



Economic Toolbox

COMPUTERS... HO...HUM?

Faded now is the fascination the general public had only 8 years ago when hearing that *even farmers* are now using computers. Gone also it seems, are the days of hope and glory for early adopters of computer technology on farms. The hope was that this new and complicated technology would solve all the farm's information needs including bookkeeping and payroll, crop records, livestock records, and feed ration balancing. In reality, we have used our computers so routinely for these chores that the glory we once felt at printing checks or vet-check lists has long since lost its luster. If you are bored with your computer, there is something you can do about it.

Hardware Upgrade

If you have owned your computer for five years (three for those of us with "new paint" syndrome) or more, it needs upgrading. Software developers design their new versions to take advantage of the increased speed and capabilities of state-of-the-art computers to provide us with the improvements we look forward to. Chances are you have upgraded your software to newer and improved versions which translates into slowing down your computer and making your task all the more tedious.

If you have not been computer shopping in a few years, you will be shocked at how much more computer \$2,000 will buy for you than just five years ago. In 1990, IBM Compatible 386 computers were the standard entry-level machine. Hard drives held 80 megabytes (MB) of programs and information, and 2 MB of computer memory (RAM) were standard. If you shopped hard, you might get a couple of games thrown in the deal. Now, the same amount of money will buy a Pentium (read 586) based computer which is at least several times faster. Also included will be a hard drive with 500 MB or more of memory, 8 MB of RAM, a CD-ROM with stereo speakers, a fax-modem, and a larger and better color monitor. Software thrown in is likely to include half a dozen

games, plus an encyclopedia on CD, word processing, spreadsheet, publishing, bookkeeping and MTV-like music clips. Some comment that their old software is so much faster on their new computer that they no longer have time to sip coffee while waiting to generate a report.

Shopping for hardware is easier than ever with the advent of computer super-stores such as Computer City or CompUSA. In a short period of time in these stores you can compare monitor quality, computer speeds, printers and prices for 20 or 30 different makes and models. Armed with features and price information, you can buy your system at your local computer store, mail order house (pick up any computer magazine for ads) or the big warehouse knowing that you are getting a fair price.

Upgrading Software

The majority of on-farm computers are dedicated first to bookkeeping and second to livestock records. Switching to a new accounting or livestock program is a daunting and time consuming process. Learning a new software product can be frustrating and time consuming. The thought of losing your historical records or having the time to put them into the new program provides additional barriers to switching software programs.

The step most people take is to upgrade their current program to a new version developed by the same software developer. Learning time is usually brief and historical records are normally carried forward automatically. However, if you are convinced that new software is worth the trouble of getting it up and running, deciding when to make the move can save time and trouble.

For accounting software, I recommend starting a new system just after the books have been closed for your fiscal year. On most farms this would be around February. And, you will not feel as guilty about sitting in front of the computer when the snow's blowing than when it's not.

Skills Upgrade

Graphical interfaces such as the *Windows* operating system are here to stay. Whether you are a new or seasoned user, I recommend taking a beginner course at your local community college on *Windows* so you can take advantage of the many features provided. A little bit of training relieves a lot of frustration.

You can have fun with your new computer too. Getting on-line to one of the many internet forums for agriculture can really broaden your horizons as touched on in July's issue regarding the information superhighway. For \$125, you can get four CD discs with all the listed names and telephone numbers in the U.S. and find all your lost relatives (unless your last name is Smith). For \$200, buy a gizmo that hooks your computer and camcorder together, providing countless hours of fun "morphing" yourself into the slim, muscular body you always wanted. And, education isn't just for kids either. CD-ROMs are packed with history, nature, and music for all tastes and interests.

Recommendations

If I were buying a new computer today for the farm business and to share with the family I would get a Pentium or fast (66 MHz or better) 486 IBM compatible computer system with at least 800 MB of disk space and 8 MB of RAM. It would include a 4x CD-ROM player with sound card and speakers, a 3 1/2 disk drive, mouse, keyboard and 15 inch color monitor. Also included would be a fax modem meeting the V.32bis standard. Call me old-fashioned, but I still prefer a dot matrix printer for printing checks and a laser or inkjet printer for reports, letters and the like. Budget around \$2,500 for all of this.

For accounting software, I am recommending Quickbooks for Windows by Intuit for just about everyone except large farms with special payroll, inventory or cost accounting needs. Quickbooks is cheap, easy and fun but may not meet all your needs for providing Fair Market Value balance sheets, cost per unit income statements or

detailed enterprise accounting. Happy computing...again!

Eleanor - Please note that if you have room to run "Bruce Dehm is a production economist with Dehm & McAbee, a farm business consulting firm in Geneseo, NY" could you please change it to "Bruce Dehm is an agricultural economist with Dehm Associates, a farm business services firm in Geneseo, NY" McAbee is not with me any longer and I am changing somewhat the thrust of my mission. Thanks. Bruce.