What is Farm Financial Planning?
Farm Financial Planning is Iowa State University Extension and Outreach's farm financial analysis program. It consists of one-on-one financial counseling, a computerized analysis of the farm business, and referral to other extension programs or outside services that may be useful.

Who is it for?
Farm Financial Planning is for anyone who wants to understand a complete picture of their farm financial situation. It helps take the guesswork out of whether or not a change would increase profitability and improve cash flow. A FINPACK® analysis may provide a more in-depth evaluation of the farm business, which many lenders are requiring before they will extend further credit.

What does it do?
Farm Financial Planning helps you evaluate your farm business and determine whether or not a change is desirable. It provides an in-depth plan for the farm business so operators and lenders can make decisions for the future. Farm Financial Planning helps answer three basic questions of sound business management.
• Where am I today?
• Where do I want to be in the future?
• How do I get there?

The computer analysis looks at profitability, liquidity, solvency, and risk-bearing ability. This information is provided for three or more alternative plans at a time. Examples of alternative plans could be the addition, expansion, or phasing out of a livestock operation, or buying, selling, or renting land. Farm Financial Planning can help evaluate ways to correct negative cash flow and profitability problems.

A trained extension associate meets with the family to discuss the results of the analysis and the possible effects if changes are made. The extension worker may introduce other farm and family financial materials or information about outside sources of help.

How much does it cost?
This service is currently offered at no charge. It is funded by the Agricultural Credit School, a program of ISU Extension and Outreach and the Iowa Bankers Association.

Who performs the analysis?
The farm financial associates are part-time extension employees with college degrees and special training in farm budgeting and financial analysis. They have farm backgrounds so they understand the current farm situation.

Is it confidential?
Yes. Only you and the associate will know the results of the analysis. Information will not be shared with other people without your permission.

How long does it take?
The first meeting with the associate to gather information from your records usually takes one to two hours. The second meeting may take anywhere from one to three hours. The time required is dependent upon the size and complexity of the operation.

How do I make an appointment?
To set up an appointment, contact the associate in your area. Contact information for farm financial associates can be found at www.extension.iastate.edu/farmanalysis or through the farm management specialists listed on page two of this publication. Farm management specialists are also available to answer any questions you may have regarding this program.

What information is needed?
• A current financial statement listing all assets and liabilities;
• Accurate figures of production costs for each crop and livestock enterprise;
• Details of current farming operation, such as number of acres, acres of each crop, number of animals fed, etc.;
• Schedule F from your income tax for the past three years;
• A complete listing of debts and terms of payment;
• Other financial information that may be pertinent, and;
• Details concerning alternative farm plans to be analyzed.
Contact information for Iowa State University Extension and Outreach
farm management specialists can be found at
www.extension.iastate.edu/ag/farm-management

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