Measuring Financial Condition and Performance for Agricultural Businesses

Tuesday
January 21, 2020

IBA Center for Professional Development
Indianapolis

Register Online
www.indianabankers.org

Fees & Location

The following fees include the program, training materials, continental breakfast, lunch and refreshments:

**IBA Members**
$225 First Person
$155 Additional Member from Same Institution

Surcharge of 100% for Non-Members.

This seminar will be held on Tuesday, January 21, 2020 at the IBA Center for Professional Development, 8425 Woodfield Crossing Blvd., Suite 155 E, Indianapolis, IN 46240. Directions, map & a list of local hotels are available on our website at www.indianabankers.org or by calling 317-387-9380.

Special Accommodations

The IBA is committed to providing the best education in the best facility possible. To that end, we strive to accommodate any special needs bankers may have while attending our programs. If you need special accommodations or have dietary restrictions, please let us know.

Confirmation / Cancellation

The IBA will send confirmations as requested for its programs. Please check the appropriate box & include a fax number on the registration form. If you have questions, contact Marcy Borden at 317-387-9380 or via email at mborden@indianabankers.org.

Within three or more business days prior to the day of an educational program, no cancellation charge will be assessed. Within two days prior, 50% of the fee is assessed. Refunds are not provided for cancellations or absences on the day of the program. Substitutions are welcome at anytime.

Join us for a day focused on which changes are effective and which ones are not during this latest period of farm financial stress.
Program Overview

How can I evaluate loan repayment alternatives for agricultural loans, but do it in a timely and cost-effective manner? The agricultural lending environment has changed dramatically from the 2006-2013 period due to lower commodity prices and adverse weather, but principal payments on term debt for capital purchases made during those more profitable years remain. The result is varying degrees of financial stress among agricultural borrowers. A review of the financial information needed to make informed decisions and a spreadsheet that can be used to evaluate repayment alternatives will be covered during this workshop. The effectiveness of changes in operating strategies and loan terms on repayment capacity and break-even are evaluated for different financial leverage situations, using that spreadsheet. Join us for a day focused on which changes are effective and which ones are not during this latest period of farm financial stress.

Meet Your Presenter

Freddie Barnard is Professor Emeritus in the Department of Agricultural Economics at Purdue University, where he had been on the faculty for the past 36 years. Professor Barnard’s Extension interests include agricultural finance and farm management. His responsibilities include serving as director of the Midwest Agricultural Banking School. The school is cosponsored by the Illinois, Indiana, Michigan, and Ohio Bankers Associations and is held at Purdue University. In addition, he is the coordinator for the Indiana Bankers’ Agricultural Clinic. He also serves as the Secretary/Treasurer for the Indiana Chapter of the American Society of Farm Managers and Rural Appraisers. Professor Barnard is currently a member of the Technical Committee for the Farm Financial Standards Council. The Council recommends guidelines for financial reporting and analysis in agriculture.

Who Should Attend

This seminar will be valuable for entry-level agricultural loan officers and credit analysts who have less than 5 years of experience.

Seminar Agenda

- **Introduction, Current State of Farm Financial Reporting in Agriculture**  
  ◦ Practical Exercise 1
- **Balance Sheet—Review with Emphasis on Indicators of Potential Problems**  
  ◦ Practical Exercise 2
- **Deferred Taxes—Review with Emphasis on Tax and Other Expenses Resulting if a Borrower Sells Assets to Satisfy Debt Obligations**  
  ◦ Practical Exercise 3, using worksheet and a discussion of software available
- **Accrual-adjusted Income Statement—Justification, Preparation and Review Documents Needed to Complete**  
  ◦ Practical Exercise 4 and discussion of Purdue spreadsheet available for free
- **Statement of Owner Equity—Review with Emphasis on the Contribution of Non-farm Income and Impact of Withdrawals for Family Living**  
  ◦ Practical Exercise 5
- **Cash Flow Statement—Review with Emphasis on Multiple Years of Operating Expenses in a Single Operating Line**  
  ◦ Practical Exercise 6
- **Financial Ratio Analysis—Review with Emphasis on Indicators of Potential Problems Using Comparative Data**
- **Break-even Analysis and Evaluating and Prioritizing Alternatives for Addressing Problem Loans—Discussion Using Purdue Spreadsheet**
- **Problem Loan Indicators and Chapter 12 Bankruptcy—Lessons Learned from a 1988 Study of Confirmed Plans**

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