

1. DEFINE THE PROBLEM
2. GATHER INFO
3. EVAL SOLUTIONS
4. MAKE DECISION
5. TAKE ACTION
6. EVAL DECISION

GOAL / OBJECTIVES  
ROAD MAP

ADVANTAGE

KNOW WHERE YOUR GOING  
EASIER TO GET THERE  
PREPARES YOU FOR FUTURE  
HELPS YOU FOCUS  
GIVES PURPOSE  
FREES YOU FROM WORRY

DISADVANTAGES

TAKES TIME  
LACK CONFIDENCE  
CONFLICTS

# WASTE OF TIME

PERSONAL

FAMILY

CAREER

# RECORD KEEPING

Monday, January 14, 2008  
1:54 PM

WHY KEEP RECORDS  
KINDS OF RECORDS KEPT  
INFO NEEDED  
WHAT TO DO WITH INFO

WHY KEEP RECORDS????????????

TAXES

MGT DECISIONS

RATE OF RETURN ON FARM ASSETS

ROA =  $\frac{\text{Ret TC (NFI+T Int-OFLA)}}{\text{ACI (Avg Farm Assets)}}$

ACI (Avg Farm Assets)

RATE OF RETURN ON EQUITY

ROE =  $\frac{\text{Ret To Equity Cap \& Mgt}}{\text{Avg Farm NW}}$

Avg Farm NW

RATE OF RETURN ON BORROWED CAPITAL

COD =  $\frac{\text{T Int PD}}{\text{Avg L}}$

Avg L

$$\text{OPMR} = \frac{\text{NFI} + \text{T Int-Withdrawals for OFLA}}{\text{TI}}$$

ASSETS -

CURRENT

NON-CURRENT

LIABILITIES -

CURRENT

NON-CURRENT

ASSETS - LIABILITIES = NET WORTH

NET EQUITY

LIQUIDITY

ABILITY TO PAY SHORT TERM LIABILITIES

CURRENT RATIO = CA/CL

WORKING CAPITAL = CA-CL

DEBT STRUCTURE = CL/TL

SOLVENCY

ABILITY TO PAY ALL LIABILITIES

DEBT TO ASSET RATIO = TL/TA

DEBT TO EQUITY RATIO = TL/OE - NW

EQUITY TO ASSET RATIO = NW/TA

INCOME STATEMENT -

PROFIT OR LOSS STATEMENT

OPERATING EXPENSE RATIO

TE-DEP.-T INT. EXP + CHANGE INT. PABLE

TI

DEPRECIATION RATIO

T DEP./T REV.

INTEREST EXPENSE RATIO

INT. PD + CHANGE INT. PABLE/TI

NET FARM INCOME FROM OPERATIONS

NFI/TI

## CH. 4

Monday, February 11, 2008  
2:11 PM

# LAND, LABOR, MANAGEMENT, & CAPITAL

## BUDGETING -

HOUSEHOLD

BUSINESS

ENTERPRISE

PARTIAL

WHOLE FARM

## COSTS

VARIABLE

FIXED

1ST STEP IN MAKING A PROFIT - BREAK  
EVEN

# CH.5

Monday, March 03, 2008  
2:37 PM

## WHAT IS B.E. PRICE?

### BREAK EVEN

THE FIRST STEP IN MAKING A PROFIT IS TO BREAK EVEN.

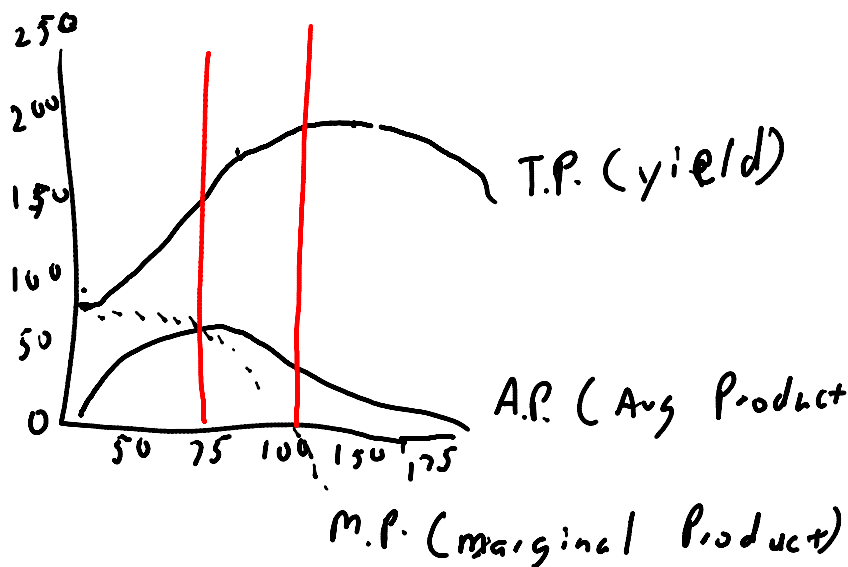
IF SEED CORN COST \$150/BAG &  
90,000 SEEDS/BAG

PRODUCERS SEED AT 28 - 32,500  
SEEDS/ACRE

## PRODUCTION FUNCTIONS

### INPUTS/OUTPUTS

## DIMINISHING RETURNS



Inputs Yield Marginal Input Avg Product Marginal Product

Value of M.P. Marginal Cost

I	Y	mI	AP	mP	VMP	MC	Profit
0	75	—	—	—	337.5	—	337
1	125	1	125	50	225	100	125
2	155	1	77.5	30	135	100	35
3	180	1	60	25	112.5	100	12.50
4	200	1	50	20	90	100	-10



## CH. 6

Monday, March 10, 2008  
1:58 PM

# CASH FLOW

## RECEIPTS & EXPENSES ON A MONTHLY BASIS

WHAT ENTERPRISES TO HAVE

HOW MUCH OF EACH

PRODUCTION TECHNIQUES

MARKETING

HOW MUCH & WHEN TO BORROW \$

WHEN PAY BACK

ZEROS

0.00

-0-

\_\_\_\_\_

NEGATIVES

-1,000

(1,000)

1,000

NICHE MARKET - SPECIALIZED

MICRO VS MACRO MARKETS

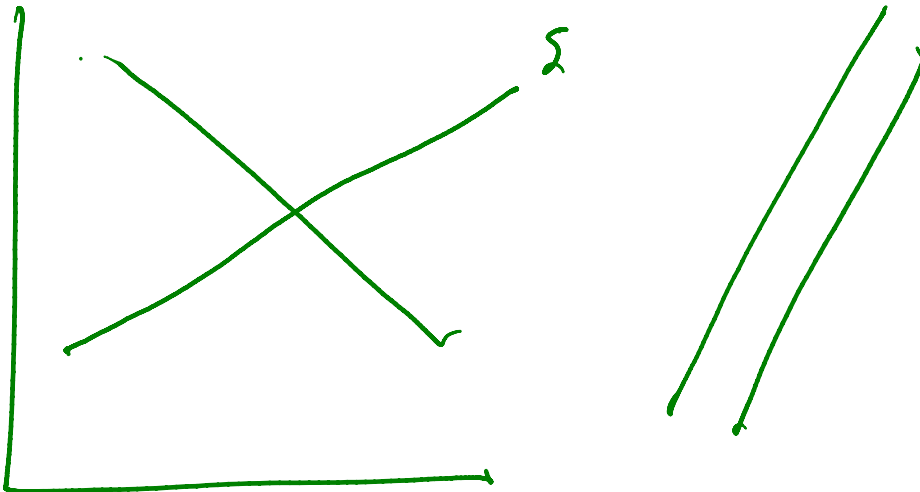
# MKTING

Tuesday, March 25, 2008  
2:03 PM

CONSUMING  
RETAILING  
WHOLESALE  
PROCESSING  
PRODUCING

UTILITY MEANS SATISFACTION  
SUPPLY & DEMAND

➤ SUPPLY < DEMAND



MICRO MKT

MACRO MKT

COMMERCIALS

BREAK ME OFF A PIECE OF THAT

-----

I SAW IT ON THE \_\_\_\_\_

BUILT \_\_\_\_\_ TOUGH

TECHNOLOGY THAT YIELDS

# INVESTMENT ANALYSIS

Wednesday, April 09, 2008

1:28 PM

## FEE FOR BORROWING \$ - INTEREST

$$\begin{array}{r} \$1,000,000 \\ \times 2\% \\ \hline \$20,000.00 \end{array}$$

$$\begin{array}{r} \text{invest} \quad \$1200/\text{yr} \\ \times 30 \text{ yr} \\ \hline \$36,000 \\ \quad 9.4 \\ \hline 176000 \\ \hline \$324000 \\ \hline \$341,600.0 \end{array}$$

SIMPLE INTEREST

COMPOUND INTEREST

## ESTATE PLANNING

Friday, April 11, 2008

2:31 PM

**MAKE A WILL -  
YOUR PROPERTY IS HANDLED THE WAY  
YOU WANT IT TO BE**

# BUSINESS ORGANIZATIONS

Friday, May 02, 2008

1:59 PM

SOLE PROPRIETORSHIP - 85.7%

PARTNERSHIP - 11.2%

CORPORATION - 2.7%

COOPERATIVE

KEEP IT SIMPLE

LLC - LIMITED LIABILITY COMPANY

TRUSTS -

## AG LAW

Wednesday, May 07, 2008  
1:17 PM

### CHOOSE COUNCEL

### SOURCES OF LAWS

CUSTOM - COMMON LAW

LAW MAKING BODIES

JUDGES

ADMINISTRATIVE RULES

### AGREEMENT - CONTRACTS

ORAL & WRITTEN

### TYPES - EXPRESSED

INFERRED

### 4 ELEMENTS OF AN ENFORCEABLE CONTRACT

1. 2 OR MORE LEGAL PARTIES
2. OFFER & ACCEPTANCE
3. SUFFICIENT CONSIDERATION
4. NOT OFFEND PUBLIC MORALS OR  
POLICY

### STATUE OF FRAUD



HAVE TO BE WRITTEN

BREACH OF CONTRACT

RISK OF NONPAYMENT

LEASE

CASH

SHARE

MACHINERY

INSURANCE

GUARDS AGAINST FINANCIAL HARDSHIP

LIFE - 5X

ACCIDENT & HEALTH -

PROPERTY

LIABILITY

NEGLIGENCE - WHO IS LIABLE

INVITEE - MUTUAL BENEFIT

LICENSEE - FOR THEIR BENEFIT

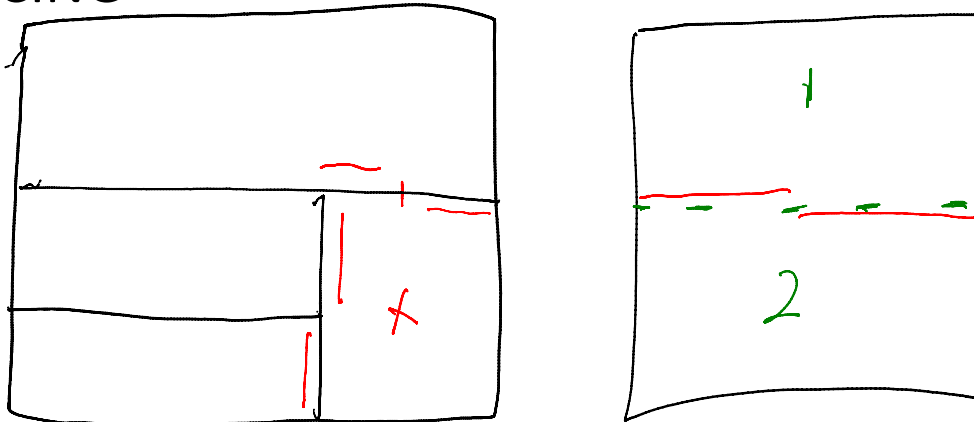
INSPECT AND WARN OF HIDDEN

HAZZARDS

TRESPASSER - FOR THEIR BENEFIT

EMPLOYERS & EMPLOYEES

FENCING



ANIMALS ON ROADWAY

STRAYS

RIPARIAN - OWNER OF LAND WITH  
FLOWING WATER RUNNING THROUGH IT

