factors have increased the level of business and financial management skills needed to successfully manage an agricultural operation. It seems a plethora of resources exist to assist producers in the production aspects of agriculture. However, fewer resources exist providing information, guidance, and assistance on managing agricultural operations. The CAP can help address this need.

As a grassroots farm organization, the Nebraska Farm Bureau works for the benefit of our farm and ranch members through a wide variety of educational, service, and advocacy programs. We are currently in the process of exploring potential programs to assist younger producers foster their business management skills. A recent survey of younger members showed they are most interested in improving their skills related to financial analysis, business management, and strategic planning. These are areas identified by the Department of Agricultural Economics in their proposal. No doubt there will likely be several opportunities for collaboration with the CAP to provide this educational programming for our members.

Again, the Nebraska Farm Bureau is very supportive of the establishment of the Center for Agricultural Profitability. In our view, the Center can become an essential resource for Nebraska agricultural producers in the area for financial and business management programming.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jay E. Rempe', written in a cursive style.

Jay E. Rempe,  
Senior Economist

December 9, 2019

Re: Proposed Center for Agricultural Profitability (CAP),

To Whom it May Concern:

I write on behalf of the Nebraska Bankers Association (NBA) to express our support of the proposed Center for Agricultural Profitability (CAP). The NBA is a trade association that represents 173 of the 182 commercial banks and savings institutions in the state of Nebraska.

With the overwhelming majority of NBA member banks heavily vested in the profitability of agribusiness in Nebraska, the noted CAP deliverables are not only attractive, these concepts are essential for the continued economic success of our producers.

The current agricultural landscape coupled with advancements in technology require farmers and ranchers to take more of a business-minded approach to their operations. Establishing additional tools, metrics and respective executive management education as noted in the CAP would assist in supporting sound financial and business decisions.

The NBA would encourage the establishment of the CAP and would gladly offer financial institution expertise in the development of program curriculum.

The NBA appreciates your consideration of our interests and support of this program.

Very truly yours,



Richard J. Baier  
President & CEO

[richard.baier@nebankers.org](mailto:richard.baier@nebankers.org)

/ssk

December 2019

Dr. Larry W Van Tassell  
Head, Department of Agricultural Economics  
University of Nebraska-Lincoln  
Lincoln, NE 68583-0922

Dear Dr. Van Tassell:

I am writing to extend the support of the Nebraska Soybean Board to the establishment of the Center for Agricultural Profitability. As you are well aware, the financial situation of Nebraska's farmers is becoming critical. Many farmers need to increase their financial management abilities and base their decisions on the foundation of profitability and sustainability. I believe the integration of resources and disciplines as proposed by the Center for Agricultural Profitability can be a great asset in assisting the agricultural industry through these tough times and position them to help feed a hungry world in the decades to come.

The Nebraska Soybean Board has partnered in the past with the Department of Agricultural Economics to address the needs of soybean producers. Over the years, we have supported several of the department's outreach projects. For example, we helped fund the development of the Marketing in a New Era (MINE) simulation game to help producers develop marketing plans and hone their marketing skills. Currently, we are helping to support the development of the Agricultural Budgeting Calculator (ABC) application which will assist producers in understanding their costs and break-evens. We look forward to partnering with the Center for Agricultural Profitability on projects that will strengthen the soybean producers of the state.

Sincerely,



Victor Bohuslavsky  
Executive Director  
Nebraska Soybean Board

**Appendix III**

**CV for Center Director  
Allan Vyhnaek**

# Allan Vyhnalek

## Home

3129 N 92<sup>nd</sup> St  
Lincoln, NE 68507  
Cell: 402-910-5573  
e-mail: [avyhnalek1@neb.rr.com](mailto:avyhnalek1@neb.rr.com)

## Office

303C Filley Hall, UNL  
Lincoln, NE 68583-0922  
Phone: 402-472-1771  
e-mail: [avyhnalek2@unl.edu](mailto:avyhnalek2@unl.edu)

## Education

M.S. in Agricultural Education, University of Nebraska Lincoln, Lincoln, Nebraska, 1980, Minor Animal Science  
B.S. in Agricultural Education, University of Nebraska Lincoln, Lincoln, Nebraska, 1977  
I've attended a variety of workshops and college credit leadership training. Attended UNL Extension training in Seven Habits of Highly Effective People, The Five Choices, and Coaching. I have also completed the Hometown Competiveness Organizer Workshop. I am a certified Farm Transition Advisor. I attended Negotiation training at Harvard University in 2018.

## Professional Work Experiences

July, 2017 to Present – Extension Educator, Farm Succession for the University of Nebraska-Lincoln. Plan and implement state-wide information and educational efforts in the area of farm and ranch succession and transfer. Supervisor, Dr. Larry Van Tassell, Department Chair, Ag Economics, 402-472-3401  
2001 to June, 2017 – Extension Educator and Unit Leader for Platte County Extension, Columbus, Nebraska. Supervisor – Dr. William Kranz, District Director, University of Nebraska Cooperative Extension, 402-584-2261

- Leadership and administrative responsibilities for permanent staff of ten for the Platte County Extension Office.
- Major teaching focus in Ag Economics and Farm Management area. State-wide leadership for Landlord/Tenant Farm Leasing education. Also serving on regional or state teams teaching estate planning, commodity marketing, farm bill education, and coordinate the Farm Management presentations for the Nebraska Crop Production Clinics. Grants for programming exceeds \$135,000 over the last 5 years

1992 – 2001 - County Extension Education Director, Grundy County, Iowa State University Extension, Coordination of Grundy County Community Partners, Grundy Center Youth and Families Task Force and the Dike/New Hartford Healthy Community/Healthy Youth Coalition.

1987 - 1992 - Extension 4-H and Youth Leader, Grundy and Butler Counties, Iowa State University Extension

1980 - 1987 - Assistant Professor, Production Agriculture Department, University of Nebraska School of Technical Agriculture, Curtis, Nebraska,

- Designing, writing and teaching technical animal science skill classes and beginning computer science classes
- Developed and taught Animal Science and Agricultural Education transfer class for University of Nebraska Lincoln

1980 - Graduate Assistant, Agricultural Education Department, University of Nebraska, Lincoln  
1978-1979 - Vocational Agriculture Instructor, Elgin High School, Elgin, Nebraska

## Leadership

2019 Chairman of the Board, International Farm Transition Network  
2018 to present – Board Member, International Farm Transition Network  
2013 to 2017 – Treasurer of Epsilon Sigma Phi Extension Honorary Chapter in Nebraska  
2015 – Member of the UNL Extension Dean's Advisory Committee  
2014 to 2017 - Co-Chair of the UNL Ag Economics Extension Teaching Team  
2013-2015 – President Elect, President and Past President, Nebraska Cooperative Extension Association  
2012 – President of Epsilon Sigma Phi Chapter (Extension Honorary) for Nebraska  
2010 to 2015 – Chair of Agri-business Committee of Columbus Area Chamber of Commerce

2009 to 2013 – Member of the Columbus Area Community Foundation Fund Advisory Committee  
 2008-2011 – Tri-Chair for National Association of Extension 4-H Agents 2011 Annual Conference in Omaha  
 2006 – 2011 – Member of UNL Vice Chancellor’s Liaison Committee, serving as chairman in 2011  
 2004-2007 – Board of Directors, Technology Committee Chair, Columbus Area Chamber of Commerce  
 2005 – Northeast District Representative to Nebraska Cooperative Extension Association (member of NCEA board of directors)  
 2001-2002 – National Vice-President for Marketing and Outreach, National Association of Extension 4-H Agents  
 1999-2000 – Committee member and chair of State-wide County Director In-Service planning committee.  
 1998-1999 - National Extension Leadership Development (NELD), North Central  
 1998 – ISUE Annual Conference Committee, planned and conducted the Extension Annual conference, served as master of ceremonies and was a presenter for a workshop.  
 1996-1997 - Public Leadership Committee - Iowa State University Extension. Helped plan and conduct Publicity and Marketing In-Service workshop for ISU Extension Professionals.  
 1996-1997 - Policy and Resolutions Committee member and regional contact, National Association of Extension 4-H Agents. Active member that wrote several resolutions during the '97 National 4-H Agents conference.  
 1994-1995 - North Central Regional Director - National Association of Extension 4-H Agents. Hosted and planned 4-H section of North Central Regional Leadership Development meeting in Des Moines and in St. Louis. Planned and conducted National board of director workshop at national meeting.  
 1993 - Executive Committee and State Vice President, Iowa State University Extension Association. Attended state board meetings and helped conduct the business of the association.  
 1993 - State President, Iowa 4-H Section, Iowa State University Extension Association. Planned and conducted 4-H section meetings. Represented the Iowa section at the National 4-H Agents association meeting  
 1992 - President Elect, Iowa 4-H Section, Iowa State University Extension Association  
 1992 and 1993 - Team member from Iowa representing the 4-H Section to North Central Regional Extension Leadership Development Meetings in St. Louis and Minneapolis  
 1992 - National Extension Public Information Leadership Development Workshop, Washington, D.C.  
 1991 - State Vice President, Iowa 4-H Section, Iowa State University Extension Association  
 1990 - State Secretary, Iowa 4-H Section, Iowa State University Extension Association

### **Awards**

2018 – 25 years of service award, University of Nebraska  
 2014 – Innovative Extension Educator Award, UNL Extension  
 2014 – Extension Team Teaching Award – Farm Bill Education, IANR Award, UNL  
 2013 – 25 years of service award to National Association of Extension 4-H Agents  
 2010 – Distinguished Service Award – National Association of Extension Agricultural Agents  
 2005 – Meritorious Service Award, National Association of Extension 4-H Agents  
 1995 - Epsilon Sigma Phi - State Early Career Award  
 1995 - Distinguished Service Award, National Association of Extension 4-H Agents  
 1991 - Achievement Award, Iowa State University Extension Association  
 1987 - Outstanding Post Secondary Instructor Award, Nebraska Vocational Agriculture Association  
 1983 - District 9 Outstanding Young Member award, Nebraska Vocational Agriculture Association

### **Grants**

2009 to present – various grants from the Nebraska Soybean Board and Extension North Central Risk Management to conduct Farmland Leasing Workshops focusing on communications, lease arrangements, land values, cash rents, and land transfer. Total of all grants is about \$170,000

**TABLE 1: PROJECTED EXPENSES - NEW ORGANIZATIONAL UNIT  
UNL Center for Agricultural Profitability**

	(FY2022) Year 1		(FY2023) Year 2		(FY2024) Year 3		(FY2025) Year 4		(FY2026) Year 5		Total
<b>Personnel</b>	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	Cost
Faculty <sup>1</sup>											\$0
Non-teaching staff: Professional											\$0
Graduate Assistants <sup>2</sup>	1.00	\$26,000	1.00	\$26,390	1.00	\$26,786	1.00	\$27,188	1.00	\$27,595	\$133,959
Non-teaching staff: Support <sup>3</sup>											\$0
Subtotal		\$26,000		\$26,390		\$26,786		\$27,188		\$27,595	\$133,959
<b>Operating</b>											
General Operating <sup>4</sup>		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000	\$50,000
Equipment <sup>5</sup>		\$2,000						\$2,200			\$4,200
New or Renovated Space											\$0
Library/Information Resources											\$0
Other											
Subtotal		\$12,000		\$10,000		\$10,000		\$12,200		\$10,000	\$54,200
<b>Total Expenses</b>		\$38,000		\$36,390		\$36,786		\$39,388		\$37,595	\$188,159

<sup>1</sup> A current faculty member (Allan Vyhnaelek) will allocate 0.15 of their time as Center Director.

<sup>2</sup> Graduate expense includes stipend and tuition, fees, and other benefits.

<sup>3</sup> A current staff position will be repurposed to support the Center.

<sup>4</sup> Projected operating such as operative supplies, communications, and travel.

<sup>5</sup> Computer and replacement.

**TABLE 2: PROJECTED REVENUES - NEW ORGANIZATIONAL UNIT  
UNL Center for Agricultural Profitability**

	(FY2022) Year 1	(FY2023) Year 2	(FY2024) Year 3	(FY2025) Year 4	(FY2026) Year 5	Total
Reallocation of Existing Funds						\$0
Required New Public Funds						
Tuition and Fees						
Other Funding						
1. USDA-NIFA Benchmarking	\$250,000					\$250,000
2. N. Central Ext. Risk Management Education Ctr <sup>1</sup>	\$175,000					\$175,000
3. USDA Risk Mgmt Agency <sup>1</sup>	\$99,359					\$99,359
4. NIFA Beginning Farmer & Rancher Development Prog <sup>1</sup>	\$49,995					\$49,995
5. Agricultural Industry Support	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
6. Fee revenue from public programs	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
<b>Total Revenue</b>	\$634,354	\$60,000	\$60,000	\$60,000	\$60,000	\$874,354

<sup>1</sup> Pending grant support. History has shown that we should be able to continue this funding each year.