

Ag Financial Management & Planning



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Farm Credit Midsouth

**TEN CHARACTERISTICS
OF A
SUCCESSFUL
FARM OPERATION**



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ONE

Proper Size & Scale



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TWO

Highest & Best Use Of Land

- **Best Practice**
- **Proper Improvements**

THREE

Profit Focused

versus

Production Focused

➤ **Production is a given**



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FOUR

Marketing

Yield x Price = Income

% Time _____

FIVE

Keep Good Records

Only way you can make
sound decisions is with
sound information.

SIX

**Manages Cost
(including living)**

Not necessarily the
cheapest but the best
return on the investment.



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SEVEN

Machinery is a COST not an Investment

Combine	\$250,000
*Payment	\$ 61,791
Acres	2,000
Cost/Acre	\$ 38.89
45 bu. Beans	.6866
150 bu. Rice	.2059

***Does not included fuel, labor or reparis.
Make the most effective use of equipment.**



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EIGHT

Has A Plan

LONG TERM	SHORT TERM
Set Goals	Annual Profit
Expansions	Risk Management
Transitions	

NINE

**Understands
Financial Statements**

- **Profitability (Earnings)**
- **Repayment Capacity**
- **Liquidity (Working Capital)**
- **Equity (Net Worth)**

TEN

**Assemble Yourself A
Management Team**

- **Accountant**
- **Lawyer**
- **Lender**
- **Broker**
- **Consultant/Extension**