

FARMER COURSES

Frequently Asked Questions (FAQ's)

About Purchases...

Q: Is there a refund policy?

A: No, all purchases are final.

Q: Do the courses and guides meet the Farm Service Agency training requirements?

A: Yes. The FFAT meets the finance requirement and the PMAT meets the production requirement. The guides are not required by the FSA, but are for farmers who wish to dig into a specific area of their farm finances and to improve that area.

Q: What is the process once a book/course is ordered?

A: Below are the steps that we take to complete your order.

1. Farmers that provide an email during registration will receive an email confirming registration for the courses ordered.
2. The loan officer listed by the farmer at registration is notified that the farmer has registered for course.
3. FFAT and PMAT are customized with the farmer's name and address. The PMAT impact plan is customized with the farmer's enterprises as given at registration. If enterprises are not listed at registration, the farmer will be contacted for this information delaying the processing of the order for several days.
4. Books are mailed out 2-3 days from the time the order is received. If you have not received your order within 2 weeks, please let us know. If it has been more than 4 weeks since you ordered your book, we will send your materials, but you will be charged an additional shipping fee of \$40. If it has been more than 6 months you will need to re-purchase new books.
5. Each book is assigned a due date when the book is put together, which is approximately 6 months from when the order is received. There can be some timeline variation due to book printing and holidays. If your deadline is a problem for you please contact us.
6. Your FFAT has 2 sections. The main section includes an instructional section and chapters 1-8. The second section is the homework and quizzes. If any part is missing please let us know right away and we will replace them. The PMAT includes 14 sections with the last section customized to your farm based on information provided by you or generic crop or livestock or from looking at your address with Google maps. Please feel free to change the crop or livestock title listed to what you raise.

For completed books...

Q: What should I do once I complete my book?

A: Books should be returned for grading to:

Farmer Courses, Mark Douglass, 614 Egypt RD. Brockway, PA 15824

Q: What happens when I return my book?

A: Books are graded and returned to the farmer. Grade letters are included and certificates are included for passing books. Loan officers are also sent copies of the letter grades, certificates for passing books, and key pages.

Q: Are there any costs associated with the grading?

A: The purchase of a course includes an initial grading and one re-grading (if needed to receive a passing grade), any additional grading would be done for a fee of \$100.

About the FFAT...

Q: What is the outline for the FFAT course?

A: Sections 1-8 include fill-in-the-blank questions, true/false questions, and various exercises. The information to answer the questions is shown on the same page as the question, or the preceding page(s). Some questions ask for your opinion. For fill-in-the-blank, it is ok to use your best thought/guess.

- Section 1 Balance Sheet
- Section 2 Production-based Income Statement
- Section 3 Cash Flow Budget
- Section 4 Financial Analysis- Trends, Projections, Ratios
- Section 5 Advanced Analysis and Benchmark Ratios
- Section 6 Review Exercises
- Section 7 Fixing Broken Farm Finances
- Section 8 The MOBILize Plan and a Look to the Future

Q: Is there homework included in the FFAT course?

A: Yes, there are five homework assignments. You will base the homework, one for each major chapter, on your own farm/ranch business. In this section you will develop a balance sheet, income statement, cash flow, one month of records for your farm, and ratios for your farm. Completing the homework shows that you understand the material.

Q: Are there quizzes included in the FFAT course?

A: Yes. There is one pre-quiz to give us an idea of your starting knowledge. This quiz does not count toward your final grade. There are five additional quizzes, each on a major section of the material. Quizzes are multiple-choice. Don't make the quizzes harder than they really are.

Q: How is the FFAT course graded?

A: Below is part of an example grade letter to give you an idea of how the FFAT is graded. The pre-test is not used to calculate the Quizzes score; it is only shown as information.

***Farm Finance Analysis Training* GRADE: 100% 1=Pass**

MAXIMUM AND YOUR POINTS SCORED FOR COURSE EXERCISES:

POTENTIAL SCORE	YOUR SCORE	
20	18	Quizzes: Pre-test <u>100%</u> Quiz1 <u>85%</u> Quiz2 <u>90%</u> Quiz3 <u>85%</u> Quiz4 <u>90%</u> Quiz5 <u>100%</u>
6	6	Hamilton (1): <u>1</u> Washington-A (2): <u>2</u> Washington-B (3): <u>3</u>
9	7	Farmer Quincy (2): <u>2</u> Marty Van Buren (2): <u>1</u> Madison (5): <u>4</u>
4	4	Income vs. Cash Flow Exercise-A (2): <u>2</u> Income vs. Cash Flow-B (2): <u>2</u>
9	9	Farmer Jefferson (3): <u>3</u> Jackson-A (3): <u>3</u> Jackson-B (3): <u>3</u>
7	7	Individualized Benchmarks (2): <u>2</u> Farmer Truman-A (5): <u>5</u>
4	4	Learning From Historical Ratios (2): <u>2</u> Chapter 4 Review Pages (2): <u>2</u>
7	7	Patterns in Finance Ratios (2): <u>2</u> Farmer Truman-B (5): <u>5</u>
4	4	4-Point Plan (2): <u>2</u> TAKE-BACKS (2): <u>2</u>
15	13	Five home-works for the producer's farm
<u>15</u>	<u>15</u>	Fill-in-the-blanks questions
<u>100</u>	<u>94</u>	

Q: What percentages of farmers pass the FFAT?

A: 95% percent pass with a grade of 70% or higher. 56% receive a grade of 90% or higher.

Q: What causes a farmer to receive a failing grade?

A: Most that fail have not completed some part of homework, quizzes or exercises.

Q: How long will it take me to finish the FFAT?

A: A survey of 169 farmers that took the FFAT showed that 44% of farmers took 35 hours or more, 31% took about 30 hours, 16% took 25 hours and 9% took 20 or less hours to complete the FFAT.

Q: Is there anything extra I should know while completing the FFAT course?

A: Yes, there are a few things you should know.

1. All pages should be completed except charts on pages 4-3, 4-7, 6-5, 7-16 to 7-18, 7-21, 7-22, 7-25-7-27, which can be used in the future by the farmer.
2. When a number is shown in parentheses that number is negative. Example: (1000) = -1000
3. We have used mostly everyday or common examples for the exercises. Please feel free to list examples from your farm.

Below are listed helpful hints to help you complete your book.

Homework

1. Balance Sheet- Please add up totals for each section and calculate your Net Worth.
2. Income Statement- Please include your depreciation that you calculated on page 2-21. Also include any changes from your previous balance sheet to these years.
3. Records- Please fill in the Family Expense page even if your Family Living Expenses are separate from the farm. The main point of this page is so you are aware of how much your Family Living Expenses are and if you can meet this expense.
4. Cash flow- We are looking for a 12 month cash flow not just the total for the year. This can be one of the most helpful pages for you to fill out for your planning!

Exercises

1. Page 1-35- Please calculate the Current and Debt Ratios once you have completed the balance sheet for Farmer Washington.
2. Page 1-40- When doing the Farmer Washington exercise, on page 1-41, please make note of the \$200,000 loan for the real estate. \$10,000 is the principle amount due in the next year subtracted from the \$200,000. It is listed on page 1-42 2L (2) Long term Liabilities only \$190,000 is listed on page 1-43 under Long Term Liabilities. This concept also applies to the \$85,000 loan for tractors and combine.
3. Page 2-35- Please read this page several times before completing Exercise Farmer Madison.
4. Page 3-13 and 3-14- Please download this [worksheet](#) and refer to it while completing pages 3-13 and 3-14.
5. Page 3-38- The Formula-5 Record forms are for your use if needed. They can also be downloaded [here](#)
6. Page 4-34- One of the most important pages to complete and understand for your farm! Please refer to the pages 4-18 through 4-30 to calculate your actual 2013 ratios. These are also entered in on page 15 of the homework.

About the PMAT...

Q: What is the outline for the PMAT course?

A: PMAT has two major parts. Part I includes Sections 1-11 and will include fill-in-the-blank questions, true/false questions and various exercises. The information to answer the questions is shown on the same page as the question, or the preceding page(s). Most of the questions will be about your farm, while other questions ask for your opinion. For fill-in-the-blank questions, it is ok to use your best thought/guess. Section 7 can be a dairy, beef or crops section depending on the enterprises you have. Part II includes sections 12-14.

Section 12 provides you with an example Impact Plan to help you develop your own plan. Section 13 provides you with information to complete the enterprise budgets for your Impact Plan. Section 14 is where you develop your plan.

PART I: Specialization, Insurance, Marketing, Technology Upgrades, Records, Risk

- Section 1 Agricultural Specialization For Production Success
- Section 2 Five Ways to Compete with Large Farms
- Section 3 Planning Machinery/Equipment Purchases & Replacement
- Section 4 Using Finance Ratios in Production Decisions
- Section 5 Two Key Success Factors: Focus on Production Fundamentals
- Section 6 The Lender Role in My Agricultural Production
- Section 7 Based on Farm/Ranch Enterprises: Crop, Dairy or Beef
- Section 8 A Market Plan to Enhance Production Success (key chapter)
- Section 9 Technology Upgrades to Enhance Production (key chapter)
- Section 10 Production Records: Measure What We Manage (key chapter)
- Section 11 Risk Management to Decrease the Odds of Loss (key chapter)

PART II: My Farm/Ranch Production Impact Plan

- Section 12 PMAT Production Impact-Plan Case Study Guide
- Section 13 Information Resources for My Farm (new chapter)
- Section 14 My individualized production impact plan

Q: How is the PMAT course graded?

A: Below is part of an example grade letter to give you an idea of how the PMAT is graded.

Production Management Analysis Training GRADE: 100% 1=PASS

YOUR POINTS SCORED ON COURSE EXERCISES:

MAXIMUM SCORE	YOUR SCORE	
10	8	Quiz grades: Quiz1: <u>75%</u> Quiz2: <u>90%</u> Quiz3: <u>75%</u> Quiz4: <u>80%</u>
6	6	CH 1. Specialization For Production Success
6	6	CH 2. Five-Ways To Compete With Large Farms
6	5	CH 3. Planning Farm Equipment Needs
6	6	CH 4. Thinking Finance Ratios While Talking Production
5	5	CH 5. Management Attributes to Production Success
5	5	CH 6. The Lender Role In Production
5	5	CH 7. Dairy, Beef or Crop \$ Signs
7	7	CH 8. Market Plan
7	7	CH 9. Technology Options
7	5	CH 10. Our Agricultural Production Records
7	7	CH 11. Risk Management to Decrease Odds of Loss
1	1	TAKE-BACKS Exercise
		<i>INDIVIDUALIZED PMAT IMPACT PLAN</i>
5	5	Projected Production IMPACT PLAN
3	3	Actual Monthly Cash Flows
5	5	Production Performance Last Year – by Enterprise
4	4	Plan Progress/Capital Spending Plan/Production Highlights
5	5	Enterprise Budgets For Upcoming Year
100	95	

Q: What percentages of farmers pass the PMAT?

A: 99% percent pass with a grade of 70% or higher. 75% receive a grade of 90% or higher.

Q: How long will it take me to finish the PMAT?

A: The PMAT will take from 5-10 hours less book work time than the FFAT, but should involve more time thinking and discussing about your Farm and how you do things.

Q: What causes a farmer to receive a failing grade?

A: Most that fail have not completed some part of homework, quizzes or exercises.

Q: What should I know about the PMAT homework assignments?

A: Like the FFAT, there are specific ways to complete your certain assignments. Please look on the list below to make sure you are completing those assignments correctly.

1. Page 3-6 to 3-8-If you use your father's or boss's equipment please do this exercise as if the equipment was yours. If you have no equipment on your farm, please mark this page as N.A.. Please consider your Pick-up Truck as a piece of equipment.
2. Section 7- This section currently has 3 options: Dairy, Beef and Crop Insurance.
3. Production Impact Plan- We have done our best to provide the correct enterprises for your impact plan, but please feel free to change the enterprise listed to what you grow or raise. Also, feel free to add any income or expenses as needed.