

# Helping Producers Who Are “Getting Into The Farm Business”

Eck, K. J.<sup>1</sup>; Held, N. E.<sup>2</sup>; Hollis, M. E.<sup>3</sup>; Mahrenholz, A. T.<sup>4</sup>; and Schmitz, H. F.<sup>5</sup>



<sup>1</sup>Extension Educator, Ag and Natural Resources, Purdue Extension – Dubois County, 1482 Executive Blvd., Jasper, IN, 47546, kjeck@purdue.edu; <sup>2</sup>Extension Educator, Ag and Natural Resources, Purdue Extension – Spencer County, 1101 E. County Road 800 N., Chrisney, IN 47611, nheld@purdue.edu; <sup>3</sup>Extension Educator, Ag and Natural Resources, Purdue Extension – Gibson County, 203 S. Prince Street, Princeton, IN 47670, mwhollis@purdue.edu; <sup>4</sup>Extension Educator, Ag and Natural Resources/4-H Youth Development, Purdue Extension – Pike County, 801 E. Main Street, Petersburg, IN 47567, amahrenh@purdue.edu; <sup>5</sup>Extension Educator, Ag and Natural Resources, Purdue Extension – Posey County, Coliseum Building, 126 E. 3<sup>rd</sup> Street, Room 29, Mount Vernon, IN 47620, hschmitz@purdue.edu



Thinking Like A CFO & Leading Your Business

## Need

Financial planning is the foundation for any successful farm, yet it can present challenges to farm families at many levels. Farmers need to constantly learn about farm business planning, management, and evaluation to improve profits while reducing financial risk. Also, with older farmers exploring passing the family farm to the next generation, young and beginning farmers especially need financial knowledge to effectively manage local farm operations.



Farm Business Plan Basics

## Objectives

- Provide farm businesses with research-based, non-biased information on economic options related to farm finances.
- Provide producers, especially young and beginning farmers, with an understanding of key financial components, programs, and resources needed to be more successful with farm finances.

## Methods

- Extension Educators in southwest Indiana developed a four-week workshop series to address the needs of producers to expand their farm management skills.
- The workshop series focused on core financial components such as 1.) developing a farm business plan, 2.) operating as a CFO/farm management, 3.) farm numbers and ratios/tracking farm progress and success, and 4.) financial, technical, and educational assistance.
- The initial regional workshop series, “Getting Into The Farm Business” was hosted in one southwestern Indiana county in January 2022, with thirteen initial participants.



## Comments

Participants stated that they learned the following from this event:

- “Understanding of available programs to maintain practices.”
- “How to introduce new methods for changing markets.”
- “Better management and analysis of our farm.”
- “Develop a plan specific to our operation.”
- “Using farm ratios and business finance.”

## Results and Impacts

- When asked to rate their knowledge pre and post series, 99% of survey participants (N=13) ranked their knowledge as moderate or high overall on topics of finance management, business planning, Code Red/emergency records, farm leadership, numbers and ratios/farm analysis, and financial, technical, and education programs after the series, versus only 25% before taking the farm finance series.
- When asked what they intended to do with gained knowledge, overall 81% stated they would and 13% stated they may make changes such as assess their overall farm finances, develop a business plan, examine ways to pass on farm records in emergencies, examine management of farm operations, revise how farm numbers and ratios are tracked and assessed, and review available financial and technical assistance programs.
- Overall, 69% of participants found the series very useful and 31% found the series moderately useful.
- When asked how likely participants would be to recommend the farm financial series to a friend or colleague (scale of 1-10, with “10” being “extremely likely”), 38% of participants ranked the series as a “9”, 38% ranked it as an “8”, 16% ranked it as a “7”, and 8% ranked it as a “6”.
- Due to the success of the initial series, this workshop will again be offered in southwestern Indiana in August 2022.