



## **Ag Biz Planner**

**Young, Beginning, Small and Minority Farmer  
eLearning Curriculum**

**Workbook**



# Module 1

## Megatrends of Agriculture

### Workbook Exercises

#### Discussion Questions

*Please answer at least one question on the Connect discussion forum.*

1. Of the mega trends discussed in Module 1, which one or two trends are having the biggest influence on your industry or your business today? What trends will impact your future?
2. For your specific business model or enterprise, what are global and domestic competitors doing to impact your industry or business?
3. Interview a respected leader in agriculture business or the community. How did they capitalize on past trends? How are they positioning to take advantage of future trends?
4. What has been an interesting article, podcast or YouTube video that has sparked your attention, either positively or negatively? How could it impact the industry and your business?
5. Discuss how the current health of the domestic and/or global economy is impacting how you do business.

#### Application Exercises

*Complete each exercise below.*

After reviewing the megatrends module and text concerning the discussion questions, how will one or two of these trends impact your business model? Be specific:

Issues:

Strategies:

Actions:

## Module 2

# Strategic Business Planning

## Workbook Exercises

### Discussion Questions

*Please answer at least one question on the Connect discussion forum.*

1. Interview a person that has conducted strategic planning and has completed a business plan. How was it useful in their success in operating an effective business?
2. Interview a lender or business person who analyzes business plans. What are some of the do's and don'ts in developing a plan?
3. Review some old CNBC Shark Tank programs. Identify elements that were successful versus unsuccessful attempts in making a pitch to the Shark Tank team.
4. Find a farm, ranch or business person that sets goals on a regular basis. What specific goal did they discuss, and how does setting goals assist in their success?
5. Talk with a person who has developed a business plan. Discuss how many hours it required to develop their business plan and who was involved. Do they still use the strategic business planning process?

### Application Exercises

*Complete each exercise below.*

#### 1. SWOT Analysis

Now that we have discussed the SWOT analysis, let's pause for a moment and let you conduct a mini SWOT analysis of your own business. This will get you started on your business plan. List at least two items in each of the categories below.

Strengths:

Weaknesses:

Opportunities:

## Module 2: Strategic Business Planning

Threats:

### 2. Business History and General Description

What are three important bullet points that should be included in the history and general description of your business? List them below.

1.

2.

3.

### 3. Vision, Core Values, and Mission

List several key words that should be included in your business' vision, core values, and mission statement.

1.

2.

3.

### 4. Define Success

Define what you consider success to be using five to seven key words.



## **Module 3**

### **Borrower-Lender Relationships**

### **Workbook Exercises**

#### **Discussion Questions**

*Please answer at least one question on the Connect discussion forum.*

1. Discuss with your mentor some of the mistakes that have been observed on credit scores and reports over the years.
2. Interview your mentor, accountant or lawyer concerning business organization types such as LLC, sole proprietorship, and corporation to figure out which type may be applicable to your situation.
3. Examine the checklist for financial documentation with your mentor. Do they have any other suggestions?
4. Interview a lender or person familiar with the borrower-lender relationship. What are some changes they have observed in the past? What do they expect concerning changes on the horizon?
5. Interview a lender and/or an experienced borrower concerning the do's and don'ts of the borrower-lender relationship. Attempt to come up with five bulleted statements for do's and five for don'ts.

#### **Application Exercises**

*Complete each exercise below.*

##### **1. Check Your Credit Score and Report**

Now that we have discussed credit reports, go to [www.annualcreditreport.com](http://www.annualcreditreport.com) and request your free credit report. Review this document with your mentor or lender. Identify your strengths and areas for improvement. Spouses, partners and other stakeholders that are important to your business success should check their credit report also.

##### **2. Complete the Lender and Documentation Preparation and Planning Checklist**

Please complete the checklist below to see which items are in progress or not complete and develop a game plan for completing these items.

## Module 3: Borrower-Lender Relationships

### Lender and Documentation Preparation and Planning Checklist

<u>Item</u>	<u>Yes</u>	<u>No</u>	<u>In Progress</u>	<u>Expected Date of Completion</u>
1. Business vision and core values				
2. Short and long-term goals: business, family and personal				
3. Up to date credit scores & reports				
4. Documentation of wills and insurance (life, health, disability, liability and compliance)				
5. Accurate disclosure of key business & personal information, i.e. pending lawsuits, divorce, etc.				
6. Business licenses and documentation of legal entities, deeds, partnership and corporate agreements, cattle registrations and crop records				
7. Current accurate balance sheet				
8. Current accurate income statement with tax records verified				
9. Projected cash flow with assumptions & estimates documented in writing				
10. Scenario testing with key assumptions (production, price, cost)				

### **3. Assess Your Business Organization Type**

Assess your business organization type. Develop preliminary documents or update as needed if you already have a business organization established.

## **Module 4**

### **The Balance Sheet**

### **Workbook Exercises**

#### **Discussion Questions**

*Please answer at least one question on the Connect discussion forum.*

1. Interview a lender. What are some of the common mistakes he/she often observes when customers fill out the balance sheet?
2. Interview a producer. How has the balance sheet been used as a tool in managing their business and overall decision-making?
3. Interview a lender concerning what they prefer to see as supporting schedules for balance sheet values.
4. Interview a lender or business person. What advice can they give you about valuing assets and liabilities?
5. Interview a lender. Do they have any benchmarks for net worth for young farmers and ranchers, or those at various stages of life?

#### **Application Exercises**

*Complete each exercise below.*

1. Complete a business balance sheet. Make sure to list all assets and liabilities backed by documented schedules.
2. Now complete a personal balance sheet. Compare the bottom line results to the business balance sheet.
3. Visit with your lender or mentor concerning the balance sheet. Do they have any observations and/or perspectives?



## **Module 5**

### **Cash and Accrual Income Statements**

### **Workbook Exercises**

#### **Discussion Questions**

Please answer at least one question on the Connect discussion forum.

1. Interview a lender to find out some of the common mistakes that producers make in decision utilizing Schedule F in managing the business.
2. Interview a lender or an accountant concerning how tax management strategies through the Schedule F can result in adverse situations. How has the Schedule F been used in a positive way?
3. Interview a lender concerning what they look for when analyzing a Schedule F, and list the items discussed.
4. Interview a lender concerning the value of accrual-adjusted income statements. What key points did you learn?
5. Interview a lender concerning some tips in completing an accrual-adjusted income statement. Do they often find wide variances in bottom line profits when comparing the cash Schedule F to accrual-adjusted results?

#### **Application Exercises**

***Complete each exercise below.***

1. Your first task is to complete a cash income statement based upon your Schedule F. If a new business, then develop a projected income statement.
2. Next, gather your beginning and ending balance sheets. Utilizing the cash to accrual worksheets make the necessary adjustments in inventory, accounts receivables, prepaids, accrued expenses, etc.
3. Schedule a meeting with your mentor or lender to review the results.