

South Dakota State University  
**Open PRAIRIE: Open Public Research Access Institutional  
Repository and Information Exchange**

---

Department of Economics Staff Paper Series

Economics

---

7-15-1989

# Planning for Tomorrow-Today: A Financial Management Program for South Dakota Agricultural Producers, 1985- 1988

Burton Pflueger  
*South Dakota State University*

Follow this and additional works at: [http://openprairie.sdstate.edu/econ\\_staffpaper](http://openprairie.sdstate.edu/econ_staffpaper)

 Part of the [Agricultural and Resource Economics Commons](#)

---

## Recommended Citation

Pflueger, Burton, "Planning for Tomorrow-Today: A Financial Management Program for South Dakota Agricultural Producers, 1985-1988" (1989). *Department of Economics Staff Paper Series*. Paper 67.  
[http://openprairie.sdstate.edu/econ\\_staffpaper/67](http://openprairie.sdstate.edu/econ_staffpaper/67)

This Article is brought to you for free and open access by the Economics at Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. It has been accepted for inclusion in Department of Economics Staff Paper Series by an authorized administrator of Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. For more information, please contact [michael.biondo@sdstate.edu](mailto:michael.biondo@sdstate.edu).

PLANNING FOR TOMORROW - TODAY  
A Financial Management Program  
for South Dakota Agricultural Producers  
1985 - 1988\*\*

by  
Burton W. Pflueger\*

Economics Staff Paper Series No. 89-6 \*\*\*

---

\*Dr. Pflueger is Associate Professor in the Economics Department at South Dakota State University.

\*\*The author wishes to acknowledge the efforts of and extend thanks to Cindy Synder and the Area Farm Management Agents, Larry Madsen, Ralph Matz, Curtis Hoyt, and Leroy Lamp. Assistance from the Area Agents in compiling data and information is greatly appreciated. The Planning for Tomorrow - Today program would not be possible were it not for the tireless efforts of all extension staff involved.

\*\*\*Papers in this series are reproduced and distributed to encourage discussion of research, extension, teaching, and economic policy issues. Although available to anyone on request, Economics Department Staff Papers are intended primarily to peers and policy makers. Papers are normally critiqued by some colleagues prior to publication in this series. However, they are not subject to the formal review requirements of South Dakota State University's Agricultural Experiment Station and Cooperative Extension Service publications.

## Table of Contents

	<u>Page</u>
Introduction .....	1
Business Planning .....	3
Goals .....	4
Long Range Budgeting .....	6
Cash Flow Planning .....	6
Year End Analysis and Control .....	7
Management Team .....	8
Importance of Communication .....	8
FINPACK for Planning .....	9
FINLRB .....	10
FINTRAN .....	10
FINFLO .....	11
FINAN .....	12
Funding .....	14
Staffing .....	16
The 1985-86 Experience .....	18
Program Efforts .....	18
Program Evaluation .....	18
The 1986-87 Experience .....	21
Program Efforts .....	21
Program Evaluation .....	22
Numeric Analysis .....	26
The 1987-88 Experience .....	28
Program Efforts .....	28
Program Evaluation .....	29
The 1988-89 Experience .....	30
Program Efforts .....	30
Program Evaluation .....	31
Conclusion .....	32
Appendix A .....	35
Appendix B .....	35
Appendix C .....	36
Appendix D .....	39
Appendix E .....	40
Appendix F .....	43

**PLANNING FOR TOMORROW - TODAY**  
A Financial Management Program  
for South Dakota Agricultural Producers  
1985 - 1988

**INTRODUCTION**

As conditions in the ag economy worsened the early 1980s, it became apparent that many farmers and ranchers were crisis-managing their operations. They responded to situations as they developed, instead of anticipating changes and preparing ways to cope. The South Dakota Cooperative Extension Service (SDCES) realized crisis-managing would be disastrous for many producers and recognized a need for educational programs to help producers manage the crisis.

The Planning For Tomorrow - Today (PTT) program was developed by the SDCES to meet this need. PTT was designed to be used by any producer, whether he was experiencing financial difficulties or not, who wanted to examine reorganizing or restructuring alternatives for his operation in an attempt to increase the financial viability of the business.

Fifteen South Dakota counties participated in the pilot program during the winter of 1985-86. Winter months, primarily November to March, were chosen to deliver the program in an attempt to maximize producer participation. PTT was delivered via a workshop setting.

During the workshops, participants were encouraged to either develop or formalize short- and long-term personal and business goals. Based on these goals, participants developed a management plan for the operation in order to meet the identified

objectives. Through PTT workshops, participants learned the benefits of better management through planning, controlling and analyzing their current operation. Participants could also examine alternatives for their operation and determine what would be required to bring an alternative plan into reality.

PTT's success during the pilot year, led to its expansion into a statewide program in 1986. As economic conditions improved in the ag sector during 1987, the focus of PTT changed to reflect the new operating environment. Instead of stressing farm financial management as a way to cope, PTT workshops provided the mechanism to incorporate farm financial analysis into a day-by-day farm management strategy for farmers/ranchers.

Results from the workshops are very encouraging. Several producers reported they were able to obtain financing for the subsequent planting season based on the plans they developed during the PTT workshops. Lenders who reviewed the operating plans were equally pleased.

## **BUSINESS PLANNING**

Few things producers would like to see happen, actually happen by themselves. Business planning helps producers focus on the future and determine what must be done to achieve the desired results. Although these results are desired in the future, the decisions to bring them about are rooted in the present. One purpose of the PTT workshops was to show the Management Team (producers and their farm families) how effective planning can make the tremendous risks associated with production agriculture more manageable. Planning cannot eliminate the risks of decisions made, but can help producers evaluate risks and make decisions that contribute to the business's progress. A plan funnels labor and capital in directions which will move the business toward established goals.

Many participants argued that planning took place on a regular basis in their operations. In some cases, financial statements had been developed to show what would happen during the next operating year. In others, they had discussed their operation and its financial condition as a family. These plans were generally vague as to when things were going to be done, exactly why they were going to be done and what resources were needed to bring the changes about. Producers, or their families, occasionally felt unsure whether they were doing the right things, in the right order, at the right time. Some family members had different perceptions concerning the boldness, expense and direction of planned actions. Thus, actions were often delayed or not undertaken at all.

Delayed, or no action, left little basis for measuring

progress. Producers were sometimes aware that management could be improved, but without a "plan of action" small problems became large problems before corrective action was taken. PTT workshops allowed producers to make current decisions in consideration of the effects they would have on the future. Thus, the planning done at the workshops brought all aspects of an operation together; balanced decisions were made with knowledge of the impacts on other aspects of the farm/ranch business and the family.

### **Goals**

Producers must know where they want their operation to be before they can develop short- or long-term plans. Thus, goal establishment and prioritization were important aspects of the PTT program. During one of the sessions, the Management Team examined questions about themselves that were later asked about their farm business:

- (1) "Where am I?"
- (2) "Where do I want to be?"
- (3) "How do I get there?"

For the home and/or farm/ranch business, the answers to these questions were thought to be obtainable directly from an assessment of the participant's goals. However, most people had not identified their goals. Many hoped for a better future, but few set goals describing the future they wanted and then managed their operations for attainment of these goals.

To arrive at a goal-directed management plan, PTT participants were first asked to complete a self-assessment exercise. This exercise was designed to help individuals decide

if they truly wanted to be involved in production agriculture. It is doubtful anyone involved with farming/ranching has not at one time said "Why did I ever want to be a farmer/rancher?" No one but the individual (and their family) will know whether they really want to be a farmer/rancher. For some who wanted to leave the business, opportunities for other employment may be quite limited and so farming/ranching was the best alternative during the current planning period. Recognizing that farming/ranching and family life interact constantly, the self assessment exercises of the PTT workshops focused on motivations, interests, abilities, skills and satisfactions of each person involved in the farming/ranch and family life activities.

Once the self assessment section was completed, participants were asked to identify their goals, both long- and short-term. Management is an activity directed toward goal attainment, therefore goals are the glue that holds the Management Team together. Goals help aim individual efforts to ensure that everyone involved in the operation is working toward the same objectives. Every producer has goals that he/she works towards for many years -- such as debt free ownership of a farm/ranch or sending the children on for higher education. People also have shorter term goals such as renting additional farmland or attaining a desired feed conversion efficiency. During the workshops, participants were encouraged to develop short-term goals which supported long-term goal attainment. Thus, the stage was set for more effective financial and business management.

Participants often found the short- and long-term goals they established were not mutually supporting. Also, goals for the

farm/ranch sometimes directly conflicted with those for the family or home. Whenever this occurred, Extension staff helped participants prioritize their goals. Assistance was provided to determine which of the goals they would like to achieve first, and how that would affect the achievement of their remaining goals.

### **Long Range Budgeting**

The next step in planning the farm/ranch business was to develop a long-range budget to examine different options for the farm business. While the aspect of long range budgeting may not have been new to some participants, it was none the less important. The workshops emphasized that every farm business has a number of alternatives open to it at all times, including continuing the current mode of operation. If continuation of the current operation met the business and personal objectives participants set forth, and was a plan they were comfortable with, no changes were recommended. However, many producers considered making changes in their operations, if only out of curiosity. These changes involved farm organization, investments, and enterprises. Developing a viable, financially feasible plan was the first step; the plan still needed to implemented.

### **Cash Flow Planning**

Cash flow and debt repayment capacity were important factors determining the viability of an operating plan during the implementation phase for both the producer and his/her lender. Extension staff assisted individuals to develop specific crop and livestock production and marketing plans, project capital

transactions, and project borrowings from and payments to intermediate and long-term lenders during the workshops.

To make the cash flow planning process as useful and meaningful as possible, it was important to have an indication of what has happened in previous years. Past records provided the foundation to project the amounts and timing of income and expenses. For this reason, the importance of adequate records was also addressed during the PTT workshops. Area farm management agents assisted some producers in setting up a record keeping system. The short-term farming and family goals producers had established earlier provided the basis of what was to be accomplished in the coming year.

#### **Year End Analysis and Control**

Plans were seldom developed perfectly during the workshops and their execution was even less perfect. Errors crept into plans for many reasons: misjudgment, miscalculation or inadequate communication. Likewise, economic and business conditions such as government actions or market fluctuations caused the plans to go awry. In spite of these factors, plans seldom went entirely "wrong". Instead, results deviated to some extent from those expected.

Producers viewed control of their operation in terms of action, rather than in terms of a management aspect. Control is the process of measuring and determining necessary corrective action to make certain that plans were transformed into desired results. Effective controls are dependent upon the existence of plans and the ability to measure progress in light of these plans.

### **Management Team**

In any business, the planning responsibilities must be understood by everyone involved. For that reason, the Family Management side of the operation was emphasized during PTT workshops. Family resource specialists provided materials and training for the county Extension staff so they could help participants develop family spending plans, or adjust existing family spending plans. Far too often it was found that people do not realize exactly what their family living costs are.

### **Importance of Communication**

The need to communicate was also stressed during the PTT workshops. Participants practiced personal communication skills so that, as a family, they would be able to talk more openly at home about both the family and business aspects of their operation. Successful operation of today's family farms depends upon good communication both before and after actions are taken. The management team's business plan represent the "before" or up-front component of communication. Included in the plan are the operating budget, objectives (goals) and action steps. The "after" portion of communication is concerned with monitoring performance and progress. Reporting and analyzing results, decisions on corrective actions, and revisions in the plan itself are important ingredients in this part of the management process.

## **FINPACK for Planning**

The FINPACK (FINancial PACKage) program was used in the workshops to develop and evaluate plans of action. FINPACK is a computerized farm planning and analysis package developed at the University of Minnesota and made available to South Dakota State University on a cooperative agreement. Although any evaluative financial management system could have been used, FINPACK was chosen for its availability, support and software adaptability.

FINPACK answers questions producers and lenders ask concerning an operation by examining the basic business objectives of profitability, liquidity and solvency. Profitability is measured as the return to labor, management and owner's equity. Liquidity addresses the business' ability to meet the financial obligations as they come due. Solvency is concerned with the ability of the business to pay all debts if the business were liquidated at a given point in time.

These three business objectives are examined whenever an analysis program is run. Thus, no single objective, such as liquidity (cash flow), is over-emphasized. The business objectives are kept in balance, yet the analysis remains complete and meaningful for both the producer and lender. FINPACK was also used to evaluate the sensitivity of existing and alternative operating plans.

FINPACK is a package of programs designed to be used as tools to assist in individualized farm planning, financing and analysis. Each FINPACK program is designed to be stand alone, but becomes more informative in describing the business, present and future, when used in combination with one or more of the

sister programs. The different programs of FINPACK are: FINLRB, FINFLO, FINTRAN and FINAN; each program will be explained in greater detail.

#### **FINLRB**

FINLRB (**FIN**ancial **L**ong **R**ange **B**udgeting) compares the long range profitability and debt repayment capacity of up to three alternative farm plans at one time. FINLRB was used in the workshops to allow an individual to compare the financial strength of the current farming operation with two alternative plans involving new enterprises, new resources, changes in efficiency, changes in debt structure, and different sizes or combinations of current enterprises.

#### **FINTRAN**

FINTRAN (**FIN**ancial **T**RANSition) projects farm cash flows for three years of business. It was most useful in projecting cash flows for the transitional period when a major change was being implemented. It was often used in the PTT workshops after a FINLRB had been developed, to cross the bridge between where a producer's operation was (current situation) and where he would like it to be (projected profitability). FINLRB only projected profitability in a typical year of business, it did not consider startup costs which may make the change infeasible. FINTRAN projected hidden costs and helped the producer determine if the plan was workable in the short-run.

Cash availability is always critical during a transitional period. FINTRAN allowed producers to project quarterly cash inflows and outflows for the first year and annual cash flows for

the second and third year, based on production, marketing and financing plans. If a cash deficit resulted in any period, FINTRAN assumed the amount was borrowed on an operating loan. Any cash surplus was applied to pay interest and principal on an operating loan. The results showed the projected amounts and timing of operating loan needs, when cash was likely to be available for term debt repayment and the projected operating loan balance for each period. Thus, FINTRAN was extremely useful to both the operator and his lender in estimating annual operating credit needs when a major change was implemented. The output also provided a complete summary of crop and livestock production, sales, purchases, amounts fed and inventories.

#### **FINFLO**

Often it was desirable to take a more detailed look at a projected cash flow for the next business year than what FINTRAN provided. The FINFLO (**FIN**ancial cash **FLO**w) program was used for this detailed analysis. It allowed the Management Team and their lenders to take an in-depth look at the farm business over the next twelve months to determine whether cash would be available as needed, when annual operating loans would be needed and when repayment would be possible.

FINFLO projected monthly cash inflows and outflows for the coming year based on production, marketing and financing plans. The cash deficit and surplus assumptions used in FINTRAN also applied to FINFLO. Thus, the results indicated the amount of annual operating loan funds outstanding during each month of the year and the projected timing and amount of the peak balance outstanding. However, FINFLO is different from FINTRAN because

FINFLO provides the detail to suggest changes in the operation to ensure financial obligations are met in a timely manner. The output also includes a monthly summary of projected crop and livestock production, sales, purchases, feed needs and inventories. In addition, a table was provided to help interpret the cash flow results in light of projected inventory changes from the beginning to the end of the year.

A worksheet is also provided to monitor planned versus actual cash flows. This monitoring worksheet allowed producers to examine their financial flows on a quarterly basis, and make necessary adjustments when actual conditions deviated from the plan.

#### **FINAN**

Managerial performance indicators are important to both the producer and lender. For the producer, these performance measures indicate how many of the "little things" are done in the operation. The measures indicate to the managers which aspects of the operation they are doing very well, and aspects that may need attention. For the lender, these performance measures can be used to determine a borrower's managerial ability and credit worthiness.

The FINAN (**FIN**ancial **AN**alysis) program of FINPACK was used to analyze the financial performance of a farm/ranch business during the preceding year and help in the control process. Profitability, liquidity and solvency were examined based on comparisons of the operation's financial position at the beginning and end of the year, and income and expenses during the

year. Enterprise analysis is a special aspect of FINPACK's year-end analysis capabilities. The enterprise analysis provided an income and expenses summary for each enterprise as well as breakeven measures and production efficiency indicators for operations with detailed enough record systems to provide the necessary information. The enterprise analysis section was used to indicate which enterprises should be intensified, which should be operated less intensely and which should be dropped from the operation. The breakeven and efficiency measures were compared to industry or area standards to determine how a particular operation performed compared to other similar operations.

FINAN also allowed producers to relate the farm's current performance to its historic track record. Historic financial statements were listed in the output for comparisons, and a trend analysis was developed from information for each year an analysis was run. The liquidity section of FINAN analyzed the cash generation of the business on both a cash and accrual basis. FINAN also allowed producers to compare their projections to the actual occurrences.

## FUNDING

The Planning for Tomorrow-Today program has received special project funding through the Extension Service - United States Department of Agriculture on three different occasions. These special project funds have provided the majority of funding for financial management education programs offered by the South Dakota State University Cooperative Extension Service. Other state and federal monies have been provided to the extent of staff salaries and equipment necessary to conduct these programs. Following is a brief discussion of the special project funds received and how they were used in financial management education efforts.

The first special project funds were received in December 1985 and totaled \$60,000. These funds were awarded so that education programs designed to assist financially stressed producers in their financial, production and management activities could be offered. The initial efforts for the PTT program included ensuring all county staff received program training and that all program materials would be developed and made available to county Extension staff, as well as program participants.

The second special project funds were received in January 1987 and amounted to \$70,000. These funds enabled program staff to continue educational efforts to improve financially stressed producers' financial, production and management skills. Additionally, these funds helped initiate efforts to establish a clientele self-help group in each county, to educate agricultural lenders about program efforts, and to develop a comprehensive

management system incorporating other disciplines, primarily dairy science, animal science and agronomy, into the PTT program efforts.

The last special project funding arrived in April 1988 and totaled \$60,000. These funds allowed the Planning for Tomorrow-Today program to be funded through a transitional phase in financial management programming in South Dakota. These changes are discussed in another section of the paper, but can be summarized as an attempt to make educational efforts more responsive to producer needs. This responsiveness was believed to be achievable through a coordinated resources approach and development of response teams to handle producers questions.

The funding for the Planning for Tomorrow-Today program shows the success of the SDSU Extension financial management staff at obtaining funding under a competitive grant basis. This success comes at a time when, on a national level, the Extension service is exploring an expansion of competitive funding and issue programming. The PTT program is a specific example of success in developing, delivering and improving a program to meet the needs of specific clientele groups, and in responding to the changing needs of those groups. The PTT program is the most successful financial management education program in South Dakota and merits consideration for expansion and further funding.

## STAFFING

One drawback of the Planning-for Tomorrow-Today program has been a non-constant program staff. Having a static staff would have allowed for more continuity in the program and a chance to build on each year's success. The following is a brief summarization of the program staff available to the PTT program.

### State Program Staff:

- Dr. Burton W. Pflueger - hired June 1985 to work in farm financial management.
- Dr. Wallace Aanderud - retired July 1985, has not been replaced to date.
- Bernadine Enevoldsen - temporary FRM;  
Dec. 1985 to June 1986  
- fulltime since July 1986
- Ruthe Harmelink - started as Family Life Specialist in April 1986  
- resigned July 1987.
- Lynette Olson - started as Family Life Specialist in August 1988.

### Area Program Staff:

- John Maher - Area Farm Management Agent;  
1968 to 1985  
- County Agent; 1953 to 1968.
- Larry Madsen - Area Farm Management Agent;  
1981 to present  
- County Agent; 1967 to 1981.
- Leroy Lamp - Area Farm Management Agent;  
1986 to present  
- County Agent; 1965 to 1986
- Ralph Matz - Area Farm Management Agent;  
1986 to present  
- County Agent; 1980 to 1986.
- Curtis Hoyt - Area Farm Management Agent;  
1986 to present  
- taught school/farmed; prior.
- Erwin Anderson - Farm Records Program; Aug.  
1979.  
- resigned Sept. 1986.

Arnold Rieckman - Area Farm Management Agent  
1985-1987;  
- County Agent; 1952 to 1956  
and 1962 to 1985

**Program Leaders:**

Larry Tidemann - ANR; May 1983  
- County Agent for 11 years; prior

Barb Froke - Home Ec; 1978 to 1985  
- DES for 5 counties (Southeast)  
- 4-H & Home Ec Program Leader;  
1985 to 1988.

**District Supervisors - South District:**

Barb Froke - 1985. Was Home Ec Program Leader  
and DES, switched to 4-H and  
Home Ec Program Leader.

Mary Fleming - DES and EFNEP Coordinator;  
1985-86.

Les Schoffelman - DES, started May 28, 1986.

**District Supervisors - North District:**

Gail Dobbs Tidemann - DES; started Nov. 6, 1986.

Lloyd Hansen - DES; July 1, 1985.

Mike Dahl - DES; prior to July 1, 1985.

George Black - DES; 1982  
- started as DES in West.

**Dean/Director:**

Dean Del Dearborn - resigned September 1985.

Dr. Battaglia - hired as Director, Oct. 11, 1984  
- Acting Dean/Director;  
Sept. 1985 to July 1987.

Dean David Bryant - accepted position, July 14, 1987.

Dr. Mylo Hellickson - Acting Director; Oct 1, 1988  
- Director; July 1, 1989.

As shown, program staff has been variable throughout the existence of the Planning for Tomorrow-Today program. Thus, it has been difficult to maintain consistency in program content and delivery.

## **THE 1985-86 EXPERIENCE**

During the winter of 1985-86, 15 South Dakota counties were involved in piloting the PTT workshops. The following counties participated in the piloting project: Beadle, Brookings, Clark, Codington, Day, Deuel, Grant, Hamlin, Lake, Marshall, McCook, Miner, Minnehaha, Potter and Roberts. Five other counties (Jerauld, Kingsbury, Lincoln, Sandborn, and Turner) received training later in the year, but did not conduct workshops. County Extension staff received training in all aspects of the workshop and conducted the workshops. Approximately 120 producers and their families attended PTT workshops during the piloting period.

### **Program Efforts**

PTT workshops were conducted as a series of five meetings. Participants met as a group for the first three meetings and individually the last two. During the first four meetings, participants did self assessment exercises, developed short- and long-term goals for their families and operations, and developed both long-range financial plans and cash-flow plans for their operations. The last meeting was scheduled for the end of the business year to assess that year's business operations for participants.

### **Program Evaluation**

Participants learned about PTT workshops from a variety of sources. The predominate information sources were county Extension staff and newspaper articles, 56 percent and 20 percent of the participants learned about the workshops from these

sources, respectively. Thus, results indicate the Extension staff did an excellent job in promoting the PTT workshops.

The PTT program was targeted for farm/ranch families having having financial trouble, primarily young producers with high debt-to-asset ratios. A summary evaluation of the participants and their operations shows this target group was effectively reached. The participants were predominantly male, 63 percent compared to 37 percent female. Of the male participants, 52 percent were between 20 and 34 years of age, 31 percent were between the ages of 35 and 44, 11 percent were between the ages of 45 and 54, with the remainder being greater than 55 years old. For the female participants, these percentages were 40, 40 and 20 respectively. Thirty-eight percent of the male participants were high school graduates, 37 percent had received some college education, and 21 percent were college graduates. For the female participants, these percentages were 33, 40 and 27 respectively.

Information about the operations indicated 68 percent were sole owners, 26 percent operated under a family partnership structure, and the remainder were involved in a different form of business arrangement. Seventy-five percent of the operations had a debt-to-asset ratio greater than 40 percent at the time of the workshop. Of these 48 percent had a debt-to-asset ratio between 41 to 70 percent, 40 percent had a ratio between 70 to 100 percent range, and 12 percent had a debt-to-asset ratio greater than 100 percent. Of all the participants, only two could not find an alternative plan for their operation. One of these participants had a debt- to-asset ratio of 246 percent and was in the process of bankruptcy filing.

Perhaps the best reaction to the 1985-1986 workshops was summarized by the comments of two participants:

"It will help us determine a more viable plan to purchase the existing farm from our parents. We will now know what is a feasible price we can afford which will allow us to negotiate with FmHA and banks."

"I was a little disappointed more people in the community did not take advantage of the course. It seems to me they didn't want to know the truth of the situation."

## THE 1986-87 EXPERIENCE

Success of the PTT program in 1985-1986 led to its expansion into a state-wide program during 1986-1987. PTT programming efforts expanded from 89 operations in 1985-1986 to over 300 operations in 1986-1987. As the financial crisis eased, the SDCES realized PTT participants had different needs and developed a new evaluation tool in order to meet these needs better.

### **Program Efforts**

During 1986-1987 nearly every South Dakota Extension agent worked through the PTT program. A majority of the clientele were considered "distressed" and had been referred by either their lender or by one of the South Dakota Department of Agriculture's Financial Counselors. A significant number of these clients found FINFLO particularly beneficial, and also FINLRB to a lesser degree. Some agents worked closely with clients and lenders on a quarterly basis to monitor cash-flow projections. This was done only on a limited basis and with 'problem' operations. However, not all PTT participants were classified as distressed farmers. Some financially strong producers elected to participate in the program simply out of a desire to increase their management ability or to find ways to increase profitability.

Initially the 1986-1987 program was intended to be delivered in the same manner as the pilot program: three group and two individual sessions. However, PTT program leaders found one-on-one consultations were more efficient and so the number of group sessions were reduced and more one-to-one assistance was provided. Group sessions were still used to promote the program

and for those education efforts that were not as operation specific.

The completion rate (start-to-finish) for the first four meetings of the 1986-87 program year was 98 percent, indicating a number of producers felt the program would be helpful. In addition to these producers, a number of operations were assisted outside of the PTT program. However, only 56 of the 89 operations involved in the pilot program ran the final FINAN analysis, a 61 percent continuation rate for the PTT program as a whole. This continuation rate was believed similar to management programs conducted by other agencies. The remaining 39 percent should not be considered as program drop outs. If county staff conducted the individual consultation instead of the area staff, the producer's program completion was not recorded. Other reasons producers may not have been shown as completing the program include: moves, retirement, farm sales or related events.

### **Program Evaluations**

A summary evaluation of PTT participants indicated 71 percent of the participants were male and 29 percent were female. Information on the type of operations indicated 45 percent were operated under a partnership setting and 40 percent were sole owners of their operation. The remainder were involved in a different form of business organization.

The participants learned about PTT workshops from a variety of sources. The predominate information sources were the county Extension staff (65 percent) and newspaper articles (25 percent). Thus, results indicated the Extension staff were still the

primary contact for the PTT workshops during the 1986-1987 program year.

Along with the demographic survey, PTT participants were asked to rate the effectiveness of the workshop sections, on a scale from 1 to 5; 5 being the best. Following is a summary of the responses to the various components of the Planning for Tomorrow - Today program:

**TABLE 1**

Self Assessment Exercise	3.8	Developing a Cash-flow	4.6
Completion of the Financial Statement	4.2	Prioritization of Established Goals	3.7
Completion of the FINPACK Data Banks:	4.2	Developing a goal-directed mgt. plan	4.1
Developing a long-range management plan (FINLRB):	4.0	Importance of record keeping	4.6
Goal Identification:	4.3	Individual sessions	4.6

When asked how any of the above sections could be strengthened or improved, the participants responded by:

"More one-on-one consultations."

"Self-assessment: until you know where you are at, it is hard to know what direction you should head."

"Goals and prioritization should be stressed more so long range plans can be developed."

When asked which sections were most beneficial or helpful, the participants responded with:

"Goal identification. This is one area we really needed."

"Completion of cash-flow for yearly planning."

"The importance of record keeping in order to know the cost of production, and the individual consultations session, because it was an unbiased assessment of our situation."

"Being able to see how your projected profit would be changed by making various changes in our operation."

"Developing the various budgets. This process caused me to really study our ranch operation."

Workshop participants were also asked how much time they devoted to the following sections of the workshop. The actual times were compared to the planned amounts. The self-assessment and goal related exercises took less time to complete than planned, developing financial statements and completing the FINPACK Data Banks took longer than planned. The results are summarized in Appendix A and indicated that workshop agendas should be adjusted for subsequent programs.

The overall reaction to the Planning for Tomorrow-Today workshop was quite favorable. Participants responded to the following categories in the indicated percentages.

Very beneficial, gained a lot:	20%
Very useful information to plan for the years ahead:	40%
Good program-would encourage friends to attend:	40%
Feel I wasted my time-knew all this before:	0%

Participants were also asked to indicate the extent that the family communications and self-help group portions of the workshop affected how they dealt with rural economic stress and change, practiced non-blaming communication, expressed their feelings, were a good listener, and have helped themselves

through self-help groups. In all cases, participants said the situations improved, to an extent, after completing PTT. The results are found in Appendix B.

An overwhelming majority of PTT participants (93 percent) indicated that the workshop was everything they expected to be. Here are some of their responses as to why:

"I liked the informal atmosphere and the ability to ask questions."

"It was very good. I did not expect to spend time on goal identification or self assessment. But those parts are important to management also."

"It put figures in front of our eyes to help us look more accurately at our overall situation."

"It took into account my total operation very well, and enabled me to use alternatives."

"It gave us information we wanted and expected. It also gave us guidance in determining certain factors."

"We've always had good financial records. I was hoping more for direction in management areas. i.e., where should we be on our balance sheet, what is the 'ideal' financial statement."

In addition to these quotes from producers, case studies are provided in Appendix C which typify the results and benefits producers experienced through the Planning for Tomorrow - Today program.

## **Numeric Analysis**

Another approach to program evaluation was to examine the financial characteristics of business operating plans developed by agricultural producers at PTT workshops. A comparison of operating plans for the farm/ranch business as it was currently operating with projected plans for an alternative operating plan would illustrate how beneficial the planning aspect was for managing today's agricultural businesses. For this evaluation, selected financial ratios were drawn from FINPACK results for an operation's current situation and compared against the same ratios for the best alternative operating plan the producer developed at PTT workshops. The differences between the values of these financial measures showed the improvement (deterioration) in the operation if the projected plan was implemented. These values can be found in Appendix D.

The implication of these findings can only be discussed in general terms. These values range across a wide geographic and major enterprise base for the operations included. However, the values do indicate some very positive findings regarding the Planning for Tomorrow - Today program efforts.

First, the 1986-87 values indicate that producers who participated in the PTT program were able to find an alternative for their operation that resulted in approximately \$8,000 additional money available to the firm. (A return of \$320 per dollar spent.) The operators were able to add approximately an additional \$6,000 to their net worth each year under the revised plan. These financial improvements resulted because of a lower percentage of cash expenses as a percent of income and lower

interest expense as a percent of the value of income. Producers were able to find alternatives that allowed them a higher turnover rate on their investments and thereby reduce either the level of, or the length of time, operating capital was needed. Basically the program was able to show producers the practical application of the educational points made in the workshops.

## THE 1987-88 EXPERIENCE

PTT's success stagnated during 1987 as the number of participants fell by approximately 60 percent. Improvements in the agricultural sector made it difficult for agents to recruit producers into the program. PTT participants during the 1987-1988 program year had an average net operating profit of \$60,376, paid \$11,798 in farm interest, paid out cash family living expenses of \$18,647 and reduced their indebtedness from 51 percent to 46.5 percent. Also, the on-going educational needs of the core group left little time for the agents to recruit or do management programming. As a result, fewer workshops were offered in 1987-1988 than the preceding year.

### **Program Efforts**

Two important changes were made in the PTT program during 1987-1988. The first was the adoption of a new FINPACK version which contained changes in the FINLRB program and how it examined sensitivity. Initially, the FINLRB program examined how the operation's financial position would be affected by a ten percent decline in production or in the value of production. The new version of FINLRB went one step further and portrayed the operation's sensitivity level if it suffered a 10 percent decline in crop production, 10 percent decline in livestock production, a 2 percent decline in all enterprises or a 10 percent decline in all enterprises. These scenarios were included to show which area of operation was most sensitive and required the greatest care in management. Thus, participants could determine if adjustments in the farm/ranch plan were necessary to lower risks

if this sensitivity level was unacceptable.

Another change was the formal division of the family and business sectors of the PTT program workshops. Several factors led to this separation: a lack of time during the workshops, some agents were uncomfortable presenting the family portions and little perceived need for family portions. This separation or division did not mean elimination of these sections in the program. Many producers felt the workshops were too intense, so program staff decided to offer shorter sessions that were narrowly focused.

### **Program Evaluation**

The data used to evaluate the 1987-1988 program year were generated from operations assisted by four area farm management agents across South Dakota. Data were collected concerning inventory change, net operating profits, family living expenses, long-term debt and changes in net worth. The results are summarized in the four tables contained in Appendix E.

These results show PTT effectively helped improve their operation's profitability. FINAN results show one-half of the farms/ranches fall in the \$0 to \$20,000 inventory change and that over 40 percent realized profits between \$40,000 and \$80,000.

## THE 1988-89 EXPERIENCE

Following the 1987-1988 program year, a survey was sent to county Extension staff, area farm management staff and Extension administrators to solicit their responses on how the PTT program could be refined or revised to better serve South Dakota's ag producers financial management educational needs. Several changes were made before the 1988-1989 program year and are discussed in the next section.

### Program Efforts

Results from the survey indicated county staff felt comfortable running the program and felt they were doing an adequate job, but a majority felt producers in their county did not want to come to a series of financial management meetings. Other questions in the survey regarded workshop fees, workshop materials and promotional materials. A complete listing of the survey questions and a summary of the responses are found in Appendix F.

A meeting of administrators, county staff, area staff and state specialists was held to discuss the survey and attempt to find solutions for problems identified by the survey. During the meeting, it became evident there were essentially three components in PTT workshops: (a) long-range planning, (b) short-range planning and (c) financial progress analysis. Within each component, there seemed to be three distinct aspects which Extension staff needed to focus educational efforts: (1) financial position assessment, (2) goal establishment and prioritization and (3) resource assessment.

It was decided the new PTT program would involve three independent but interrelated components (a,b,c) involving the three aspects (1,2,3) of financial planning and assessment. This approach provides flexibility to the producer as they can partake of financial management meetings as they are ready for them. In the past it seemed as if, while all aspects were recognized as important, producers were unable to apply all the concepts learned at the workshops. They took home, or at least were presented with, more information than they knew how to use.

Under this new format, county staff conducted PTT workshops in either a group setting or with individual producers in their office. County staff were recognized as the best determinants of which delivery format worked best for them and the producers in their county. Therefore, county staff offered the program under the meeting format they desired, as long as all three meetings were offered to all participants.

It was also recognized that the dual components of farm/ranch and family as a Management Team were still intact. One intent of the new format is to preserve these components and present both at each meeting or promotional effort.

### **Program Evaluation**

The number of PTT participants increased in 1988-1989 to over 400. The number of core users have decreased as the ag economy improved, but are still present. Many of the clientele became interested in PTT as a means of evaluating FmHA buyouts, the Conservation Reserve Program and Conservation Compliance plans.

## CONCLUSION

The Planning for Tomorrow - Today program, especially FINPACK, have obvious advantages for South Dakota and its producers. It allows producers to see projections of profits and other vital financial data on paper, before investing the time, energy and money into a new venture. The results of the projections indicate whether each alternative will ever be profitable, if it will service the farm debt load in a typical year, and if future growth in net worth can be expected if the plan is implemented.

The results also provide insights into the riskiness of each alternative. Therefore, costly mistakes can be avoided by first analyzing a new enterprise, investment, or reorganization plan on paper. Some individual projections show tens of thousands of dollars improvement in farm profitability if producers follow through, as opposed to continuing their present organization.

As the numeric analysis indicate, there is a better, more feasible and profitable venture waiting for almost every producer, whether it be a large operational change or merely implementing different management techniques. Perhaps the greatest advantage of FINLRB and the entire PTT program is its impact on profits. In nearly all cases, net profits and returns on investment increased, while debt-to-asset ratios were held constant. Although the impact of increased farm income is not immediately noticed, a revitalization process within the farming community undoubtedly occurs. It is quite evident farming communities prosper when farmers do.

Another advantage of the program is that it forces South Dakota farm managers to keep more accurate and comprehensive records. Through this record-keeping process, farmers can better prepare themselves for meetings with their lenders. Farmers who walk into a lender's office and set down a list of comprehensive, accurate plans and records are in a much better position for a loan, than is a farmer who merely scratched a few numbers and ideas on the back of an envelope.

With the tough times behind us, and gloomy projections for the future, it is imperative that South Dakota producers and their lenders work together more closely. Better cooperation between bankers and farmers can open up both sides for better negotiations and thereby reduce the need for any state interest buydown, mediation or intensive assistant program for agriculture.

As more farming operations complete the FINPACK program, they will be able to better analyze their situation and find ways to keep their operations turning a profit, thus thwarting the rash of bankruptcies seen in 1987. A producer that follows the plans and aims for projected month-to-month and yearly profits can take immediate action when actual performance declines. Whereas a producer without plans, projections and goals may not realize money is coming up short until it is too late.

If there is a shortcoming in the FINPACK program, it is that the producers do not have the resources (records) needed to really 'fine-tune' their projections. However, it is believed the majority of producers are now keeping better records which will aid them in developing future projections through FINPACK.

It was very apparent to workshop leaders that producers needed a better set of records in order to contend with the business requirements of the modern farm.

Although PTT can help producers plan for success and provide a goal-directed management plan for reaching that success, it cannot guarantee they will reach it. That guarantee remains in the hands of the producers. Those that have attended PTT workshops are in a position to guarantee success for their business, their families and thereby their communities and state.

**APPENDIX A**

	<u>Planned</u>	<u>Actual</u>
Self Assessment Exercise:	60 minutes	31 minutes
Goal identification:	60 minutes	36 minutes
Prioritization of Established Goals :	60 minutes	28 minutes
Developing a goal directed management plan :	*	39 minutes
Completion of Financial Statement:	30 minutes	90 minutes
Completion of FINPACK Data Banks:	30 minutes	145 minutes
Developing a LR management plan:	*	100 minutes
Developing a cash flow plan:	120 minutes	125 minutes
Importance of keeping records:	30 minutes	90 minutes
Individual consultation session:	120 minutes	120 minutes

\*Included in the first three sections.

**APPENDIX B**

Learning new ways to cope:	3.6
Learning about non-verbal communication:	3.8
Learning about the importance of family communication :	3.9
Information provided through video-tape:	2.3
Learning about non-blaming communication:	3.4
Learning how to express your feelings:	3.4
Learning how to be a good listener:	3.7
Learning new ways to help myself or others:	2.9
Learning about self-help groups:	3.1

## APPENDIX C

### Case 1.

A younger producer and his wife owned a small acreage dairy operation, where they purchased most of the feedstuffs. Their debt load was relatively high, and they were on a monthly payback system.

The couple was well-pleased with the FINFLO projections that show they can work their way out of debt in a relatively short time, assuming a moderately stable milk market. The wife had considered off-farm employment. However, she decided against it as the farm paid her more per hour than the postal service job.

### Case 2.

A younger dairyman and his family had undergone extreme family and financial stress, due to a child's illness. They were very optimistic and were able to work out a much more favorable land lease payment schedule. They also leased additional cows for quicker cash flow. Their child is undergoing the last of a two year major surgery reconstruction program. Things are appearing to be turning around for them. The couple is extremely grateful for the PTT program, as it has allowed them to convince their major lender (FmHA) to stay with them.

### Case 3.

An agent was disappointed in not being able to project a \$5,000 or more increase in net income, as a result of going through PTT. The couple keeps immaculate records. They were able to project about a \$2,500 net increase though considering some alternatives. The agent was able to increase net profit by about \$3,000 or more, so they were all pleased. They said that the cash flow alone is worth the \$50 PTT charge and their investment of time, as they can use it with FmHA. The wife is presently working in town. They are looking forward to the time when she can quit working, and the farm income alone will support them. They are diversified, with sheep flock, hay sales, alfalfa and grass seed production. They may be able to consider adding land through a lease option in another year or so, through the use of PTT.

### Case 4.

This couple operates a farm unit in South Dakota from October-March, and harvests salmon in Alaska during the rest of the year. They are tremendously successful with an orphan lamb raising program, which they plan to expand, and recently built a new house on the farm. The couple ran the

PTT program to see if they could someday justify just farming. They were tremendously grateful that "we would take them on as clients," when they weren't full-time farmers.

Case 5.

After being hired help in the past, this family has farmed on their own for just three years. The wife works in town to supplement their income and help pay the bills (to minimize borrowed capital). Her "tips and wages pay for baler twine and haying repairs." They are fast establishing a reputation in the purebred sheep industry. However, they may need additional land in order for their operation to grow so that the wife can discontinue working in town.

They ran additional FINLRB to consider a lease with option to buy on another unit, as the place they are on is quite limited. The couple decided that FINPACK is the best procedure for considering these alternatives.

Case 6.

This is another case where the unit is not large enough to support the family, especially during the economic crunch. They lamb about 200 ewes. However, they cannot produce enough feedstuffs for that number, so they must buy some. The wife works off the farm as a teacher (went back to college under Rural Renaissance program to qualify as special education teacher--so husband was "house husband" to two ). The agent spent considerable time running FINLRB'S on other ranch units available in the area. The producer decided to make annual payments and remain on their current farm. He is getting established in the cottage industry type wood-working enterprise to supplement their income. "The timing was ideal, as he didn't know whether to make payments and stay there or to move to another ranch unit, or to leave farming. He will try to reorganize financing and stay--with help from off-farm income."

Case 7.

In this farm unit, a producer's son and wife run lambing to market operations for the producer on shares, and also have a unique vegetable operation. They raise potatoes along with tomatoes ("with very antiquated equipment"), along with raising edible beans. They have grassland to utilize, so they have started "breeding up" Belbvieh cattle and plan to go purebred, eventually. "Taking PTT was very timely, as we're getting ahead enough to where we no longer need to lamb on shares. We need to know how well we are doing." In order to net more of the total proceeds from the sheep, the father is considering selling off aging ewes and establishing himself in the lambing operation.

Case 8.

A younger single dairyman was farming on a very limited acreage operation--buying most of the feedstuffs. He wanted to know if he should consider farming to produce more of his feed-or to expand dairy and buy all feeds. After cash flowing, his banker surprised him by advising him to contract his hay needs through the next season (hay prices are very favorable right now). His banker also advanced him the money to do so. From the home economists program on family goals, it turned out that he has a seldom-seen son in Alaska--and can now take off some time to go see him!

Case 9.

Another family went through the dairy buyout program to clean up their debts. This left them without very much to invest into another operation. The couple and the husband's bachelor brother farm together. The husband works off the farm milking cows at an area dairy. He had past experience in swine operations, so he proposed a farrow to feeder pig operation. The couple's teenage son (FFA member) received a loan for swine breeding stock through the Department of Agriculture youth loan program. The couple can't get FmHA funds until the fall. FINLRB and FINFLO helped them change cropping programs to increase profits and to plan ahead for swine feed. The couple was surprised that we would spend "so much time working and reworking the different alternative budgets. Cash flows will be just what they will need for FmHA."

Case 10.

This younger couple recently moved into the area from Minnesota. Last winter's mild conditions and depressed corn prices resulted in them not being able to sell their principle cash crop. They took PTT to ascertain just where they were at, and to determine if they can continue farming. They were somewhat familiar with computers from having run a hardware store. They would have liked to have borrowed the money to buy some cattle to feed the corn to. However, after contacting a number of agriculture leaders (some with agents assistance--going along to explain FINFLO) they cannot borrow the funds. Their debt to asset ratio was over 50 percent. They speak very highly of the PTT program. Their bankers contacted them and said, "they really appreciated the excellent cash flows generated--but bank policy prevents them from extending loans to those over 50 percent indebted."

**APPENDIX D**  
**NUMERIC ANALYSIS**

The following are selected financial ratios of farm operations comparing their current situation to the best viable alternative, according to FINLRB averages. The current situation is labeled as CURRENT and the values for a selected alternative are labeled as PROJECT. The differences between these values for a particular financial measure show the improvement (deterioration) in the operation if the projected plan is implemented.

	MNGT. EARN.	RATE OF RETURN	ROR NET WORTH
CURRENT	17,047	12.8	30.9
PROJECT	25,365	4.4	173.5
	PROFIT MARGIN	TURNOVER RATE	INT. ON NET WORTH
CURRENT	17.5	50.5	5,802
PROJECT	26.3	83.4	5,822
	INTEREST PAID	VALUE LABOR	RET. ON INVEST.
CURRENT	14,933	12,844	24,860
PROJECT	15,229	14,673	31,818
	TOT. NET WORTH	VALUE PRODUCTION	CASH % INCOME
CURRENT	96,709	147,992	75.6
PROJECT	96,278	105,156	67.8
	INT. % VAL PROD	CUR/INT L/A	LT L/A
CURRENT	17.1	73.8	76.9
PROJECT	13.48	73.1	76.9
	TOTAL L/A	FAMILY LIVING	NET WORTH CHNG.
CURRENT	67.3	7,696	16,200
PROJECT	67.3	7,696	22,352
	NET PROFIT	TOTAL INV.	RET. NET WORTH
CURRENT	22,849	272,264	10,005
PROJECT	31,182	274,907	16,519

APPENDIX E

Table I.

OVERVIEW OF ALL DATA COLLECTED (1987)

AVERAGE, TOP 15%, BOTTOM 15%

DATA ITEM		# OUT OF 58	AVERAGE	TOP 15%	BOTTOM 15%
1. Inventory Change	\$	39	21,634	86,612	-13,332
2. Net Op. Profit	\$	39	60,376	154,583	4,250
3. Profit or Loss	\$	39	59,139	128,966	11,246
4. Rate of return on Investment	%	57	18.6	42.6	0.4
5. Rate of return on Net Worth	%	54	30.6	126.5	-32.0
6. Net Profit Margin	%	57	35.9	60.7	-26.8
7. Asset Turnover Rate	%	58	51.4	120.2	10.8
8. Farm Interest Paid	%	56	11,798	630	56,688
9. Inventory Change - Income Items	\$	39	22,018		
10. Gross Farm Income	\$	39	141,429	345,241	34,890
11. Total Op. Expenses	\$	39	91,261	255,988	15,560
12. Family Living Exp.	\$	55	18,647	48,086	805
13. Cash Expense as % of Income	%	58	65.5	43.7	89.1
14. Interest Expense as % of Income	%	58	8.6	0.5	22.1
15. Change In Net Worth	\$	57	50,909	131,147	-6,090
16. Current & Inter- mediate Debt	%	Before 49 Ending 56	45.1 34.7	3.9 6.9	126.6 95.7
17. Long Term Debt	%	Before 51 Ending 57	47.2 52.5	0.0 0.0	138 163
18. Total Debt	%	Before 50 Ending 57	51.0 46.5	0.6 1.9	125 116

Table 2 INVENTORY CHANGE

\$ INVENTORY CHANGE	Participants	
	Number	%
Above 60,000 dollars	3	7.7
50,000 to 59,999	3	7.7
40,000 to 49,999	1	2.6
30,000 to 39,999	1	2.6
20,000 to 29,999	5	13.0
10,000 to 19,999	10	25.7
0 to 9,999	9	23.0
-10,000 to 0	4	10.0
Below 10,000	3	7.7

South Dakota Area Farm Management FINAN Summary

- Notice: a) 1/2 of the farm and ranches fall in the zero to 20,000 positive change.  
 b) a rather normal distribution.  
 c) even & over 40,000 and below zero.  
 d) inventory change per operation as recorded.

Table 3 PROFIT OR LOSS

Profit or loss per Operator	Farms	
	Number	%
100,000 and up	5	12.8
80,000 to 99,999	4	10.0
60,000 to 79,999	8	20.6
40,000 to 59,999	9	23.2
20,000 to 39,999	6	15.4
Below 20,000	7	18.0

South Dakota Area Farm Management FINAN Summary

- Notice: a) Very even distribution throughout the ranges.  
 b) 43.8% fall between 40,000 and 80,000 profit.  
 c) Only 1 fell below zero profit in 1988 survey.

Table 4 FAMILY LIVING CASH EXPENSES

Family Living Cash Expense	Number	%
Above \$30,000	13	23.2
Between \$30,000 and \$10,000	29	51.8
Below \$10,000	14	25.0

**APPENDIX F  
1988 PLANNING FOR TOMORROW-TODAY SURVEY RESULTS**

**Number of Respondents**

Ag Agents	35
Home Ec Agents	17
4-H	2
District Supervisors	1
Area Farm Management Agents	2

**1) Area farm management agents should be more involved with the program in our county.**

YES 26

NO 9

COMMENTS: agents need proding  
agents not comfortable teaching program alone  
area agents should help with final planning  
area agents have more expertise and should do FINPACK and interpret output  
help with recruiting clientele  
maybe more participation if program done by someone outside the county.

**2) State specialists need to be more involved with the program in our county**

YES 21

NO 32

COMMENTS: interpret output  
provide more farm management training  
\*\*help with publicity and support material\*\*  
help with program development

**3) Administrators, program leaders and district supervisors need to be more involved with the program in our county.**

YES 10

NO 37

COMMENTS: need a full-time marketing and PTT person  
need to be aware of how program works and time involved  
\*\*marketing and promoting program\*\*

**4) The program should be broken into more components.**

YES 6

NO 41

COMMENTS: some just want cash flow plan  
could stress each part with more components  
do record keeping in more detail  
too much in one session now and too many sessions  
participation would drop further if more components

**5) Because of workshop limits, Family Money Management and Farm/Ranch Business management should be separated.**

YES 31

NO 19

COMMENTS: need involvement in both areas  
need to know how living expenses fit with business

separating them might bring in people who just want one area

**6) Producers in our county do not want to come to a series of financial management meetings.**

YES 31

NO 7

COMMENTS: producers feel intimidated  
don't want to reveal their situation  
frustration from having poor records  
don't have the time to commit to a series of meetings  
think they're healed financially/gov't programs  
want an easier way/hate paperwork

**7) PTT would be more effective if delivered to individuals rather than groups.**

YES 24

NO 14

COMMENTS: more open in private/more confidentiality  
more flexibility and better records with one-on-one  
individuals gain by comparing to the group  
hard to do one-on-one unless one agent in charge of whole program

**8) Counties would do a better job of presenting PTT than the cluster sessions.**

YES 21

NO 24

COMMENTS: too much travel time for producers w/cluster clientele more comfortable with familiar people  
depends on number of participants  
what about counties with only one agent?  
territory not as important as team  
cluster teams develop area of expertise

**9) Are you satisfied with the billing and ordering process?**

YES 41

NO 3

COMMENTS: billed for items not ordered  
possible to have material stored in Rapid City also?

**10) How should PTT be financed?**

a) continue to charge, but charge ...

1) \$25 12

2) cover cost 4

3) \$30 - \$40 5

b) comfortable with \$50 fee 21

c) graduated fee scale 8

**11) Are you currently using the BMA video tapes?**

a) yes, as part of PTT 11

b) yes, as part of different program 8

c) no, but would like info 27

**12) What changes should be made in the PTT record keeping system?**

- a) keep yellow book as is 13
- b) keep yellow book, but make changes 7
- c) reprint old green book as is 9
- d) reprint old green book as 3-part series 18
- e) what color should we use:  
    yellow, green, immaterial
- f) need both books 16

**13) Does PTT involve too much extra work to plan and put on?**

OBTAINING PARTICIPANTS: no problem (4)  
biggest problem (4)  
hard to set up meeting dates  
high dropout rate  
need statewide promotion to pull producers in  
hard to keep up with changes in the program

CONDUCTING SESSIONS: yes (4)  
no, easiest part (4)  
a lot of prep for only 2 participants  
need structured outline

FOLLOW-UP: area specialists should do this  
participants don't want it  
easiest part  
increases postage and phone costs

**14) Suggested changes in PTT materials**

change name; it doesn't tell people what program is about  
include explanation of invest/repair sheet of livestock budgets  
give examples of options  
basic accounting - goal analysis  
update crop budgets yearly  
how-to switch enterprises section  
number visuals  
have area or district teams do the program  
include section on non-traditional farm families

**15) How to establish research base from PTT?**

don't use it as research base  
1) jeopardizes confidentiality  
2) agents don't have time to gather needed data  
encourage producers to follow through program  
use past participants to find out what's been done right  
tell producers what you want  
start an award program  
gear the program down; i.e. the cost/unit computations  
let agents collect data

**16) Relevant research areas.**

Cash flow	risk management
cost-return relationships	danger signs
what ratio and indicators mean	retirement planning

today's farm family	production costs
most profitable farming combos	creative financing
drought and survival	marketing
crop production practices and costs	
impact of eliminating of government programs	

**17) Suggested promotional aids**

newspaper ad slicks	radio spots
mailable flyers	posters
ready to print releases	personal letters
short video tapes	buttons, pins, etc
better explanation of FINPACK	PR stuff for lenders
more short items for columns	success stories
emphasis on family resource management	
state wide campaign	

**18) Role of specialists in multi-disciplinary program.**

goal setting/ family records	family budgeting
resource source	follow-up work
provide extra training	marketing skills
crop and livestock enterprise planning and budgeting	
narrow the scope of PTT; don't make it into a mega program	

**19) Suggested improvements or changes in cluster teams.**

have more training sessions  
define role for each person/establish guideline to follow  
more farm management and financial management review  
give one agent cluster responsibility and relieve him/her of  
all other duties  
use district/area teams  
have better success at county level  
forget cluster, go with county  
clusters don't work because they don't want to work together  
turf protection

**20) Suggestions for PTT training this year.**

Counseling good	13
more interdisciplinary training	
No up-date on counseling	7
not extension's job	
could get in trouble	
Training for cluster teams only	6
Train everyone	10
How-to interpret output	25
trouble ranges	
reweiv of economics behind farm management	

**21) Other comments.**

establish specially funded team that goes from area to area  
delivering the program  
agents are spread too thin/area agents have more time to do  
PTT

participants mostly single - not interested in communica-  
tions section of program  
develop farm accounting software to integrate w/FINPACK  
market PTT as a micro computer package  
can't play numbers game; only 4 participants means we helped  
4 families  
field staff needs training in areas other than PTT, i.e.  
lease agreements and rental rates  
FINPACK good program, but it's too long  
don't bring back 10 STEPS  
update on how drought will affect financial planning  
FINPACK overshadows family resource management section