

# Farm Pulse - Adapting Farm Financial Management Curriculum for Online Learners



Extension  
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## Introduction

- Prolonged period of significant financial stress for WI farmers.
- Assist farmers in evaluating their finances, taking the pulse of their farm business, and setting goals for the future of their enterprise.
- Farm Pulse: Financial Management and Analysis adapted and updated materials into more relevant format.

Pages > Course Objectives

### Course Objectives

The Farm Pulse-Financial Management and Analysis Course consists of eight modules:

1. Introduction
2. Farm Business Financial Model and Records
3. Financial Statements
4. Financial Position
5. Financial Performance
6. Decision-Making
7. Working with Your Lender
8. Next Steps

By the end of this course, you should be able to:

- Recall the components of the farm business financial model.
- Identify records to collect for the farm business.
- Define the structure of a balance sheet, income statement, statement of cash flow, and statement of owner equity.
- Demonstrate how to organize financial information into financial statements.
- Interpret financial statements for the analysis of a farm's financial position and financial performance.
- Compare and contrast financial strengths and weaknesses.
- Illustrate a farm's plan to communicate with their lender.

To continue and begin the course, click the "Next ►" button near the bottom right of this window.

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Screenshot from course of modules and objectives.

### Lesson 2: Bella Acres, dairy farm

Bella Acres is owned by the Smith Family and is about four miles outside of Hometown, USA. Click on the family members in the picture below to see what assets of the farm they own.

Grandpa (first generation) is a 72-year-old widower. He farms in partnership with his son Dale (second generation), who is 48 and married to Gwen. Dale and Gwen have three children: 21-year-old Carl (potential third generation), 20-year-old Beth, and 12-year-old Jenna. Sarah is Carl's girlfriend. Fran is Dale's sister and lives away from the rest of the family in the Big City.

#### Bella Acres—Smith Family Tree

Here are some details that you may want to know about the Smith Family.

- The cows are in free-stall housing and milked 2X/day in a parlor that was built about 10 years ago.
- Forages and high-moisture corn are stored in four stave silos and silage bags.
- Replacements are raised and purchased.
- Manure is pumped to an earthen pit, which is pumped 2X/year.

To learn about the case farms, click the "Next ►" button near the bottom right of this window.

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Screenshot from course of dairy case farm overview.



## Educational Methods

### Self-paced online course in Canvas (UW's learning management software)

### Short readings

Pages > Lesson 1: DuPont Analysis Steps

#### Lesson 1: DuPont Analysis Steps

Once a farmer or adviser has calculated ATO and OPM ratios, they will be able to complete a DuPont Analysis and determine which area of the farm business needs improvement. Let's review the steps in DuPont Analysis.

- ▼ Low profits (low ROA)  
If profits are low, it may be because assets are not creating enough gross revenues relative to total assets (low ATO). Expenses may not be managed well, and not enough net revenues are left out of gross revenues (low OPM), or both. If the culprit can be identified as either ATO or OPM, the next step is to look at the numerator and denominator of each of those to see if the problem can be discovered.
- > Low ROA due to low ATO
- > Low ROA due to low OPM
- > ROA is low due to both ATO and OPM

The DuPont Analysis can be an efficient financial analysis and assist in getting to the root of farm financial performance problems. The DuPont Analysis along with benchmarks for farm enterprises can assist farmers in their quest for higher profitability.

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### Interactive videos

Pages > Lesson 4: Decision-Making Video

#### Lesson 4: Decision-Making Video

You should consider feasibility, profitability, and risk ability when you make business decisions about your farm business. Being decisions on whether just increase risk, and there are already considerable financial risks in agriculture without unnecessarily adding more. Using the information you gain from financial analysis helps you make better decisions.

Please click the ► button to watch this video on the balance sheet. Click on ► to play this video in full screen mode. This video will stop once for you to answer questions about the information.

To continue, click the "Next ►" button near the bottom right of this window.

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### Engaging knowledge checks

Pages > Lesson 1: Farm Financial Model Knowledge Check

#### Lesson 1: Farm Financial Model Knowledge Check

Take a minute and see what you remember about the Farm Financial Model. Drag each of the terms into the correct position on the chart. You can try more than once. Then check to see how well you did by viewing the correct image in the [Educational Farm Financial Model article](#). We will cover each of these topics in more depth in this course.

Submit

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### Short quizzes

Assignments > Module 5 Quiz

#### Module 5 Quiz

Dear No Due Date Points: 0/0 Submitting an external tool

This quiz contains 8 questions. Please click on the progress icon to move between questions. After the last question, click the submit button.

You can retake the quiz unlimited times, striving to get 100% on each quiz, as this will help you master the concepts. You must pass the quiz with a 70% or higher score.

Question: 2 of 8 questions

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## Summary

- Curriculum developed to assist farmers in identifying strengths and weaknesses of their farm business and assist in making decisions that will improve their farm profitability.
- Course takes approximately 6 hours to complete.
- Piloting 7 participants during January – May 2023.
- Full release June 2023, anticipated cost \$299.

## Initial Program Results

*“The course materials are very easy to navigate! I appreciate being able to revisit any module or page any time I want to review the material again.” – Pilot participant*

*“The materials were great for assisting learning - enough repetition to make things stick but still covered enough ground. The quiz was good for measuring knowledge of the material. The applications of the module will definitely help in structuring the farm's financial model - this section gave clear explanations of the basic structure of everything.” – Pilot participant*

The Farm Pulse: Financial Management and Analysis work is supported by USDA/NIFA grant under Award Number 2018-70027-28586.

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