



Ag Credit Analysis

Wednesday, May 22, 2019

Eide Bailly Training Center

7001 East Belleview Avenue, Denver, CO



INTRODUCTION

How can you evaluate loan repayment alternatives for agricultural loans, and do it in a timely and cost-effective manner? The agricultural lending environment has changed dramatically from the 2006-2013 period due to lower commodity prices, but principal payments on term debt for capital purchases made during those more profitable years remain. The result is varying degrees of financial stress among your agricultural borrowers. A review of the financial information needed to make informed decisions and a spreadsheet that can be used to evaluate repayment alternatives will be covered during this workshop. The spreadsheet will also be used to evaluate amounts of gross revenue needed to breakeven for farming operations, with and without amounts needed to make principal payments on term debt. The analysis will be conducted for both low and more highly leveraged farming operations. Finally, an additional challenge when lending to many farming operations is what to watch when lending to multi-entity operations, especially during times of financial stress.

AGENDA

8:30 – 9:00 am	Registration and Continental Breakfast
9:00 – 9:20 am	Introduction
9:20 – 9:30 am	Balance Sheet Review with Emphasis on Indicators of Potential Problems
9:30 – 9:45 am	Practical Exercise 2
9:45 – 10:00 am	Break
10:00 – 10:15 am	Deferred Taxes – Review with Emphasis on Tax and Other Expenses Resulting if a Borrower Sells Assets to Satisfy Debt Obligations
10:15 – 10:30 am	Practical Exercise 3, using worksheet; and a discussion of available software
10:30 – 10:50 am	Accrual-Adjusted Income Statement Justification, Preparation and Review Documents Needed to Complete
10:50 – 11:00 am	Break
11:00 – 11:15 am	Practical Exercise 4
11:15 – 11:45 am	Statement of Ownership Equity – Review with Emphasis on the Contribution of Non-Farm Income and Impact of Withdrawals for Family Living
11:45 – Noon	Practical Exercise 5
Noon – 1:00 pm	Lunch
1:00 – 1:15 pm	Cash Flow Statement Review – Review with Emphasis on Multiple Years of Operation Expenses in a Single Operating Line
1:15 – 1:45 pm	Practical Exercise 6
1:45 – 1:50 pm	Review Answers to Exercise 1
1:50 – 2:00 pm	Break
2:00 – 2:50 pm	Financial Ratio Analysis – Review with Emphasis on Indicators of Potential Problems Using Comparative Data
2:50 – 3:00 pm	Break
3:00 – 3:30 pm	Breakeven Analysis: Evaluating and Prioritizing Alternatives for Addressing Problem Loans – Discussion Using Purdue Statement
3:30 – 3:50 pm	Lending to Multi-Family Farming Operations – What to Watch For and Why
3:50 – 4:00 pm	Questions and Answers

PRESENTED BY



Freddie L. Barnard, Professor Emeritus of Agricultural Economics at Purdue University, is a native of Kentucky and received both a B.S. and M.S. in agricultural economics from the University of Kentucky and he leads this program. He received a Ph.D. in agricultural economics from the University of Illinois. He retired June 30, 2017 after serving on the faculty at Purdue University for more than 35 years, where he had Extension and undergraduate teaching responsibilities in agricultural finance and agribusiness management. He also served as Director of the Midwest Agricultural Banking School, which is held each year at Purdue University, a position he held for 36 years. Finally, he has served on the Technical Committee of the Farm Financial Standards Council and as Secretary/Treasurer of the Indiana Chapter of the American Society of Farm Managers and Rural Appraisers.

WHO SHOULD ATTEND?

Experienced and novice ag lenders, chief lending officers, and credit analysts would benefit from attending this workshop.

REGISTRATION DEADLINE

Friday, May 17, 2019.

WHAT YOU NEED TO KNOW

Where

Eide Bailly Training Room, 7001 East Belleview Avenue, Suite 7000, Denver, CO

When

Wednesday, May 22, 2019

Accommodations

The IBC recommends the DoubleTree Hotel DTC, 7801 East Orchard Road, Greenwood Village, 303-779-6161 or Hyatt Place DTC, 8300 East Crescent Parkway, Greenwood Village, 303-804-0700. Please note – there are additional lodging opportunities in area.

Special Arrangements

If you or someone in your party requires special assistance, dietary accommodations, or other needs, contact Maelynn Lewis at 303.832.2000 to make arrangements. Please provide notice at least one week prior to conference start date.

Refund/Cancellation

Written cancellation must be received in the IBC office by Friday, May 3, 2019, and will be subject to a \$100 cancellation fee. NO REFUNDS will be granted after Friday, May 3, 2019; however, a substitute may attend. The IBC reserves the right to cancel any program for which there is insufficient funds to cover the expense of the program. In the event of cancellation by IBC you will be notified by either phone or email. Prepaid registration fees will be refunded.

Dress

Dress for the conference is business casual.

Parking

Parking is free.



Ag Credit Analysis
Wednesday, May 22, 2019
8:30am - 5:00pm
Eide Bailly Training Room
7001 East Belleview Avenue, Suite 700, Denver, CO

Personal Information (please print or type)

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Bank/Company: _____

Address: _____

City/State/Zip: _____

Email: _____ Phone: _____

Pricing

On-Site Registration Pricing

- | | | | |
|--|-------|--|-------|
| <input type="checkbox"/> IBC NextGen Bank Leaders Member | \$200 | <input type="checkbox"/> Each additional registrant from same organization | \$205 |
| <input type="checkbox"/> IBC Education Program Members | \$225 | <input type="checkbox"/> Each additional registrant from same organization | \$230 |
| <input type="checkbox"/> IBC Members | \$250 | <input type="checkbox"/> Each additional registrant from same organization | \$330 |
| <input type="checkbox"/> IBC Non-Member | \$350 | | |

Registration pricing includes: Workshop materials. Continental breakfast, lunch, beverages, and breaks on both days.

Bill Preference – Circle One: Invoice Check enclosed or Credit Card

To pay via credit card call the IBC office at 303.832.2000.



Email

mlewis@ibcbanks.org



Fax

303.832.2040



Mail

600 Grant Street, Suite 640
 Denver, CO 80203

Questions? Contact Maelynn Lewis at 303.832.2000 or mlewis@ibcbanks.org

Tax information

The IRS requires a notice on all registration forms to inform the registrants of the registration fee amount representing food and beverage that is deductible as an ordinary business expense. We estimate the food cost portion of your registration fee is \$50. Under current tax law 50% of this amount is deductible as an ordinary business expense. Please contact your accountant or tax advisor for further details.

Cancellation Policy

Written cancellation must be received in the IBC office by Friday, May 2, 2019, and will be subject to a \$100 cancellation fee. NO refunds will be granted after Friday, May 2, 2019; however, a substitute may attend. The IBC reserves the right to cancel any program for which there is insufficient funds to cover the expense of the program. In the event of cancellation by IBC you will be notified by either phone or email.

Consent to Use of Photographic Images

Registration and attendance at, or participation in, IBC meetings and other activities constitutes an agreement by the registrant to IBC's use and distribution (both now and in the future) of the registrant's or attendee's image or voice in photographs, videotapes, electronic reproductions and audiotapes of such events and activities.