

Providing financial and
business planning to
producers

Disclaimer: we are not professionals soliciting any financial advice, simply creating an outline that AFAC could develop with professionals based on producer feedback

outline

- Background
- Current Alberta Government resources
- Risk management
- Banking Institutions offering Producer resources
- Implementing technology into the farm
- Business Planning/ Development

Background

- The number one stressor for cow/calf producers is financial security
- Producers indicated there is a need for more free resources to help producers with managing finances and well as business planning, as it was noted that some may not have any education past a high school diploma
- How can AFAC help? While they may not be able to control markets or producers income, they can be a source of information for producers on other resources available, how to use them, and strategies they can use to improve their business

Current Alberta Government Resources

- Canadian Agricultural Loans Act Program
- Collaborative Research and DEvelopment Grants
- EcoAction Community Funding Program
- Farm Debt Mediation Service
- Livestock Tax Deferral Program
- price pooling program

Information to producers on when to utilize these programs and how to access them could be useful

<https://www.alberta.ca/federal-agriculture-funding-programs-and-services-in-alberta.aspx>

Risk Management

- Western Livestock Price insurance program
- Agristability- gov't of Canada
- Banking institutions can offer low risk interest rates on loans

With unpredictable markets and weather, risk more than likely contributes a large amount to the financial stress producers feel, by finding ways to manage the risk, the overall stress could be decreased

Financial institutions

RBC- access to capital through management lines of credit, resources for managing cash flow, maximizing investments, and Business planning guides

ATB- Farmland financing, loans for operating and equipment

Farm credit Canada- Credit lines and loans, with some geared specifically towards young farmers and women

Almost all financial institutions have some type of loan program for producers, just a matter of picking the best option to suit producer needs

Use of Technology for on farm finances

- Importance of good record keeping
- How to use excel to better track finances
- Sample excel spreadsheets online that producers can already use (similar to what Manitoba Ag. has set up)

LoanPlan - Loan Calculator							Printed:	3/18/20
** Enter changes to BLUE numbers only ***								
Basic Loan Information								
Amount		\$100,000	Annual Interest Rate		4.875%			
Start Date of Loan		1-Sep-17	Length of Loan, Years		20			
			Payments Per Year		quarterly			
Payment Information								
Calculated Payment		\$1,963.89	Total Payments		80			
Entered Payment		\$0.00						
Summary Information								
Total Paid		▲	Accelerated Principle Paid		▲			
Interest Paid		▲	Interest Saved		▲			
			Number of Payments Reduced		-220			
Pmnt #	Start of Period	Scheduled Balance	Actual Balance	Payment	Interest	Principal	Additional Principal Paid	
1	▲	\$100,000.00	\$100,000.00	\$1,963.89	\$1,218.75	\$745.14	\$0.00	
2	▲	\$99,254.86	\$99,254.86	▲	\$1,209.67	▲	\$0.00	
3	▲	▲	▲	▲	▲	▲	\$0.00	
4	▲	▲	▲	▲	▲	▲	\$0.00	
5	▲	▲	▲	▲	▲	▲	\$0.00	
6	▲	▲	▲	▲	▲	▲	\$0.00	
7	▲	▲	▲	▲	▲	▲	\$0.00	
8	▲	▲	▲	▲	▲	▲	\$0.00	
9	▲	▲	▲	▲	▲	▲	\$0.00	

Developing a Business plan

- Why create a business plan?
- Create a survey intended for producers to reflect on their current production practices and future goals
- Create a guide to help producers prepare, analyze, and interpret farm business plans for management decisions (example: https://www.gov.mb.ca/agriculture/farm-management/financial-management/pubs/software_farmplan_analyzingafarmbusiness.pdf)

How can AFAC help?

- Through working with industry professionals AFAC can further develop a learning module to help guide producers through the ins and outs of running a business
- With so many options available through the government and banks, producers may need help navigating what path is best for them
- Act as a place that brings all the available financial resources together for producers to find in one place
- Work towards having a larger online platform for Alberta farmers seeking advice on financial issues similar to that seen in Manitoba
(<https://www.gov.mb.ca/agriculture/financial-assistance/index.html>)