

## **The Agricultural Proficiency Awards Lessons**

Participation in the agricultural proficiency awards system should start from the first day of enrolling in an agricultural education program. The proficiency award system has been designed as an incentive program to encourage students to strive for quality in their SAE programs. Having students receive a proficiency award requires the instructor to have the ability to advise and direct the student as well as conduct a good sound SAE program. Like all FFA activities, to make the proficiency award program meaningful and useful to all agricultural education students it needs to be incorporated into the classroom instructional program.

Once completed applications leave the local chapter level their evaluation is based on what is contained in those applications. That means that the people assigned to read and evaluate an application will have no knowledge about the program beyond what is included in the application.

Contrary to what you may believe or may have heard, the size of an individual's SAE program is only a portion of the evaluation process. Student skill attainment and accuracy of the application are paramount to success in these awards.

To be competitive the completed application form must be a true and honest reflection of the student's supervised agricultural experience program. The following lessons have been designed to give you an insight into assisting the student in completing the proficiency application.

### **LESSON #1: ELIGIBILITY**

#### **BACKGROUND INFORMATION**

In order to be eligible for an Agricultural Proficiency Award:

1. Applicant has been out of high school for no more than one year, **cover page, line 19.**
2. If applicant has graduated they have completed at least three full years of agriculture, or all of the agriculture offered in the school last attended, **cover page, line 16 & 17.**

**NOTE:** All applicants that are still in high school at the time of applying are eligible to participate at all grade levels.

3. Have in operation and have maintained records to substantiate an outstanding supervised agricultural experience program through which a member has exhibited comprehensive planning, managerial and financial expertise. **Pages 2 - 11.**

**NOTE: It is important that the cover page of the application is complete and accurate because the information recorded here is used to determine the candidate's eligibility.**

## **LESSON #2: CANDIDATE'S SUPERVISED AGRICULTURAL EXPERIENCE PROGRAM**

### **BACKGROUND INFORMATION**

The candidate has a choice of conducting two different types of experience programs in earning an Agricultural Proficiency Award.

1. **Entrepreneurship-** Entrepreneurship programs assist students in developing competencies needed to own and manage production agriculture and agribusiness enterprises. Students with entrepreneurship programs have personal ownership of the materials or other input required for the enterprise. They must keep complete and accurate records. Entrepreneurship programs may be developed in any setting. School or community facilities can be used for entrepreneurship programs provided the student owns the materials used in the enterprise. For example a student may rent school greenhouse space to produce bedding plants, be provided with a community facility in which to raise livestock or land on which to produce crops.

2. **Placement-** Placement programs involve the placing of students on farms or ranches, in agribusinesses, in school laboratories or other community facilities. The purpose is for students to gain practical, hands-on experience needed to enter and advance in their chosen occupational fields in the agricultural industry. Students utilize the facilities and human resources provided by employers, school, or community organizations in developing essential employment competencies. The students work toward the achievement of specific agricultural skills. They do not own the facility or area where they are placed but

are usually paid a wage for their work. Placement experiences can be both wage earning and non-income producing.

- Tip #1 - Record year - the first year can either be less than, equal to, or more than a full year. After the first year the calendar year is used as the record year. The computerized programs also allow you to do this. The computer is programmed to automatically fill in the correct dates in the appropriate columns.
- Tip #2 - Beginning and ending inventories must include all items owned by the candidate that relates to the supervised agricultural experience program being used to seek the degree. These inventories must include the value of all items (i.e. those purchased for resale, livestock, poultry, feed, supplies, buildings, land and equipment) owned by the student.
- Tip #3 - Each year's beginning inventory must be the same as the preceding year's ending inventory. However the new handbook does describe a situation whereby a gift that becomes part of the SAE inventory may cause an adjustment or "convention" to be made to the beginning inventory in the year the gift is received. There is another acceptable way to make this convention and I suggest that you use it.
- Tip #4 - The closing non-current/capital inventory for the last year covered by the application, page 6, item 4a, must equal the total of the non-current/capital inventory items reported on **page 5, lines 3c plus 4d. If this total is different, what message are we sending to the person who is reviewing the application?**
- Tip #4a - The **total** of line 1c "Change in Current/Operating Inventory" on **page 6** should equal the **difference** between the beginning and ending values of current/operating inventories which are found on **page 5, line 2.**
- Tip #5 - When the size of an enterprise for the last year covered by the application, **page 6**, is described in the number of head of

animals owned **this number can be greater but can not be less than** the total number of head reported as inventory.

- Tip #6 - Non-cash costs which were earned through barter, exchange for labor, gift or other means must be charged as an expense to the enterprise consuming it and also be reported either as **Non-Cash Income NOT Related to this Award Area, or Earned Income NOT Related to this Award Area, or Gifts, Inheritance and Other Non-Earned Income** on **page 8** or are **offset by entries into line 1h on page 6.**
- Tip #7 - The size of the candidate's enterprises should appear relative to their resources (acquiring large quantities of inventory with little to no expense outlay are cause for concern by evaluators). When evaluating enterprise size look for evidence of improvement and growth (efficiency factors). If growth in size or income earned appears unrealistic or out of line for a particular year, look for an explanation within the **performance review**, pages 2 & 3.
- Tip #8 - Remember every item used in the course of producing livestock or a crop has a value and that value must be charged to the enterprise consuming it whether you paid for it with cash or non-cash exchange.
- Tip #9 - A candidate's supervised agricultural experience program may contain both paid and unpaid hours of experience. If wages are earned on an hourly basis be careful to only multiply the rate of pay by the hours of paid labor performed and **not** the total hours worked.
- Tip #10 - Payroll deductions for state and federal taxes, Social Security and other forms of retirement are not to be considered as job related expenses. For most wage earning jobs there is a cost to the wage earner. Candidates must consider transportation to the work site, special clothing or safety equipment required for the job, employment fees, union dues, etc. as job related expenses.

**Special Note:** The Proficiency Award Computer Software program has been designed to do all possible math calculations for the candidate. If you find a cell

in the application which has a red triangle in the corner, that means that the numbers are computed or are transferred automatically by the computer program.

### LESSON #3: INVENTORY

#### BACKGROUND INFORMATION

There are two distinct inventories in the application. The first is current/operating inventory, which should include all supplies, equipment, and merchandise bought and held for resale, harvested crops, growing crops, and market animals. The second set of inventories are non-current capital inventories which include home raised and purchased breeding livestock, machinery, equipment, land improvements and other capital items on hand that are a part of the supervised agricultural experience program at the end of the last record year. There is a special value entry cell in the balance sheet for land related to the proficiency award, **page 5, line 3b**.

- Tip #1 - Land values are to be kept at acquisition cost. (Increasing the value of land due to inflation will lead to an unrealistic statement of earnings).
- Tip #2 - A piece of equipment or a building whose value and service life has been extended through extensive repairs must have its remaining book value and estimated years of life adjusted to reflect the added value. Only the actual cost of repairs can be used to calculate the new value. (**Do not** include the cost of the applicant's own labor.)
- Tip #3 - All machinery, buildings and equipment values must be the remaining undepreciated book value. (Acquisition cost minus depreciation). Again any repairs increase the value by only the actual cost; no increase is to be attached for applicant labor.
- Tip #4 - Candidate must list items of inventory for which they do not have 100% ownership by only reporting the actual value of the candidate's share of each item of inventory.
- Tip #5 - The number of head of livestock reported in the closing inventory can be **less** than, but can not be **greater** than the number of different head owned during the year and reported as

size of enterprise for the last year covered by the application on **page 6.**

- Tip #6 - When the personal car is used in the business IRS (and FFA) will allow a reasonable proportion of the cost of ownership as a business expense and therefore, business (productive) inventory.
- Tip #7 - The grand total value reported for closing non-current/capital inventory on **page 6 a&b line 4a** must be the same total value found on page 5, line 5.
- Tip #8 The inventory should reflect the candidate's movement towards attainment of his/her occupational goal.

**LESSON #4: INCOME NOT PART OF THE SAE (Sections VIII., IX, and X, page 8)**

**BACKGROUND INFORMATION**

Items received as a gift or as an inheritance can have an influence on the candidate's net worth and therefore must be included as a source of income.

- Tip #1 - If an item received as a gift or as a part of an inheritance appears in the candidate's financial statement it must also be recorded as **"Gifts, Inheritances, and Other Non-Earned Income", Section X, Page 8.**
- Tip #2. Items received from a parent or other source for doing relatively little work is a gift and not income.

**EXAMPLE:** When I was a freshman Dad gave me a 33% interest in the dairy herd because I had helped shovel the walk in the barn. My share was worth \$59,000, at that time. **What do you think? Is this a reasonable wage, or is it a gift?**

## **LESSON #6: CANDIDATE'S FINANCIAL BALANCE SHEET STATEMENT**

### **BACKGROUND INFORMATION**

The **Applicant's Financial Balance Sheet Statement** (AFBSS) is the record of the candidate's total assets and liabilities, including the gain or loss in net worth during the period covered by the application.

- Tip #1 - The beginning non-current/capital inventory value of all items of capital must be reported at the same values as reported on the **Income and Expense Summary** page on **pages 6 a/b (except for the value of land related to the SAE, which is included in the AFBSS, but not in the Income and Expense Summary)** of the application.
- Tip #2 - The ending inventory value of all items of capital must be reported at the same values as reported on the **Income and Expense Summary page 6** and on the **Non-Current/Capital Inventories** of the application on **page 5**.
- Tip #3 - Only the cash surrender value of a life insurance policy can be considered as an asset.
- Tip #4 - There is **no** way that a candidate's net worth can increase more than the total of the following:
1. Candidate's return to capital, labor and management of all enterprises that are a part of the supervised agricultural experience program.
  2. Grand total net earnings from the wage earnings.
  3. Total other earned income that is **not** a part of the supervised agricultural experience program.
  4. Cash value of all items received as income other than earnings.

- Tip #5 - Agriculture is an industry that relies on using borrowed capital. There is no penalty to the candidate for indicating liabilities associated with becoming established in an agricultural career.

## **LESSON #7: ACCOUNTING FOR CHANGE IN OWNER'S EQUITY**

### **BACKGROUND INFORMATION**

To assist in the evaluation of the completed application each proficiency award candidate must transfer requested financial information recorded on other pages of the application to this section. (The computer application makes all possible transfers for the candidate.) This summary provides a valuable tool in evaluating the accuracy of the financial information and to visualize the total investment made by the candidate in becoming established in an agricultural career.

## **LESSON #8: PERFORMANCE REVIEW and EFFICIENCIES ATTAINED**

### **BACKGROUND INFORMATION**

Planning, goal setting, and skill attainment are all long-standing pillars of the FFA and SAE program. The efficiency of a program is one measurement of how well a candidate has done in relation to an accepted standard or in comparison with the competition, however it is important to consider the management practices used. Remember that with any resource there is a point of diminishing returns.

- Tip #1 - An otherwise good application may be reviewed with mistrust when a candidate mistakenly states the efficiencies obtained. For instance, stating that a swine enterprise had a gain of two pounds per day on one pound of feed or that a poultry enterprise had 600 eggs per hen housed makes the entire application suspect. **If any of you have students with operations like this and they are in the need for capital to expand please let me know as I can always find a few dollars to invest that will offer a high return.**
- Tip #2 - To properly determine efficiency factors requires that each candidate be informed in advance of setting up their record

books, as to the type of information that they will need in order to make various calculations.

Tip #3 - There should be a correlation between the type of enterprises reported on the **Scope, Section IV, on page 6 a/b** of the application and the efficiency factors used.

**EXAMPLE:** Feed cost per pound of pork is not a very meaningful efficiency factor if the enterprise consists of producing pigs that are sold as feeder pigs.

Tip #4 - In determining the farrowing, lambing, calving numbers or percentages, all full term animals born dead or alive must be included.

Tip #5 - In calculating the total number of litters include all litters that produced one or more pigs, either dead or alive.

Tip #6 - Calculate the average daily gain for market swine, lamb and beef, from the time they become a part of the finishing enterprise until they are sold. For computing feed conversion efficiency **do not** include feed fed to breeding stock.

Tip #7 - The average number of layers housed or dairy cows in production per year is determined by calculating the number on hand the first day of each month plus the number on hand December 31 divided by 13.

Tip #8 - Total number of cows or ewes should include all females bred with the intention of holding them until they give birth,

Tip #9 - Laying hen feed expense should be calculated from the time the birds are transferred to the laying house from the pullet flock or from the date ready-to-lay pullets are purchased.

Tip #10 - In calculating the total dozens of eggs produced be sure to include all eggs produced including eggs sold, consumed in the home, bartered or given away, broken in handling or used in hatching.

Learning how to set up records to determine efficiency factors is a management technique that all producers of crops and livestock must be able to accomplish if they are to remain efficiency producers. Your **Agricultural Proficiency Award Handbook** can provide you with the basis to teach a unit on this topic. The “Decisions and Dollars” curriculum, available through the Professional Growth Series of the National Council on Agricultural Education is an excellent source of information for all record keeping, goal setting and program planning processes.

Skills, competencies, and knowledge are those abilities that the candidate has acquired as a result of the training and experiences received through his/her agricultural education and supervised agricultural experience program.

Tip #1 - Do not write a lengthy narrative on a skill or skills, competency or competencies, etc.. Rather state the specific items in the first column and indicate the results obtained in the second column. Measurable terms, actual numbers or percentages to indicate improvements are very useful to the evaluator of the application.

**EXAMPLE:** Don't say, “I have developed a wide variety of qualities needed in making wise selection decisions to improve my dairy herd.” Rather, identify and state the qualities.

- I can read and interpret sire summaries in order to select the proper sires to use on my herd.

- I can do about 75% of my own dehorning, tattooing, intravenous treatment and other veterinary work.

Tip #2 - This section of the application supports the management level and ability of the candidate. It also provides an excellent means to substantiate the information supplied on other sections of the application form. A little extra time devoted to this section can pay big dividends.

Tip #3.- The skills and competencies listed must relate to the business/enterprises conducted by the candidate.

## **LESSON #9: RESUME'**

### **BACKGROUND INFORMATION**

Nearly all FFA members will have need for a resume' for one purpose or another, and soon all students in the nation will develop portfolio's which include résumé's. The proficiency award applications require completion and inclusion of a resume', which can be no more than two pages in length and contains information regarding personal information, career objective, education, FFA leadership activities and awards, school and community leadership activities and awards, professional associations, other accomplishments and names and addresses of three references.

## **LESSON #10: EMPLOYER OR INSTRUCTOR'S STATEMENT**

### **BACKGROUND INFORMATION**

Each candidate must include a recommendation from an agricultural education instructor or an employer. This recommendation may not exceed one page in length. It is possible to include a recommendation from more than one person if this does not exceed more than one total page.

## **LESSON #11: PICTURES**

Pictures are encouraged for all candidates for FFA Proficiency Awards. Up to six pictures may be used to support the application and each caption may include 50 words. Captions should be relevant, but should not simply state the obvious. The pictures and captions are a good way to support the quality and scope of the program and to relay information that the candidate has not been able to adequately address in the application.