FARM AND AGRIBUSINESS MANAGEMENT CDE PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. What entity was established following the 1983-1987 Farm Debt Crisis?

A. The Farm Financial Standards Council

B. The Association of Agricultural Managers

C. The Farm Accounting Standards Board

D. The North American Free Trade Agreement

2. Which of the following is currently used as an input for a cattle feed ration?

A. Defective Skittles

B. Discarded fast food

C. Pinecones

D. Grasshoppers

3. During which farm life cycle stage is a farmer likely to take risks to expand operations?

A. Entry

B. Growth

C. Consolidation

D. Exit

4. Which of the following is considered a commodity?

A. Organic Beef

B. Non-GMO Corn

C. #2 Corn

D. A Chevrolet Pickup

5. Where can a farmer obtain information on production costs for coconuts?

A. State Extension Offices

B. Google

C. Local farmers' markets

D. Online forums

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6. What basic macroeconomic principle explains why money earned in the future is worth less than money in the present?

A. Inflation

B. GDP

C. Unemployment

D. Recessions

7. What is the capital city of Nebraska?

A. Omaha

B. Lincoln

C. Des Moines

D. Hastings

8. What percentage of farms in the United States are considered part time?

A. 5%

B. 10%

C. 15%

D. 50%

9. In Nebraska, during which season is corn typically planted?

A. Spring

B. Summer

C. Fall

D. Winter

10. What is the significance of break-even analysis in agribusiness?

A. Determining the maximum profit

B. Identifying the minimum sales required to cover costs

C. Calculating taxes owed

D. Assessing market trends

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Answers

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1. A
2. A
3. B
4. C
5. A
6. A
7. B
8. D
9. A
10. B

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Explanations

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1. What entity was established following the 1983-1987 Farm Debt Crisis?

A. The Farm Financial Standards Council

B. The Association of Agricultural Managers

C. The Farm Accounting Standards Board

D. The North American Free Trade Agreement

The Farm Financial Standards Council was created in response to the significant challenges that emerged during the 1983-1987 Farm Debt Crisis. This crisis highlighted the need for improved financial standards and practices in agriculture, particularly as many farmers faced severe financial distress due to rising interest rates, falling commodity prices, and increased debt levels. The council aims to develop and promote standard financial practices for the agricultural sector, ensuring transparency and providing farmers with better tools to manage their financial situations. By establishing these standards, the organization helps to enhance the accuracy and comparability of financial statements, fostering better decision-making and financial planning among agricultural producers. This need for standardized financial practices underscores the focus of the entity, which is aligned with responding to the complexities that arose during the crisis. Other options do not pertain specifically to the establishment that directly addressed the challenges faced during that time. While organizations like the Association of Agricultural Managers and the Farm Accounting Standards Board are focused on agriculture, they did not emerge specifically as a direct response to the Farm Debt Crisis. The North American Free Trade Agreement is more related to trade policy and agreements rather than financial management standards in agriculture.

2. Which of the following is currently used as an input for a cattle feed ration?

A. Defective Skittles

B. Discarded fast food

C. Pinecones

D. Grasshoppers

Defective Skittles are indeed used as an input for cattle feed rations because they are often repurposed as a source of energy or protein in livestock diets. These candies, which may not meet quality standards for human consumption, can provide carbohydrates and sugars, contributing to the overall caloric intake of the animals. The practice of utilizing such food byproducts is a part of modern livestock management, aimed at improving feed efficiency and reducing waste. In contrast, while discarded fast food has been considered for animal feed and contains high energy content, it may not be a commonly accepted or regulated feed option due to concerns about safety, preservatives, and nutritional balance. Pinecones are not a practical feed source for cattle as they are tough and not easily digestible, lacking the necessary nutrients. Grasshoppers could potentially be used as a protein source, but they are not commonly included in cattle feed rations on a large scale compared to other feed ingredients.

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3. During which farm life cycle stage is a farmer likely to take risks to expand operations?

A. Entry

B. Growth

C. Consolidation

D. Exit

During the growth stage of the farm life cycle, a farmer is likely to take risks to expand operations. This phase is characterized by a period of increasing scale and productivity. Farmers may invest in new technologies, expand land acreage, or diversify their crop or livestock operations to capitalize on market opportunities and increase profitability. Taking calculated risks during this stage is essential for growth, as farmers aim to strengthen their competitive position and achieve economies of scale. Successful growth can lead to enhanced revenues and can also improve the farm's overall sustainability and resilience in the face of changing market conditions. The entry stage typically involves establishing the farm and may not be as focused on expansion due to limited resources and the need to build a fundamental base. Consolidation involves stabilizing operations typically after periods of growth and may involve more conservative management strategies. The exit stage is associated with winding down operations or transferring ownership, where taking risks to expand would not be applicable. Thus, the growth stage is the most critical for farmers actively pursuing expansion through risk-taking.

4. Which of the following is considered a commodity?

A. Organic Beef

B. Non-GMO Corn

C. #2 Corn

D. A Chevrolet Pickup

In the context of agriculture and agribusiness, a commodity is typically defined as a basic good that is interchangeable with other goods of the same type. Commodities are often undifferentiated, meaning that they do not carry specific brands or unique characteristics that set them apart from similar products. #2 Corn is a standardized grade of corn that's recognized in the marketplace, and it serves as a benchmark against which prices of corn and other grains are established. This classification ensures uniformity, making it easier for buyers and sellers to trade. As a widely produced and traded agricultural product, #2 Corn fits the criteria of a commodity perfectly. On the other hand, options like Organic Beef and Non-GMO Corn represent products that have specific qualities, attributes, or are produced under certain regulations that differentiate them from other types of beef or corn. These distinctions often cater to specific consumer preferences and market segments, making them less interchangeable and thus not categorized as commodities in the traditional sense. Similarly, a Chevrolet Pickup is a specific brand and model of a vehicle, characterized by its unique features, which further separates it from the concept of a commodity. This understanding of what defines a commodity highlights why #2 Corn is selected as the correct answer, as it embodies the essential

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5. Where can a farmer obtain information on production costs for coconuts?

A. State Extension Offices

B. Google

C. Local farmers' markets

D. Online forums

A farmer can obtain reliable and relevant information on production costs for coconuts from State Extension Offices. These offices are affiliated with land-grant universities and operate across many states, providing research-based information and expertise tailored to local agricultural needs. They offer resources on production practices, cost analysis, pest management, and best practices specific to crops, including coconuts. This institutional knowledge comes from extensive research and practical application, making it a trusted source for accurate production cost data. While searching on Google may provide a wide array of results, the information may not always be credible or applicable to the specific conditions a farmer is facing. Local farmers' markets may give insight into market prices and consumer preferences but typically do not provide details about production costs. Online forums can offer anecdotal advice and shared experiences from other farmers, but these insights can lack the rigorous accuracy needed for serious financial planning and analysis in agriculture. Thus, the State Extension Offices stand out as the most authoritative and reliable source for this type of information.

6. What basic macroeconomic principle explains why money earned in the future is worth less than money in the present?

A. Inflation

B. GDP

C. Unemployment

D. Recessions

The principle that explains why money earned in the future is worth less than money in the present is inflation. Inflation refers to the general increase in prices and the fall in purchasing power of money over time. When inflation occurs, each unit of currency buys fewer goods and services than it did in the past. Therefore, if you receive money in the future rather than having it now, the purchasing power of that future money is reduced due to inflation. Conceptually, this idea is also linked to the time value of money, which suggests that a dollar today is worth more than a dollar tomorrow because money can earn interest or generate returns if invested. Given the effects of inflation, the ability to invest and grow that dollar today makes it even more valuable compared to when it is received in the future. GDP, unemployment, and recessions pertain to broader economic health metrics and conditions but do not specifically address the value of money over time in the same way that inflation does.

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7. What is the capital city of Nebraska?

A. Omaha

B. Lincoln

C. Des Moines

D. Hastings

Lincoln is the capital city of Nebraska, serving as the hub for the state's government and administration. The designation of a capital city is significant as it typically hosts the primary government institutions, including the governor's office and the state legislature. Lincoln, named after the 16th President of the United States, was established as the capital in 1867 and has since played a crucial role in the political and cultural development of the state. In contrast, Omaha is the largest city in Nebraska but does not serve as the capital. Des Moines is the capital of Iowa and not related to Nebraska. Hastings is a city within Nebraska but is not the capital. Understanding state capitals is essential for comprehending the governance structure and civic identity of each state.

8. What percentage of farms in the United States are considered part time?

A. 5%

B. 10%

C. 15%

D. 50%

The percentage of farms in the United States that are considered part-time is indeed significant, reflecting the diverse nature of agriculture in the country. Part-time farms are typically those where the operator engages in farming activities while also pursuing other employment or activities that provide additional income. About half of the farms in the U.S. are classified as part-time, which indicates that many farmers are likely balancing their agricultural activities with other jobs or commitments. This can be due to various reasons, such as the rise of hobby farming, where individuals engage in farming as a passion or supplemental income rather than a full-time occupation. In contrast, full-time farms are often larger and more intensive operations that primarily rely on agriculture as the main source of income. Understanding this distinction is essential, as it illustrates trends in agricultural employment and the changing dynamics of farming, where many are integrating farming with other economic activities. The part-time nature of many U.S. farms reflects broader economic realities and the necessity for many farmers to seek additional sources of income to support their family and the operation of their farms.

9. In Nebraska, during which season is corn typically planted?

A. Spring

B. Summer

C. Fall

D. Winter

Corn is typically planted in the spring in Nebraska, aligning with the growing season for this crop. The optimal planting timeframe generally occurs from late April through early June, depending on the specific location within the state and the prevailing weather conditions. Planting in the spring allows corn to take advantage of the longer daylight hours and warmer temperatures that promote seed germination and growth. This season provides the necessary climate for corn to thrive, enabling the plants to mature before they are harvested in the late summer to early fall. Choosing spring as the planting season is also essential for ensuring the crop has adequate time to develop, which is crucial for achieving good yields. The other options—summer, fall, and winter—do not align with effective corn planting practices in Nebraska due to temperature inconsistencies and the risk of frost, which can damage young plants.

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10. What is the significance of break-even analysis in agribusiness?

A. Determining the maximum profit

B. Identifying the minimum sales required to cover costs

C. Calculating taxes owed

D. Assessing market trends

Break-even analysis is a crucial tool in agribusiness management because it helps identify the minimum level of sales necessary to cover all costs associated with running a business. This analysis determines the point at which total revenues equal total costs, meaning that the business is not making a profit but also not incurring a loss. Understanding this point is essential for farmers and agribusiness owners as it allows them to make informed decisions about pricing, production levels, and resource allocation. By establishing the break-even point, agribusinesses can evaluate their financial health and sustainability. It informs decisions about whether to continue operations, expand, or reduce expenses based on the market conditions and capacity to achieve sales goals. This analysis is particularly important in the agriculture sector where profit margins can be tight, and costs can fluctuate significantly due to factors such as weather, input prices, and market demand. In contrast, determining the maximum profit focuses on different metrics that go beyond merely cover costs; calculating taxes owed is a separate financial obligation not directly tied to operational efficiency; and assessing market trends involves analytics related to market demand and consumer behavior, which are broader economic considerations that don't specifically define the point of financial sustainability for an agribusiness. Therefore, understanding break-even analysis is vital for effective

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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