

# Getting Started and Making the Initial Farm Visit

Most farm families don't like to ask for help when they are in financial difficulties and the initial contact must be handled with some sensitivity. Each Farm Analyst will have to decide on a procedure that works best for them for the initial Farm Visit, but here are some suggestions:

The first contact will likely be through a phone call with the family. Try to build some rapport during that conversation and explain what you might be able to do to help. If the family does not have a good working relationship with the Extension Service and if they seem reluctant to share financial information, you may need to make an initial visit to the farm to build rapport with the family first and explain what financial information will be needed and why. You can bring input forms at this time and explain how to fill them out. This adds an extra trip, but may save time in the end.

When it's appropriate to initiate a meeting to complete the financial analysis, explain the three parts of the analysis – Balance Sheet, Budgets, and Long Range Plan – ask family to send you anything that will be helpful for you to prepare for the meeting ahead of time. Explain that the more they can do ahead of time will allow you to focus on alternatives and planning for changes.

If there is a good working relationship, you may send them input forms and ask them to fill them out the best they can before their initial farm visit. The amount and quality of information farm families keep is highly variable. In addition to input forms you may want to request that they have on hand:

- A complete description of the farming operation including the acreage owned and rented, the type of land, the crops grown, the livestock enterprises, etc.
- A current Balance Sheet or Net Worth Statement, if they have one. Many farms that have worked with lenders in the past will have had to put one together (typically on current market values). If not, make sure they fill out the initial pages of the input sheets in detail and have detailed information on all outstanding loans. Some tax preparers also develop one, but be careful how assets are valued as they may be on a cost or tax basis instead of fair market value.
- Any other prepared financial statements that others have developed for them (such as KFMA) or that they annual prepare themselves.
- The 3 most recent years of Schedule F's. These will help tremendously in estimating production costs for the coming years.

When making the first visit to do analysis, it is preferable to have both the husband and wife at the meetings for several reasons. If they are having financial problems it will take

both of them working together to work through it. Also, they both usually have some information to contribute to the discussion. Begin the first meeting by getting acquainted with the family, asking them about their situation. Ask the family about parents, brothers and sisters, and children, their ages and their interest or involvement in the farm. It is important to listen carefully to what they say, how they say it and what their body language is saying. Share some information about yourself and ask the family to explain what you might be able to do to help. If necessary, clarify your role by explaining that you are there to help them assess their situation and develop plan. Try to gauge how much stress the family is under and if they seem to be able to make sound decisions. Each family has different goals so try to get a clear idea of the major family goals and priorities, to guide when you get to the planning stage. If they do not have clear goals, or if you sense conflict, encourage them to work on setting clear goals and mutually acceptable priorities. It is very important that the family members resolve any differences and reach agreement because very often they must make difficult decisions and they need to see that the outcome will get them what they want most out of life.

When you prepare to leave from the first analysis visit, if the information is incomplete or there are problems with accuracy then leave a written list of items for the family to work on before the next visit. If (when) the information seems reasonably complete you may want to take the essential pieces of information home so you can review them without the added pressure of having the family present and consult more seasoned Farm Analysts, if needed. Have a list of discussion points ready when you make your next visit or have another Farm Analyst present, if the family is comfortable with you doing so.

When working with a new referral, towards the end of the meeting, it is always good to tell the family that it's a big day with lots of numbers. Encourage them to think about what you have talked about, and that you can talk again in 1-2 days about if they've thought of anything that needs amended (likely you will think of something too as you understand their situation more fully. Then finalize the analysis, email it to them, and review over the phone (if necessary, meet again or use Zoom conferencing?)