

PLANNING FOR PROFIT 2018

Maximizing Efficiencies

Best Practices for Business Growth

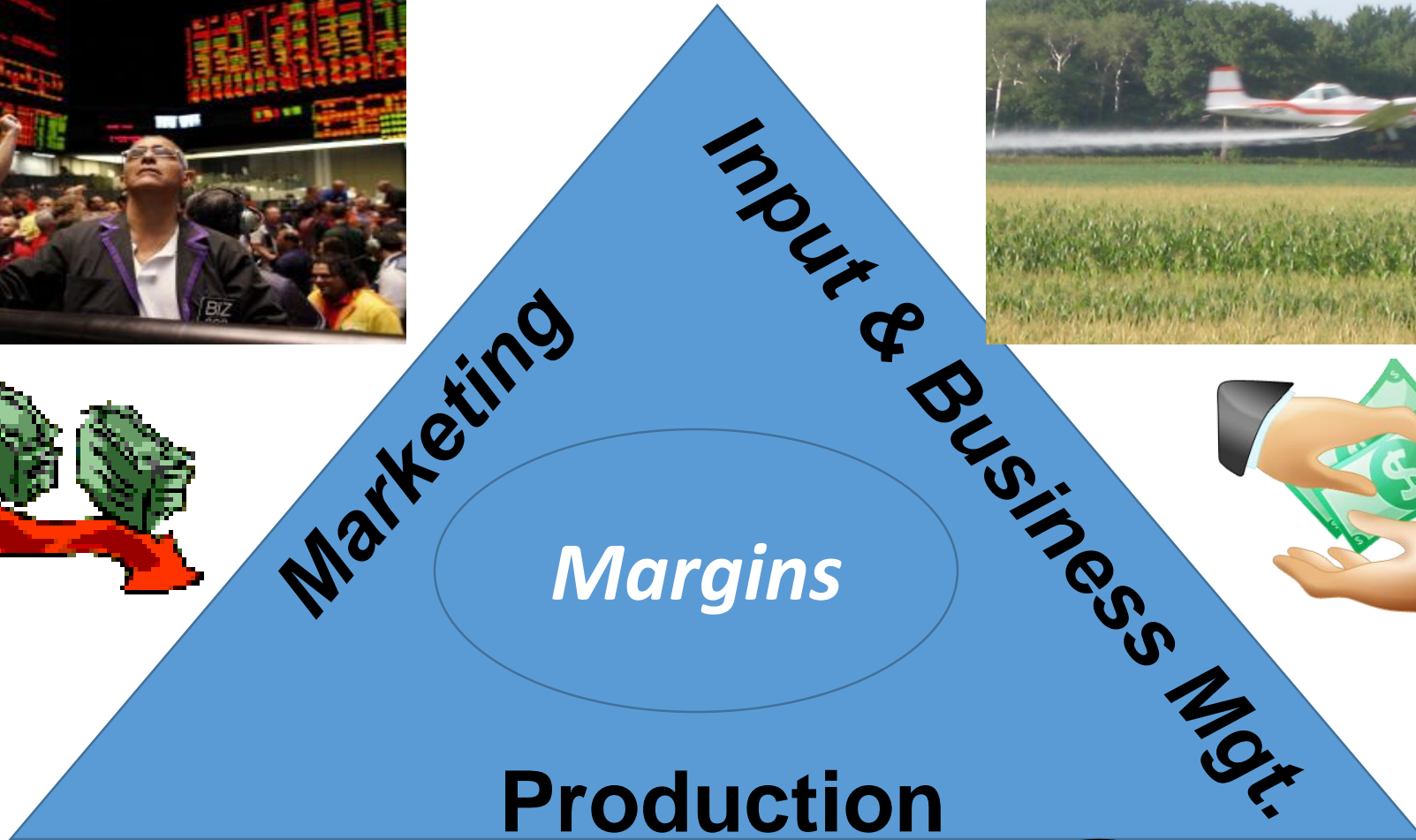




Contingency Plans ?



The Ag. Profit Triangle



2018 Questions and Concerns ?



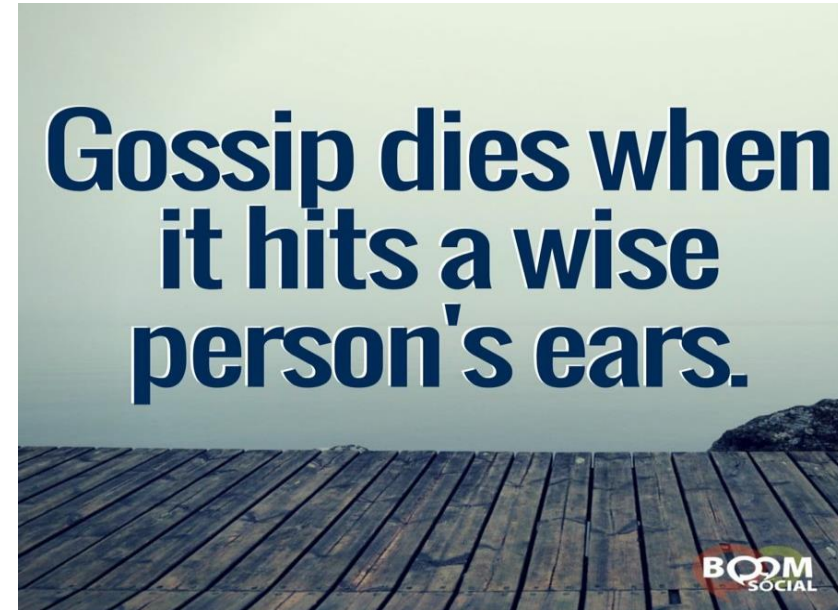
Land Rents?.....	Fair Price?
Land Values?.....	Producer Equity?
Commodity Prices?.....	Basis, Flat Price, Carry in the market, Demand ?
Equipment Values?.....	Utilization efficiency, used vs new,
Labor Costs?.....	Paying yourself and employees?
Budgets?.....	Health Care, Family expenses, Payments, Taxes, WC.
Input Costs?.....	Coming down?
Access to Capital?.....	Lenders; Cash flow & Balance sheet



Land Rental Values ???

In Tight Margins

- **Feasible ?** “What is the farmer able to pay”
- **Equitable ?** “Good deal for both parties.”
- **Market Value ?** “What the Neighbor is willing to pay.”



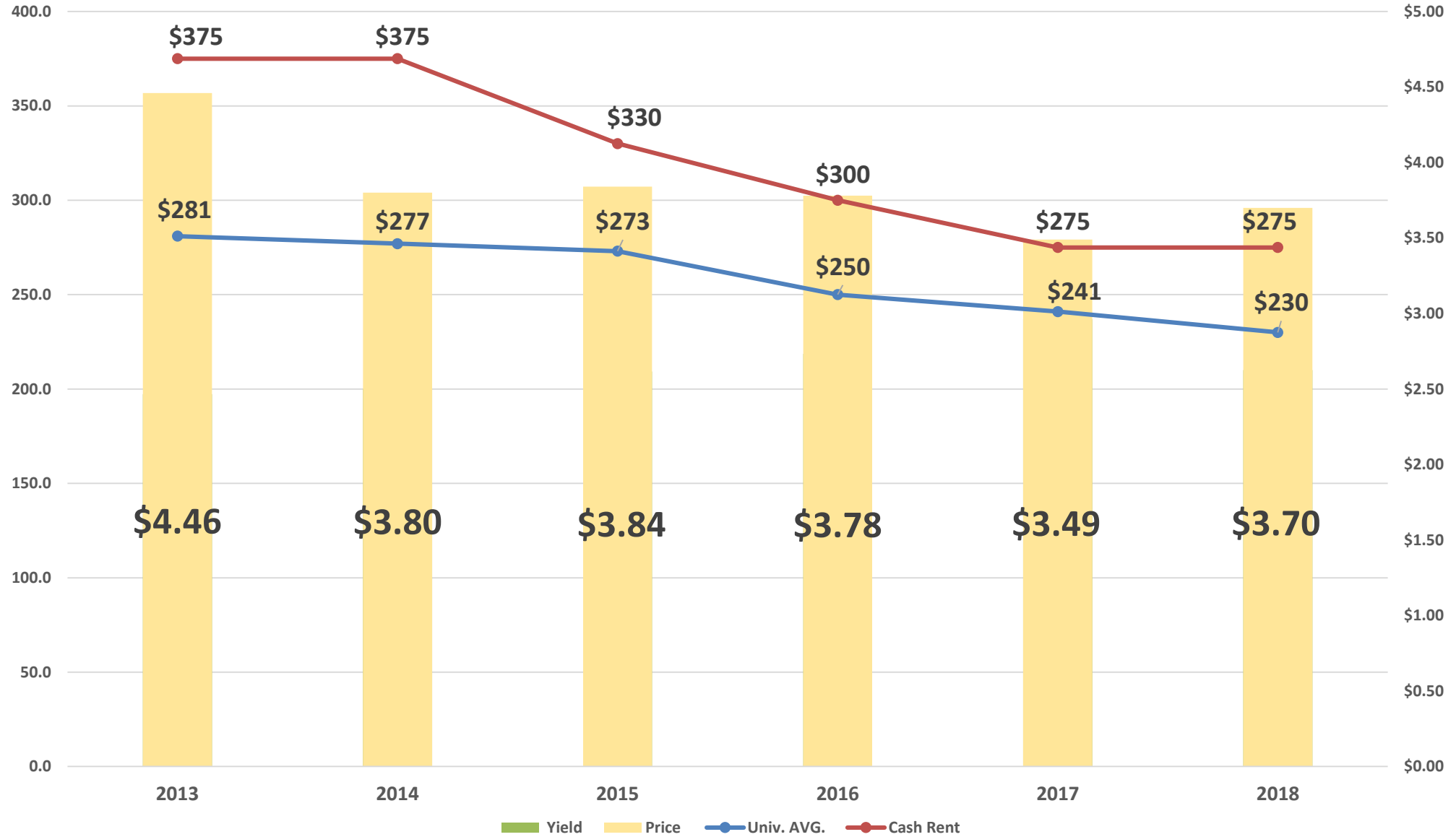
Real World

Cash Rent Tracking System

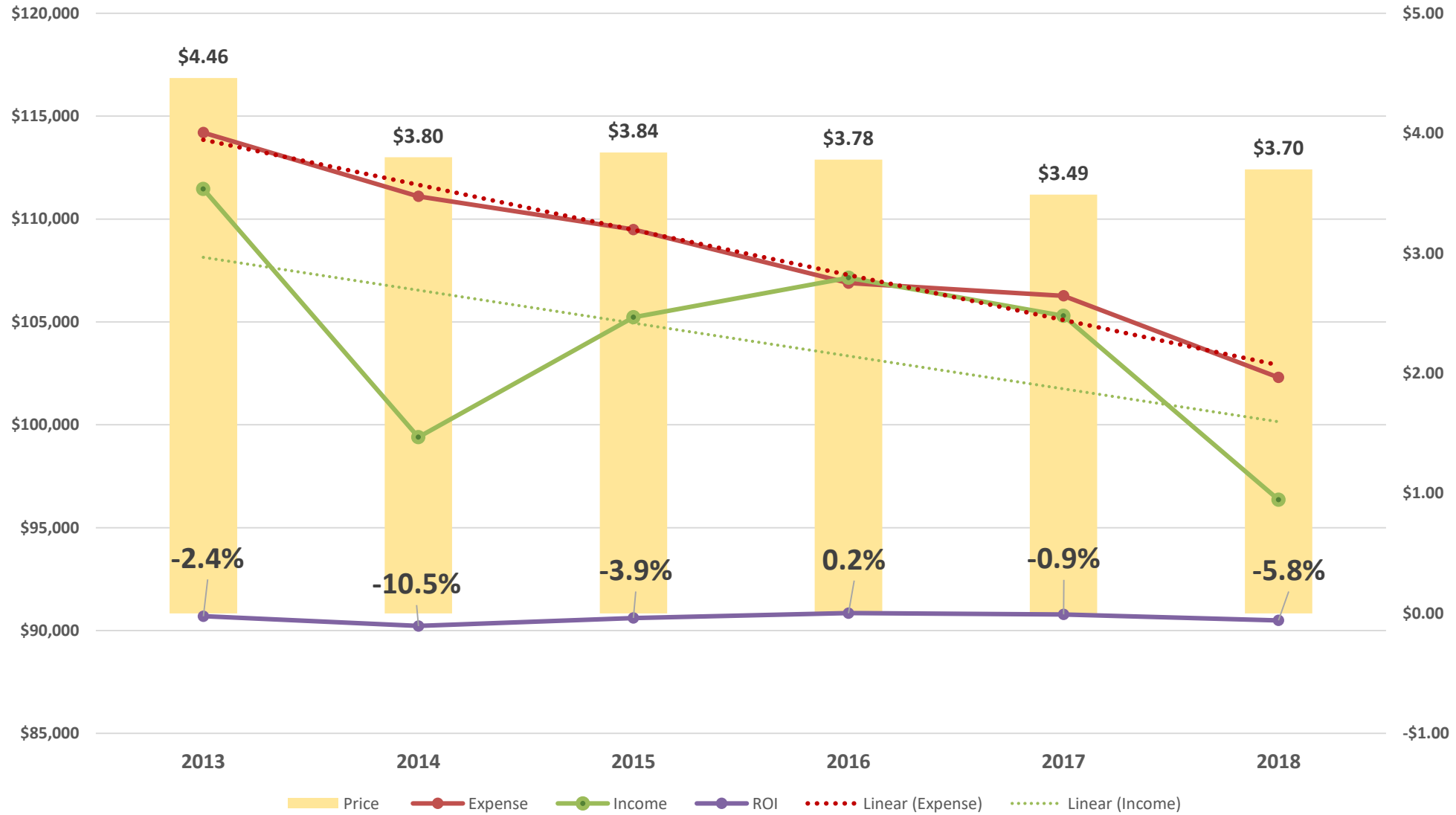
	ISU	Your	Difference	Corn	Cost of	Avg.	Per/ Ac.	Gov.	Total	Total	Gross	Gross	
Crop Year	AVG.	Cash Rent	Cash Rent	Acres	Prod. Corn	Price Corn	Corn Yield	Income	Expense	Income	Profit	Profit / Acre	ROI
2013	\$281	\$375	\$94	124	\$921	\$4.46	197.3	\$2,341.00	\$114,204	\$111,456	-\$2,748	-\$22.16	-2.4%
2014	\$277	\$375	\$98	124	\$896	\$3.80	200.1	\$5,108.00	\$111,104	\$99,395	-\$11,709	-\$94.43	-10.5%
2015	\$273	\$330	\$57	124	\$883	\$3.84	209.3	\$5,570.00	\$109,492	\$105,230	-\$4,262	-\$34.37	-3.9%
2016	\$250	\$300	\$50	124	\$862	\$3.78	218.6	\$4,678.00	\$106,888	\$107,140	\$252	\$2.03	0.2%
2017	\$241	\$275	\$34	124	\$857	\$3.49	237.0	\$2,728.00	\$106,268	\$105,292	-\$976	-\$7.87	-0.9%
2018	\$230	\$275	\$45	124	\$825	\$3.70	210.0	\$0.00	\$102,300	\$96,348	-\$5,952	-\$48.00	-5.8%
Averages	\$259	\$322	\$63			\$3.85	212.1				-\$4,232	-\$34.13	-3.9%



Cash Rent vs Paid Amount & Yield Tracking



Market Price ... Yield...and Margin Earned



What to Cut ???

- Look at the biggest “as a percent” expenses first.
 1. Land Rents
 2. Equipment per/ Ac. & Bu.
 3. Increase Yields VRT Fertilizer, N, Seed
 4. Loose ends ?? / Details
 5. Basics i.e. Tile ? Water ?
- Return to management
Range \$22/ac. to \$248/ac.



Return to Management..... Cost Examples

- Health Care
- Labor / Payroll / Owner Draws
- Taxes
- Home / Building Improvements
- Personal Items
- Vehicles
- College
- Vacations
- Toys
- Etc.

	% Cost Range	Per / Bu. Cost Range	Difference
Return to Management	4% - 21%	\$.18 - \$1.18	\$1.00



Return To Management		Budget		Overhead Cost Report					
				Total Production	770,000	2018		Production Year	1/11/2018
Production Labels	Units - Acres	Units - Yield	Product	Units of Production					
Corn Est.	2,000.0	200	Corn	400,000					
Soybean Est.	2,000.0	60	Soybeans	120,000					
Wheat Est.	2,000.0	125	Wheat	250,000					
Totals	\$160,000.00	\$0.00	\$160,000.00	\$13,333.33	\$438.36	\$0.40	\$1.33	\$0.64	\$0.21
Expense List	Actual	Actual VS Budget	Budget	Budget	Budget	Unit Cost	Unit Cost	Unit Cost	Unit Cost
(Enter Categories Below)	Total Expense	Total Expense	Total Expense	Monthly Expense	Daily Expense	Corn	Soybeans	Wheat	Avg.
Health Care	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Interest	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Meals	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Monthly Draw Owner & FICA + Benefits	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Monthly Draw Employees & FICA + Benefits	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Gas Usage Personal & Employee	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Income Taxes	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Property Taxes	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Prin & Int. Payments all equipment	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Prin & Int. Payments	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Prin & Int. Bins & equipment	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Prin & Int. Vehicles	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Phone	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Electric Utilities	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
LP Utilities	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Technology Services (Internet, Fees)	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Consulting / Services	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Hedge Account Services	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Cable TV	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Life Insurance	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Disability Insurance	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Building Repairs	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Office Supplies	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Shop Supplies	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Farm Supplies	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Advertising	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Legal Prof. Services & Fees	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Rentals equipment, etc. (Non Land)	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Dues & subscriptions	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Bank Fees	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Travel Expenses	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
Prin. On Line of Credit	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04	\$0.02	\$0.01
	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL EXPENSE	\$160,000.00	\$0.00	\$160,000.00	\$13,333.33	\$438.36	\$0.40	\$1.33	\$0.64	\$0.21

Field / Farm Name	Total Farm Acres	Corn Acres	Crop Type
Client Farms Avg to date	2285	1142.5	Corn

12/6/2017

Crop Expenses	Cost Per/ Bu.	% of Margin	Cost Per Acre	BU.	Total Cost	% Cost
Land	\$1.25	0.1%	\$264.00	74.8	\$301,620.00	34.2%
Tax	\$0.00	0.1%	\$0.00	0.0	\$0.00	0.0%
Return to Management	\$0.21	0.1%	\$44.00	12.5	\$50,270.00	5.7%
Interest (Operating)	\$0.03	0.1%	\$7.16	2.0	\$8,180.30	0.9%
Insurance	\$0.06	0.1%	\$13.25	3.8	\$15,138.13	1.7%
Seeds	\$0.52	0.1%	\$109.77	31.1	\$125,412.23	14.2%
Fertilizer + Lime	\$0.24	0.1%	\$50.37	14.3	\$57,547.73	6.5%
Nitrogen	\$0.34	0.1%	\$71.83	20.3	\$82,065.78	9.3%
Chemicals - per/bu.						
\$0.16	Herbicides	0.1%	\$34.49	9.8	\$39,404.83	4.5%
\$0.02	Insecticides/ Fungicic	0.1%	\$3.22	0.9	\$3,678.85	0.4%
\$0.00	Custom Application	0.1%	\$0.00	0.0	\$0.00	0.0%
\$0.18	Totals		\$37.71	10.7	\$43,083.68	4.9%

BU. Needed					
Field Operations	Click Here				% Cost
Ripper	0.14%	\$0.00	0.0	\$0.00	0.0%
Nitrogen Application	0.14%	\$12.81	3.6	\$14,635.43	1.7%
Field Cultivation	0.14%	\$15.12	4.3	\$17,274.60	2.0%
Planter	0.14%	\$21.19	6.0	\$24,209.58	2.7%
Drill	0.14%		0.0	\$0.00	0.0%
Sprayer	0.14%	\$14.77	4.2	\$16,874.73	1.9%
Labor Credit	0.14%	\$0.00	0.0	\$0.00	0.0%
Paid	0.14%		0.0	\$0.00	0.0%
Other	0.14%		0.0	\$0.00	0.0%
Combine	0.14%	\$53.46	15.1	\$61,078.05	6.9%
	0.14%	\$0.00	0.0	\$0.00	0.0%
Total Machine Value			\$0.00	0.0	\$0.00
Totals	\$0.55		\$117.35	33.2	\$134,072.39
Grain Handling Expenses		Per / Acre Cost Per Bushel			% Cost
Hauling	\$29.68	\$0.14	8.4	\$33,909.40	3.8%
Dryer	\$27.56	\$0.13	7.8	\$31,487.30	3.6%
Storage	\$0.00	\$0.00	0.0	\$0.00	0.0%
Totals	\$57.24 per acre			\$65,396.70	7.4%
Total Expenses	\$3.64	\$772.68		\$882,786.92	100.0%
	Cost / Per/Bu.	Total Variable expense		\$527,218.07	

Equipment Cost Calculations ?

Machine Cost Analysis Tool	
Machine Titles	<i>JD 8335R JD 1770NT</i>
Implement Value	\$130,000
% of use in this operation	100%
Tractor Value	\$215,000
% of use in this operation	40%
Pass Title	<i>Planting corn & soybeans</i>
Other Expenses - Ins./ Logistics	\$1,200.00
Avg. Daily hrs. "total per/day"	10.0
Labor Cost per/hr.	\$20.00
Fuel Cost per/gal.	\$3.57
Fuel consumption per/hr. Gal.	9.00
Fuel consumption per/ac. Gal.	0.30
Interest, Depreciation, Repairs	25%
Total Annual Acres this operation.	2,950.0



Total Machine Value	\$216,000
Fuel Cost per/Acre	\$1.07
Labor Cost per/Acre	\$0.67
Overhead costs per/Acre	\$0.41
Basic Equipment cost/Acre	\$18.31
Total cost/ac.	\$20.45



Yield / Price		Margin Totals	Farm Totals	
Total Bushels Harvested		242,210 bushels		
Yield per acre			212	bushels / acre
Market Price		0.1%	\$3.53	per bushel
Government Payment			\$19,975.00	\$17.48
				per acre
Other Income			\$8,977.00	\$7.86
				per acre
Average Selling Price			\$3.65	per bushel

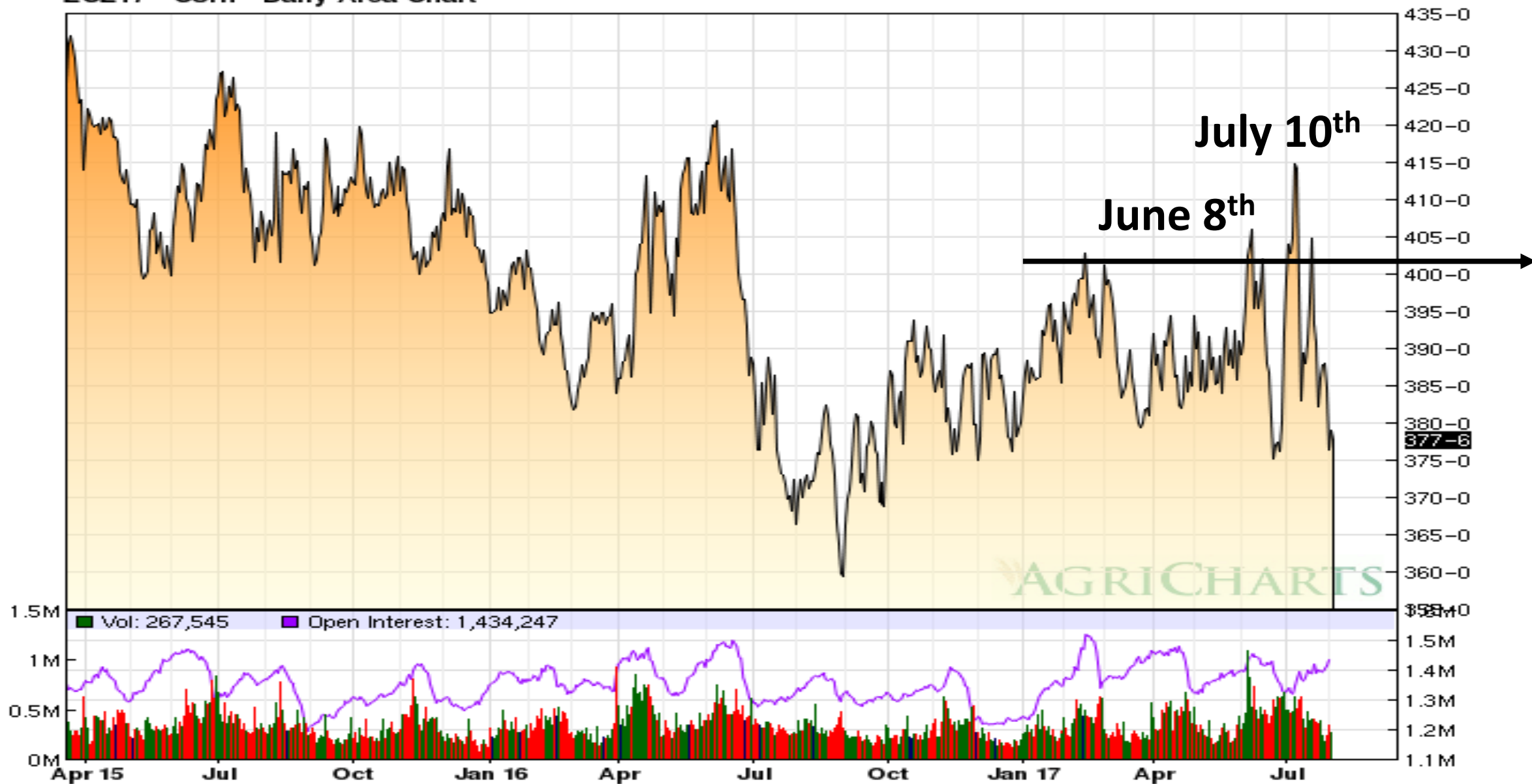
Market Price

Economic Results		Farm Totals		
Expenses	Bu. needed-	Cover Cost	\$882,786.92	Cost / Total
Per Acre		218.9	\$772.68	Cost / Acre
Per Bushel			\$3.64	Cost of Production /Bu
Total Income			\$884,066.50	Income / Total
Per Acre			\$773.80	Income / Acre
per Bushel			\$3.65	Income / Bu.
Income after Insurance Indemnity				
Gross Profit		\$1,279.58	\$1,279.58	Profit / Total
Per Acre		MARGIN -- ROI	\$1.12	Profit / Acre
Per Bushel		0.1%	\$0.01	Profit / Bu.

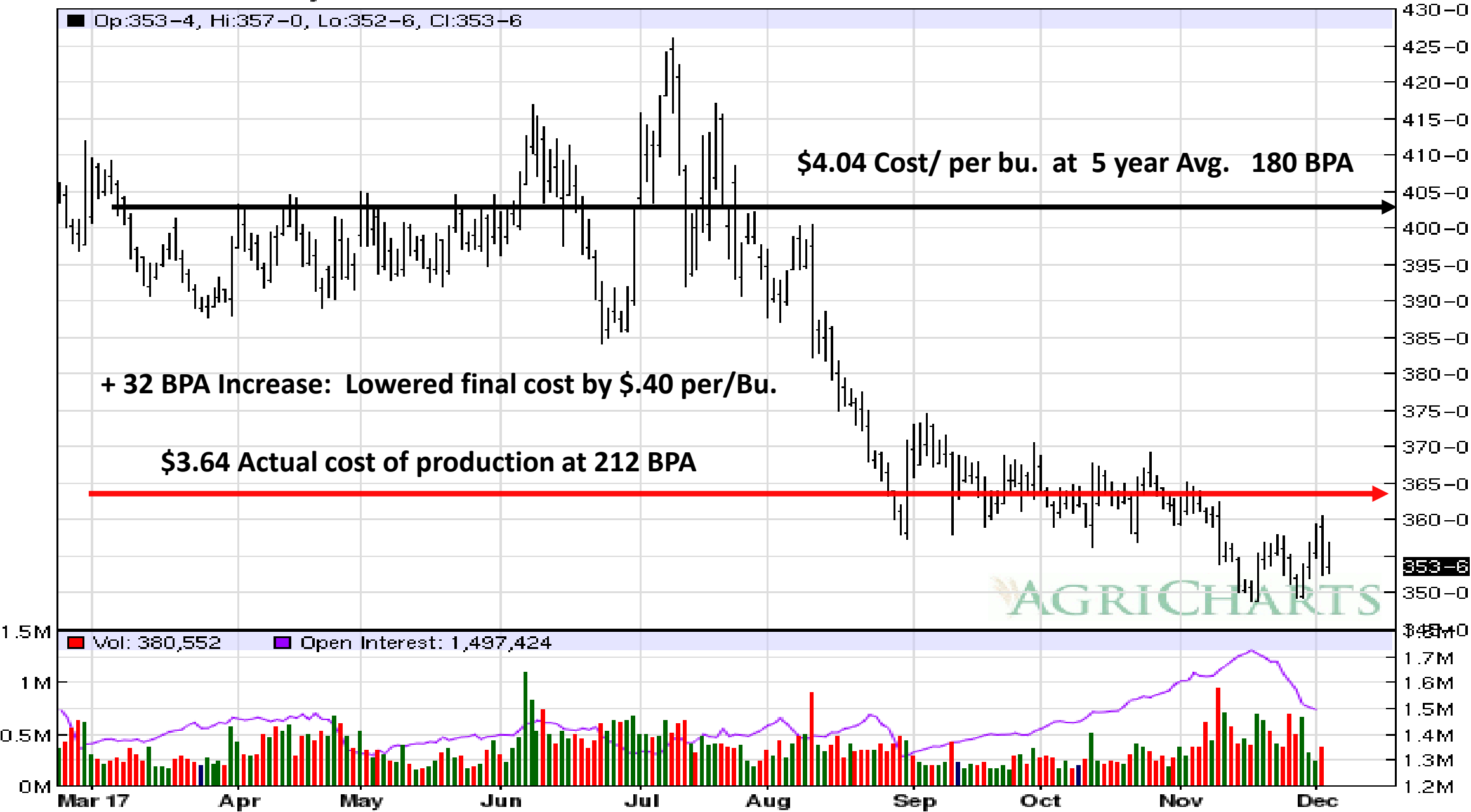
<i>Farm Name</i>	Joe Farmer	Total Prod.	\$77,233.00	<i>Farm Name</i>	Joe Farmer	Total Prod.	\$55,480.00
<i>Total Acres</i>	100	Expense/Ac.	\$772.33	<i>Total Acres</i>	100	Expense/Ac.	\$554.80
<i>Crop</i>	CORN	Gross \$ /Ac.	\$760.00	<i>Crop</i>	Soybeans	Gross \$ /Ac.	\$571.88
<i>Market Price</i>	\$3.80	Cost/Bu. Prod.	\$3.86	<i>Market Price</i>	\$9.86	Cost/Bu. Prod.	\$9.57
<i>Yield Est.</i>	200	\$ Margin Ac.	-\$12.33	<i>Yield Est.</i>	58	\$ Margin Ac.	\$17.08
<i>Grain Prod.</i>	20,000	ROI	-1.6%	<i>Grain Prod.</i>	5,800	ROI	3.1%
<i>EXPENSE LIST</i>	<i>PER/AC.</i>	<i>Total Expense</i>	<i>Bu. Needed</i>	<i>EXPENSE LIST</i>	<i>PER/AC.</i>	<i>Total Expense</i>	<i>Bu. Needed</i>
Return to Mgt.	\$44.00	\$4,400.00	11.58	Return to Mgt.	\$44.00	\$4,400.00	4.46
Land	\$264.00	\$26,400.00	69.47	Land	\$264.00	\$26,400.00	26.77
Taxes	\$0.00	\$0.00	0.00	Taxes	\$0.00	\$0.00	0.00
Interest	\$7.16	\$716.00	1.88	Interest	\$7.16	\$716.00	0.73
Insurance	\$13.25	\$1,325.00	3.49	Insurance	\$13.75	\$1,375.00	1.39
Seed	\$109.77	\$10,977.00	28.89	Seed	\$66.10	\$6,610.00	6.70
Fertilizer	\$50.37	\$5,037.00	13.26	Fertilizer	\$36.43	\$3,643.00	3.69
Nitrogen	\$71.83	\$7,183.00	18.90	Nitrogen- 25%	-\$10.98	-\$1,098.00	-1.11
Herbicide	\$34.49	\$3,449.00	9.08	Herbicide	\$28.71	\$2,871.00	2.91
Fung./Insect.	\$3.22	\$322.00	0.85	Fung./Insect.	\$0.00	\$0.00	0.00
Spray 2 pass	\$15.00	\$1,500.00	3.95	Spray 2 pass	\$15.00	\$1,500.00	1.52
Equip.	\$102.00	\$10,200.00	26.84	Equip.	\$73.57	\$7,357.00	7.46
Grain Hauling	\$29.68	\$2,968.00	7.81	Grain Hauling	\$17.06	\$1,706.00	1.73
Drying Expense	\$27.56	\$2,756.00	7.25	Drying Expense	\$0.00	\$0.00	0.00
Storage	\$0.00	\$0.00	0.00	Storage	\$0.00	\$0.00	0.00
Tile / Irrigation	\$0.00	\$0.00	0.00	Tile / Irrigation	\$0.00	\$0.00	0.00
Total Exp./ Ac.	\$772.33	\$77,233.00	203.24	Total Exp./ Ac.	\$554.80	\$55,480.00	56.27

2.59
\$29.41 Soy advantage??

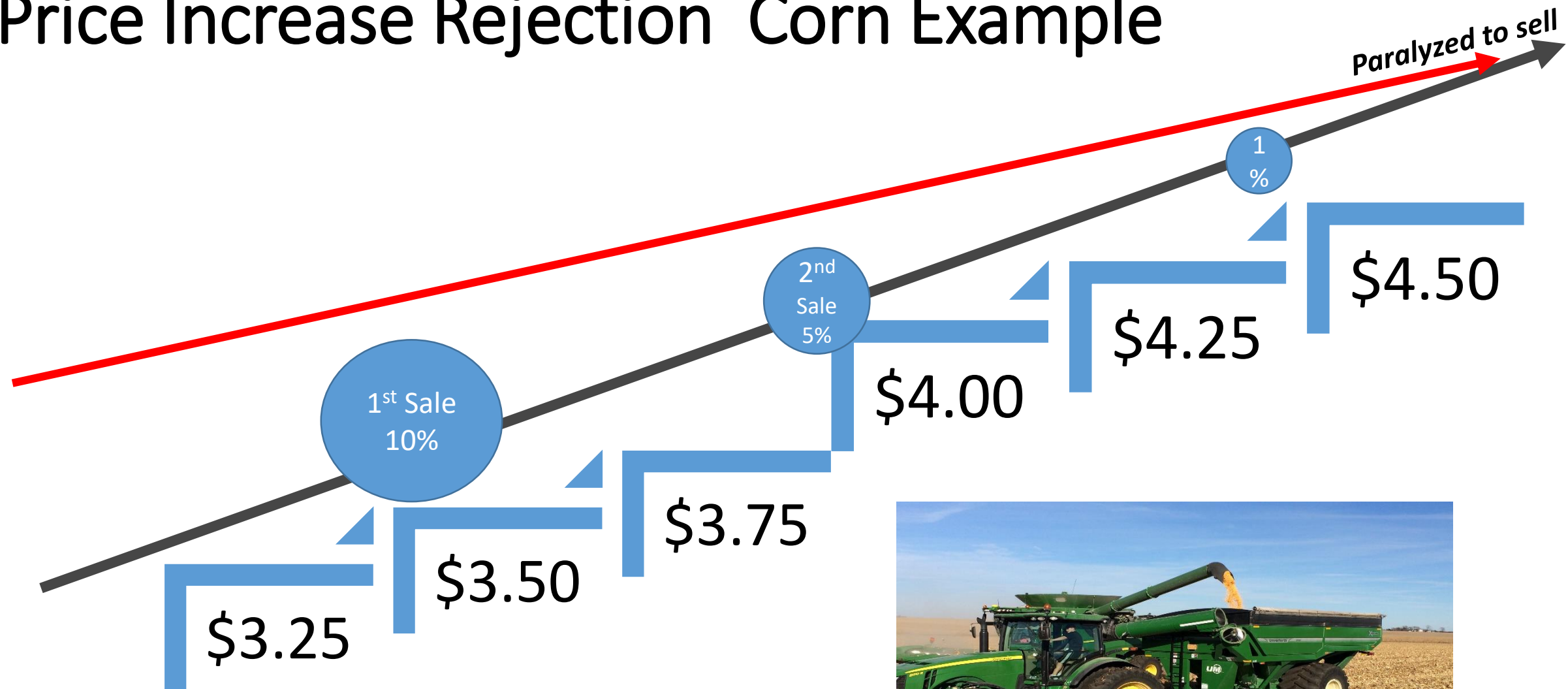
ZCZ17 - Corn - Daily Area Chart



ZCH18 - Corn - Daily OHLC Chart



Price Increase Rejection Corn Example



Yield and Price Trends 2010- 2017

	<i>CORN</i>	<i>Target Goals for 2018</i>		
Year	Yield	Price	Gross	% of Avg.
2010	190.0	\$3.75	\$712.50	83.0%
2011	189.6	\$5.88	\$1,114.85	129.9%
2012	148.0	\$6.87	\$1,016.76	118.5%
2013	173.6	\$4.52	\$910.67	106.1%
2014	173.0	\$4.05	\$826.65	96.3%
2015	200.5	\$3.84	\$858.07	94.5%
2016	216.8	\$3.78	\$907.62	100.1%
2017	237.0	\$3.50	\$917.50	118.1%
Avg.	191.1	\$4.52	\$906.73	100.0%
<i>18' Target Goals</i>	<i>210.0</i>	<i>\$3.70</i>	<i>\$777.00</i>	<i>85.7%</i>



Marketing Principles for Connecting the Dots

- **Farmer Marketing Plan ?? (A moving Target requires a lead-time.) Set Targets**
 1. Know your “TRUE” cost per unit based on your 5 year production history.
 2. Know your percentages of sales. Example (10% is 20,000 Bu.)
 3. Define your incremental sale. Example (10% 10 equal sales)
 4. Define your “margin target”. Example (\$.15 Cost is \$4.00 Target is \$4.15)
 5. Identify your tool box. Example (Basis, Cash Sales, Options, and Futures)
 6. When you use a tool; Document (why, percentage, cost, margin target, and exit plan)
 7. Set up and fund a separate LOC/Account for each marketing year.
 8. Fund each position individually and tie to bushels (move account money both ways)
 9. Document every position and define when a market segment is complete.
 10. Work/Review the plan every day. Talk to broker/adviser several times a week.

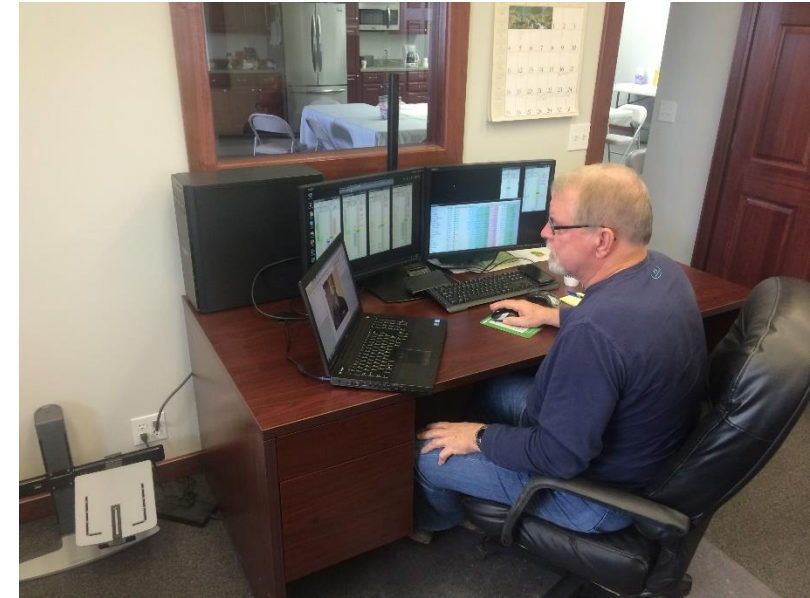


What Are Lenders Concerned About?

Accuracy Considerations.... Things are changing!

Top Ten List

1. Growing LOC / Prin. & Int. Payments - **Fixed Costs Up / Less \$ Income**
2. Cash Flow / Working Capital - **Projected Vs. Actual - CASH is KING**
3. Debt Service Level - **Annual Prin. & Int. & Debt Structure**
4. Balance Sheet Inventory - **Volume & Value**
5. Balance Sheet Consistency - **Land & Equipment Values**
6. Global / Outside of Operation Debt - **Personal Debt**
7. Overhead Expenses - **Owner Draws & \$ Benefits**
8. Farm Efficiency - **Land vs Equipment / Labor Annual Cost**
9. Risk Management Plans - **Transition, Insurance, People**
10. Business Structure - **Trends, Sophistication, Stability**



Earned Equity 15 Year Trend

Land at \$2959/Ac.

TOTALS	ASSETS	% CHANGE	LIABILITIES	% CHANGE	EQUITY	% CHANGE
2002	\$3,461,500		\$1,588,256		\$1,873,244	
2003	\$3,407,241	-1.6%	\$1,664,912	4.8%	\$1,742,329	-7.0%
2004	\$3,607,884	5.9%	\$1,789,831	7.5%	\$1,818,053	4.3%
2005	\$3,751,015	4.0%	\$1,908,762	6.6%	\$1,842,253	1.3%
2006	\$3,959,729	5.6%	\$1,646,592	-13.7%	\$2,313,137	25.6%
2007	\$4,854,541	22.6%	\$1,886,018	14.5%	\$2,968,523	28.3%
2008	\$5,226,610	7.7%	\$2,049,006	8.6%	\$3,177,603	7.0%
2009	\$5,922,722	13.3%	\$2,273,193	10.9%	\$3,649,529	14.9%
2010	\$6,366,744	7.5%	\$2,443,728	7.5%	\$3,923,015	7.5%
2011	\$7,039,715	10.6%	\$3,135,324	28.3%	\$3,904,391	-0.5%
2012	\$7,863,996	11.7%	\$3,414,206	8.9%	\$4,449,789	14.0%
2013	\$8,474,703	7.8%	\$3,573,202	4.7%	\$4,901,501	10.2%
2014	\$8,980,379	6.0%	\$4,102,306	14.8%	\$4,878,073	-0.5%
2015	\$8,598,801	-4.2%	\$3,736,829	-8.9%	\$4,861,972	-0.3%
2016	\$8,688,267	1.0%	\$4,015,133	7.4%	\$4,673,134	-3.9%
2017	\$8,554,382	-1.5%	\$3,906,303	-2.7%	\$4,648,079	-0.5%
		Debt Reduction 16'	\$108,830			Avg. Increase 15Yr. 6.7%
					\$2,774,835	Total Earned 15Yrs
					\$184,989	Annual Avg Earned



Description (2017 starting value)	\$0	Current	2016 value	% Change
		Hrs./Miles		
15' JD 680S Combine J Lease Yr. #2 complete	\$0	472	\$0	0.00%
15' JD 680S Combine T Lease Yr. #2 Complete	\$0	607	\$0	0.00%
11' JD 8335R Tractor #2566	\$150,000	4,055	\$175,000	14.29%
11' JD 8335R Tractor #2564	\$160,000	3,339	\$175,000	8.57%
11' JD 9530 Tractor	\$168,000	2,577	\$168,000	0.00%
09' JD 9420 Tractor Purchased in Aug. 2013	\$120,000	3,914	\$135,000	11.11%
10' JD 9430 Tractor	\$160,000	3,544	\$160,000	0.00%
10'JD 1770 NT 24 Row 30 Inch's Box/ row Cln.	\$80,000		\$85,000	5.88%
10'JD 1770 NT 24 Row 30 Inch.Smt Box/ row Cln.	\$80,000		\$85,000	5.88%
14' JD 1770 NT12 Row 30 Inch Planter	\$76,000		\$80,000	5.00%
10' JD RTK Auto Steer for Planter Tractors	\$24,500		\$24,500	0.00%
10' 2 CrustBuster Seed Totes	\$8,550		\$8,550	0.00%
10' Goose Neck Trailer	\$7,950		\$7,950	0.00%
13' JD 8310R IVT Tractor	\$190,000	2,064	\$210,000	9.52%
16' JD 2210 Cultivator 55.5ft Purchased in Mar. 16'	\$84,000		\$97,000	13.40%
15' JD 2210 Cultivator 55.5ft Purchased. 2015	\$75,000		\$84,000	10.71%
JD Starfire 3000 / Receiver	\$2,850		\$2,850	0.00%
12' JD Draper Head JD 940F	\$61,000		\$61,000	0.00%
16' JD 612C Cornhead/devastators New 2016	\$85,000		\$95,000	10.53%
13' JD 612C Cornhead	\$57,000		\$64,500	11.63%
07' #1 JD AUTO TRAC (AUTO STEERING)	\$6,500		\$6,500	0.00%
07' #2 JD AUTO TRAC (AUTO STEERING)	\$6,500		\$6,500	0.00%
GPS on any Tractor plus Auto Track	\$7,500		\$7,500	0.00%
13' 2 2630 JD GPS Monitors	\$18,000		\$18,000	0.00%
12' EXTREME 1115 GRAIN CART	\$35,500		\$35,500	0.00%
12' EXTREME 1115 GRAIN CART	\$35,500		\$35,500	0.00%
Raven monitors Cords / equip.	\$2,000		\$2,000	0.00%
16 Cornhead mover New in 2016	\$7,500		\$8,500	11.76%
11' Head mover "Green" - for corn Head	\$4,500		\$4,500	0.00%
13' In Line 5 Shank Kuhn Krause Ripper	\$10,500		\$10,500	0.00%
14' 18ft Dominator 2 Season-2015 fall	\$45,000		\$55,000	18.18%
15' 18ft Dominator 2 Season-2015 fall	\$45,000		\$55,000	18.18%
12' Head Mover for Bean Head	\$6,500		\$6,500	0.00%
07' Land pride Rotary Cutter	\$5,200		\$5,900	11.86%
11' JD HX15 Rotary Cutter	\$9,500		\$10,200	6.86%
2006 Ford F250 Flat Bed White	\$5,000	85,320	\$6,000	16.67%
Tools on the Service Truck	\$7,000		\$7,500	6.67%
09' JD 2630 Monitor for 8310R Tractor	\$4,900		\$4,900	0.00%
Hiniker Cultivator 5000 From C&B Feb. 2013	\$5,000		\$5,000	0.00%
Hiniker Cultivator 6000 #1 Pur. April 2013	\$11,500		\$12,000	4.17%
Hiniker Cultivator 6000 #2 Pur. Dec. 2013	\$10,000		\$10,500	4.76%
13' Hiniker Cultivator 6000 #3 NEW Pur. Dec. 2013	\$16,000		\$20,000	20.00%
15' New Strip Till Bar / GPS Equip./Hitch Kraus	\$110,000		\$128,450	14.36%
13' 1 2600 Monitor	\$7,500		\$7,500	0.00%
14' Brent Wagon 644 New in 2016	\$16,000		\$16,700	4.19%
16' New Devesator for 13' corn head	\$5,000		\$5,750	13.04%
15' Hitch RTK for Strip Till & 24 row Planter	\$7,500		\$10,500	28.57%
				#DIV/0!
				#DIV/0!
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				#DIV/0!
				#DIV/0!
				#DIV/0!
Total Machinery & Equip/ Vehicles		\$2,040,450		#DIV/0!
Annual replacement cost increase..... 4%	\$2,040,450	\$180,300	2,220,750	8.12%

Tractor Hours / Usage Report

Machine Type/Model	2014	Hrs. / Use	2015	Hrs. / Use	2016	Hrs. / Use	2017	3 year Avg.
	Final	2015	Final	2016	Final	2016	Final	Hrs./Year
15' JD 680S Combine J Lease Yr. #1 complete/ Sep.		227	227	245.4	472.4	221	693	231
15' JD 680S Combine T Lease Yr. #1 Complete/ Sep.		312	312	295	607	300	907	302
11' JD 8335R Tractor #2566 J / Trade 17' NEW 8320R	2,458	970	3,428	627	4055	583	587	727
11' JD 8335R Tractor #2564 C	2,462	473	2,935	404	3339	382	3721	420
11' JD 9530 Tractor	1,848	302	2,150	427	2577	439	3016	389
09' JD 9420 Tractor Purchased in Aug. 2013	3,580	179	3,759	155	3914	255	4169	196
10' JD 9430 Tractor	2,701	385	3,086	258	3344	352	3696	332
13' JD 8310R Tractor	692	737	1,429	635	2064	712	2776	695
Totals	13,741	3,585	17,326	3,046	20,372	3,244	19,565	0



LAST	FIRST	ENTITY	HOURS	Wages / Benefits	% Of Employee's Time	% Of Entity Work	Avg. Cost Per/HR.
Franck	Amy	Shop - Hard Green	5.89		3.4%	0.6%	
Kelley	Chad	Shop - Hard Green	23.81		2.8%	2.4%	
Barron	Chris	Shop - Hard Green	86.34		2.6%	8.8%	
Jones	Cody	Shop - Hard Green	428.8		18.2%	43.7%	
Birner	Dean	Shop - Hard Green	11.98		0.5%	1.2%	
Franck	Jason	Shop - Hard Green	6.18		0.2%	0.6%	
Wilson	Korey	Shop - Hard Green	23.14		7.1%	2.4%	
Matthiesen	Rick	Shop - Hard Green	4.93		0.2%	0.5%	
Barron	Sloan	Shop - Hard Green	126.55		15.6%	12.9%	
Matthiesen	T.J.	Shop - Hard Green	205.24		9.0%	20.9%	
Kelly	Travis	Shop - Hard Green	58.9		9.0%	6.0%	
			981.76	\$25,226.12		100.0%	\$25.69



Carson & Barron Farms Inc. Hours Contribution Only

2016

LAST	FIRST	ENTITY	HOURS	Wages / Benefits	% Of Employee's Time	% Of Entity Work	Avg. Cost Per/HR.
White	Adam	Hard Green	1.72		0.1%	0.0%	
Barron	Alissa	Hard Green	6.08		0.5%	0.2%	
Franck	Amy	Hard Green	3.69		2.1%	0.1%	
Kelley	Chad	Hard Green	12.7		1.5%	0.3%	
Barron	Chris	Hard Green	579.43		17.4%	15.1%	
Jones	Cody	Hard Green	710.58		30.1%	18.5%	
Birner	Dean	Hard Green	92.16		3.5%	2.4%	
Beier	Doug	Hard Green	8.78		2.0%	0.2%	
Franck	Jason	Hard Green	867.92		32.9%	22.6%	
Barron	Keven	Hard Green	232.64		12.0%	6.0%	
Matthiesen	Rick	Hard Green	108.14		5.2%	2.8%	
Barron	Sloan	Hard Green	176.52		21.8%	4.6%	
Matthiesen	T.J.	Hard Green	842.32		36.8%	21.9%	
Smith	Keith	Hard Green	205		100.0%	5.3%	
			3847.68	\$128,220.55		100.0%	\$33.32

Note: Additional 1,732.08 Hours contributed by; Jon, Travis, Kent, Kirk, Korey

Total Hours: With shop hours included for 2016 = 6,561.52



Prioritize to Survive - Check List

- Business Structure Review. Know Where the Profit is Coming From. (Profit Center / Zone)
- Consider Collaboration Options & Work on transition planning constantly
- Know your Costs Per/ Bu. on “Every Expense.” *Not Just the Check Amount.*
- Control “Return to Management” Overhead Expenses.
- Market Value Balance Sheet with Trends Analysis. “Earned Equity”
- Do What You Do Well. Let someone else do the other stuff.
- Protect Yourself from Risk Insurance/Contingency Plan? (Crop, Life, Equipment, Liability, Peak Use)
- Marketing. Keep it Simple and be Disciplined.
- Protect Working Capital. Without Impacting Productivity.
- Grow your operation with discipline and purpose. Define Growth.



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