Positioning Your Farm Business in Challenging Times: Strategies From Those in the Trenches With You

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Disciplines
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Comments
A panel discussion presented at the joint field day hosted by the Dordt College Agriculture Department and the Iowa State University Extension and Outreach held at the Dordt Agriculture Stewardship Center in Sioux Center, Iowa, September 2015. The event was designed in part to provide farmers with resources to help answer pressing agricultural questions.

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Positioning Your Farm Business in Challenging Times: Strategies from Those in the Trenches with You

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Creating a Plan

Adjusting the Plan

Production and Business Management Plans

Monitoring the Plan

Working the Plan
Creating the *Production and Business* Plans

- **Inventorying Resources**
  - Land, Capital, Labor, Management)

- **Securing and Using Accurate Data**
  - Market, whole and enterprise analyses, weather, crop and livestock inputs, labor, historic farm, tax, NRCS, financial, technology, policy, etc.
  - Advisory newsletters - Extension sample budgets - Supplier estimates

- **Using Proven Planning Tools**
  - Enterprise and whole farm budgets; proforma cash flow, balance sheet, and profit and loss statements;
  - Spreadsheets decision-aids, stand-alone software

- **Engaging Advisory Resources**
  - Mentors, friends, partners, family
  - Financial, accounting, business management and analysts - Tom Thaden, Gary Wright, Kent Vickre
  - Agricultural Lenders - Crop and Livestock Consultants
  - Marketing- Accountants and Tax Management

- **Putting the Entire Plan together**
  - IFBMA Consultants
  - Agricultural Creditors
Working the Plan

- Operationalizing the production and business plans you made

- Roles you carry out ...  
  - Problem Solving – Scheduling – Supervision – Negotiation – Strategic Leadership – Credit Management
  - Purchasing - Legal – Communications – Technical – Policy – Oversight – Promotion – Team Leadership

- Discuss the Strategies you use in .....  
  - Management - Tax Management - Data Management
  - Continuing Education – Legal
Monitoring the Plan

- **Recordkeeping Technologies** (Production and Business-Related)
  - Farm Business – Production – Environmental – Labor – Machinery - Taxes
  - Other

- **Recordkeeping Practices**
  - Business production and business records: outsourced, kept on the farm, both
  - Maintain current financial statements (balance, cash flow, p & l)
  - Maintain current production records

- **Business Analyses**
  - Whole - IFBMA
  - Enterprise - IFBMA

- **Production Analyses**
  - Vendors, Software
Making Adjustments to the Plans

In these times, how do you go about addressing ...

- New Technologies
- Different Enterprises
- Outside Factors (Weather, Markets, Politics)
- Family Changes
- Markets
Creating a Plan  →  Working the Plan  →  Controlling and Monitoring the Plan  →  Making Adjustments to the Plan

**Creating a Plan**
- Est. Goals, Mission, Vision
- ID Resources - Land, Labor, Capital

**Working the Plan**
- Apply Plans
- Oversee Operation
- Decision Making
- Trouble Shooting
- Coordinating
- Strategizing

**Controlling and Monitoring the Plan**
- Record Keeping
- Monitoring
- Analyzing
- Strategic Direction
- Legal

**Making Adjustments to the Plan**
- Making Changes
- Changing Technology
- Changing Enterprises
- Marketing Changes
- Land, Labor, Cap Mix

**ID Resources**
- Land, Labor, Capital

**Marketing Changes**
- Land, Labor, Cap Mix
## Tools and Functions

<table>
<thead>
<tr>
<th>Creating a Plan</th>
<th>Working the Plan</th>
<th>Controlling and Monitoring the Plan</th>
<th>Making Adjustments to the Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Budgeting</td>
<td>Apply Plans</td>
<td>Record Keeping</td>
<td>Making Changes</td>
</tr>
<tr>
<td>Break Even Analyses</td>
<td>Monitoring</td>
<td>Monitoring</td>
<td>Changing Technology</td>
</tr>
<tr>
<td>Partial Budgeting</td>
<td>Decision Making</td>
<td>Financial Statements</td>
<td>Changing Enterprises</td>
</tr>
<tr>
<td>Cash Flow Budgeting</td>
<td>Trouble Shooting</td>
<td>Balance Sheet</td>
<td>Marketing Changes</td>
</tr>
<tr>
<td>Whole Farm Planning</td>
<td>Coordinating</td>
<td>Cash Flow Form</td>
<td>Land, Labor, Captl Mix</td>
</tr>
<tr>
<td>Strategic Tactics</td>
<td>Income Statement</td>
<td>Business Analyses</td>
<td>Enterprise</td>
</tr>
<tr>
<td>Purchasing</td>
<td></td>
<td>Whole Business</td>
<td></td>
</tr>
<tr>
<td>Supervising</td>
<td></td>
<td>Personnel Mgmt</td>
<td></td>
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<tr>
<td>Credit Management</td>
<td></td>
<td>Environmental – Gov Prog</td>
<td></td>
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<tr>
<td>Machinery Management</td>
<td></td>
<td>Marketing – Gov Prog</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Institution</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iowa State University</td>
<td><a href="http://www.extension.iastate.edu/agdm/">http://www.extension.iastate.edu/agdm/</a> (Ag Decision Maker)</td>
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<td><a href="http://www.extension.umn.edu/agriculture/business/">http://www.extension.umn.edu/agriculture/business/</a></td>
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<tr>
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<td><a href="http://www.agrisk.umn.edu/">http://www.agrisk.umn.edu/</a></td>
</tr>
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<td>Minnesota State Colleges and University System FBM</td>
<td><a href="http://fbm.mnscu.edu/">http://fbm.mnscu.edu/</a></td>
</tr>
<tr>
<td>- Annual Reports</td>
<td><a href="http://fbm.mnscu.edu/annualreports/index.html">http://fbm.mnscu.edu/annualreports/index.html</a></td>
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Managing the Operation when Margins are Tight! (Gary Wright, IFBMA Consultant)

A Top Ten

1. Starts with Good, Reliable Records
2. Two-sided Equation: Revenues & Expenses
3. Must Know your Breakeven
4. “Borrowed Time” on Current Interest Rates
5. Manage the Cash Flow
6. Supplemental Incomes
7. Fertility Borrowing & Weed Control
8. Insurance to “Farm Another Year”
9. Family Living
10. Communication with Trusted Partners

http://www.extension.iastate.edu/agdm/crops/html/a1-20.html
Adapted from: *The Great Margin Squeeze: Strategies for Managing Through the Cycle* by Gloy, B., Boehlje, M., and Widmar, D.

- Maintain ample cash reserves and operating credit
- Get fixed costs under control
- Evaluate debt structure
- Obtain low costs of production
- Develop and implement a risk management plan
- Off-load enterprises or assets
- Make proper decisions on the farm program
- Moderate growth and asset ownership strategies
- Communicate with lenders
- Develop a strategic plan
- Strengthen production management skills
Water Quality Issues – Becca Meerdink, West Branch of the Floyd River Watershed Project Coordinator

Why protecting soil resources is important - “A view from below” - Joel De Jong, NW Iowa Crop Extension Specialist

Overcoming Resistant Weeds – Ron Geis, Sales Manager for Dupont Crop Protection and Eric Bartels, Pioneer Account Manager for Sioux and Lyon Counties

Roundup, Liberty, and Conventional Soybeans – What we have learned about weed control – Ryan Buiter, Matt Heeringa, and Heath Huitink, Senior Dordt College Ag Majors

The Dordt College Ag Stewardship Center is located 1 and 2/3 mile north of Pella Corp. at 3648 US 75.