



University of Idaho  
Extension



WESTERN  
EXTENSION  
RISK  
MANAGEMENT  
EDUCATION



United States  
Department of  
Agriculture

National Institute  
of Food and  
Agriculture

# Hands-on Computer Based Training for Beginning Farmers and Ranchers

Ashlee Westerhold, Ben Eborn, Joel Packham,  
Steve Hines, Jon Hogge, and Steve Harrison  
WEC Annual Meeting  
Coeur d'Alene 2019



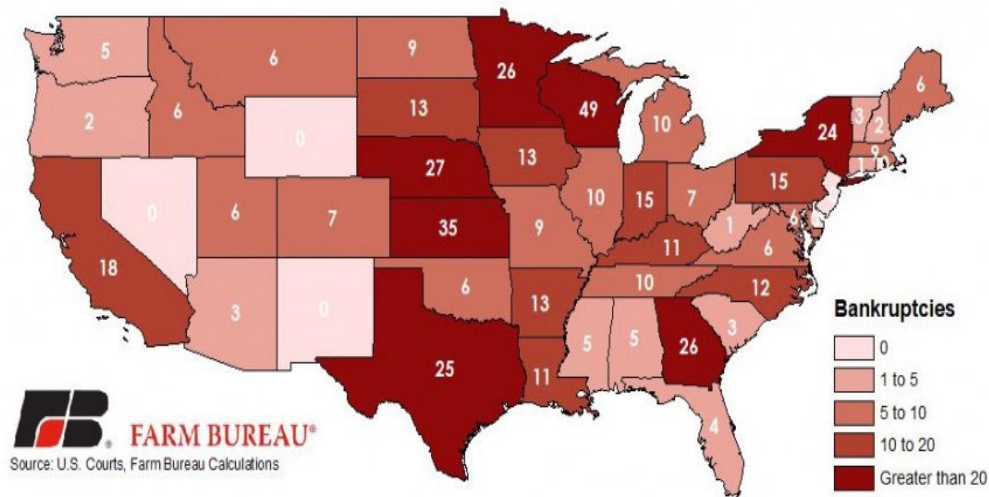
# OVERVIEW OF IDAHO AGRICULTURE

- 24,996 farms
- Producing over 185 different commodities
- Idaho ranks in the top 10 for more than 25 crops and livestock systems
- Cash receipts at \$7.34 billion in 2017
- Processed Food and Beverage was \$8.5 billion in 2017
- 20% of Idaho GSP
- 16% of Idaho GDP

# WHAT ARE THE PROBLEMS?

- 50% of the farms have under \$10,000 in economic sales
- 10,072 farms reported net gains, 14,924 farms reported net losses

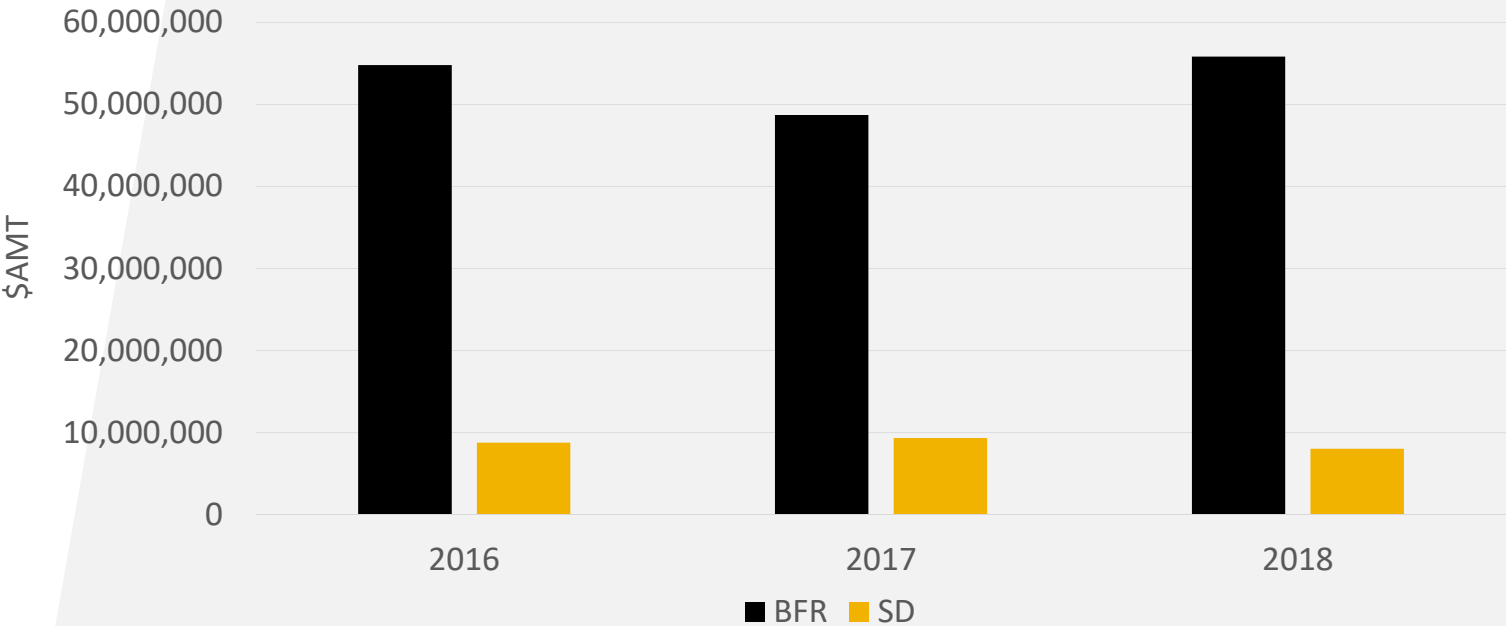
Figure 2. Chapter 12 Farm Bankruptcies  
2018 Calendar Year





# IDAHO FARM SERVICE AGENCY

## Idaho FSA Farm Loan Programs for Beginning Farm and Ranchers (BFR) and Socially Disadvantaged (SD)



# RELATIONSHIP BETWEEN FSA AND UI EXTENSION

- FSA partners with Cooperative Extension for evidence of “Managerial Ability” for Loans
- UI Extension has been offering Farm and Ranch Management for over 20 years to help producers meet the requirement
- Producers first go to FSA office and then are sent to our class to fulfill their requirement



# FARM AND RANCH MANAGEMENT TEAM

## Our People



# TARGET AUDIENCE

- Beginning Farmer and Ranchers
- Next Generation Farmer and Ranchers
- Farming Entrepreneurs going into a new venture

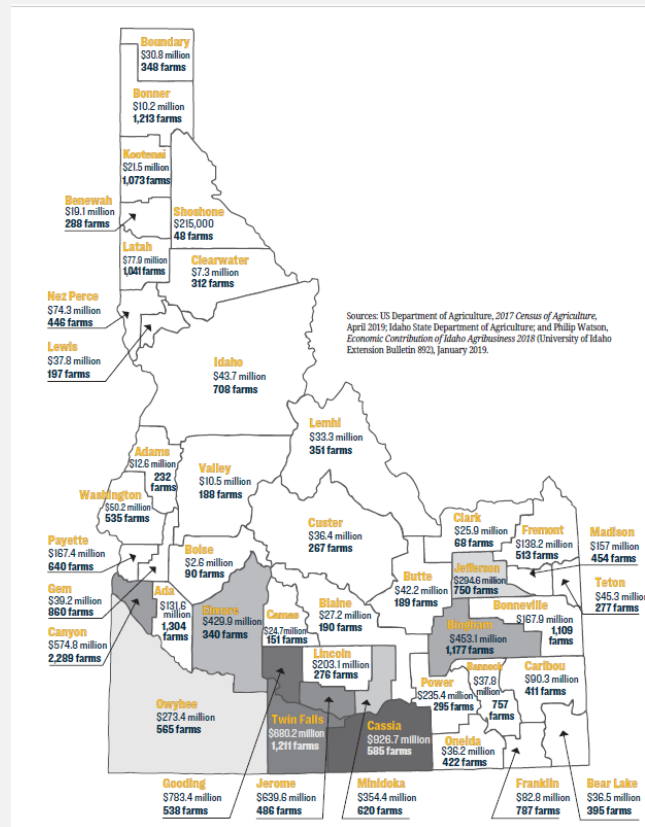


# **CURRICULUM OBJECTIVES**

- Increase knowledge
  - Mission Statements and Goals
  - Balance Sheets
  - Income Statements
  - Enterprise Budgets
  - Cash Flows
  - Total Farm Financial Analysis
- Increase profitability from implementing skills

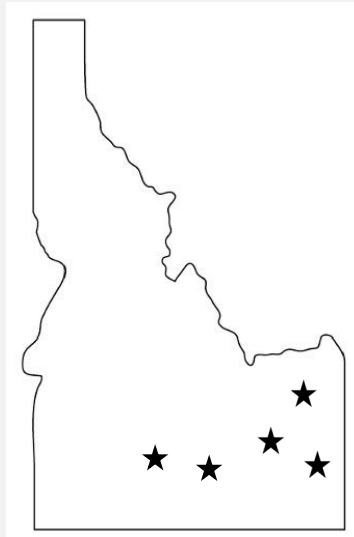


# DENSITY OF IDAHO AG



# PROGRAM STRUCTURE

- 6 week course – computer based training
- Meet from 1-4 PM one day a week
- 5 different locations across Southern Idaho





# FINPACK SOFTWARE

FINPACK [Training]

File Edit View Tools Help

Balance Sheet: January 1, 2018

General Information

Current Assets

Crop Inventory

Livestock held for sale

Intermediate Assets

Long Term Assets

Personal Assets

Current Liabilities

Current Loans

Intermediate Loans

Long Term Loans

Personal Liabilities

Personal Loans

Deferred Liabilities

Equity

Custom Signature Page

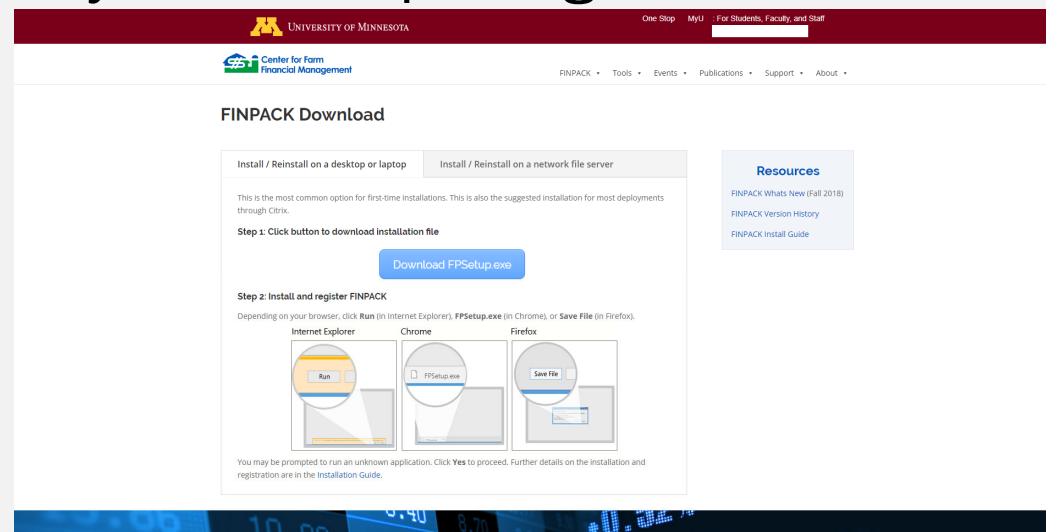
Current Assets

	Market Value
Cash and checking	0.00
Prepaid expenses and supplies	
Growing crops	
Accounts receivable	
Hedging accounts	
Other current assets	
Total	

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# CLASS AGENDA- PRIOR TO CLASS 1

- Prior to first class, we emailed participants the input forms for FINPACK and how to download FINPACK
- Expectation of all of the class attendees would be ready to start inputting data

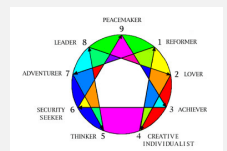
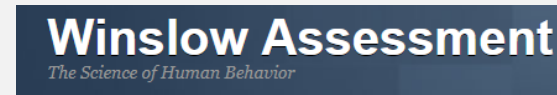


# **CLASS AGENDA- CLASS 1**

- Introductions
- Mission Statements
- Record Keeping
- Financial Statement Importance by Banker
- Introduction to FINPACK
- Homework: Personality Profiles and finish Input Forms

# CLASS AGENDA- CLASS 2

- Personality Presentation
- Introduce FINPACK Balance Sheets
- Learn ratios given from balance sheet
- Principle 1: “If you are not paying yourself, this is a hobby, not a business”
- Homework: Finish Balance Sheet 2019



# **CLASS AGENDA- CLASS 3**

- Check Balance Sheet 2019
- Duplicate Balance Sheet 2019 and create Balance Sheet for 2018
- Introduce FINAN
- Principle: “It is best to separate farm and family financials”
- Homework: Add as much information into FINAN as possible

# **CLASS AGENDA- CLASS 4**

- Continue to work on FINAN
- Introduce Enterprise Budgeting
- 6 Factors Affecting Profit
- Principle: “To expand the business, you must increase gross margin”
- Homework: Finish budgets



# **CLASS AGENDA- CLASS 5**

- Finish Budgets
- Introduce FINFLO
- Principle: “Start thinking of profits as the benchmark, not yield”
- Homework: Finish FINFLO

# **CLASS AGENDA- CLASS 6**

- Finish and check all financial documents
- Financial analysis in decision making
- Mission statement presentations
- Evaluations
- Pep Talk for Future Success

# EVALUATION RESULTS

- Increased Level of Understanding  
(1=lowest, 5=greatest)

Topic	Mean Before	Mean After	Difference
Mission Statements and Goals	3.54	4.38	0.84
Balance Sheets	2.62	3.92	1.3
Income Statements	2.85	3.83	0.98
Enterprise Budgets	2.54	3.85	1.31
Cash Flows	2.62	3.69	1.07
Total Farm Financial Analysis	2.00	3.69	1.69

## **EVALUATION RESULTS CONT.**

- Profitability of Implementing Skills
  - Plans to save an/or earn an average estimate of \$58.18 per acre for farmers and \$23.33 per head for ranchers, since participating in the class
  - Crops range from \$10-\$200+/acre
  - Livestock range from \$10-\$35/head

# WORD CLOUD



# **FARM MANAGEMENT TEAM DEBRIEF**

- Train the Trainer helped support county faculty tremendously
- Allowing ample time on the computer, learning the software provided benefits to all who were involved
- Follow up FINPACK trainings are required for future success



# NEXT STEPS

- Meet with those who finished the class for reoccurring financial analysis
- Provide more QuickBooks and Record Keeping software into the class based on evaluation results

**Farm & Ranch Financial Record Keeping**

**Instructions**

**REGISTER**

1. Type the year and name of your farm or ranch account at the top.
2. Enter the beginning balance on the first line
3. Enter income and expense items by selecting categories from the drop down menus.
4. When reconciling the account place an "X" in the C column when items have cleared.
5. Printing: highlight the section you want to print and in *Settings* select *Print Selection*.

**P & L**


1. Type the time period and name of your farm or ranch at the top.
2. The cash profit and loss statement is updated automatically each time an entry is made.
3. This statement can be used to assist with the financial analysis in FinPack and filling out a Schedule F.

**LISTS**

1. This shows the income and expense categories you can choose from.
2. Categories correspond with FinPack and the Schedule F.
3. Categories can be customized to fit your operation, but this will require changing formulas in the P & L.

**QUESTIONS**

If you have questions please contact Ben Eborn, University of Idaho Extension Ag Economist.  
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# QUESTIONS?

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Additional online resources:

<https://www.uidaho.edu/cals/idaho-agbiz>