

Guidelines for Case Study Presentation - 2017

Attached is some financial information about a grain and beef farm in Jackson County, Kansas. The farm financial information on the attachment are the KFMA results for the 13 farms in the KFMA program in this county. The family farm in our case study happens to match the average farm in Jackson County exactly. Thus, you can consider the attached financial information to be the same as the family farm here. The farm family consists of a husband and a wife (Tom and Jane Smith) and their two kids (Nate and Steve). Both Nate and Steve are in college. While this farm has been doing fine financially, the Smith's one child, Nate, has expressed some interest in returning to the family farm. Nate has a steady girlfriend and anticipates getting married in about 3 or so years. Steve, on the other hand, has less interest in the farm and has no plans to ever enter farming. He is majoring in engineering and anticipates landing a job in Kansas City when he graduates.

You should address this case study from the point of view of Nate. Nate has one more year of college before he joins the family operation. Nate's parents are both in their late 50's and would like to farm for 10 more years before retiring. At that point, Nate would be the main operator/decision maker for the farm. Also, the small neighboring farmer is retiring. His farm consists of 500 acres (400 crop land and 100 acres of pasture). This neighboring farmer is friends with the Smith's and he has no children interested in going back to his farm. Thus, these 500 acres could be either purchased or rented at a fair price.

About the farm

The Smith's farm consists of 1,500 total acres with 780 crop acres, 700 pasture acres and the remainder of the farm in buildings and timbers. Note, don't get concerned about the number of acres on the printout adding up correctly. The average acres are based on those farms that have that characteristic. For example, only 12 of the 13 farms have pasture and the pasture average of those farms is 699. The end result is that when you add up acres on this report, it will total more than 1,411. It won't really affect anything in the analysis. Of these 1,500 acres, the Smiths own 500 acres and rent another 1,000 acres. The rented acres are split between cropland and pasture. The Smiths raise corn, grain sorghum, soybeans, wheat, and alfalfa hay. In addition, they have 102 beef cows and 18 dairy cows. The 3 pages of financial information have more detailed information about their farm, the revenue and expenses for 2015, and their beginning and ending balance sheet for 2015.

Assignment

Your school's assignment for the case study is as follows: Develop a business plan that is addressed to ONE of the 3 parties. Again, Nate is putting this business plan together.

- The parents, Tom and Jane Smith
- The lender of the local bank who would help with the financing of the farm
- The brother, Steve, who will not be going back to the farm.

- 1) Develop a 4-minute PowerPoint presentation that is essentially a business plan for Nate returning to the family farm. Your presentation should focus on aspects that are important to who you are addressing (i.e., either Nate's parents, the lender, or his brother). There should be some financial analysis and the level of financial analysis should be adjusted depending upon who is being addressed. For example, the lender focus would probably be on making sure the farm provides enough income for 2 families over the short-term and whether buying or renting the other farm makes sense. A focus on the parents would probably address transition issues and making sure Nate becomes the farm owner over time. A focus on the brother Steve would probably address how Steve is going to get his fair share, etc.
- 2) The PowerPoint presentation will be the only part being graded. There are no other materials to turn in. The presentation should be geared toward anyone with a strong interest in the farm (i.e., other family members, lenders, input suppliers, etc.)
- 3) The material in the packet is not the only source of information for building your case study. The USDA has additional information about crop production, yield histories, cost of production, etc. for the state of Kansas. In addition, Kansas State University, through AgManager.info has plenty of information and tools that could be used for a case study. Google is always your friend as well, particularly when it comes to researching many of these decisions.
- 4) The attached rubric provides details about how the presentations will be scored. This year, every team will start with one point (the rubric only goes to 49 points). In addition, no team will score lower than 25 points.

**2015 Data - Kansas
County Averages**

**Kansas Farm Management Association
Annual ProfitLink Summary
Jackson (13 Farms)**

Income and Expense Analysis

1	Beef	109,695	
2	Dairy and Milk	113,250	
3	Sheep		
4	Swine		
5	Poultry and Eggs		
6	Other Livestock/Hedging	386	
7	Custom Feeding		
8	Feed Purchased	-72,157	
9	<i>Livestock Value Produced</i>	<i>\$151,174</i>	
10	Corn	77,099	
11	Grain Sorghum		
12	Soybeans	54,634	
13	Sunflowers		
14	Wheat	5,032	
15	Hay and Forage	-351	
16	Other Crop	6,427	
17	Government Payments	1,687	
18	Crop Insurance Proceeds	10,630	
19	Machine Work	6,337	
20	Other Income/Hedging	18,917	
21	Value of Farm Production	\$331,583	
22	Hired Labor	27,964	
23	Machinery Repairs	37,739	
24	Irrigation Repairs		
25	Building Repairs	4,746	
26	Seed/Other Crop Expense	34,210	
27	Crop Insurance	6,688	
28	Fertilizer-Lime	54,685	
29	Machine Hire	17,580	
30	Organization Fees, Publications	4,421	
31	Vet-Med-Drugs	9,472	
32	Misc Crop Expense	830	
33	Misc Livestock Expense	2,235	
34	Dairy Expense	9,792	
35	Gas-Fuel-Oil	16,539	
36	Irrigation Energy	79	
37	Real Estate Taxes	5,547	
38	Personal Property Taxes	1,065	
39	General Farm Insurance	8,058	
40	Utilities	7,361	
41	Cash Farm Rent	30,822	
42	Herbicide-Insecticide	16,595	
43	Conservation	1,415	
44	Auto Expense	346	
45	<i>Total Operating Expense</i>	<i>\$298,186</i>	
46	Interest Paid	23,154	
47	Depreciation-Machinery	37,070	
48	Depreciation-Buildings	5,636	
49	Total Farm Expense	\$364,046	
50	Net Farm Income	(\$32,463)	

51	Unpaid Family Labor	5,492	
52	Unpaid Operator Labor	67,052	
53	Current Asset Charge	13,328	
54	Non-Current Asset Charge	74,010	
55	Return to Labor & Management	-125,294	
56	Return to Capital	-81,854	

Ratios

57	Total Expense Ratio	1.0979	
58	Adjusted Total Expense Ratio	1.3167	
59	Economic Total Expense Ratio	1.5801	
60	Operating Profit Margin Ratio	-0.2469	
61	Asset Turnover Ratio	0.1594	
62	% Return on Assets	-0.0394	
63	% Return on Equity	-0.0660	
64	Average Current Ratio	2.5489	
65	Average Debt to Asset Ratio	0.2353	

**2015 Data - Kansas
County Averages**

**Kansas Farm Management Association
Annual ProfitLink Summary
Jackson (13 Farms)**

Assets/Loans		January 1	December 31	January 1	December 31
66	Current Assets	433,414	328,176		
67	Non-Current Accts Receivable	27,176	47,674		
68	Breeding Livestock	181,433	196,705		
69	Machinery and Equipment	288,577	301,692		
70	Buildings	49,720	48,040		
71	Owned Land	1,126,184	1,130,999		
72	Total Assets	2,106,504	2,053,286		
73	Current Liabilities	136,725	162,071		
74	Non-Current Liabilities	344,176	335,752		
75	Net Worth	1,625,602	1,555,463		

Labor			
76	Number of Operators		0.94
77	Number of Workers		1.42
78	Total Work Days		321
79	Value Farm Production/Worker		233,636
80	Net Farm Income/Worker		-22,874

Per Operator Basis			
81	Total Assets		2,216,283
82	Value of Farm Production/Operator		353,327
83	Net Farm Income/Operator		-34,592

Other Factors			
84	% Crop Acres Irrigated		
85	% Tillable Land		51.05 %
86	Crop Machine Cost/Total Expense (%)		25.04 %

Acres	Total		Owned		Rented		Total		Owned		Rented	
	Total	Cnt	Acres	Cnt	Acres	Cnt	Total	Cnt	Acres	Cnt	Acres	Cnt
87	Total Acres	1411	13	494	11	993	13					
88	Non-Irrigated Crop Acres	780	12	292	10	537	12					
89	Irrigated Crop Acres											
90	Total Crop Acres	780	12	292	10	537	12					
91	Pasture Acres	699	12	192	10	539	12					
92	Farmstead-Timber Acres	60	10	60	10							

Crop Value, Costs, Acres		Total	Per Crop Acre	Per Harv Acre	Total	Per Crop Acre	Per Harv Acre
93	Acres		780.33	760.70			
94	Crop Mach Invest	227,773	291.89	299.43			
95	Crop Mach Cost	91,147	116.81	119.82			
96	Gross Crop Value	237,067	303.80	311.64			
97	Crop Prod Costs	234,980	301.13	308.90			

Non-Irrigated Acres	Cnt	Avg		Owned		Rented		Cnt	Avg	Owned		Rented	
		Acres	Yield	Acres	Yield	Acres	Yield			Acres	Yield		
98	Corn	12	234	125	122.87	168	143.22						
99	Grain Sorghum												
100	Soybeans	11	262	176	36.20	182	34.97						
101	Sunflowers												
102	Wheat	6	94			86	31.63						
103	Other Crops												
104	Alfalfa Hay	6	31										
105	Other Hay & Forage	11	212	60		169							
106	DC Grain Sorghum												
107	DC Soybeans												
108	DC Sunflowers												

Irrigated Acres	Cnt	Avg		Owned		Rented		Cnt	Avg	Owned		Rented	
		Acres	Yield	Acres	Yield	Acres	Yield			Acres	Yield		
109	Corn												
110	Grain Sorghum												
111	Soybeans												
112	Sunflowers												
113	Wheat												
114	Other Crops												
115	Alfalfa Hay												
116	Other Hay & Forage												
117	DC Grain Sorghum												
118	DC Soybeans												
119	DC Sunflowers												

Avg Livestock Inventories and Sales			
120	Beef Cows		102
121	Dairy Cows		18
122	Ewes		
123	Litters Farrowed		
124	Beef Feeders		80
125	Swine Feeders		
126	Turkeys		

2015 Data - Kansas
County Averages
Jackson

Kansas Farm Management Association
Annual ProfitLink Summary

13 Farms

	Cash Expense	Accrued Expense	Exp Inv Change	Non-Cash Costs	Total Costs*	Livestock Total	Crop Total	Crop Acre 780	Harv Acre 761
Hired Labor	27,964				27,964	16,424	11,540	14.79	15.17
Operator Labor				67,052	67,052	23,262	43,789	56.12	57.56
Family Labor				5,492	5,492	1,318	4,174	5.35	5.49
Total Labor					\$100,509	\$41,005	\$59,504	\$76.25	\$78.22
Gen Mach Repair	24,032				24,032	5,285	18,487	23.69	24.30
Crop Mach Repair	3,493				3,493		3,493	4.48	4.59
Irrigation Equip Repair					0				
Machine Hire	15,487	2,093			17,580	1,341	16,239	20.81	21.35
Gas-Fuel-Oil	16,935		-397		16,539	5,074	11,228	14.39	14.76
Farm Auto Expense	346				346		346	0.44	0.45
Depr - Motor Vehicle				22,520	22,520	4,586	17,312	22.19	22.76
Depr - Machinery				14,550	14,550	2,885	11,378	14.58	14.96
Total Machinery					\$99,059	\$19,171	\$78,483	\$100.58	\$103.17
Seed-Crop Expense	35,740	462	-1,992		34,210		34,210	43.84	44.97
Crop Insurance	6,688				6,688		6,688	8.57	8.79
Fertilizer-Lime	57,239		-2,554		54,685	5,885	48,800	62.54	64.15
Irrigation Fuel	79				79		79	0.10	0.10
Crop Stor-Marketing	830				830		830	1.06	1.09
Herbicide-Insecticide	17,679		-1,084		16,595	284	16,312	20.90	21.44
Crop Supplies	51		101		152		152	0.20	0.20
Total Crop Expenses					\$113,239	\$6,169	\$107,070	\$137.21	\$140.75
Dairy Expense	9,795	-3			9,792	9,792			
Feed Purchased	72,108	100	-51		72,157	72,157			
Vet-Medicine-Drugs	9,472				9,472	9,472			
Lvstk Marketing-Breeding	2,235				2,235	2,235			
Livestock Supplies	10,110		-48		10,061	10,061			
Total Lvstk Expenses					\$103,717	\$103,717			
Building Repair	4,746				4,746	1,142	3,604	4.62	4.74
Conservation	1,415				1,415		1,415	1.81	1.86
Depr - Buildings				5,636	5,636	2,752	2,884	3.70	3.79
Total Improvement					\$11,797	\$3,894	\$7,904	\$10.13	\$10.39
Interest Paid	23,154				23,154	5,819	17,133	21.96	22.52
Cash Farm Rent	30,822				30,822	12,753	18,069	23.16	23.75
Net Curr Asset Chg				13,328	13,328	3,314	10,014	12.83	13.16
Net Int Asset Chg				21,445	21,445	10,636	10,583	13.56	13.91
Net LT Asset Chg				52,566	52,566	16,317	36,249	46.45	47.65
Total Asset Charges					\$141,314	\$48,840	\$92,048	\$117.96	\$121.00
Fee-Publ-Travel	4,425	-4			4,421	1,144	3,277	4.20	4.31
Real Estate Tax	5,547				5,547	1,071	4,477	5.74	5.89
Property Taxes	1,065				1,065	253	812	1.04	1.07
Gen Farm Insurance	8,058				8,058	2,540	5,462	7.00	7.18
Farm Utilities	3,956				3,956	2,906	1,050	1.35	1.38
Utilities	3,405				3,405	2,683	722	0.92	0.95
Total Other Expenses					\$26,451	\$10,596	\$15,799	\$20.25	\$20.77
Total	\$396,874	\$2,647	(\$6,024)	\$202,589	\$596,087	\$233,391	\$360,807	\$462.38	\$474.31

* Total costs may include costs allocated to custom work and/or other enterprises

2017 Case Study Evaluation Sheet

School: _____

Title: _____

Reviewer: _____

Note: Please do NOT shake hands with any of the judges. We want to allow you adequate time for set-up and prevent the spread of germs.

Topic/Rating	Unacceptable (0 to 2)	Marginal (C: 2 to 4)	Acceptable (B: 4 to 6)	Exceptional (A: 6 to 7)	Points	Comments
Possible Point Score for each Category	1	3	5	7		
Structure of Presentation	Not possible to understand presentation due to absence of structure.	Difficult to follow presentation due to erratic topical shifts and jumps.	Most information is presented in logical order which is easy to follow.	Presented in a logical, interesting and novel sequence, which is easily followed.		
PowerPoint Slides	Missing or impossible to read. Misspellings and other mistakes	Unattractive, hard to follow, either too busy or not enough info	Ok appearance. Slightly too busy or lacking in info	Attractive and easy to follow. Contains the right amount of info		
Knowledge of Subject Material	No grasp of information. Reading entirely from notes.	Uncomfortable with information. Heavy reliance on notes.	At ease with content and able to elaborate and explain to some degree. Minimal use of notes.	Demonstration of full knowledge of the subject with explanations and elaboration.		
Methods and Analysis	Methods and results were unclear. Hard to understand the findings of the model and implications for the problem being examined.	Methods were somewhat unclear. Results were not strongly supported by the methods used.	Methods were ok but not the best choice for the problem. Results were weakly supported from the model and methods.	Methods used were appropriate. Very clear and logical approach to how the conclusions and results were reached		
Delivery & Speaking Skills	Significant mumbling and incorrect pronunciation of terms. Voice level too low or too high. Monotonous, no eye contact, rate of speech too fast/ slow	Occasional mispronunciation of terms. Little eye contact, uneven rate, only little expression	Voice is clear and at a proper level. Most words pronounced correctly. Some eye contact, steady rate, excessively rehearsed	Clear voice and correct, precise pronunciation of terms. Good eye contact, steady rate, enthusiasm, confidence		
Candidate Appearance	Sweats, Shorts, flip-flops, hair uncombed	Jeans with either t-shirt or polo. Also FFA jacket with non-dress shirt	Business casual: Dockers or other dress slacks, polo shirt, blouse, dress shoes	Professional: FFA jacket (or suit or sport coat), shirt, tie, dress slacks, skirt, dress, dress shoes		
Presentation Length	Too long or too short. +/- 2 minutes	+/- 1.5 minutes	+/- 1 minutes	+/- 30 seconds		
Point Average (= total points/7)						

Please list any other comments on the back of this sheet.