


FARM FINANCES

A *Touch the Soil* presentation
Food's Sustainability – The Next Frontier

www.touchthesoil.com

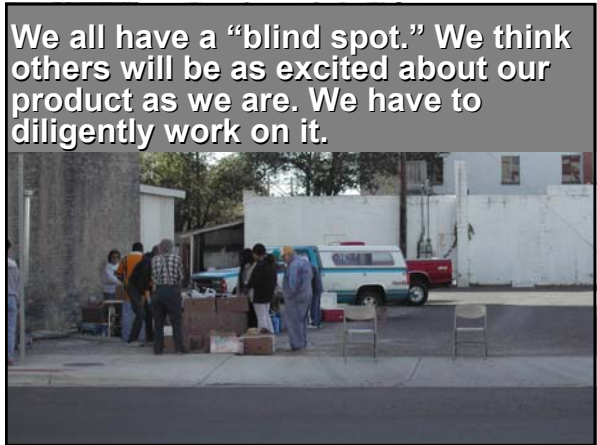
In short:
More money must come in than goes out.
Strangely, this is often counterintuitive.




All financial plans reflect the mindset of the person doing the planning.



We all have a “blind spot.” We think others will be as excited about our product as we are. We have to diligently work on it.




The most effective tool for financial planning is thinking.

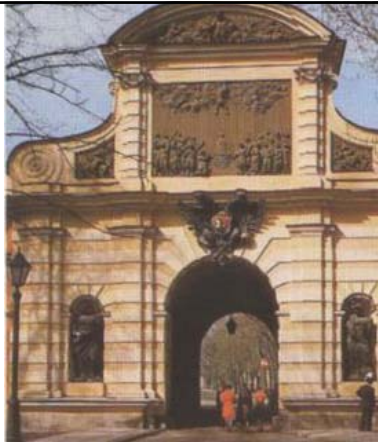


Using Credit

Headquarters office of one of America's top 10 banks in Cleveland, Ohio. ►



Unplanned, a lawyer, a doctor and a farmer find themselves at Saint Peter's Gate.



The nation runs on credit. No form of money (except coin) exists outside of credit.



“The bank hath benefit of interest on all moneys which it creates out of nothing.”

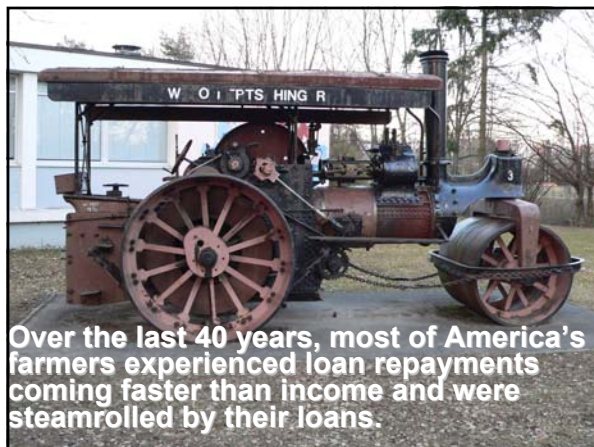
William Paterson, founder of the Bank of England, 1694



Credit is a temporary investment that takes up residence in your business and will leave your business with far more than it came in with.

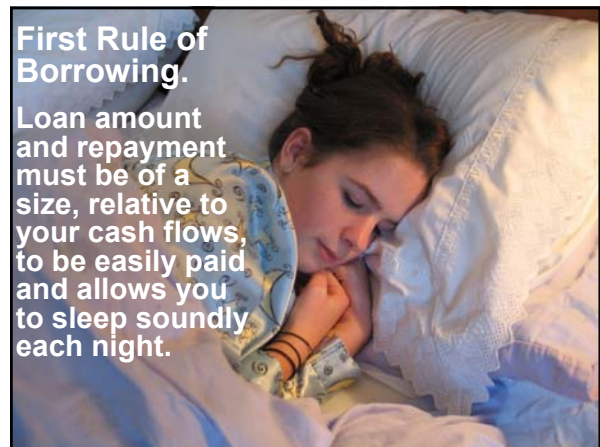


Over the last 40 years, most of America's farmers experienced loan repayments coming faster than income and were steamrolled by their loans.



First Rule of Borrowing.

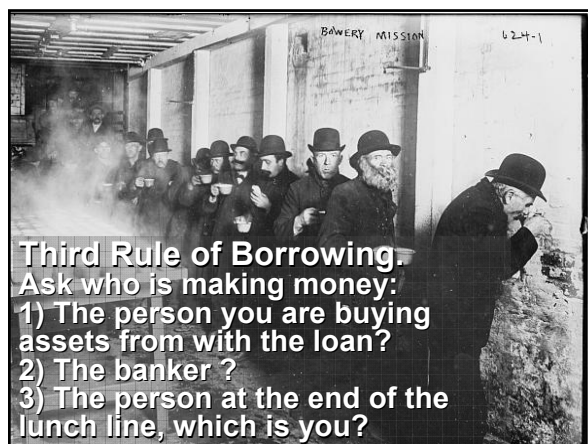
Loan amount and repayment must be of a size, relative to your cash flows, to be easily paid and allows you to sleep soundly each night.





Second Rule of Borrowing:

For every hour you spend figuring out how to borrow money, spend three hours figuring out how to make money without borrowing.



Third Rule of Borrowing.

Ask who is making money:

- 1) The person you are buying assets from with the loan?
- 2) The banker ?
- 3) The person at the end of the lunch line, which is you?

Directing Cash Flows Into Your Business

Taking cash and checks is not enough.

Credit and debit cards are powerful cash flow drivers.

Larger farmers markets now have electronic credit card swiping machines in which they charge your card for a minimum of \$20 and give you \$5 tokens to spend with vendors.

When cash is short or not available, trade, trade, trade!

Competition, as an economic concept, is failing.

Competition is a function of the austerity of money, brought about by monetary process.



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Organic Valley Family of Farms, and over 900 member national co-op, bases its philosophy on sticking together and cooperating.



David and Kayla Roberts on their organic dairy in Preston, Idaho



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