

**BUSINESS
MANAGEMENT
IN AGRICULTURE**

A joint project of the
Cooperative Extension
Service and Farm Credit

Facilitator's guidelines

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OREGON STATE UNIVERSITY EXTENSION SERVICE

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Facilitator's guidelines

Facilitator's guidelines

Producing financial skills

Is there hope for the family farm? Yes. But in order to survive, farm and ranch managers must sharpen their financial management skills. At the same time, ag lenders must hone their financial analysis abilities to help borrowers reach their goals.

Agriculture is too big and complex for managers to rely on rule-of-thumb observations and gut feelings. In the future, management based on information from producers' financial statements will serve as the bottom line not only for producers but also for lenders. A balance sheet helps analyze a borrower's financial position and available collateral. An income statement shows how effectively business resources are organized and used. A cash flow budget indicates repayment ability.

The key issue is: How do we generate this financial information? There are several alternatives. Lenders can fill out the financial forms themselves, relying on the producer's memory or, better, a good set of records; producers could be required to provide these statements; or accountants and producers could work together to generate financial information.

Recent studies show that, for the most part, lenders generate producers' financial statements. Consequently, lenders spend large amounts of time preparing these statements, increasing their costs of operation and thus interest rates. Inaccuracies and misleading information can result because much of the information comes from producers' memories without the help of written records. When lenders do most of the work of compiling financial statements, producers fail to gain much appreciation for the usefulness of financial information.

Role of Extension and Farm Credit

If farmers and ranchers are to move toward improved management skills, including providing their own financial statements, with or without the help of accountants, the Extension service and ag lenders, including the Farm Credit System, FmHA and the American Bankers Association, have a joint educational function to fill. By teaching farmers and ranchers how to prepare financial statements, lenders can gradually work themselves out of the job of generating these statements. If lenders choose to encourage producers to hire accountants, lenders must educate not only producers but also accountants.

BENEFITS OF BMA SERIES:

1. Sharpen financial management skills of
 - producers
 - lenders
2. Save lenders' time
3. Produce better-managed, more successful farms

In the short run, teaching farmers and ranchers how to compile financial statements will require additional effort on the part of the Extension service and ag lenders. However, by using courses like *Business Management in Agriculture*, the increase in personnel time required for education will be minimal. In the long run, this educational effort will reduce the amount of time needed to obtain vital financial information from farmers and ranchers. Also, producers will gain a much better understanding and appreciation of financial management.

We must recognize that today's successful farm and ranch managers are distinguished not so much by any single set of knowledge or skills, but by their ability to master the changing demands of their jobs. In other words, their ability to learn. The *Business Management in Agriculture* course, with its video and written materials, is structured for maximum learning and retention. With your help, those who complete the course will gain a far-reaching appreciation of the value of farm financial management.

Purpose

Business Management in Agriculture is designed to improve the business management skills of farm and ranch families. Specific objectives include helping families:

1. identify personal, family and business goals and translate these goals into a management plan,
2. analyze business performance through the use of farm records and financial statements,
3. evaluate the financial impact of proposed business changes by using budgeting tools, and
4. strengthen their relationships with agricultural lenders.

Course components

A. Video cassettes

Each module in the course includes a videotape which is 25-45 minutes long. The nine topics and presenters are:

1. "Strategic planning for financial success," Gene Nelson, Oregon State University.
2. "Identifying farm/ranch and family goals," Paul Gessaman, University of Nebraska.
3. "Selecting and implementing a farm record system," Dick Wittman, Idaho farmer and consultant.
4. "Preparing a balance sheet," Freddie Barnard, Purdue University.
5. "Preparing an income statement," Freddie Barnard, Purdue University.
6. "Analyzing financial performance," Freddie Barnard, Purdue University.
7. "Preparing a cash flow statement," Freddie Barnard, Purdue University.

COURSE COMPONENTS

- Video cassettes
- Workbooks
- Facilitator's guidelines
- How-to-teach videotape
- News articles
- Conference calls

8. "Analyzing business adjustments: whole-farm budgeting," Dick Hawkins, University of Minnesota.
9. "Analyzing business adjustments: partial-farm budgeting," Bart Eleveld, Oregon State University.

B. Workbooks

The workbook for each module is the property of the workshop participant and is designed to support instruction by providing:

1. introductory information
 - a. purpose of the lesson, and
 - b. biography of presenter.
2. subject matter information
 - a. script of the presentation for note taking, study and reinforcement after the workshop is over. (The videotape script in the workbooks is not a word-for-word transcript of the videotape text, but an edited script.)
 - b. work sheets and exercises are designed to give participants a chance to practice the skills--such as goal setting, developing and analyzing a balance sheet, record keeping, and budgeting--identified in the videotapes,
 - c. answer keys to exercises,
 - d. reference materials for further study, and
 - e. visuals from the videotape.

C. Facilitator's guidelines

The "Facilitator's guidelines" consists of tips for conducting workshops for farmers, ranchers and ag lenders. Content includes:

1. rationale for education of producers and lenders,
2. purpose of the course,
3. course components,
4. role of the facilitator (general guidelines and specific tips for conducting workshops),
5. individual guidelines for conducting each module,
6. learning styles,
7. news releases, and
8. evaluation forms.

D. Videotape: *Facilitating video instruction -- a dynamic approach*

This videotape by Gary Hachfeld and Thomas Booker, county agricultural agents and facilitators for the *Agricultural Marketing* series (a previously released videotape package) shows how to conduct workshops with farmers and ranchers.

WORKBOOKS CONTAIN:

- Introductory information
- Biography of presenter
- Videotape script
- Exercises
- Answer keys
- References
- Visuals

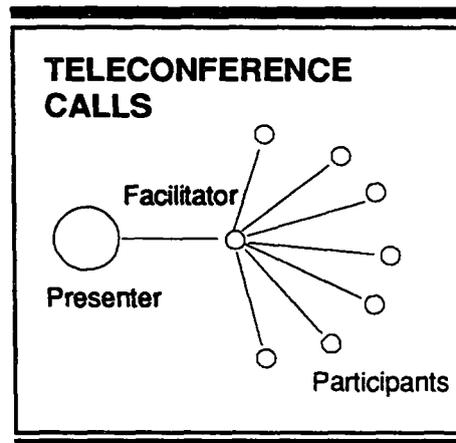
E. News releases

News releases for the entire series and for each module are provided in the "Facilitator's guidelines" to help you publicize the course.

F. Teleconference calls

Videotape presenters may be available for a teleconference. You may want to contact resource specialists in your own state about a possible teleconference. Start with persons who have received training in this course.

<u>Presenter</u>	<u>Telephone</u>
Gene Nelson	(503) 754-2941
Paul Gessaman	(402) 472-1748
Dick Wittman	(208) 843-5595
Freddie Barnard	(317) 494-4242
Dick Hawkins	(612) 625-1964
Bart Eleveld	(503) 754-2942



Role of the facilitator

As facilitator, you are fulfilling an important role in providing a good learning experience for farm and ranch families and loan officers. You have a responsibility to:

1. accept training to conduct the course,
2. when appropriate, serve as the district or regional resource person in training others to conduct the course,
3. coordinate the course locally, and
4. provide feedback for improving the course.

The following tips will help ensure the success of your meetings.

Publicity

Not everyone will be as enthused about this course as you. You should market the course to administrators as well as to potential students.

When working with administrators, consider:

1. asking for time on one of their meeting agendas,
2. showing examples of the videotapes and handbooks,
3. developing a strategy for conducting the course including who and how many people might be served and for what purpose. You might start by selecting 10 to 20 progressive, "young-in-attitude" farmers from among your clientele.

When working with farmers and ranchers, consider:

1. **recruitment** - Who are your potential students? Do you have a list of names and addresses? Where can you get such a list?
2. **publicity** - Will you send letters to producers? Will you design a promotional flier with a registration form to return? What is a reasonable deadline for the return? To whom shall it be returned? Will you use newspapers, radio or TV to publicize the course? Don't forget to distribute news releases (pages 41-50) to local media. There is space on each release for you to fill in where and when the workshop will be held.

**WHEN MARKETING
THE COURSE TO
PRODUCERS,
CONSIDER:**

- Recruitment
- Publicity
- Teaching support
- Financing

3. **teaching support** - Do you want to use the teleconference technique to involve regional or state specialists in local meetings? Can you afford the line charges? Do you have the necessary equipment?
4. **financing** - Should you charge a registration fee? How much? Who should checks be made payable to? Do you want the money in advance?

Meeting preparation

An educational meeting is only as successful as the preparation you put into it. Consider:

1. **facilities** - Arrange for a room(s). Check out the size and shape of the meeting room, ability to darken the room, doors, posts and other obstructions, lighting, heating, ventilation, electrical outlets, chair and table arrangements, and signs to direct participants to the meeting room.
2. **agenda** - How many meetings should you have? How long should each meeting be? We recommend 2 - 2 1/2 hours per module, with a maximum of three to five hours per meeting. Plan a balance between lectures (video) and hands-on experiences and exercises. Set time blocks for each activity. Don't forget stretch breaks and refreshments.
3. **teaching aids** - Have you arranged for nametags, handbooks for each participant, videotapes, extra work sheets, pencils and paper, reference materials, overhead transparencies (optional) and other teaching aids of your choice (optional)? Remember to preview the videotapes and exercises before the meeting.
4. **equipment** - Have you arranged for a VCR (one-half inch); monitor (a splitter and two monitors will be needed if you have more than 25 students), teleconference equipment (your local telephone company representative can advise you about equipment and line charges and help you make the hook-up), overhead projector (optional), projection screen (optional), public address system (optional), extension cords? Practice operating the equipment before the meeting. Arrive early to set up and check out equipment and sound levels. During the presentation, stay near the equipment in case it malfunctions.
5. **meals/snacks** - We recommend one hour for lunch or dinner and 15-minute snack breaks.
6. **resource people** - If you plan to have a teleconference, check with the appropriate resource person before setting the time and date for the meeting. After plans have been finalized, confirm the time for the conference call with the resource person.

WHEN PREPARING FOR A MEETING, CONSIDER:

- Facilities
- Agenda
- Teaching aids
- Equipment
- Meals/snacks
- Resource people

Consider asking local resource people to support your workshop series. Local contacts include CPAs, loan officers, Extension agents, vocational ag instructors, University Extension management and marketing specialists, and attorneys.

Suggested agenda

Formulate a meeting plan but be flexible to the needs of your audience. The following is an example of a typical agenda.

1. Introduce the module, using the objectives in the "purpose" section to create interest.
2. Pass out Exercise 1 (video questions) and allow five minutes for completion. Have participants search for answers to the questions as they watch the videotape and let them know you'll discuss the questions at the end of the session.
3. Introduce the presenter using the biography at the beginning of the module.
4. Play the entire videotape, or stop the tape periodically and discuss sections as you go. Previewing the tape will help you choose the best procedure.
5. Conduct participant exercises according to the directions in the guidelines for each module.
6. Discuss the video questions after the tape is over and make sure participants go home with the right answers. If there are questions you can't answer, ask them during the teleconference.
7. Conduct teleconference.
8. Assign homework (if appropriate).
9. Discuss plans for the next meeting. Seek participants' input and consider having one or more farmers help plan and conduct the next meeting.
10. Hand out evaluation forms and ask participants to turn them in before they leave.
11. Don't forget stretch breaks and refreshments.

Follow-up

1. Summarize the evaluations.
2. Make adjustments in planning.
3. Publicize the next meeting.
4. Call participants to check on their progress on assignments, if appropriate.
5. Arrange to obtain additional videotapes and supplementary material from your state farm management Extension specialist as soon as possible.

POSSIBLE AGENDA

- Introduce module
- Exercise 1
- Introduce presenter
- Play videotape
- Give exercises
- Discuss video questions
- Teleconference
- Plan for next meeting
- Evaluate workshop

How people learn

Varying your teaching methods makes for more effective learning. Keep in mind the following educational principles and tips to add variety to your lesson plan.

1. As you plan, be aware of how educational experts believe people learn.

Method	Effectiveness	Examples
When people read	they retain 20%	reading video scripts, references
When people hear	they retain 20%	listening to lectures, videotapes, conference call resource people, facilitators
When people see	they retain 30%	watching videotapes, movies, slides
When people hear and see	they retain 50%	watching videotapes, movies, slides, panels, symposiums, field trips or tours, demonstrations
When people say	they retain 70%	facilitators, reporters from discussion groups, discussion during conference calls, brain-storming, role playing, skits
When people do	they retain 90%	personal work on practical exercises, research, students helping other students, facilitating

2. Phillips (1955) shows that learning and retention are significantly improved when a combination of sensory inputs are used to convey information.

Method	Recall after 3 hrs	Recall after 3 days
Telling	70%	10%
Showing	72%	20%
Showing and telling	85%	65%

ADULTS WANT TO:

- Be involved in their own learning
- Learn what they think is important
- Apply what they learn

Characteristics of adult learners

Marcia Schekel of Washington State University and Mary Emery of the University of Idaho compiled some characteristics of adult learners that were considered in the design of this course. They found that adult learners:

1. want to be actively involved in their own learning,
2. have a broad base of experience to draw upon and share with others,
3. seek to learn what they think is important rather than what others deem important,
4. want to apply what they learn immediately,
5. want to know if what they are asked to learn is relevant to their needs,
6. have many things going on in their lives including family, jobs, community and social responsibilities,
7. choose whether or not to participate in a learning experience.

Assessing learning styles

In this course, you may be working with one group of people over an extended period of time. If so, you may want to assess the learning styles of participants so you can design the course for maximum learning. In the "learning styles and methods" section, you'll find a learning style inventory by Kolb, Rubin and McIntyre that will help you assess participants' learning styles, and some tips on structuring the course based on the results of your inventory.

Other teaching methods

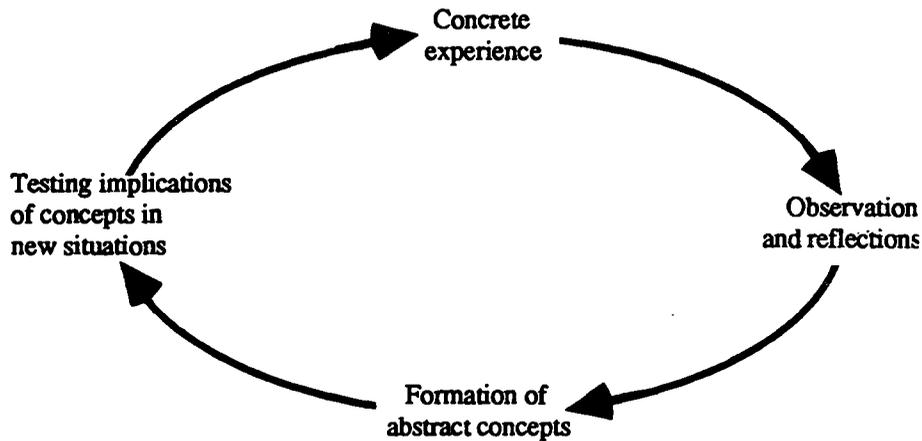
To learn more about teaching methods, you may find some information prepared by Marcia Schekel of Washington State University useful. On pages 16 and 17, she summarizes the benefits and shortcomings of several teaching methods.

Learning styles and methods

The following learning style inventory by Kolb, Rubin and McIntyre is designed to assess preferred methods of learning. Kolb developed this inventory on an experiential learning model where learning is conceived as a four-stage cycle (Figure 1).

Kolb postulates that "Immediate concrete experience is the basis for observation and reflection. These observations

Figure 1. Experiential learning model

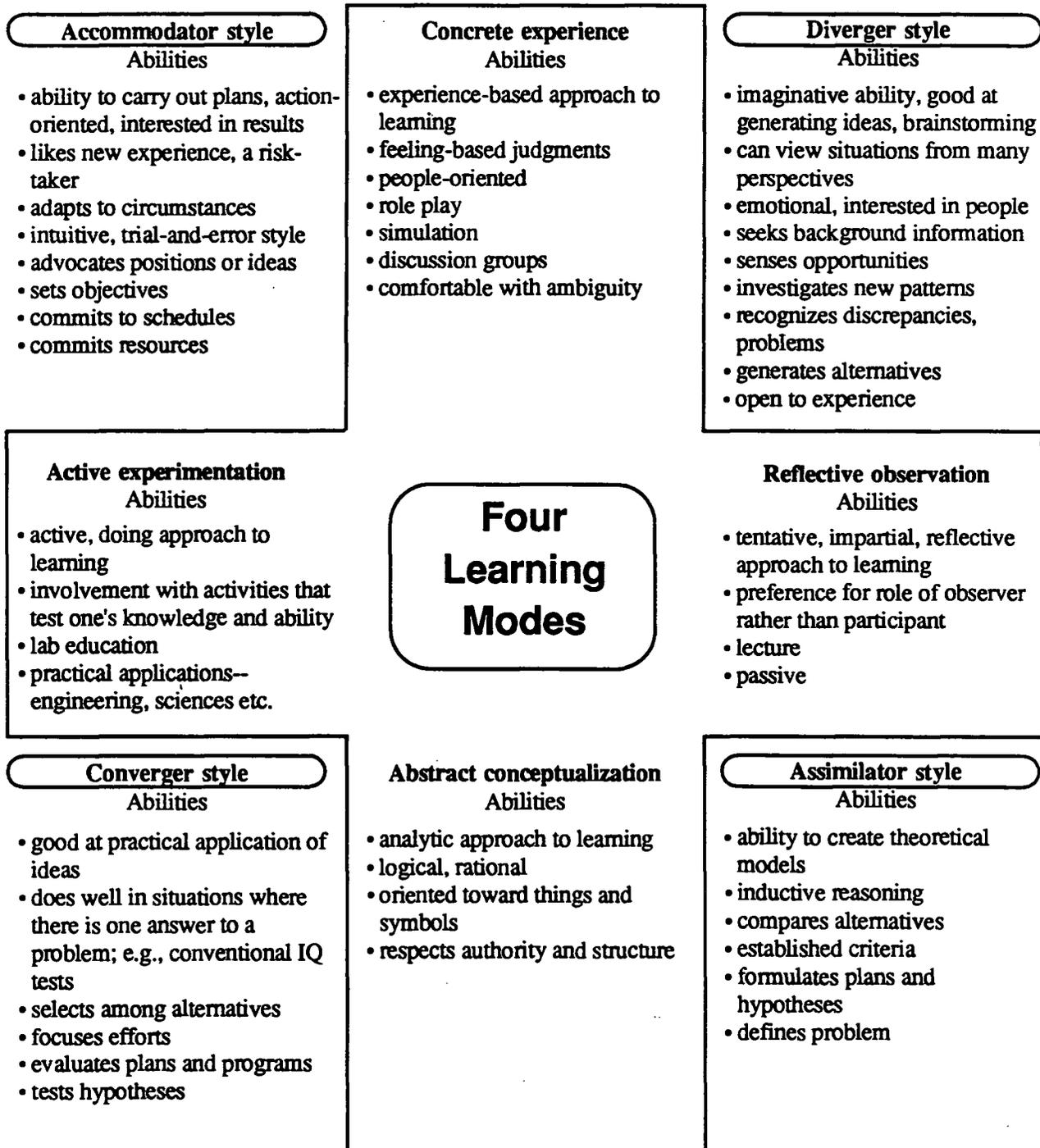


are assimilated into a 'theory' from which new implications for action can be deduced. These implications or hypotheses then serve as guides in acting to create new experiences," thus completing the cycle. According to Kolb, learners, if they are to be effective, need four different kinds of abilities:

1. concrete experience abilities,
2. reflective observation abilities,
3. abstract conceptualization abilities and
4. active experimentation abilities.

Close examination shows that 1 and 3 are opposites as are 2 and 4, requiring the learner to continually choose which learning abilities might be brought to bear in each learning

Figure 2. Four learning styles and their contributing learning modes - Kolb



situation. As a result of life experiences and heredity, we each develop learning styles that emphasize some learning abilities over others; that's why it is important to recognize these differences in your students.

Four types of learners

Kolb defines four dominant types of learners. They are:

1. the converger,
2. the diverger,
3. the assimilator and
4. the accommodator.

The characteristics of each type of learner are summarized in Figure 2 (p. 11). Briefly, the converger's greatest strength is in practical application of ideas, while the diverger's strength lies in imaginative ability. The assimilator's strength lies in the ability to create theoretical models, while the accommodator relishes doing things, carrying out plans and experiments, and getting involved in new experiences.

Why is it important to understand learning styles? Because it will help you be a more effective facilitator. For example, if you find that your participants are primarily divergers and assimilators, don't expect them to be overly enthused about goal setting; they could be frustrated. Accommodators and convergers will probably be much more comfortable with goal setting.

You can help participants apply information on their farms or ranches by gearing instruction to each individual's learning style. Kolb says there are two goals in the experiential learning process. One is to learn specific things related to a certain subject matter, like agricultural marketing or management skills. The other goal should be to learn about your strengths and weaknesses as a learner. In other words, learners should not only come out with new intellectual insights but with an understanding of their own learning strengths and weaknesses. This helps learners apply the information back home and provides a framework for further learning on the job. Learning, then, becomes a specific and integral part of work itself, Kolb concludes.

There is a correlation between learning styles and a manager's ability to solve problems. Since a manager's life on the farm or ranch is made up of problem solving, it's good for managers to understand how learning style contributes to management abilities.

Taking the experiential learning model (Figure 1) and merging it with Pounds' problem-solving model (Figure 3), Kolb found that the accommodator's problem-solving strengths lie in executing solutions and in initial problem-finding based on a goal or model about how things should be. The diverger's problem-solving strengths lie in

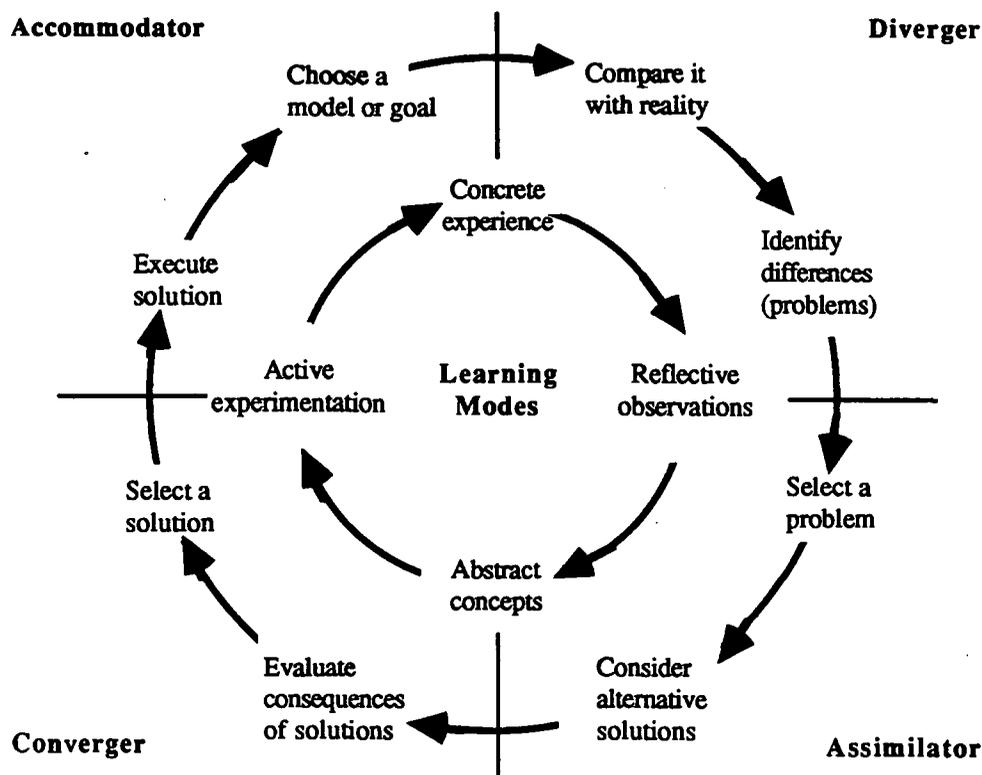
identifying and comparing real-life problems and opportunities with their theoretical models. The assimilator excels in the abstract model-building that is necessary to choose a priority problem and alternative solutions. The converger's strengths lie in evaluating the consequences of solutions and solution selection.

Subsequent studies (Stabell, 1973, and Grochow, 1973) support the theory that learning styles of managers are related to the way they solve problems and make decisions.

Other generalizations we can make from Figure 3 are:

1. People above the horizontal line tend to be more people-oriented, whereas people below the line tend to be more task or project-oriented.
2. People to the left of the vertical line prefer action, while people to the right of the line may prefer to reason and observe.

Figure 3. Comparison of experiential learning model with a problem-solving process



Now it's time to evaluate course participants. Use the learning style inventory and inventory scoring sheets in this guide. As a reference point, ask your students to recall a recent course or experience in which they learned a lot. Then have them give a high ranking to those words which best characterize the way they learned in that course and a low ranking to the words which are least characteristic of their learning style in that course.

Assure them that they may find it hard to choose words that best describe their learning style as there are no right or wrong answers. The different characteristics described in the inventory are equally "good."

Learning style inventory - Kolb, Rubin and McIntyre

There are nine sets of four words listed below. Remembering a situation in which you learned a lot, rank each set of words, assigning a 4 to the word which best characterized your learning, a 3 to the word which next best characterized your learning, a 2 to the next most characteristic word and a 1 to the word which least characterized your learning. Be sure to assign a different number to each word in each set. Total each column.

Set No.	Column 1	Column 2	Column 3	Column 4
1.	involved _____	tentative _____	discriminating _____	practical _____
2.	receptive _____	impartial _____	analytical _____	relevant _____
3.	feeling _____	watching _____	thinking _____	doing _____
4.	accepting _____	aware _____	evaluative _____	risk-taker _____
5.	intuitive _____	logical _____	questioning _____	productive _____
6.	concrete _____	observing _____	abstract _____	active _____
7.	present-oriented _____	reflecting _____	future-oriented _____	pragmatic _____
8.	intense _____	reserved _____	responsible _____	rational _____
9.	experience _____	observation _____	conceptualization _____	experimentation _____
Totals of each column	_____	_____	_____	_____

Inventory scoring sheet

Add the totals in each of the four columns in the "Learning style inventory" and transfer the totals here.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
<u>Concrete experience</u>	<u>Reflective observation</u>	<u>Abstract conceptualization</u>	<u>Active experimentation</u>

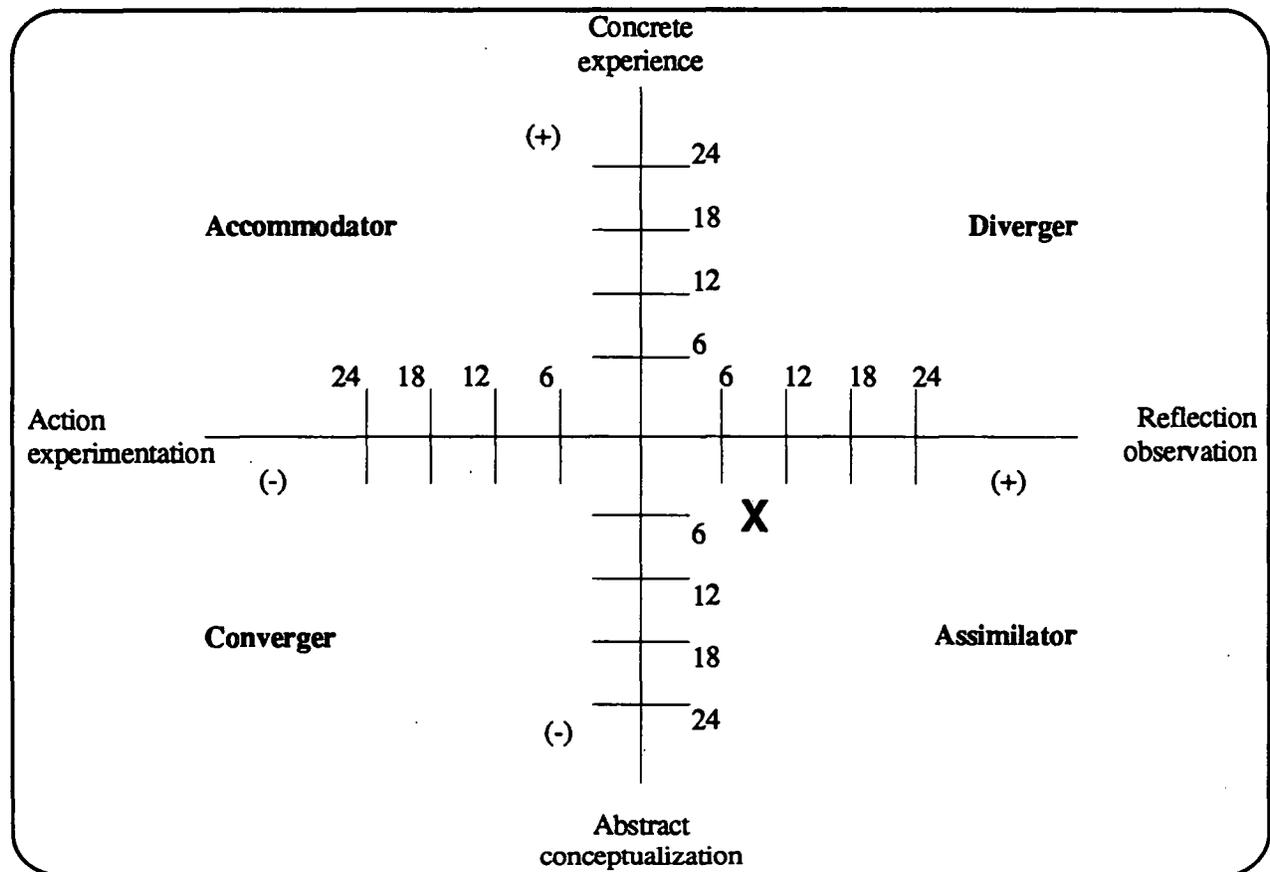
Subtract the Column 3 total from the Column 1 total:

$$\overline{\text{Column 1}} \quad - \quad \overline{\text{Column 3}} \quad = \quad \overline{\text{(A)}}$$

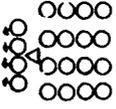
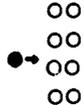
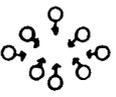
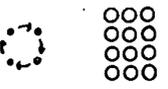
Subtract the Column 4 total from the Column 2 total:

$$\overline{\text{Column 2}} \quad - \quad \overline{\text{Column 4}} \quad = \quad \overline{\text{(B)}}$$

You will now have two numbers, A and B. One or both may be negative numbers. Find the point on the following scale represented by the two numbers. First locate A on the vertical scale then find B on the horizontal scale. For example, if: A is -6 and B is +9, the point is indicated by the X in the "assimilator" quadrant.

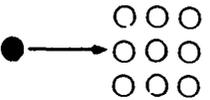
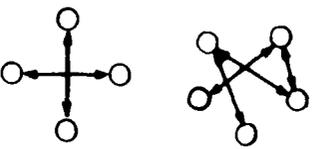
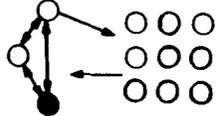
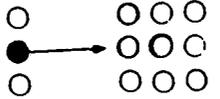
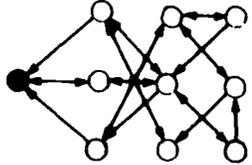


SOME TEACHING / LEARNING METHODS

METHOD	WHAT IT DOES	WHAT IT WON'T DO	HOW PEOPLE PARTICIPATE	HOW TO GO ABOUT IT
Audience Reaction Team	Gives information from perspective of different experts.	Does not allow audience interaction; less involvement.		After a formal presentation, a team of panelists react to the presentation. The panelists are selected prior to the presentation and are representative of the views of the audience.
Field Trip	Gives audience opportunity to see experts to their "home situation." Brings idea to life.	Not for short amount of time. Does not give differing points of view. Does not allow for large groups.		Coordinator must develop an agenda for a tour with representatives from group and on-site experts. Schedule and transportation must be set ahead of time. Focus questions may be used to debrief the experience. Be clear on purpose.
Demonstration	Visual presentation of the process. Most successful with "How to do it."	Does not give several points of view. Does not work without "expert." Does not stimulate ownership of ideas. Does not give audience a chance to do it.		Choose person who knows about subject. Ask them to show how equipment works, how to fix a flat tire, make a sign, etc. Must be done so all participants can see and hear. Questions can be elicited from the audience.
Case Study	Provides a detailed study to a small group. Can be a problem-solving experience. Experiential.	Success of learning depends on good group process. Does not accomplish goal in short period of time.		Write up an example of the topic situation or problem. Give it to a small group of people to work out through group interaction or give to individuals to solve or develop on their own. Bring ideas to small group, large group.
Skit	Presents one point of view. Carries on a dialogue. Audience may or may not be involved.	Does not give diverse points of view. Does not provide detailed study.		A small group of participants acts out a situation for audience.
Workshop	Uses small group techniques. Encourages dialogue. Can lead to attitude change. Can do problem solving. Experts are needed for parts.	Does not give information to a short time. Does not allow for "spectators."		

Adapted from ACE 515, Jim Long, Washington State University, by Marcia Schekel.

SOME TEACHING / LEARNING METHODS

METHOD	WHAT IT DOES	WHAT IT WON'T DO	HOW PEOPLE PARTICIPATE	HOW TO GO ABOUT IT
Speech, film or demonstration	Gives informatioo to organized way.	Does oot give audieoce a chance to talk.		Choose a person who knows subject and can present it. Use visuals if possible. Combine questions and group discussion to get participation.
Buzz groups or small discussion groups	Gets everybody into discussion. Good for getting commitment to actioo.	Doeso't get far into any topic.		Divide total group into small groups of four to ten, preferably around tables. Designate discussion leader and reporter for each group. Make topic clear. After 5 to 15 minutes of discussion, pull whole group together. Get report from each group. End with general discussion.
Role playing	Helps uoderstand attitudes; step into other folks' shoes.	Does not give much oew informatioo. Does oot organize loformatioo.		Write out briefly what sort of person each of two to four players represents. Indicate points of view, but not the exact words they are to say. Choose players who will take criticism in good spirit. Ooe person takes players outside the room, explaios what they are doing, and gets them into the mood. Another person gives audieoce instructioo on what they are to observe. Stop role play-log while interest is high, theo discuss.
Panel discussion	Gets many views on a subject.	Does not organize any single view.		Have moderator and three to five panel members with different views or experieoce oo topic. Keep talk between panel members informal; don't stand up. Invite comments.
Symposium	Gets several views, each well orgaoized.	Does not usually allow maximum participation by entire audience.		Have moderator with two or three symposium members. Each member stands and presents a short talk. Moderator leads them in discussion and invites comments from audieoce.
Brainstorming	Gets many ideas out, breaks the ice.	Does not sift out useful ideas from useless ones.		Members of audience throw in any idea on the subject, while one persoo writes them down on board or easel. Accept any idea, no matter how wild. Brainstorming may be profitably followed by considering ideas to see which ooes are worth following up.

References

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Planning for financial success

Guidelines

Before the meeting

1. Preview the videotape and study Exercise 1 and Answer key 1.
2. Preview the other modules in the series so you can promote the series and answer questions.
3. Preview the videotape, *Facilitating video instruction - a dynamic approach*, for background information in preparing for the series.
4. See the "role of the facilitator" section of this guide for other suggestions.
5. Consider using some of the tools outlined in the learning styles and methods section to assess the learning characteristics and styles of your audience. Photocopy sufficient copies of any additional forms you might want to use.
6. Obtain enough workbooks for participants.

Additional tips

1. Since this is probably the introductory session in a series of meetings, you should think about how to get participants acquainted with each other and comfortable with the series. You might try showing excerpts of some of the videotapes, "walking" participants through the handbook, asking how they learned about the course and why they think the series is important.
2. Introduce some of the resource people you are planning to use during the series.
3. Two exercises are included in this module. We recommend they be used in the following order.
 - a. Give Exercise 1 at the beginning of the session. Allow about five minutes. Encourage participants to search for answers during the session. At the end of the meeting review the answers.
 - b. Exercise 2 -- designed to help participants understand the implications of U.S. and world trends on their farm and ranch businesses -- is included in this guide as an optional exercise. It is not included in the participant workbook. If you decide to use Exercise 2, arrange to make enough copies of the exercise for all participants.

There are several ways to handle Exercise 2. You could invite an outside speaker, such as an economist or market analyst with a broad perspective about what is happening in agriculture, to discuss important forces that will influence farmers over the next five years. You might give the speaker the list of discussion questions (p. 21) as a checklist of topics.

Another way to handle the exercise is with a group discussion. Start with a blackboard or writing easel that can be seen by all participants and ask them to list key forces that will affect their farm businesses over the next five years. Examples include commodity prices, interest rates, energy costs, farm programs, income tax regulations, environmental regulations and land values.

To stimulate their thinking, you could give each participant a copy of the discussion questions. Go through them one at a time, reading a question, asking participants to share ideas then encouraging others to react. Be sure to point out that there are no right or wrong answers. Emphasize the uncertainty about the future but don't accept an answer of "I don't know what will happen." Follow up with "What do you think might happen?"

Ask participants whether they see certain trends as threats or opportunities, and discuss the implications of trends for farm business planning. Push your audience to suggest how they might react to threats and take advantage of opportunities.

It's not necessary to use all the questions. Select those you think are most appropriate. With a large audience, you may want to divide the group into small discussion groups. You could assign three or four questions to each discussion group then ask each group to choose a spokesperson to report to the entire group.

You should also discuss the various information sources your audience uses to assess their environment. Sources include business and farm magazines, university and Extension publications, and workshops such as this.

A background paper entitled "The changing agricultural environment," describing general trends in agriculture, is available to provide information to help you lead the discussion. You might want to ask participants to read the paper for further discussion at another meeting. To obtain a copy of this paper, write to:

A. Gene Nelson
Oregon State University
Agricultural and Resource Economics
Corvallis, OR 97331-3601
phone: (503) 754-2942

4. Evaluate the session using the evaluation form (p. 51) in this guide.

Exercise 2

Assessing your environment

The primary objective of this exercise is to help you identify trends and events that might affect the future of your farm business. A second objective is to motivate you to closely study the implications of these trends by thinking of them in terms of threats or opportunities. The following questions are included to stimulate discussion.

1. Do you think the trend toward fewer and larger farms will continue? Will family farms continue to dominate U.S. agriculture? Why or why not?
2. Do you think the federal government will continue the present structure of price supports and commodity programs to assist farmers? Will these programs be constrained by limitations on their costs?
3. How will the federal government's future fiscal and monetary policies influence interest rates, inflation, exchange rates and farmland values? Will lower interest rates result in increases in land values? Will federal budget deficits increase the potential for higher rates of inflation?
4. How will societal values and legislative trends affect regulation of agricultural production (chemical use, tillage practices)? Will concerns about water quality result in regulations to limit chemical use and prohibit certain tillage practices?
5. What general changes in federal, state or local government policies do you anticipate and how will they affect your farm or ranch business? What about state and local taxes, land use planning, market promotion by state government, water laws and so forth?
6. What technological innovations or other scientific developments are likely to affect production of agricultural commodities? What new varieties, practices and techniques will become available in the near future?
7. What management techniques or other business developments could affect the way agricultural producers make decisions? Will computers be used more effectively as aids for making decisions?
8. How will international market trends affect export demand for U.S. agricultural commodities? Will a decrease in the value of the dollar relative to other currencies increase exports?
9. What are some demographic and social trends that will affect demand for and prices of agricultural commodities? Are consumers' preferences for various food items changing?
10. What trends in processing and marketing industries will affect farm and ranch production? Will the trend toward more packaging and easy preparation continue to decrease producers' share of retail food sales?

11. What are some trends in agribusiness and how will these trends affect availability and cost of production inputs (fertilizer, seed, feed and fuel)? Will mergers reduce services and increase costs? Will new regulations increase the cost of pesticides?
12. What trends will influence the supply of labor on farms and ranches? What about the effects of new immigration laws?
13. How will new tax policies influence investment in agriculture and decisions to purchase inputs and replace farm machinery? Will farm machinery be replaced less often after the elimination of the investment tax credit?
14. How will urban development, land ownership patterns and competition from other farmers affect local availability and rental rates of farmland? Are there a number of young producers competing for the same land?
15. What trends in other agricultural production areas of the United States and the world will affect the ability of local producers to compete for markets? What about the increasing efficiency of agricultural producers in other countries?

Identifying goals

Guidelines

At least two hours are required to complete this module if participants complete and discuss all the exercises. The approximate time required to complete and discuss each exercise is:

Beginning survey	- 3-5 minutes
Exercise 1	- 15 minutes
Exercise 2	- 15 - 20 minutes
Exercise 3	- 15 minutes (this exercise is optional)
Exercise 4	- 15 minutes
Exercise 5	- 10 minutes
Exercise 6	- 10 minutes with continued effort at home
Ending survey	- 3 - 5 minutes

Add the time for each of the four videotape sections to estimate the time required for the entire meeting.

Before the meeting

1. If you have enough lead time, order a complete set of "GOALS" materials before your meeting. Ordering instructions are included in Part V of the video script. It will be especially useful to read the fourth circular (CC 315, revised July 1985) entitled *Goals for Family and Business Management, Instructor's Guide for Parts I, II, and III*.
2. Find out whether your local Extension service has GOALS materials and is prepared to conduct a GOALS workshop if members of your group are interested in participating after they view this videotape and complete the exercises.
3. Arrange for a meeting room in which participants will have good surfaces (tables or desks) to write on, will be able to move from one location to another and will have a place where they can sit together as family units.
4. Preview the videotape, making notes of places where you will stop the tape and work directly with the audience. The exercises are used in numerical order, with Exercise 3 optional. It is intended for persons who may want non-farm employment. If your group consists of only persons who are full-time farmers or ranchers, Exercise 3 may not be of interest. Remember that Part V of the videotape contains instructions for your use and is not intended to be shown to meeting participants.
5. Encourage attendance by all persons in each family (or business firm). If possible, have participants pre-register so you know how many persons will be present. Duplicate enough copies of the exercises so that you have one copy for each person and an extra copy for each family and/or business firm. Each family or firm should end up with a "record copy," on which they have recorded insights, to take home.

Sequence of activities

1. Introduce the module.
2. Give beginning survey.
3. Show Part I of the videotape.
4. Have participants complete and discuss Exercises 1 and 2. If anyone is interested in non-farm employment, have them complete Exercise 3.
5. Break.
6. Show Part II of the videotape.
7. Have participants complete and discuss Exercises 4 and 5.
8. Show Part III of the videotape.
9. Explain Exercise 6 and have participants work on it for up to 10 minutes. Suggest that participants complete it at home.
10. Break.
11. Show Part IV of the videotape. During Part IV, you may want to have participants fill out the "goal-directed management plan" (work sheet).
12. Determine participants' interest in participating in an in-depth GOALS workshop.
13. Give ending survey.

Additional tips

1. Beginning and ending surveys are provided to help participants think about their past involvement in goal identification as well as their future needs. As a facilitator, the surveys will also help you determine the status of your audience regarding goal identification and the extent of follow-up sessions needed. You may want to link the surveys by coding them in some way so you can compare before and after responses.
2. When participants work with the exercises, ask them to sit separately as they initially complete each exercise, then later share results with others in the family and/or business firm. This will cause confusion but is the only way I have found to ensure that dominant individuals do not prevent others from expressing their ideas.
3. Remind participants of the discussion ground rules before they share and discuss responses to the exercises. Repetition of these expectations for their behavior will help ensure constructive follow-up discussions in the family or business units.
4. If participants indicate significant interest in doing more goal identification, develop a locally appropriate response.
5. Evaluate the session using the evaluation form in this guide.

Video script - Part V.

For more than 20 years, I have worked informally with individuals and volunteers in goal identification and priority-setting activities. From this work, I developed the methods used in a series of Extension circulars which this videotape and exercises are based on. I refer to the set of circulars as the "GOALS" materials.

An initial version of the Extension circulars was written in 1984. They were used with more than 600 farm families. Evaluations indicated that most users found the experience useful. After consulting with others who had used the original materials, a major revision was completed during the summer of 1985. Complete citations and order information for the revised circulars are provided at the end of this section.

Detailed suggestions for using the GOALS materials are included in the *Goals for Family and Business Financial Management, Instructor's Guide for Parts I, II, and III*, the fourth in the series of circulars. Highlights of the recommended approach are included here to help you understand the GOALS process and to supplement information in your "Facilitator's guidelines."

The GOALS materials are intended for use with farm and ranch couples or farm and ranch business associates. I recommend the materials be used in a series of three or four workshops about a week apart with about two hours of each workshop allocated to the GOALS process. Meeting time requirements are reduced and privacy is protected when participants work with each circular during the workshop, then discuss and complete it at home.

I suggest that each person who uses the GOALS materials, and anyone who completes the exercises that accompany this videotape, privately compile responses to the self-assessment, goal identification and priority-setting activities. Privacy is maintained by physically separating people who live or work together.

Despite the "fuss and bother" required to physically separate family members or business associates, I consider it a very important part of the overall approach. It helps ensure that dominant individuals do not inhibit others' creative thinking when initial insights are developed and recorded.

It is also important to allow individual perspectives to be shared with others in the family and/or farm or ranch firm. Final versions of the exercises are compiled through discussion and negotiation.

Keep in mind that sharing and discussion can stir strong emotions. It's important to reinforce a general expectation that persons taking part in GOALS workshops maintain civilized behavior. In my experience, this can best be done by frequently emphasizing the discussion ground rules.

While the pressures on people who complete the exercises in this module will be much less than those experienced by persons in the more intensive workshops, it is still important to manage the mechanics of meeting arrangements and the social dynamics of the group.

People vary widely in their responses to the process of self-assessment, goal identification, priority setting and management plan development. Many may be sincerely interested in more in-depth experiences.

For copies of the Nebraska GOALS materials (references, page 26) contact me at the Department of Agricultural Economics, University of Nebraska, Lincoln, NE 68583-0922, 402-472-1748.

References

- Down the Cowpath of Life -- Micro Decisions Influence Direction.* Supporting document for use with CC 313 (revised July 1985).
- Gessaman, P. H. and K. Prochaska-Cue. 1985. *Goals for Family and Business Financial Management, Part I: Overview and Self-Assessment.* CC 312 (revised July 1985).
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- Gessaman, P.H. 1985. *What are Sam's Priorities?* Supporting document for use with CC 314 (revised July 1985).
- Gessaman, P.H. 1985. *Goals for Family and Business Financial Management, Instructor's Guide for Parts I, II, and III.* CC 315 (revised July 1985)

Selecting a farm record system

Guidelines

Before the meeting

1. Preview the videotape and study the exercises and answer keys until you are thoroughly familiar with them.
2. Order sufficient copies of the module.
3. Consider collecting samples of the reports referred to in the videotape, such as transaction journals, general ledger, balance sheet, etc., for examples of products farmers may want to consider in their record systems. They could be displayed or handed out.

Also check if your local Extension service has record books of good quality. If not, arrange to have samples similar to those listed in the reference section available for participant preview during the workshop.

4. See the "role of the facilitator" section of this guide for other suggestions and a suggested meeting agenda.

Additional tips

1. Make sure that participants see the "record system flow chart" and "transaction journal," comparing double-entry accrual and single-entry cash methods, before viewing the videotape.
2. Five exercises have been designed for use with this module. We recommend that they be used in the following order.
 - a. **Exercise 1 - video questions.** Allow about five minutes at the beginning of the session for this exercise. Encourage students to search for answers during the workshop, then review the answers at the end of the meeting.
 - b. **Exercise 2 - categorizing transactions,** can be used either at the end of the videotape, or you may want to stop the videotape after the discussion of 12 reports.
 - c. **Exercise 3 - cash vs. accrual,** is built into the script of the videotape. The tape should be stopped shortly after the start of the section on cash vs. accrual accounting. Take time to discuss the answer key. The presenter's review of the answers to this exercise is at the end of the regular video presentation.
 - d. **Exercise 4 - ten criteria for the ideal record system,** should be used at the end of the video. This exercise allows producers to assess their own record systems and, through your encouragement, hopefully make some decisions as to how they can improve their systems. Exercise

4 could be used as an anonymous survey tool to give you an idea of your producers' situations. For example, if relatively few are producing balance sheets and income statements (question 2), then you will proceed into other modules at a much more basic level than if you discover everyone is already producing balance sheets and income statements.

- e. **Exercise 5 - recording transactions**, is designed to expose the farm record keeper to most of the different kinds of transactions that could occur in one year's time. The farm record keeper should not feel like he or she must be knowledgeable of highly complicated or unusual entries; that's what accountants are for. However, they should be acquainted with how different types of entries are recorded in true double-entry fashion, whether they or their accountants perform the task.

As a facilitator, you may not have enough of an accounting background to direct this exercise. We suggest you contact a local person with accounting expertise to facilitate a follow-up class for those truly interested in becoming proficient bookkeepers.

The transactions in this exercise also make an excellent tool for trying out agricultural computer software. Note how each of the transactions are physically entered using the computer software you are evaluating and how they are eventually treated in the computer-generated financial reports (transaction journal, income statement, balance sheet).

We suggest that you instruct participants to record the transactions in a transaction journal or bookkeeping ledger, using the double-entry accounting system (two equal but offsetting entries). Participants may use a journal or bookkeeping ledger of their preference, or you may wish to provide a standardized work sheet for the assignment.

We suggest you run through some sample transactions similar to those in the assignment before instructing participants to proceed on their own. Once the assignment is completed, you should review the answers. It is particularly important to illustrate differences in how the transactions would be handled depending on whether the cash or accrual method is used.

- f. Don't hesitate to add exercises of your own design. The course welcomes and encourages creativity.
3. Evaluate the session using the evaluation form in this guide.

Preparing a balance sheet

Guidelines

Before the meeting

1. Preview the videotape and video script, and study the exercises, answer keys and work sheets until you are thoroughly familiar with them.
2. Consider collecting samples of pre-printed balance sheet forms to display or hand out.
3. See the "role of the facilitator" section of this guide for other suggestions.

Additional tips

1. We recommend that participants have the completed 19X0 balance sheet as they view the video so they can see where the figures are entered during the presentation.
2. We recommend that you periodically stop the tape and allow participants to practice skills referred to on the tape. We suggest that:
 - a. After the section on uses of a balance sheet, you might capitalize on the experiences of your audience and ask them to talk about ways that they use a balance sheet in their operations.
 - b. After the section on contingent liabilities, ask producers to suggest items in this category and talk about how they deal with them on a balance sheet.
 - c. Approximately halfway through the videotape, you may want to stop the tape and have participants look at some pre-printed balance sheet forms. Farmers could also share blank forms they have found useful.
 - d. As the presenter develops the simplified version of the balance sheet, don't hesitate to stop the tape at any point when participants do not understand how the figures are determined. Watch the facial expressions of participants as they watch the video. Confused expressions may suggest a stop.
3. Two exercises are included in this module. We recommend that you use them in the following order.
 - a. **Exercise 1 - video questions.** Allow about five minutes at the beginning of the session for Exercise 1. Encourage participants to search for answers during the session. At the end of the meeting review the answers.
 - b. **Exercise 2 - creating a balance sheet.** Give Exercise 2 at the end of the videotape. You may want to invite farmers to provide their own pre-printed balance sheet forms, introduce them to one of yours, or use the generic one in the module. Using the 19X1 balance sheet answer key, follow Exercise 2 with discussion and make sure participants go home with the correct answers.

4. You may want to add more exercises by introducing one or more example farms from your own state and have farmers develop examples from local information.
5. A follow-up homework assignment could be for participants to develop balance sheets from their own financial data.
6. If hedging accounts, CCC loans, retirement plans, financial leases, contingent liabilities or other topics are a concern, you may want to:
 - a. take advantage of expertise in your audience to discuss those topics,
 - b. schedule another session with a local resource person, or
 - c. help farmers on a one-to-one basis after the session.
7. Evaluate the session using the evaluation form in this guide.

Preparing an income statement

Guidelines

Before the meeting

1. Preview the videotape and video script, and study the exercises, answer keys and work sheets until you are thoroughly familiar with them.
2. Consider collecting samples of pre-printed income statement forms to display or hand out.
3. See the "role of the facilitator" section of this guide for other suggestions.

Additional tips

1. Copies of the beginning and ending balance sheets and the completed income statement are included in the module so that participants can follow along if they wish.
2. We recommend that you periodically stop the tape and allow participants to practice skills referred to on the tape. For example:
 - a. After the section on uses of an income statement, you might capitalize on the experiences of your audience and ask them to share ways that they use an income statement in their operations.
 - b. As the presenter develops the simplified version of an income statement, don't hesitate to stop the tape at any point when participants do not understand how the figures are determined. Watch the facial expressions of participants as they watch the video. Confused expressions may suggest a stop.
3. Two exercises are included in this module. We recommend that you use them in the following order.
 - a. **Exercise 1 - video questions.** Allow about five minutes at the beginning of the session for Exercise 1. Encourage participants to search for answers during the session. At the end of the meeting review the answers.
 - b. **Exercise 2 - calculating net cash and net farm income.** Give Exercise 2 at the end of the videotape. Have participants use the beginning and ending balance sheets and the income statement for Frank Farmer as reference materials for this exercise. The blank copy of the income statement will be useful to calculate the answers. Using these references, follow the exercise with discussion and make sure farmers go home with the correct answers. You may want to experiment with pre-printed income statements in completing this exercise.
4. A follow-up homework assignment could be for farmers to develop income statements from their own financial data.
5. You may want to add a third exercise by introducing one or more example farms from your own state and have farmers develop income statements from local information.

6. If participants want to discuss income and losses from hedging accounts, gains or losses from intermediate and long-term assets, taxation or other important issues, you may want to:
 - a. take advantage of expertise in your audience to discuss those topics,
 - b. schedule another session with a local resource person,
 - c. help farmers on a one-to-one basis after the session, or
 - d. refer them to references in the module.
7. Evaluate the session using the evaluation form in this guide.

Analyzing financial performance

Guidelines

Before the meeting

1. Preview the videotape and video script, and study the exercises, answer keys and work sheets until you are thoroughly familiar with them.
2. See the "role of the facilitator" section of this guide for other suggestions and a suggested meeting agenda.

Additional tips

1. We recommend that you periodically stop the tape and allow participants to practice skills referred to on the tape. For example:
 - a. After the section on how to analyze liquidity, you might capitalize on the experiences of participants and ask them to discuss how they have used liquidity measures in their operations. You may also want to have them calculate additional examples based on data from other sample farms or from their own operations.
 - b. After the section on evaluating solvency, again ask your producers to talk about ways they've used these measures in their businesses. You may want to have them calculate additional examples based on their own farms or data that you provide.
 - c. Near the end of the section on measuring profitability, the presenter suggests that participants calculate Frank's return on equity for year 19X1. You could stop the tape and actually do that calculation, or wait until after discussing profit margin, the last of the four profitability measures. You could use this or other sample data for additional practice in calculating the profitability measures in Exercise 2.
 - d. As the presenter develops the various ratios and percentages used to measure liquidity, solvency, profitability and efficiency, don't hesitate to stop the tape at any point when participants do not understand how the data is provided or how measures are calculated. Watch the facial expressions of participants as they watch the video. Confused expressions may suggest a stop.
2. Two exercises are included in this module. We recommend that you use them in the following order.
 - a. **Exercise 1 - video questions.** Allow about 10 minutes at the beginning of the session for Exercise 1. Encourage participants to search for answers during the session. At the end of the meeting review the answers.
 - b. **Exercise 2 - calculating measures of financial performance.** Give Exercise 2 at the end of the videotape. Using the answer key, follow the exercise with discussion and make sure participants go home with the correct answers.

3. You may also want to add exercises by introducing one or more example farms from your own state and have farmers analyze financial performance from local information.
4. A follow-up homework assignment could be for farmers to analyze their own financial performance.
5. Evaluate the session using the evaluation form in this guide.

Preparing a cash flow statement

Guidelines

Before the meeting

1. Preview the videotape and video script, and study the exercises, answer keys and work sheets until you are thoroughly familiar with them.
2. See the "role of the facilitator" section of this guide for other suggestions and a suggested meeting agenda.

Additional tips

1. Review the income statement and ending balance sheet for Frank Farmer with your audience before viewing the videotape. This will help them become familiar with the example farm.
2. We recommend that you periodically stop the tape and allow participants to practice skills referred to on the tape. For example:
 - a. About the middle of the script, we have inserted a stop in the videotape to allow some time to review Frank Farmer's farm operation figures from Exercise 2 (video example January - March). We suggest that participants keep this exercise nearby as the presenter works through a sample cash flow statement using first-quarter data from the exercise. Participants can work through the remaining three quarters of Exercise 2 at the end of the video.
 - b. Don't hesitate to stop the tape at any point when participants do not understand the calculations. Watch the facial expressions of participants as they watch the video. Confused expressions may suggest a stop.
3. Two exercises are included in this module. We recommend that you use them in the following order.
 - a. **Exercise 1 - video questions.** Allow about five to 10 minutes at the beginning of the session for Exercise 1. Encourage participants to search for answers during the session. At the end of the meeting review the answers.
 - b. **Exercise 2 - preparing a quarterly cash flow statement.** Give Exercise 2 at or near the end of the videotape and have participants use the work sheet to complete the three remaining quarters of the cash flow statement for 19X2. This is a good follow-up to the example on the videotape. Using the answer key, follow the exercise with discussion and make sure participants go home with the correct answers.
4. You may want to add exercises by introducing one or more example farms from your own state and have farmers develop cash flow statements from local information.

5. A follow-up homework assignment could be for farmers to develop cash flow statements from their own financial data.
6. Evaluate the session using the evaluation form in this guide.

Whole-farm budgeting

Guidelines

Before the meeting

1. Preview the videotape and study the exercises and answer keys until you are thoroughly familiar with them.
2. See the "role of the facilitator" section of this guide for other suggestions and a suggested meeting agenda.

Additional tips

1. Three exercises are included in this module. We recommend they be used in the following order.
 - a. **Exercise 1 - video questions.** Allow about five minutes at the beginning of the session for Exercise 1. Encourage students to search for answers during the session. At the end of the meeting review the answers.
 - b. **Exercise 2 - analyzing budgeting data,** is designed to give participants a chance to analyze some of the profitability, liquidity and solvency measurements which are the byproducts of whole-farm budgeting. We suggest that farmers work in small groups during this exercise. Each section of the exercise is intended to give the following benefits, so as a facilitator don't hesitate to add other techniques that might also bring about these results.
 1. Question 1 is intended to make participants look at the Case family's alternatives and decide whether these alternatives are wise choices given the labor/land relationships the Cases have to work with.
 2. Question 2 should help participants appreciate the differences between long-range projected profit and loss statements and annual income statements. One of the differences is that inventories average out in the former. We also want participants to eyeball each set of cost figures and to understand the thought process that goes into making cost projections.
 3. While question 2 helps us see whether or not there are profits, question 3 is intended to show the strength of profits relative to the resources that brought them about. Those resources are: management and labor, investment and capital, and net worth or owner equity.
 4. In question 4 we try to help participants see the difference between calculating cash generation and profits.
 5. Question 5 helps participants think about profits and cash flow and their impacts on solvency.

6. In question 6 we try to help participants recognize the importance of short-term planning along with long-term projections. We also want participants to look at the overall results of a complete budget and how to use it to make a decision.

When you get to question 6, you may find it helpful to role-play with groups of three farmers, with one taking the role of lender, one the role of borrower and one an observer. Switch roles for variety.

Question 6 usually stimulates discussion about risk, volume of borrowing and whether Alex and Kate can handle farrowing. You might want to introduce participants to the idea of collateral to support new loans, from the lender's perspective. Discussion also usually follows about what happens to collateral base over time in Alternatives 1 and 2. We've found that, when discussing this question, farmers are often tougher than lenders.

In question 6, participants should indicate that they would like to see the cash flow impacts for the next couple of years while the farrowing operation is being set in motion and before all the production is out. Extra operating loans would probably be necessary in the short run, and this would put more strain on the collateral base and would add risk. Some participants may suggest looking for other alternatives. Having a farmer sit in a lender's chair can be an enlightening experience.

- c. **Exercise 3 - gathering data for farm budgeting**, is designed to give participants an opportunity to think through the type of information needed to do whole-farm budgeting and where that information might be available. Farmers should be able to judge the adequacy or inadequacy of their record systems as a result of this exercise. It may be helpful to have farmers work in small groups with one person designated to list items on a chart or overhead transparency. Reports from each group will help participants become aware of information sources they may not have thought of.

Question 3 is intended to encourage farmers to analyze their farms using some methodology (hand-calculated or machine-generated) available in their state. This would be an excellent time to introduce that methodology which could lead to an additional series of meetings.

- d. Don't hesitate to add exercises of your own design. The course welcomes creativity.

2. Evaluate the session using the evaluation form in this guide.

Partial-farm budgeting

Guidelines

Before the meeting

1. Preview the videotape and study the exercises, answer keys and work sheets until you are thoroughly familiar with them.
2. See the "role of the facilitator" section of this guide for other suggestions and a suggested meeting agenda.

Additional tips

1. The examples used in this module involve some rather complex mathematical procedures. Case examples 1, 2 and 3, visuals from the videotape, are included in the module as reference materials and will help participants understand the techniques outlined. You may want to point them out to participants before viewing the videotape.
2. Three exercises and a break-even analysis are included in this module. We recommend they be used in the following order.
 - a. **Exercise 1 - video questions.** Allow about five minutes at the beginning of the session for Exercise 1. Encourage students to search for answers during the session. At the end of the meeting review the answers.
 - b. **Exercise 2 - identifying impacts of change,** is built into the script of the videotape at the end of the section on partial budget components. Stop the videotape at this time, construct some simple "T" accounts and work through the two example farm situations. We suggest that farmers work individually or in groups of two to three for interaction. Remember, participants are to list possible impacts, not quantify them in any way. Discuss the answer key before proceeding with the videotape.
 - c. **Exercise 3 - quantifying impacts of change,** is divided into two examples. Example 1 is somewhat similar to the example on the videotape and may be the easiest example to complete during the meeting. We recommend farmers work in small groups of two to three for more interaction. You might want to make one of the exercises a home assignment.
 - d. **Exercise 4 - the break-even analysis,** consists of two examples which use a break-even analysis to assess the risk associated with making investment decisions. It is not a problem-solving exercise but is designed to demonstrate the usefulness of a break-even analysis for two additional variables: break-even custom rate and break-even purchase price.

At first, it appears rather complex, but if you study it closely (and you must) you'll quickly see the advantages of knowing how to do a break-even analysis. It requires knowledge of basic algebra, which may be a disadvantage for some participants. We suggest you assess the capabilities of your

audience before using this exercise. If you decide to use the exercise, study the examples carefully and perhaps develop some overhead transparencies or flip charts, showing the calculations and giving some explanation of the outcomes and how they can be used to make management decisions.

3. You may want to develop a fifth exercise that would give farmers an opportunity to analyze alternatives for their farms using some methodology (hand-calculated or machine-generated) available in your state.
4. Don't hesitate to add other exercises of your own design. The course welcomes creativity.
5. Evaluate the session using the evaluation form in this guide.

BMA series

News release

It takes a lot more than high yields to make it in farming or ranching. Today's producers must be skilled financial managers.

That's what some of the nation's top farm management specialists are saying in a nine-part videotape series coming (WHEN?) to (NAME OF COUNTY) County. In the *Business Management in Agriculture* series, specialists talk about how to develop record-keeping systems and financial statements, how to analyze farm business changes with budgeting techniques, how to set farm and family-life goals, and how to plan for an uncertain future.

The educational series was developed by the Federal Cooperative Extension Service and Farm Credit Services to help producers and ag lenders sharpen their financial management skills. Each videotape is supported with participant workbooks that include a video script and hands-on exercises.

Now, more than ever, producers need solid records and financial statements to analyze their businesses in order to make needed changes, says Gayle Willett, coordinator of the videotape series and a farm management Extension specialist at Washington State University.

"Price is much more volatile, there's chronic overproduction, lower prices, super-thin profit margins," says Willett. "People just can't afford to make a mistake anymore, especially those that are borrowing a lot of money."

One way to avoid mistakes is with a beefed-up set of records and financial statements, says Dick Wittman, one of the videotape presenters and an Idaho rancher and farm financial management consultant. Wittman says records supply the raw material needed to make good decisions by showing which enterprises are losing money and which are making money.

Good records are also essential for obtaining loans, Wittman adds.

"Lenders are looking at financial management more and more, wanting assurance that you can manage finances in addition to managing production."

Planning for financial success

News release

Farmers who want to achieve more than survival should tune in to the world outside agriculture, says Gene Nelson, head of Oregon State University's agricultural and resource economics department.

In a videotape called "Strategic planning for financial success," Nelson tells how long-range planning -- based partly on national and international trends and events -- can help farmers and ranchers steer a profitable course.

(NAME OF ORGANIZATION) will show Nelson's videotape (WHEN) (WHERE) as part of a two- to three-hour workshop on farm and ranch planning. Cost of the workshop, which includes a workbook, is \$xx.

The workshop is the first segment of a nine-part *Business Management in Agriculture* series produced by the Cooperative Extension Service and Farm Credit Services to help strengthen the financial management skills of producers and ag lenders.

Nelson says an important part of long-range planning involves understanding trends outside agriculture.

"We need to be looking outside of our individual businesses at the things that are going to affect agriculture in the future such as the level of national debt in Argentina, the weather in Russia and the latest food fads in Japan."

For U.S. farmers and ranchers, trends outside agriculture may pose threats, but they also harbor opportunities, Nelson says. It's crucial that producers look for these opportunities and take advantage of them.

Nelson admits that constantly changing world events, inconsistent farm policies and fluctuating prices make planning difficult. But he adds that in such uncertain times, producers need to develop not just one, but three or four, contingency or "what-if" plans.

What if U.S. grain exports start moving up? What if interest rates jump two percentage points? What if land values rise in the next five years?

"Uncertainty doesn't mean we don't have any idea of what will happen," he says. "It just means there's several different possible outcomes. That means we need to develop plans as to how we'll react for each of those possibilities. If we knew the future, we'd need to develop only one plan."

Planning won't guarantee profits, says Nelson, but it increases the chances of success by helping producers cope with uncertainty and direct their resources toward high-priority goals.

Identifying goals

News release

Farmers and ranchers who set goals are much more likely to get what they want out of life than producers who don't set goals.

Sounds obvious, doesn't it? But according to Paul Gessaman, a University of Nebraska ag finance economist, only one in 10 producers actually develop clear-cut written goals.

In a videotape called "Identifying farm/ranch and family goals," Gessaman explains how setting priorities and developing written goals can help producers reach the future they want.

(NAME OF ORGANIZATION) will show Gessaman's videotape **(WHERE)** **(WHEN)**. Cost of the seminar, which includes a workbook and several goal-setting exercises, is \$xx.

Farm managers and their families and business associates are encouraged to attend the two-hour workshop, one segment of a nine-part *Business Management in Agriculture* series. The series was produced by the Cooperative Extension Service and Farm Credit Services to help strengthen the financial management skills of producers and ag lenders.

Gessaman says that developing and writing down long- and short-term goals is the first step toward achieving those goals.

"The evidence is overwhelming: People who know what they're trying to do end up with more consistent results. If you don't know what it is you're trying to achieve, how can you be an effective manager?"

Goal setting is essential, Gessaman says, not just for farm management but for family life. In fact, he says the process of evaluating goals sometimes reveals gaping needs and conflicting priorities within families.

"There's a lot of people hanging on by their fingertips who haven't found it possible to talk about it. The goals workshops help open up the lines of communication."

Gessaman says workshops often make farm families aware of the need to share or switch responsibilities, or simply take time off for a family vacation.

The important thing, he adds, is for farm families to identify goals and resolve conflicting priorities and values so they can work together in harmony.

The *Business Management in Agriculture* goals workshop is an abbreviated version of an in-depth "GOALS" program that Gessaman developed for the Extension service. For more information on the comprehensive goal-identification process, contact your local county Extension office.

Selecting a farm record system

News release

Records alone won't pull a farm or ranch producer out of the red. But a good record system can help point the way to future profits, says Dick Wittman, an Idaho rancher and farm financial management consultant.

In a videotape called "Selecting and implementing a farm record system," Wittman shows how records can help producers measure financial performance, develop sound marketing plans, assess the profitability of individual enterprises, and support loan applications.

(NAME OF ORGANIZATION) will show Wittman's videotape (WHEN) (WHERE). Cost of the workshop, which includes a workbook and several record-keeping exercises, is \$xx.

The workshop is one segment of a nine-part *Business Management in Agriculture* series produced by the Cooperative Extension Service and Farm Credit Services to help sharpen the financial management skills of producers and ag lenders.

Wittman says that for most producers bare-bones record keeping, with just enough financial information to file taxes, won't cut it in today's sagging farm economy. Producers need detailed records that will provide the up-to-date information needed to make business changes.

"More and more producers are under extreme economic stress," says Wittman, who owns and manages a large diversified crop and range cattle operation in Culdesac, Idaho. "They know there's a problem, but until they have a set of records that can point out where in their businesses their worst problems are, they don't know which alternatives to use to restructure."

In his videotape, Wittman tells why cash accounting is important for tax planning and why accrual accounting gives a more accurate picture of profitability. He also discusses the advantages and drawbacks of several record-keeping systems and shows how a good set of records can help answer questions such as: What are my costs of production? What prices and yields do I need to break even? Can I improve cash flow with alternate crops?

Wittman says records serve as a sort of thermometer for a farm or ranch operation, a way for producers to gauge their economic health.

"If you know where your business stands, you can know which management decisions might lead to higher levels of profit."

Preparing a balance sheet

News release

For farmers and ranchers, the days of the "upside-down balance sheet" are gone, says Freddie Barnard, an Extension economist at Purdue University and former manager of a Production Credit Association field office.

Upside-down is the way a lot of farmers used to see their balance sheets, while a banker, on the other side of a desk, filled out the necessary financial information, Barnard explains.

In a videotape called "Preparing a balance sheet," Barnard talks about how producers can become better financial managers by developing their own balance sheets.

(NAME OF ORGANIZATION) will show Barnard's videotape (WHERE) (WHEN). Cost of the one- to two-hour seminar, which includes a workbook and hands-on practice filling out a balance sheet, is \$xx.

The workshop is one segment of a nine-part *Business Management in Agriculture* series produced by the Cooperative Extension Service and Farm Credit Services to help strengthen the financial management skills of producers and ag lenders.

A balance sheet is a financial statement that reports a business's assets, liabilities and owner equity. Producers who develop this information themselves can approach a lender armed with solid financial facts to support their loan applications, Barnard says.

"A producer who can go to a lender and say, 'Here's my position, here's what we've done over the last three years, and here's what we're projecting for the future,' has a much better chance of getting a loan.

"In order to know how to make adjustments in an operation, you have to know where you're at in terms of financial position and risk-bearing ability. And you just can't do that unless you've got some records."

Preparing an income statement

News release

An income statement may be the single most important financial statement a farmer or rancher can keep, says Freddie Barnard, an Extension economist with Purdue University and former manager of a Production Credit Association field office.

In a videotape called "Preparing an income statement," Barnard shows how an income statement answers the critical question: Did you make any money? "That's what it all hinges on," he says.

(NAME OF ORGANIZATION) will show Barnard's videotape (WHERE) (WHEN). Cost of the one- to two-hour seminar, which includes a workbook and hands-on practice filling out an income statement, is \$xx.

The workshop is one segment of a nine-part *Business Management in Agriculture* series produced by the Cooperative Extension Service and Farm Credit Services to help strengthen the financial management skills of producers and ag lenders.

Barnard says an income statement, which summarizes a business's income and expenses during a given period, provides a producer and a lender with the information needed to analyze various aspects of the producer's business.

"A producer who can go to a lender and say, 'Here's my position, here's what we've done over the last three years, and here's what we're projecting for the future,' has a much better chance of getting a loan.

"In order to know how to adjust the operation to become more profitable, you have to know where you're at and what you're doing in terms of what's making money and what's not making money. And you just can't do that unless you've got some records."

Analyzing financial performance

News release

Learning to analyze business performance can help farmers and ranchers turn strengths into profits and prevent weaknesses from turning into fatal flaws.

That's the message from Freddie Barnard, an Extension economist with Purdue University and a former manager of a Production Credit Association field office. In a videotape called "Analyzing business performance," Barnard explains how producers can use information from their financial statements to analyze the liquidity, solvency, profitability and financial efficiency of their farms and ranches.

(NAME OF ORGANIZATION) will show Barnard's tape (WHERE) (WHEN). Cost of the one-to two-hour seminar, which includes a workbook and hands-on practice using financial ratios to analyze business performance, is \$xx.

The workshop is one segment of a nine-part *Business Management in Agriculture* series produced by the Cooperative Extension Service and Farm Credit Services to help strengthen the financial management skills of producers and ag lenders.

"Keeping records and financial statements is important," says Barnard. "But if you don't know how to use those records to analyze your business, they won't do you any good.

"Unless you analyze your business and monitor the results from year to year, you may not think you're having problems until you run into the year that you can't make the payments. Then all of a sudden you're asking what's wrong. If you do a business analysis, you'll probably detect some early warning signs."

A thorough financial analysis can lead to a more efficient and profitable operation, Barnard says.

"If you've got an enterprise that's not making any money, maybe you need to re-evaluate that enterprise. And I don't know how you can evaluate it unless you do some kind of analysis.

"To continue farming or ranching without any idea of where the business stands is inviting disaster."

Preparing a cash flow statement

News release

Back in the seventies, cash flow wasn't such a big deal for a lot of farmers and ranchers, says Freddie Barnard, an Extension economist at Purdue University and a former manager of a Production Credit Association field office.

Nowadays, it's a big deal.

In a videotape called "Preparing a cash flow statement," Barnard shows how farmers and ranchers can use a cash flow statement to identify and control cash inflows and outflows.

(NAME OF ORGANIZATION) will show Barnard's tape (WHERE) (WHEN). Cost of the one-to two-hour seminar, which includes a workbook and hands-on practice preparing a cash flow statement, is \$xx.

The workshop is one segment of a nine-part *Business Management in Agriculture* series produced by the Cooperative Extension Service and Farm Credit Services to help strengthen the financial management skills of producers and ag lenders.

Barnard explains that during the seventies escalating land and machinery values made it relatively easy for many producers to obtain credit.

"Now it's a new ball game," he says. "I think the seventies sort of lulled some people to sleep. We didn't pay as much attention to the operating side of the business as we should have."

In the videotape, Barnard shows how producers can use a cash flow statement, which summarizes all cash inflows and outflows affecting a business, as a projection of future plans and a blueprint for action.

"A cash flow projection forces you to make tentative decisions on such key issues as how and when you'll market commodities, what capital items you'll purchase and how you'll finance those purchases.

"It helps you plan your future cash needs instead of reacting with crisis management."

Whole-farm budgeting

News release

Before making a major change in a farm or ranch operation, producers should think about how a potential change will affect the long-range profitability of their businesses, says Dick Hawkins, a University of Minnesota farm management Extension specialist.

In a videotape on analyzing business changes, Hawkins shows how whole-farm budgeting can help producers see the results of proposed changes before they make them.

(NAME OF ORGANIZATION) will show Hawkins' videotape (WHEN) (WHERE) as part of a seminar on analyzing business adjustments. Cost of the workshop, which includes a workbook and hands-on practice doing whole-farm budgeting, is \$xx.

The workshop is one segment of a nine-part *Business Management in Agriculture* series designed to strengthen the financial management skills of producers and ag lenders. It was developed by the Cooperative Extension Service and Farm Credit Services.

Hawkins says whole-farm budgeting techniques can help producers answer questions such as: What enterprises will be most profitable on my farm? Should I raise more hogs and cut back on my dairy operation? Can I afford a new livestock facility? Should I add land?

"Complete or whole-farm budgeting allows you to compare long-term projections of the changes you're considering with what you're doing now. It helps you see how changes stack up in terms of profitability, liquidity and solvency."

Such an analysis, Hawkins says, can help prevent money-losing investments and point the way to profitable business changes.

Partial-farm budgeting

News release

Will farmers or ranchers be better or worse off as a result of their business decisions? Partial budgeting, a technique for projecting income and expenses from business changes, can help answer that question, says Bart Eleveld, a farm management Extension specialist at Oregon State University.

In a videotape on evaluating business changes, Eleveld shows how partial budgeting can help producers see the results of business changes before they make them.

(NAME OF ORGANIZATION) will show Eleveld's videotape (WHEN) (WHERE) as part of a seminar on analyzing business adjustments. Cost of the workshop, which includes a workbook and hands-on practice doing partial-budgeting, is \$xx.

The workshop is one segment of a nine-part *Business Management in Agriculture* series produced by the Cooperative Extension Service and Farm Credit Services to help strengthen the financial management skills of producers and ag lenders.

Eleveld says partial budgeting, used to analyze minor business adjustments, can help producers determine whether potential changes in their farm or ranch operations will make or lose money.

"Partial budgets can help answer such questions as: Should I participate in the government's dairy-herd buyout program? Should I grow corn on that 120 acres instead of sorghum next year? Should I rent a combine or custom-harvest my wheat?

"The partial budget forces you to use a set format so you don't overlook some of the costs and returns of a proposed business change," says Eleveld.

In addition to learning how to apply partial budgeting to everyday problems, workshop participants will learn to use techniques to analyze the risk of proposed business changes.

Says Eleveld: "Used correctly, budgeting will reward you with a better understanding of your business."

Planning for financial success

Evaluation

Please evaluate the workshop by circling a number from 1 - 7 for letters A through E. For example, on letter A, if you think the quality of the presentation was excellent, circle 7. If you think the presentation was above average but not excellent, circle 6 or 5. Any suggestions for your facilitator will be appreciated.

A. Quality of the presentation:

<u>Excellent</u>			<u>Average</u>			<u>Low</u>
7	6	5	4	3	2	1

B. Level of content presented:

<u>Too complex</u>			<u>Just right</u>			<u>Too simple</u>
7	6	5	4	3	2	1

C. Relevance of the idea for my farm operation:

<u>Totally useful</u>			<u>Somewhat useful</u>			<u>Irrelevant</u>
7	6	5	4	3	2	1

D. My level of personal satisfaction with this module:

<u>Totally satisfied</u>			<u>Average satisfaction</u>			<u>Dissatisfied</u>
7	6	5	4	3	2	1

E. The extent to which this module introduced you to the concepts and approaches of farm and ranch planning.

<u>High</u>			<u>Average</u>			<u>Low</u>
7	6	5	4	3	2	1

F. The most important new idea for me was:

G. Comments helpful to instructor and facilitators:

Identifying goals

Evaluation

Please evaluate the workshop by circling a number from 1 - 7 for letters A through E. For example, on letter A, if you think the quality of the presentation was excellent, circle 7. If you think the presentation was above average but not excellent, circle 6 or 5. Any suggestions for your facilitator will be appreciated.

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7	6	5	4	3	2	1

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7	6	5	4	3	2	1

C. Relevance of the idea for my farm operation:

Totally useful			Somewhat useful			Irrelevant
7	6	5	4	3	2	1

D. My level of personal satisfaction with this module:

Totally satisfied			Average satisfaction			Dissatisfied
7	6	5	4	3	2	1

E. The extent to which this module helped you understand:

1. the nature of goals and their importance in life

High			Average			Low
7	6	5	4	3	2	1

2. the nature of goal-directed management

High			Average			Low
7	6	5	4	3	2	1

3. the use of a process for goal identification

High	Average				Low	
7	6	5	4	3	2	1

4. techniques for setting priorities and developing a management plan.

High	Average				Low	
7	6	5	4	3	2	1

F. The most important new idea for me was:

G. Comments helpful to instructor and facilitators:

Selecting a farm record system

Evaluation

Please evaluate the workshop by circling a number from 1 - 7 for letters A through E. For example, on letter A, if you think the quality of the presentation was excellent, circle 7. If you think the presentation was above average but not excellent, circle 6 or 5. Any suggestions for your facilitator will be appreciated.

A. Quality of the presentation:

Excellent			Average			Low
7	6	5	4	3	2	1

B. Level of content presented:

Too complex			Just right			Too simple
7	6	5	4	3	2	1

C. Relevance of the idea for my farm operation:

Totally useful			Somewhat useful			Irrelevant
7	6	5	4	3	2	1

D. My level of personal satisfaction with this module:

Totally satisfied			Average satisfaction			Dissatisfied
7	6	5	4	3	2	1

E. The extent to which this module helped you:

1. identify potential applications of a record system in managing a farm or ranch business

High			Average			Low
7	6	5	4	3	2	1

2. become familiar with the definition, purpose and content of 12 reports that can be generated from the record system

High			Average			Low
7	6	5	4	3	2	1

3. understand the interrelationships that exist among various financial reports

High	Average					Low
7	6	5	4	3	2	1

4. decide how to select a fiscal accounting year that best fits your operation's production and marketing year

High	Average					Low
7	6	5	4	3	2	1

5. understand the difference between cash and accrual methods of recording net income and how each of these approaches will best assist in analyzing your operation's financial performance and reporting taxable income

High	Average					Low
7	6	5	4	3	2	1

6. understand the difference between a single and double-entry accounting system and the benefits of each

High	Average					Low
7	6	5	4	3	2	1

7. become acquainted with a sample approach for maintaining physical production records (field records and livestock herd records)

High	Average					Low
7	6	5	4	3	2	1

8. become aware of four different systems of record keeping and the benefits and limitations of each.

High	Average					Low
7	6	5	4	3	2	1

F. The most important new idea for me was:

G. Comments helpful to instructor and facilitators:

Preparing a balance sheet

Evaluation

Please evaluate the workshop by circling a number from 1 - 7 for letters A through E. For example, on letter A, if you think the quality of the presentation was excellent, circle 7. If you think the presentation was above average but not excellent, circle 6 or 5. Any suggestions for your facilitator will be appreciated.

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Excellent			Average			Low
7	6	5	4	3	2	1

B. Level of content presented:

Too complex			Just right			Too simple
7	6	5	4	3	2	1

C. Relevance of the idea for my farm operation:

Totally useful			Somewhat useful			Irrelevant
7	6	5	4	3	2	1

D. My level of personal satisfaction with this module:

Totally satisfied			Average satisfaction			Dissatisfied
7	6	5	4	3	2	1

E. The extent to which this module helped you:

1. understand a balance sheet and its importance in analyzing your farm business

High			Average			Low
7	6	5	4	3	2	1

2. recognize the three major components of a balance sheet

High			Average			Low
7	6	5	4	3	2	1

3. recognize that a balance sheet is structured on the basis of a basic accounting equation

High			Average			Low
7	6	5	4	3	2	1

4. become familiar with three categories of assets and three categories of liabilities and examples of entries under each

High			Average			Low
7	6	5	4	3	2	1

5. become acquainted with the cost and market methods of valuing assets, liabilities and net worth

High			Average			Low
7	6	5	4	3	2	1

6. learn how to prepare a balance sheet

High			Average			Low
7	6	5	4	3	2	1

7. appreciate common uses of a balance sheet

High			Average			Low
7	6	5	4	3	2	1

8. become aware that there are a variety of pre-printed balance sheet forms available and that you should select the one best suited to your business.

High			Average			Low
7	6	5	4	3	2	1

F. The most important new idea for me was:

G. Comments helpful to instructor and facilitators:

Preparing an income statement

Evaluation

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C. Relevance of the idea for my farm operation:

<u>Totally useful</u>			<u>Somewhat useful</u>			<u>Irrelevant</u>
7	6	5	4	3	2	1

D. My level of personal satisfaction with this module:

<u>Totally satisfied</u>			<u>Average satisfaction</u>			<u>Dissatisfied</u>
7	6	5	4	3	2	1

E. The extent to which this module helped you:

1. become comfortable with an income statement, or profit and loss statement, and realize its importance in analyzing your farm business

<u>High</u>			<u>Average</u>			<u>Low</u>
7	6	5	4	3	2	1

2. recognize the structure and five major components of an income statement

High	Average					Low
7	6	5	4	3	2	1

3. become acquainted with the cash and accrual methods of determining net farm income

High	Average					Low
7	6	5	4	3	2	1

4. learn how to prepare an income statement

High	Average					Low
7	6	5	4	3	2	1

5. appreciate some of the uses of an income statement

High	Average					Low
7	6	5	4	3	2	1

6. become aware that there are many pre-printed income statement forms available and that you should select the one best suited to your business

High	Average					Low
7	6	5	4	3	2	1

7. learn about the important relationship between a balance sheet and an income statement and the role of each in business performance analysis.

High	Average					Low
7	6	5	4	3	2	1

F. The most important new idea for me was:

G. Comments helpful to instructor and facilitators:

Analyzing financial performance

Evaluation

Please evaluate the workshop by circling a number from 1 - 7 for letters A through E. For example, on letter A, if you think the quality of the presentation was excellent, circle 7. If you think the presentation was above average but not excellent, circle 6 or 5. Any suggestions for your facilitator will be appreciated.

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<u>Too complex</u>			<u>Just right</u>			<u>Too simple</u>
7	6	5	4	3	2	1

C. Relevance of the idea for my farm operation:

<u>Totally useful</u>			<u>Somewhat useful</u>			<u>Irrelevant</u>
7	6	5	4	3	2	1

D. My level of personal satisfaction with this module:

<u>Totally satisfied</u>			<u>Average satisfaction</u>			<u>Dissatisfied</u>
7	6	5	4	3	2	1

E. The extent to which this module helped you:

1. learn to use information from three financial statements to analyze your business's financial performance

<u>High</u>			<u>Average</u>			<u>Low</u>
7	6	5	4	3	2	1

Preparing a cash flow statement

Evaluation

Please evaluate the workshop by circling a number from 1 - 7 for letters A through E. For example, on letter A, if you think the quality of the presentation was excellent, circle 7. If you think the presentation was above average but not excellent, circle 6 or 5. Any suggestions for your facilitator will be appreciated.

A. Quality of the presentation:

Excellent			Average			Low
7	6	5	4	3	2	1

B. Level of content presented:

Too complex			Just right			Too simple
7	6	5	4	3	2	1

C. Relevance of the idea for my farm operation:

Totally useful			Somewhat useful			Irrelevant
7	6	5	4	3	2	1

D. My level of personal satisfaction with this module:

Totally satisfied			Average satisfaction			Dissatisfied
7	6	5	4	3	2	1

E. The extent to which this module helped you:

1. understand how a cash flow statement can help you analyze your farm or ranch business

High			Average			Low
7	6	5	4	3	2	1

2. learn how preparing a cash flow statement can benefit you in at least five ways

High			Average			Low
7	6	5	4	3	2	1

3. understand the structure and components of a cash flow statement

High			Average			Low
7	6	5	4	3	2	1

4. practice preparing a cash flow statement

High			Average			Low
7	6	5	4	3	2	1

5. become aware of some of the similarities and differences between a cash flow statement and an income statement

High			Average			Low
7	6	5	4	3	2	1

6. learn how to deal with cash deficits and surpluses

High			Average			Low
7	6	5	4	3	2	1

7. learn about some special features of a cash flow statement and the tools that will help you prepare a cash flow statement.

High			Average			Low
7	6	5	4	3	2	1

F. The most important new idea for me was:

G. Comments helpful to instructor and facilitators:

Whole-farm budgeting

Evaluation

Please evaluate the workshop by circling a number from 1 - 7 for letters A through E. For example, on letter A, if you think the quality of the presentation was excellent, circle 7. If you think the presentation was above average but not excellent, circle 6 or 5. Any suggestions for your facilitator will be appreciated.

A. Quality of the presentation:

Excellent			Average			Low
7	6	5	4	3	2	1

B. Level of content presented:

Too complex			Just right			Too simple
7	6	5	4	3	2	1

C. Relevance of the idea for my farm operation:

Totally useful			Somewhat useful			Irrelevant
7	6	5	4	3	2	1

D. My level of personal satisfaction with this module:

Totally satisfied			Average satisfaction			Dissatisfied
7	6	5	4	3	2	1

E. The extent to which this module helped you:

1. learn a definition of a "successful" farm

High			Average			Low
7	6	5	4	3	2	1

2. understand success indicators (profitability, liquidity and solvency), how to identify emerging problems in each category, and three strategies to improve each

High			Average			Low
7	6	5	4	3	2	1

3. learn about relationships between land and labor and how those relationships affect selection of enterprises on your farm

High			Average			Low
7	6	5	4	3	2	1

4. become aware that there are at least three tools for analyzing potential major changes in your farm business

High			Average			Low
7	6	5	4	3	2	1

5. learn some strategic principles and steps underlying the decision-making process associated with whole-farm budgeting

High			Average			Low
7	6	5	4	3	2	1

6. learn how to establish a "typical" year as a basis for projecting future alternatives for your farm

High			Average			Low
7	6	5	4	3	2	1

7. follow a sample farm to learn how you can use the whole-farm budget process

High			Average			Low
7	6	5	4	3	2	1

8. become aware of precautions when doing whole-farm budgeting.

High			Average			Low
7	6	5	4	3	2	1

F. The most important new idea for me was:

G. Comments helpful to instructor and facilitators:

Partial-farm budgeting

Evaluation

Please evaluate the workshop by circling a number from 1 - 7 for letters A through E. For example, on letter A, if you think the quality of the presentation was excellent, circle 7. If you think the presentation was above average but not excellent, circle 6 or 5. Any suggestions for your facilitator will be appreciated.

A. Quality of the presentation:

<u>Excellent</u>			<u>Average</u>			<u>Low</u>
7	6	5	4	3	2	1

B. Level of content presented:

<u>Too complex</u>			<u>Just right</u>			<u>Too simple</u>
7	6	5	4	3	2	1

C. Relevance of the idea for my farm operation:

<u>Totally useful</u>			<u>Somewhat useful</u>			<u>Irrelevant</u>
7	6	5	4	3	2	1

D. My level of personal satisfaction with this module:

<u>Totally satisfied</u>			<u>Average satisfaction</u>			<u>Dissatisfied</u>
7	6	5	4	3	2	1

E. The extent to which this module helped you:

1. know when to use partial budgeting rather than whole-farm budgeting to analyze the impact of changes in your farm or ranch business

<u>High</u>			<u>Average</u>			<u>Low</u>
7	6	5	4	3	2	1

2. practice categorizing information and setting up a partial-budget analysis

High	Average					Low
7	6	5	4	3	2	1

3. learn how to decide which costs and returns should be included in a partial budget

High	Average					Low
7	6	5	4	3	2	1

4. become familiar with estimating the costs of owning and operating machinery and equipment

High	Average					Low
7	6	5	4	3	2	1

5. learn how to distinguish between the impact on profitability (net income) and the impact on liquidity (cash flow) of proposed business changes in a partial budget

High	Average					Low
7	6	5	4	3	2	1

6. learn how to analyze the risk of proposed alternatives in a partial budget through qualitative assessments, a sensitivity analysis on prices and costs, and a break-even analysis on important variables.

High	Average					Low
7	6	5	4	3	2	1

F. The most important new idea for me was:

G. Comments helpful to instructor and facilitators:

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