



# Beginning Ag School Session Descriptions

## View of the Ag Economy From 30,000 Feet

This session will examine the drivers of change that will impact your customer base. These include technology, the global market, weather, government payments, farm structure, the general economy and other factors that will set the stage for credit and marketing programs in the 21st Century. Discussion will focus on keys to securing loans and being a successful agricultural lender in today's volatile and challenging times.

## Balance Sheet and Working Capital Analysis

A deep discussion of the nuts and bolts of balance sheets and the financial information that can be analyzed using the balance sheet, including liquidity and solvency measures. An interactive farm case-study will be used to evaluate a balance sheet and the corresponding ratios that can be calculated.

## Bank Sim

These sessions provide an opportunity to learn how the agricultural portfolio and loan rates fit into the overall profitability of an agricultural bank. You will be a member of a team that will manage a bank for a two-year period. In this role, you and your team will be responsible for setting deposit and loan interest rates, salaries, marketing and promotional budgets, and making portfolio investment decisions. Teams will directly compete with two other banks in their territory. This simulation game is both fun and educational.

## Earnings Analysis, Stop Light Analysis and Cash Flow Analysis and Projections

You will learn the key financial tools and variables needed in credit analysis of agricultural loans. You will apply financial statements analysis, ratio analysis, cash flow and financial benchmarking to real-world cases. Discussion will center around financial and nonfinancial information and how it can impact the success of a loan, along with how to communicate the analysis to customers, loan committees and regulators.

## Hedging With Futures & Options

Let's talk about basic and not-so-basic grain pricing tools. We start with a simple forward contract. From there we review ways to price grain using futures and options contracts, and end with the not-so-simple idea of selling call options. The purpose is to deepen your understanding of the wide range of pricing tools available to grain producers.

## Loan Servicing and Risk Management

Loan servicing is always important but never more so than in an economic down cycle. This session will focus on the fundamentals of loan servicing. How do you perform adequate levels of due diligence through inspections, borrowing base reports, and covenant monitoring while at the same time building loyalty in your customer relationships? What are red flags? Avoid the pitfalls of lender liability. Engaged students will build effective and efficient loan servicing habits during this session.

## Management Assessment and Customer Profiling

Now more than ever, assessing the management ability of your borrowers is vital. Can they manage the size and scale of their farm or ranch? Do they have the integrity and systems to keep you informed with accurate, timely and reliable information? What is their skill level in financial management? You will become familiar with various approaches to measuring risk with your borrowers. We will conduct a thorough review of the five C's of credit. But are there more? This risk assessment training will focus on financial and nonfinancial risk indicators and considerations on how to price for risk.