Extension & Partner Response to Farm Financial Situation and Mental Health Stress

Moderator:
Rick Klemme, Executive Director, Cooperative Extension/ECOP

Speaker: Bob Craven, Extension Economist, Farm Management and Director of the Center for Farm Financial Management, University of Minnesota

6/17/19
Welcome to FINBIN

FINBIN is one of the largest and most accessible sources of farm financial and production benchmark information in the world. FINBIN places detailed reports on whole farm, crop, and livestock financials at your fingertips.

With just a few clicks of the mouse, you can see reports such as:

- Soybean cost and returns by tillage system
- Dairy cost and returns by size or location of herd
- Farm financial standards measures by type or size of farm

The possibilities are endless. Select Whole Farm Reports, Crop Reports, or Livestock Reports to create your own custom report.

Data providers:

Farm business management associations
Farm management education programs
www.finbin.umn.edu
Rates of Return -- All Farms

FINESIN Database, All States
Assets Valued at Adjusted Cost Basis

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Year to Year Movement Between NFI Groups, 2006-2015

<table>
<thead>
<tr>
<th>Category</th>
<th>Top</th>
<th>Mid</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Was Top 20</td>
<td>44%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was Mid</td>
<td></td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>Was Low 20</td>
<td></td>
<td></td>
<td>43%</td>
</tr>
</tbody>
</table>
# High vs. Low Profit Crop Farms

*FINBIN Database, Minnesota, 2018*

<table>
<thead>
<tr>
<th>Profitability Group</th>
<th>Low 20%</th>
<th>High 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross sales</td>
<td>$790,000</td>
<td>$1,277,000</td>
</tr>
<tr>
<td>Median net farm income</td>
<td>$-51,000</td>
<td>$210,000</td>
</tr>
<tr>
<td>Term debt coverage (accrual)</td>
<td>0.0</td>
<td>2.4</td>
</tr>
<tr>
<td>Age</td>
<td>53</td>
<td>50</td>
</tr>
<tr>
<td>Years farming</td>
<td>29</td>
<td>27</td>
</tr>
<tr>
<td>Debt to asset % (excl deferreds)</td>
<td>39%</td>
<td>26%</td>
</tr>
<tr>
<td>Current ratio</td>
<td>1.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Working capital to gross</td>
<td>5%</td>
<td>51%</td>
</tr>
<tr>
<td>Working capital</td>
<td>$39,000</td>
<td>$714,000</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>$-62,000</td>
<td>$99,000</td>
</tr>
</tbody>
</table>
## High vs. Low Profit Crop Farms

*FINBIN Database, Minnesota, 2018*

<table>
<thead>
<tr>
<th>Profitability Group</th>
<th>Low 20%</th>
<th>High 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total crop acres</td>
<td>1,149</td>
<td>2,136</td>
</tr>
<tr>
<td>Percent of crop acres owned</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Machinery investment per acre</td>
<td>$728</td>
<td>$536</td>
</tr>
<tr>
<td>Corn yield</td>
<td>179</td>
<td>185</td>
</tr>
<tr>
<td>Soybean yield</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>Spring wheat yield</td>
<td>61</td>
<td>65</td>
</tr>
<tr>
<td>Corn price</td>
<td>$3.35</td>
<td>$3.30</td>
</tr>
<tr>
<td>Soybean price</td>
<td>$9.19</td>
<td>$9.15</td>
</tr>
<tr>
<td>Spring wheat price</td>
<td>$5.47</td>
<td>$5.71</td>
</tr>
<tr>
<td>Asset turnover</td>
<td>32%</td>
<td>33%</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>-11%</td>
<td>18%</td>
</tr>
<tr>
<td>Operating expense ratio</td>
<td>97%</td>
<td>68%</td>
</tr>
</tbody>
</table>
UMN Extension Farm Financial Counseling

One to one meeting
Understand situation
Explore options
Free and confidential
Farmer-Lender Mediation

- Mandatory in MN for loans over $15,000
- Financial support to operate program
  - 70% USDA
  - 30% University of Minnesota Extension
- Program includes three financial analysts
Farmer-Lender Mediation

Graph showing notices received per month from October to September for different fiscal years (FY14 to FY19).
Minnesota Farm Advocates Program

• Supported by the Minnesota Dept of Agriculture
• One-on-one assistance for producers facing financial problems
• Free resource to producers
• 10 advocates statewide
• Connected to a network of other support services
Minnesota Partners

University of MN Extension (new Rural Stress Task Force)
Minnesota Departments of Agriculture, Health, Human Services
Minnesota State Colleges and Universities Farm Business Management Program
Farmer-Lender Mediation
Farm organizations (MFU, MFB)
Commodity groups
Upper Midwest Ag Safety & Health Center
Farmers Legal Action Group
Rural community members (lenders, clergy, educators, business community, etc.)
Current Federal Support

Smith Lever funding

SARE – Professional development workshops and trainings
  • Managing conflict in agriculture
  • Understanding/responding to farm youth stress
  • Suicide prevention
  • *Down on the Farm* farm stress training curriculum for ag advisors

NIOSH –

  • *TransFARMation* radio and podcast series highlighting voices of how farmers cope with stress and adversity  [www.rrnf.com/transFARMation](http://www.rrnf.com/transFARMation)
  • *Cultivating Resiliency* webinar series for rural women  [umash.umn.edu/cultivating-resiliency-webinars/](http://umash.umn.edu/cultivating-resiliency-webinars/)
Responding to Constituent Calls

• Understand different people need different kinds of help.
  • Mental health support, financial advice, legal counsel, groceries

• Train staff in empathetic listening and cultural competency about farming stressors.

• Inventory the resources available in your state and equip frontline staff with them.
  • Hotlines, web sites, farm organizations financial advisors, legal aid clinics, mental health counselors.

• Listening sessions
Contact Us

• Bob Craven, rcraven@umn.edu
• Rick Klemme, rickklemme@extension.org

www.extension.org/ecop