



IMPROVING FARM PERFORMANCE THROUGH FINANCIAL ANALYSIS, TOOLS & TAX MANAGEMENT

OVER 12,000 PAGEVIEWS AND 6,000 DOWNLOADS

of decision tools helping improve farm management and profitability

OVER \$1.1 MILLION

of tax savings benefit to participating farms



IMPACTS

Michigan State University (MSU) Extension works to improve farm personnel well-being and income, expand agriculture-related businesses and increase employment opportunities, making agriculture one of the strongest industries within Michigan. Supporting agriculture and helping to improve financial stability and competitiveness has a significant economic impact on Michigan and local communities.



95

participating farms analyzing their businesses to improve management and profitability



3,177

downloads of easy-to-use enterprise budgeting tools



187

individuals participating in educational meetings on tax fundamentals and preparation



6

enterprise reports for major production areas in Michigan (crops and dairy)



1,590

downloads of custom machine cost and land rent fact sheets

“Our MSU Extension educator, Corey Clark, does a really deep dive into the numbers and turns it into a discussion. She explains it in a way we can understand and then we have a discussion about how it affects our financial decisions in the future.”

• *TelFarm participant*



EMPOWERING MICHIGAN FARMS TO BETTER UNDERSTAND BUSINESS PERFORMANCE



Each year, MSU Extension farm business management educators work with farms enrolled in the MSU Extension TelFarm program to improve their financial management skills and help them prepare to manage their yearly tax liabilities. The TelFarm program provides accounting and financial analysis support to farmers across Michigan. TelFarm is an important tool for financial management for farm business and a real-life information source for research and education. The dollars saved through programs like these help local communities through increased purchases from agricultural businesses from one of the largest primary industries in Michigan.

A farm financial analysis assists farmers to better understand their financial situation through an annual review of their farm's financial records by their farm business management educator. Then, the educator and farmer meet to discuss the results of the analysis as well as past, present and future management implications. This process allows participants to evaluate their management plans and improve their farm business's success. The farmer also receives a completed report to use for their financial reporting and historical financial records.

In addition to TelFarm efforts, MSU Extension educators offered the "Prepare Your Farm for Taxes Now" webinar three times over the course of 2021. Participants learned how to maintain farm financial records useful for preparing taxes and for managing their farms. Educators presented tax fundamentals for farms, as well as taught critical steps to ensure that farm records generate accurate and

complete tax returns. Facilitators discussed options and principles for setting up an effective recordkeeping system. Participants consistently reported having learned about farm recordkeeping at this webinar.

AIDING FARM MANAGERS TO IMPROVE MANAGEMENT AND BUSINESS SUCCESS

MSU Extension fact sheets and decision tools aid farmers to better understand government program options, custom work rates and land rent trends as well as learn to assess farm plans against industry benchmarks for improved decision-making.

Budget estimator decision tools provided farm managers with an easy way to develop enterprise budgets. Detailed versions of the budgeting tools allow for in-depth assessment of agronomic decisions, including nutrient, fertilizer and chemical planning, while the simplified versions allow for comparison against industry benchmarks. Industry comparisons were obtained from the FINBIN database (finbin.umn.edu), which includes Michigan farm financial data collected by the MSU Extension TelFarm program. In total, these crop and livestock budget estimators were viewed 5,158 times with 2,794 downloads.

The Custom Machine Work Cost Report covers a broad range of basic field machine operations, providing summaries of custom machine rates that farms have reported they charged each other during the prior year in the Midwest region. This report had a total of 1,856 pageviews with 804 downloads.

The Fertilizer Cost Comparison Tool provides farm producers with the ability to develop nutrient plans to meet yield goals and lower possible costs. Fertilizer cost comparison tools were available for field crops, vegetables and forages and were downloaded 382 times.

The Feedlot and Cow-Calf tools help producers forecast their economic profitability by improving user understanding of revenue, variable and fixed costs, and profitability. The Feedlot and Cow-Calf budget tools were downloaded 383 times.

The Land Rent Calculator is designed to assist producers in comparing the impact of land rent payments against their farm's projected net farm income. This tool had 3,051 pageviews with 786 downloads.



The U.S. Department of Agriculture (USDA) Farmland Cash Rental Rates document is a listing of the county rental rates dating from 2010 to 2021. The information was obtained from the USDA's National Agricultural Statistics Service and is based on their survey results from producers. This report had 2,649 pageviews with 1,005 downloads.

With over 12,000 pageviews and over 6,000 downloads, these tools help small and large farms plan budgets, estimate costs and determine value to improve farm management and profitability.

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