February 2016

To: Bob & Bonnie Price

Re: **Time to get ready for a FINPACK analysis**

Appointment**: Friday February 4th 10:00 am**

**(Please allow 6 + hours for the appointment to complete the analysis)**

Welcome to the K-State Farm Analyst Program! You have made a great decision in studying the financial aspects of your operation to benchmark where you are at and where you are potentially going. With the struggling farm economy, now is the time to take a hard look at your operation and plan for coming years.

Farm financial analysis is only as good as the information available to work with. Please spend some time gathering the information on the attached worksheets. We will go over it all during the visit, so if you are confused by a topic don’t worry; just do the best you can.

**Useful documents/items to review and have on hand are:**

1. Tax returns for last three years (particularly schedule F)
2. FSA farm and home plan, if applicable
3. Crop insurance information (previous years acreage report and billings)
4. Number of acres of each crop and what shares for each crop are planned for the next production year
5. Alternatives for discussion and review after producing the current year business plan

**Please call if you have any questions.**

Sincerely,

First/Last Name, Farm Analyst

Address

Phone #

Email

**Request for On-site visit by Farm Analyst**

Name of Individual(s): \_\_\_\_\_\_

Name of Farm:

Business Entity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone Number- Home: Cell:

Address:

By making this request we understand that there is a charge of $450.00 payable to KSU Extension (or a charge of $100 payable to Kansas State University if a KAMS case) to be collected by the analyst the day of the visit.

We further understand that Finpack ™ financial analysis is the core of the analyst visit. We agree to prepare the necessary financial information prior to the analyst’s visit so as to utilize the analysts time most efficiently. We also agree to set aside a minimum of 6 hours for the day of the analyst visit to the operation.

The Farm Analyst program agrees to keep all information strictly confidential between the analyst and family members. It is understood that it will be most productive if all family members who are involved with the operation attend the day of the analyst appointment. Farm analysts are open to facilitating communication between all family members, including those not directly involved with the operation.

If additional appointments are needed after the initial visit, the analyst and the family will develop a strategy with associated fees for return visits.

The farm analysts may make appropriate referrals to other experts as agreed upon with the client family.

The family agrees to accept all information provided by the farm analyst as educational and not as direct advice to pursue a specific strategy. The family agrees to consult other experts before initiating new ventures. Other experts may include agricultural lenders, agronomists, accountants and animal scientists among others.

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Farm Financial Analysis Information

Name of Individual(s): \_\_\_\_\_\_

Name of Farm:

 Balance Sheet Information:

*Please fill out as accurately and detailed as possible for the status of the farm on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Mark any sections that you have questions on to discuss with your farm analyst.*

**Farm Checking account balance**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Prepaid Expenses and Supplies** (ex: seed, fertilizer, net wrap, fuel, chemicals, fencing supplies, purchased feed, etc.)

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Quantity | Value per Unit | Total Value |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Growing Crops** (list any crops already planted for harvest this year)

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Acres | Crop Insurance Guarantee | Total Value |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Accounts Receivable** (list payments that are currently owed to you, ex: custom work invoices, FSA payments, etc.)

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Quantity | Value per Unit | Total Value |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Hedging Accounts** (list current balance in hedging account(s))

|  |  |
| --- | --- |
| Description | Total Value |
|  |  |
|  |  |
|  |  |

**Crop Inventory** (list any crops in storage on farm or commercially, including hay)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Crop Description | Quantity(bu. or tons) | Value per bu. or ton | Total Value | Used for Livestock feed?(Yes/No) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Are any crops under the Government Loan Program? No\_\_\_ Yes\_\_\_ (have loan information on hand)

**Market Livestock** (list any livestock grown for sale purposes)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Description | Number of Head | Average Weight (lbs) | Value (cwt or hd.) | Total Value |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Breeding Livestock**

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Number of Head | Value per animal | Total Value |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Titled Farm Vehicles**

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Model Year | Percent Ownership | Market Value |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Machinery and Equipment** (include estimated value of shop tools, livestock equipment, fuel tanks, etc.)

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Model Year | Percent Ownership | Market Value |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Land**-legal description and common name(list plots of land and/or pasture and crop acres separately)

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Acres | Market Value per Acre | Total Market Value |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Buildings and Improvements** (list here if not already accounted for in land value)

|  |  |  |
| --- | --- | --- |
| Description | Year Built/Purchased | Total Market Value |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**Other Assets** (list anything else that has not been accounted for in previous categories)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Description | Quantity | Value per Unit | Total Market Value  | Category(Cur., Int., LT) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Personal Assets** (separate from Farm assets, include anything for lending purposes)

|  |  |  |
| --- | --- | --- |
|  | Description (optional) | Total Market Value |
| Savings and Checking |  |  |
| Stocks and Bonds |  |  |
| Household furnishings & appliances |  |  |
| Personal Vehicles |  |  |
| Cash Value of Life Insurance |  |  |
| Retirement Accounts |  |  |
| Personal business investment |  |  |
| Personal real estate |  |  |
| Other Personal Assets |  |  |

**Accounts Payable** (list any outstanding bills or expenses incurred that need to be paid, ex: feed, repairs, taxes due, etc.)

|  |  |
| --- | --- |
| Description | Total Value |
|  |  |
|  |  |
|  |  |
|  |  |

**Current Loans** (list all loans due in the next year including current Operating Loan Balance)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Lender | Description | Interest Rate | CurrentPrincipalBalance | Date of Last Payment | Annual Principal & Interest Payment | Month(s) Payments are due |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

**Intermediate and Long-Term Loans** (list all other Farm loans)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Lender | Description | Interest Rate | CurrentPrincipalBalance | Date of Last Payment | Annual Principal & Interest Payment | Month(s) Payments are due | Final Year of Payment |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

**Personal liabilities** (not farm related, ex: personal bills to pay, credit card debt, income taxes owed, etc.)

|  |  |
| --- | --- |
| Description | Total Value |
|  |  |
|  |  |
|  |  |
|  |  |

**Personal Loans** (not farm related, ex: personal vehicles, educational loans, etc.)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Lender | Description | Interest Rate | CurrentBalance | Date of Last Payment | Annual Principal & Interest Payment | Final Year of Payment | Month(s) Payments are due |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

 Enterprise Budgets: CROPS

*Please list all crops grown on the farm and enter expenses per acre. Copy additional pages if needed. Include pasture as a crop and document annual expenses per acre.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Crop Name:** |  |  |  |
| **Description:**(list if used for livestock feed, double crop, irrigated, year of establishment, etc.) |  |  |  |
| **Yield per acre** |  |  |  |
| **Expected Selling Price** |  |  |  |
| **Misc. Income**(ex: grazing stalks, straw, etc.) |  |  |  |
| **Seed** |  |  |  |
| **Fertilizer** |  |  |  |
| **Crop Chemicals** |  |  |  |
| **Crop Insurance** |  |  |  |
| **Drying Expenses** |  |  |  |
| **Irrigation Energy** |  |  |  |
| **Custom Hire**(description and cost) |  |  |  |
| **Hired Labor**(only if paid per acre) |  |  |  |
| **Labor Hours per acre**(leave blank if unknown) |  |  |  |

 Enterprise Budgets: CROPS

*Please list all crops grown on the farm and enter expenses per acre. Copy additional pages if needed. Include pasture as a crop and document annual expenses per acre.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Crop Name:** |  |  |  |
| **Description:**(list if used for livestock feed, double crop, irrigated, year of establishment, etc.) |  |  |  |
| **Yield per acre** |  |  |  |
| **Expected Selling Price** |  |  |  |
| **Misc. Income**(ex: grazing stalks, straw, etc.) |  |  |  |
| **Seed** |  |  |  |
| **Fertilizer** |  |  |  |
| **Crop Chemicals** |  |  |  |
| **Crop Insurance** |  |  |  |
| **Drying Expenses** |  |  |  |
| **Irrigation Energy** |  |  |  |
| **Custom Hire**(description and cost) |  |  |  |
| **Hired Labor**(only if paid per acre) |  |  |  |
| **Labor Hours per acre**(leave blank if unknown) |  |  |  |

 Enterprise Budgets: CROPS

*Please list all crops grown on the farm and enter expenses per acre. Copy additional pages if needed. Include pasture as a crop and document annual expenses per acre.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Crop Name:** |  |  |  |
| **Description:**(list if used for livestock feed, double crop, irrigated, year of establishment, etc.) |  |  |  |
| **Yield per acre** |  |  |  |
| **Expected Selling Price** |  |  |  |
| **Misc. Income**(ex: grazing stalks, straw, etc.) |  |  |  |
| **Seed** |  |  |  |
| **Fertilizer** |  |  |  |
| **Crop Chemicals** |  |  |  |
| **Crop Insurance** |  |  |  |
| **Drying Expenses** |  |  |  |
| **Irrigation Energy** |  |  |  |
| **Custom Hire**(description and cost) |  |  |  |
| **Hired Labor**(only if paid per acre) |  |  |  |
| **Labor Hours per acre**(leave blank if unknown) |  |  |  |

 **Crop Share Arrangements**

Please list the share YOU pay or receive for all crop share arrangements. Copy additional pages if necessary.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Crop Share Arrangement #1 | Crop Share Arrangement #2 | Crop Share Arrangement #3 | Crop Share Arrangement #4 |
| **Name of Landlord or Farm** |  |  |  |  |
| **% of Production Received** |  |  |  |  |
| **Secondary income or misc. income received and %**(ex: grazing stalks, straw, etc.) |  |  |  |  |
| **% of Seed paid** |  |  |  |  |
| **% of Fertilizer paid** |  |  |  |  |
| **% of Crop Chemicals paid** |  |  |  |  |
| **% of Crop Insurance paid** |  |  |  |  |
| **% of Drying Expenses paid** |  |  |  |  |
| **% of Irrigation Energy paid** |  |  |  |  |
| **% of Custom Hire paid** |  |  |  |  |
| **% of Hired Labor paid** |  |  |  |  |
| **Other Expenses shared**(list expense and %) |  |  |  |  |

 Enterprise Budgets: LIVESTOCK-Breeding

*Please list all livestock breeding enterprises on the farm and enter expenses per head (unless swine, then list per litter). Mark any sections that you have questions on to discuss with your farm analyst. Copy additional pages if needed.*

|  |  |  |
| --- | --- | --- |
| **Livestock Enterprise:**(ex: Cow/Calf) |  |  |
| **Description:** |  |  |
| **Weaning percentage** |  |  |
| **Percentage of Weaned calves retained as replacements** |  |  |
| **Sales Weight** |  |  |
| **Expected Sales Price** |  |  |
| **Cull Animals Sales**(list cull percentage, weight, and price) |  |  |
| **Breeding fees** |  |  |
| **Veterinary** |  |  |
| **Supplies** |  |  |
| **Marketing**(commissions, yardage, etc) |  |  |
| **Labor Hours** |  |  |
| **Purchased feed**(list feed types and price per unit or total dollars) |  |  |
| **Raised feed** (list tons of hay fed, bushels of corn fed, etc.) |  |  |
| **Pasture Acres**(list length of time grazed and number of acres per head) |  |  |

 Enterprise Budgets: LIVESTOCK-Growing/Finishing

*Please list all livestock growing/finishing enterprises on the farm and enter expenses per head. Mark any sections that you have questions on to discuss with your farm analyst. Copy additional pages if needed.*

|  |  |  |
| --- | --- | --- |
| **Livestock Enterprise:**(ex: Stocker/Finisher) |  |  |
| **Description:** |  |  |
| **Death Loss** |  |  |
| **Number of Months on Farm** |  |  |
| **Purchase Weight**  |  |  |
| **Purchase Cost** |  |  |
| **Sales Weight** |  |  |
| **Expected Sales Price** |  |  |
| **Breeding fees**(if applicable) |  |  |
| **Veterinary** |  |  |
| **Supplies** |  |  |
| **Marketing**(commissions, yardage, etc) |  |  |
| **Labor Hours** |  |  |
| **Purchased feed**(list feed types and price per unit or total dollars) |  |  |
| **Raised feed** (list tons of hay fed, bushels of corn fed, etc.) |  |  |
| **Pasture Acres**(list length of time grazed and number of acres per head) |  |  |

 Base Business Plan

**Crop Plan for Current/Next Year**

(include all crops, hay, and pasture acres)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Crop Name | TotalAcres | Owned Acres | Cash RentedAcres | Crop ShareAcres Share % |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total: |  |  |  |  |

**Livestock Plan for Current/Next Year**

(include breeding, growing, and finishing livestock)

|  |  |
| --- | --- |
| Livestock Enterprise | Number of Head |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

**Planned New Investments for Current/Next Year**

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Purchase Price | Asset Value | Payment Method(cash, new/existing loan, etc) |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Planned Asset Sales for Current/Next Year**

|  |  |
| --- | --- |
| Description | Sales Price |
|  |  |
|  |  |
|  |  |
|  |  |

**Operating Expenses for Current/Next Year**

|  |  |  |
| --- | --- | --- |
| Category | Total Expenditures | Notes |
| Storage |  |  |
| Fuel & Oil |  |  |
| Repairs |  |  |
| Custom hire (if not listed in budgets already) |  |  |
| Hired Labor |  |  |
| Crop/Hay Land Rent  |  |  |
| Machinery Leases |  |  |
| Building Leases |  |  |
| Livestock Leases |  |  |
| Grazing fees |  |  |
| Real Estate Taxes |  |  |
| Personal Property Taxes |  |  |
| Farm Insurance (excluding crop) |  |  |
| Utilities |  |  |
| Consultants |  |  |
| Marketing |  |  |
| Dues & professional fees |  |  |
| Miscellaneous |  |  |

**Estimated Annual Operating Loan Balance \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Family Living/Owner draw \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*(see supplement page for help in estimating)*

**CRP/CSP Payments \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Custom Work Income \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Other Farm Income \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Off-farm Wages and Salary** (pre-tax) **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Other Personal income \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Nontaxable personal income \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

(ex: Social Security payments, off-farm income take-home pay, etc)

**Number of Families involved \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Number of Dependents \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Please describe any concerns you have with the existing farm business:**

*(ex: Creditor issues, family relations, rental agreements, etc.)*

**Please describe any business changes you are considering as alternatives to this base business plan:**

 **SUPPLEMENT: Calculating Family Living Expenses**

*A good way to estimate your family living expenses is to take checking account statements for two months out of the year (say March and September) and divide all of your monthly spending into these categories (separating out any farm-related expenses). Also add in any large expenditures that occur at a specific time in the year (ex: real estate taxes, insurance premiums, etc.) to come up with an estimated yearly amount.*

|  |  |  |  |
| --- | --- | --- | --- |
| Category | Month 1 | Month 2 | Estimated Yearly Amount |
| Food and Meals expense |  |  |  |
| Medical care |  |  |  |
| Health Insurance |  |  |  |
| Cash donations |  |  |  |
| Household supplies |  |  |  |
| House repairs |  |  |  |
| Clothing |  |  |  |
| Personal Care |  |  |  |
| Child/Dependent Care |  |  |  |
| Alimony and Child Support |  |  |  |
| Gifts |  |  |  |
| Education |  |  |  |
| Recreation |  |  |  |
| Utilities (household share) |  |  |  |
| Personal vehicle operating expenses |  |  |  |
| Household real estate taxes |  |  |  |
| Disability/Long-term Care Insurance |  |  |  |
| Life Insurance Premiums |  |  |  |
| Personal Property Insurance |  |  |  |
| Miscellaneous |  |  |  |
| TOTAL: |  |  |  |