



Minnesota

Financial Planning Tools for AgPlan

Agriculture continues to be in a state of increasing financial stress and volatility. It is very important for producers to have a business plan to navigate the financial environment and many took advantage of AgPlan to begin this process. However, many of these users noted that the financial planning tools available in AgPlan were needed some updating. This project focused on strengthening this financial section to help producers address the financial risks facing them by developing a new financial planning tool imbedded in AgPlan and detailed instructional tutorials on how to use this tool effectively. These new financial tools have increased the financial risk management capabilities for producers helping them adapt to changing market conditions by allowing them to plan for changes.

The demand for this project was much higher than originally anticipated, with over 2,500 producers

actually downloading the financial statements on from AgPlan for use. The next steps for producers was to develop a balance sheet and an income statement for their operation, resulting in 379 stating that they understood the financial position of their farm business much better. Two hundred seventy five producers actually used their completed business plan and cash flow projections to make changes to their business operation which then assisted them when discussing and obtaining credit with their lender for the upcoming year. Finally, 55 producers stated that their business plan and financial statements helped them to reduce their production costs.

Survey results showed that the largest user of the updated AgPlan tool were new or beginning farmers with varying levels of financial knowledge and understanding. The project director said the program was a success mainly because the tool was available to Excel users, a widely-used spreadsheet program. A beginning farmer and military veteran said, "AgPlan is a great tool for the novice or experienced farmer. The spreadsheet is very comprehensive and includes everything I have been looking for."



"The AgPlan spreadsheet is very comprehensive and includes everything I have been looking for." -Beginning Farmer and Military Veteran





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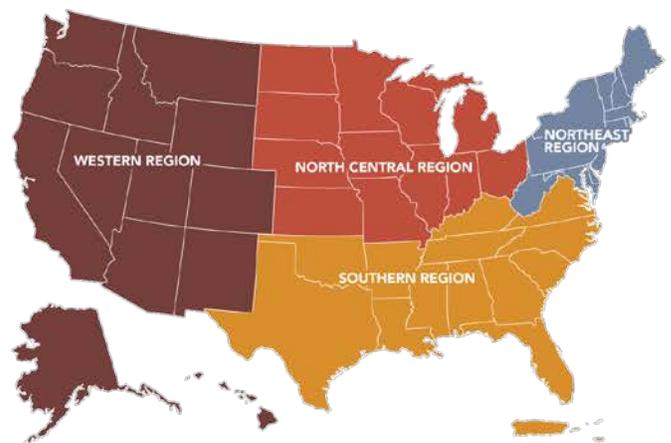
National Institute
of Food and
Agriculture

“Educating America’s farmers and ranchers to manage the unique risks of producing food for the world’s table.”

Extension Risk Management Education (ERME) is delivered through four regional centers that provide grant funding and leadership within their regions.

Projects are producer-focused, results-based and encourage public-private partnerships. Funded projects must identify targeted results that will help producers manage risk and then describe how the project will measure those results.

Extension Risk Management Education has funded innovative programs that have generated tangible results for producers in every state. ERME is committed to funding results, providing transparent accountability, and encouraging collaboration. View the accomplishments of all funded projects on our website.
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