

REGISTRATION INFORMATION

Managing Financial Risk to Strengthen Your Business

Please register by November 24, 2004.
Please note that participation is limited to 25 people at each location.

- To register for the November 29 and 30, 2004 offerings in LeRoy, or Pembroke please call Cathy Wallace at (585) 658-3250, extension 100.
- To register for the December 1 and 2, 2004 offerings in Newark, or Canandaigua please call Mary Durham at (315) 331-8415.

Please be prepared to provide Cathy, or Mary with the following.

Location:

- ___ LeRoy United Methodist Church, LeRoy
- ___ Pembroke Town Hall, Pembroke
- ___ Wayne Co. CCE Office, Newark
- ___ Ontario Co. CCE Office, Canandaigua

Names of Individuals Attending:

Address: _____

Phone Number: _____

Future Educational Opportunities— Managing Financial Risk through Improved Farm Financial Management

January 3 through January 14, 2005
Basic Farm Financial Management
Four locations

January 2005 through March 2005
**Financial Summary and Analysis for Participating
Farm Businesses**

*Assisted by project members, participants complete
a financial summary and analysis for the business.
At farm.*

April 2005
Summary and Analysis Meeting
Four locations

April through November, 2005
Problem Solving
On farm with support from project members.

November 28 through December 15, 2005
Advanced Farm Financial Management
Four locations



Managing Financial Risk to Strengthen Your Business



*First in a Series of Managing Financial
Risk through Improved Farm Financial
Management Educational Opportunities*

INTRODUCTORY, TWO-DAY SESSION TO BE OFFERED IN FOUR LOCATIONS:

November 29 & 30, 2004, 10 a.m.-12 p.m. each day –
LeRoy United Methodist Church, LeRoy, NY

November 29 & 30, 2004, 1:30 p.m.- 3:30 p.m. each day –
Pembroke Town Hall, Pembroke, NY

December 1 & 2, 2004, 10 a.m.-12 p.m. each day –
Wayne County Cooperative Extension Office,
Newark, NY

December 1 & 2, 2004, 1:30 p.m.-3:30 p.m. each day –
Ontario County Cooperative Extension Office,
Canandaigua, NY

Partially funded through a grant received from the
Northeast Center for Risk Management Education.

NWNY Dairy, Livestock, and Field Crops Program,
Lake Ontario Fruit Team, Finger Lakes RC&D, and
NY FarmNet cooperating.

Risk – Variability in Outcomes

When risk is present, outcomes are not certain.

Financial risk – 1) **variability** in the availability and cost of borrowed capital; 2) **variability** in a business' ability to meet cash flow needs in a timely manner; and 3) **variability** in a business' ability to maintain and grow equity.

Recently, meeting cash obligations in a timely manner, and growing equity are more difficult for the region's farm business owners.

For example, average debt coverage ratios for the region's dairy farm businesses ranged from a low of 0.57 to a high of 1.64 for the period 1999 and 2002 with one of the two remaining years at 0.67, while ratios ranged from a low of 0.88 to a high of 1.84 for the period 1995 to 1998. The debt coverage ratio measures a business' ability to meet debt repayment schedules in a timely manner. Ratios below the value of 1 indicate that repayment capacity is less than planned debt payments.

Lower lows characterize the debt repayment capacity and profitability aspects of financial risk faced by the region's producers when compared to the earlier period.

Effectively managing financial risk requires sound planning and financial control.



Farm Business Owners and Their Businesses Benefit

By:

- participating in workshops that provide opportunities to apply concepts
- completing a financial summary and analysis for their business with support from project members
- using their financial summary and analysis to manage the business during workshops, and with support from project members

Participants will:

- improve farm financial management skills
- be better able to manage financial risks
- be better able to strengthen their businesses

The project looks to attract dairy, livestock, field crops, fruit and other farm business owners.

We encourage all generations involved in a business to participate. Transferring a business successfully from one generation to the next challenges the management abilities of all involved, including the farm financial management abilities of the senior and junior generations. Take advantage of this unique opportunity to enhance the farm financial management skills of all generations involved in your operation.

Topics

Managing Financial Risk to Strengthen Your Business

Day 1

- Understanding Agricultural Risk
- Financial Risk-What Is It? How Do I Manage It?
- Farm Financial Management Basics

Day 2

- Planning–Communication's Important Role
- Future Educational Opportunities

Instructors

Alison DeMarree
Lake Ontario Fruit Team
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John Hanchar
NWN Dairy, Livestock, and Field Crops
Program, PRO-DAIRY
158 Main Street
Mt. Morris, NY 14510
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If you have questions regarding the program, please contact Alison or John.

Guest presenters for some workshops will include individuals from Cornell University Cooperative Extension, FarmNet, and others in the farm business management area from the agricultural industry.