TRIP REPORT

SMALL FARMER CREDIT PROJECT

IN HONDURAS

January 2-13, 1979

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Tuesday, January 2, 1979

Harry Mapp, Joe Williams, and Dan Badger left Stillwater at 6:00 a.m. We flew from Tulsa to Dallas to New Orleans, and took the late afternoon SAHSA flight (scheduled for 4:15 p.m. but left at 5:05) to Tegucigalpa. We arrived at 9:30 p.m. and were met by Loren Parks and Kurt Rockeman. We checked into the Hotel La Ronda at 10:30 p.m. We brought the Apollo II overhead projector for use in the training program, a Handi-jack for the Bronco, and four TI 1025 hand held, battery-powered calculators for use in the records keeping project.

Wednesday, January 3, 1979

In the morning, we visited with Loren and Kurt, and with Loren's counterpart, Reynerio Barahona. Loren discussed the product price collection data that are being collected in the Jamastran Valley. We then visited with Alfonso Bonilla, head of the Technical Division of BNF and Cristiana de Fletes, economist in the Technical Division. The entire group mentioned above met with Rene Cruz, President of BNF, and with Roberto Valladares, Vice President of BNF. We discussed the project and briefly touched on the points in Rene's letter to Dan of December 13, 1979, concerning the possibility of expanding the project to include some cooperative farms in the Agrarian Reform Program. This was to be discussed by the OSU team members and another meeting would be scheduled with Rene Cruz the following week.

After lunch, Dan visited with the personnel in the Rural Development office of AID, including Luis Zelaya, Aaron Williams, Rob Thurston, and E.T. (Spud) Bullard, the Deputy Director of RDO. Dan then visited with Bill Janssen, the RDO, about our project and related projects of AID with BNF. Bill would like our project to be sufficiently flexible to assist the bank with developing guidelines on some policy issues confronting the bank after the reorganization of BNF is complete. Bill suggested that Dan talk with Lars Klassen about the BNF training program funds with AID and about the ten areas selected for strengthening in the new AID program with BNF.

Harry and Joe worked with Loren and Kurt in the afternoon. Loren and Kurt discussed progress on the project to obtain data and the nature of Kurt's efforts since his arrival in November. Kurt discussed some of the problems encountered in developing budgets for crops produced in the Jamastran Valley. Kurt has developed a notebook containing a number of budgets developed by various groups working in Honduras, as well as several budgets developed by BNF personnel working with the peritos. Harry and Joe borrowed the budget book for additional study after dinner. Samples of two enterprise budgets for three different levels of technology are included in Appendix A.

Dan, Harry, and Joe had dinner with Kurt Rockeman and informally discussed the project.

Thursday, January 4, 1979

In the morning, Harry, Joe, and Dan met with Loren and Kurt. We discussed corn and bean budgets for farm operations in the Jamastran Valley. Following a discussion of the budgets and resource situations in the area, we decided to set up a whole-farm cash flow statement for a seven (7) manzana farm typical of the area.

The OSU group (Parks, Rockeman, Mapp, Williams, and Badger) went to the Rural Development office in AID at 11:00 a.m. to meet the RDO personnel. We visited with Bill Janssen, E.T. (Spud) Bullard, Rob Thurston and Aaron Williams for about 1½ hours. We briefed Janssen on our goals for the TDY team members on this trip and also discussed some long term objectives of the project.

We moved from Hotel La Ronda to an apartment in the Hotel Honduras Maya after lunch and then went back to BNF to work. Kurt, Harry, and Joe continued working on the cash-flow analysis. Budgets for corn and beans were used in developing the cash flow analysis.

The timing and amounts of inputs were discussed. Somewhat surprising is the tendency for operators in the area to custom hire a number of the land preparation operations. Custom hiring eliminates the need for operator investment in a tractor and equipment for field operations on very small acreages. Attempts were made to estimate the availability

of family labor at various times of the year and to distinguish between labor that could be provided by the family and that which must be hired for planting, tillage and harvesting operations. Hired labor was entered on the cash flow as a cash expense under the hired labor heading. Family living requirements were entered in a separate section of the cash flow. A copy of the cash flow statement is attached as Appendix B. Considerable time was spent discussing additional information needs to verify some of the budget data and use of the record keeping system and a questionnaire to verify the data.

Loren and Dan visited on administrative matters relating to the project. We discussed the timing of Loren's trip to OSU and to the AAEA meetings in late July and August. It is planned for Loren to present a seminar on the project at OSU and possibly at CSU in July and to attend the AAEA meetings in Pullman, Washington (Washington State University) from July 29 - August 1.

After dinner, Harry and Joe completed the calculations on the cash flow to evaluate the financial feasibility of the corn and bean operation. The method used to value family labor appears to be a key factor in determining the likelihood that sufficient cash will be generated to repay an operating loan. When family labor is included as "hired" or under "family living", the seven manzana corn and bean operation failed to generate sufficient cash to repay the money borrowed.

Friday, January 5, 1979

We discussed the whole-farm cash flow developed the previous day and night and how it might be used in loan evaluation procedures. We also discussed some components and timing on a training program for peritos. We reviewed a plan developed by Loren for training activities. A copy of this plan is in Appendix C. Joe and Harry suggested at least one day of the workshop be devoted to budgets and cash flow analysis. Possibly a discussion of the records system and loan supervision could be incorporated in the second day of the workshop.

At 10:00 a.m., our group (Kurt, Loren, Joe, Harry, Dan, and Reynerio) left in the Bronco to visit some of the farmers in the record keeping

system in the Jamastran Valley near Danli and to deliver revised versions of the record keeping books. We stopped by the BNF local bank in Danli and visited with the analyst for the loan applications, Luis Alonzo Gomez. Joe and Harry had an opportunity to look at a loan application folder for a borrower with the bank, which included the different loan forms used by BNF.

After lunch in Danli, we went on to the Jamastran Valley, about 45 minutes drive from Danli. We visited several small farms in the record keeping project with Paulina, the young girl who is helping maintain the records as an accountant. She receives 30 lempiras per month for this assistance. Reynerio and Loren left with her one of the TI 1025 calculators for use in the record keeping project.

The farmers in the record keeping system are producing mainly corn and beans. One of the problems facing the farmers in this area is that they are forced to sell corn by the carga, of 256 pounds. The current price is 20 to 22 lempiras per carga. When the buyer sells the corn in Danli or Tegucigalpa, he sells the corn by a carga of two quintales or 200 pounds. Thus the buyer has an extra 56 pounds per carga as a bonus or extra profit.

We left the Jamastran Valley at 4:00 p.m. and arrived in Tegucigalpa at 6:15 p.m.

Saturday, January 6, 1979

Harry, Joe, and Dan met Loren and Kurt at BNF at 8:15 a.m. We discussed the training program for the perito valuadores and what types of materials CSU and OSU personnel on campus may be able to help develop for use in these seminars or workshops. Harry and Joe went over some of the materials in the fact sheets and in their courses (Farm and Ranch Management and Farm Finance) that may have application, such as whole farm budgeting, partial budgeting, and cash flow analysis. Some of the material in Enterprise Budgets - A Farm Planning Manual, by Walker, Jobes, and Casey may be useful for translation to Spanish for use in the workshop. Loren and Kurt have a copy of this. We suggested that the information in our OSU Extension Fact Sheets on budgeting and cash

flow analysis be translated into Spanish and modified to fit the situation in Honduras. This material would be very useful as background reading for persons in the training sessions.

We discussed the record keeping (farm accounts program) and the enterprise budgets and plans for expanding the record keeping in the Comayagua Valley by 12 additional farms in the next two weeks. There currently are 7 farms in records program in the Comayagua Valley and 5 farmers in the program in the Jamastran Valley. Reynerio is working closely with Loren in maintaining and supervising the records system with the two hired accountants. Based on our observation of the trip on Friday, the accountants are doing an excellent job. Loren, Kurt, and Reynerio have good rapport with the farmers and accountants.

We suggested to Loren that within the next three or four months he write a short discussion paper or report (5-10 pages) on the methodology, procedures and experience in setting up the farm records accounting system in the two valleys. How the farmers were selected, cooperation of BNF and MRN employees, use of the accountants, revisions of the earlier records book, etc., are items that could be covered. Also he and Kurt could write a section in this report, or a separate report, on the development of the enterprise budgets, how they plan to verify these coefficients, etc.

We discussed the loan application forms that Kurt has developed There are four forms: (1) physical input requirements; (2) costs of producing the crop; (3) cash flow of income and outgo and resulting needs for cash in any given month, and; (4) profitability of the enterprise.

Suggestions were made for additions to these forms and for developing a list of likely purchases of materials and equipment (hoes, machetes, plows, etc.) that would help the perito jog the memory of the farmer (loan client) as to when he purchases these. (See Appendix D. For these forms).

The plan is to have these forms approved by the BNF personnel then to reproduce the forms and discuss them with the perito valuadores in Danli in January so the peritos can begin using them as soon as possible in that area.

We discussed the questionnaire form to be developed by Kurt and Loren. The plan is to use questionnaires to get some of the same information

that is in the accounting (record) book from a larger and more diverse set of farm operators. Reynerio and/or some university students on vacation could interview some producers who are not borrowers of BNF, as well as BNF borrowers. They could try also to stratify the sample by level of technology, and size of farm. They would also attempt to get information on family consumption of different commodities.

The questionnaires could be used in other BNF local banks (other regions of country) as a means of developing enterprise budgets for those regions. Loren and Kurt intend to complete the questionnaire and begin interviewing later on this year.

Harry and Dan visited with Loren on his supervision of Kurt, Reynerio and Siona, the bi-lingual secretary. Everything appears to be going well in the personnel aspects of the program. Loren has established good rapport with Reynerio and with Alfonso Bonilla, Rene Cruz, and Roberto Valladares.

We discussed the value of the conference calls from OSU. Loren suggested we have these about once a month, and as the need arises. He also thought March 9-16 would be a good time for the next OSU TDY team to come down. That team will be Jim Osborn, Odell Walker, and Mike Hardin. Also, we discussed the feasibility of having teams from OSU/CSU come down about every three months for the remainder of the project.

Joe reviewed with Kurt some farm record books and fact sheets he had brought from OSU. We finished our discussions in the early afternoon and returned to the Hotel.

At 6:15 p.m., Kurt came by the Hotel and the four of us went to Loren and Diana Parks' home for dinner. Also present were Alfonso and Alva Bonilla, Reynerio and Teresa Barahona, and Cristiana de Fletes. We had good visits with the BNF personnel, discussing several topics such as the proposed records keeping project with Reforma Agraria, needs for other BNF personnel to work in and/or to become familiar with the project, and the possibility of Cristiana attending the Economics Institute in the summer of 1979 and spending the fall semester at OSU auditing three or four courses. No decisions were reached, but these matters will be pursued further next week.

Loren grilled steaks and all the food was delicious. We appreciate very much their hospitality. We left Parks' home at 10:30 p.m. and stopped by the home of Ervin (Spud) Allard, the deputy RDO. He had invited us to dinner and to an informal function to meet other AID personnel, but we had the dinner at Loren's. Bill Janssen and his wife, Rob Thurston and his wife, Aaron Williams and his wife, and several other couples were at Spud's home. We met David and Jennifer Johnston, an MS trained agricultural economist who just arrived this week to work in RDO.

We also met Jim and Patty Puccetti. He is the director of CARE in Honduras. Patty is the younger sister of Gloria Rocha. Dan and Betty Jo Badger lived across the street from Bill and Gloria Rocha for two years in Bogota, Colombia.

Sunday, January 7, 1979

Harry, Joe, and Dan got up to check Harry out of the hotel and to take Harry to the airport. We arrived at the airport at 6:00 a.m. Unfortunately, Harry's plane to Guatemala City, scheduled to leave at 7:00 a.m. was delayed, due to bad weather in Guatemala City. Harry was fortunate to get on the SAHSA 414 flight to New Orleans. He arrived in New Orleans at 11:45 a.m., went to Houston and on to Tulsa on Continental 427, arriving at 6:00 p.m. He arrived in Stillwater at 8:00 p.m.

Joe met C.B. Howell, a local rancher, who is running about 700 head of cows on 5000 acres here and is planning on adding a 50 sow farrowing unit. C.B. Howell used to ranch in Florida before selling out and moving to Honduras. Howell is a customer of BNF. Joe gave Howell's address to Kurt. Howell may be able to provide useful information and valuable insights to production related aspects of the problem.

Monday, January 8, 1979

Joe and Dan went to BNF to meet with Loren, Kurt, and Reynerio. We called David Hughes of the Auburn University project and made arrangements to have lunch with him today.

Joe, Loren, Kurt, and Reynerio worked in the conference room on the farm records keeping book. Dan spent most of the morning reading the AID report on the "Agriculture Sector II Program: Interim Report" (October 1978).

Joe and Dan had lunch with David Hughes, who is the leader of the Aquaculture project for Auburn University on their contract with the Government of Honduras (GOH). David told us that his group has some experimental tanks with fish in Comayagua at the Experiment Station. They have identified 22 farms in the same area with ponds that could be used to raise fish. They want to use our (OSU) accounting books on these farms so they can keep track of expenses and receipts for all the enterprises and the family consumption. They hope to determine if the fish enterprises are profitable and/or if the fish help improve the diet of the families. We will be able to use the data for our analysis purposes also. This should be a useful mutual effort. They have an accountant, Claudius Rawlings, who will help maintain the records on all the enterprises. David Hughes office phone numbers are: 22-5782, 22-6839, 22-0351, or 22-1267, extension 30.

Dan went to the American Embassy for a meeting with George Knight at 2:30 p.m. George is the Joint Administrative Officer (JAO) for the Embassy and AID. He helped coordinate the shipments of Loren's furniture and the two vehicles, and arranged for commissary privileges and handled related paperwork for our project. AID and American Embassy personnel have been most helpful in logistics and administrative matters for the AID-OSU/CSU Project with BNF.

At 3:00 p.m. Dan visited with Lars Klassen, in the Capital Development Office of AID. Lars is coordinating various aspects of the new AID Technical Assistance plan (AID loan) with BNF and on the AID scholarship program for Government employees in Honduras. We will meet again tomorrow to follow up in more detail on these matters.

Joe returned to BNF to work with Loren and Kurt on the farm account book. Major changes were made to the account book currently being used in the project. Considerable time and effort were devoted to developing, designing, and explaining each form developed for the book.

Tuesday, January 9, 1979

Joe and Dan went to BNF. Joe worked with Kurt and Reynerio on the farm records book. Dan and Loren discussed various coordination aspects of our project with other groups working with BNF. Loren has been visiting with Hernan Rodriguez, head of the PROTECPA (Projecto Tecnologia del Pequeno Agricultor), the Small Farmer Technology group which is working with BNF in developing farm loans for cooperatives set up under the Agrarian Reform Program. Loren has traveled to the Bajo Aguan Valley on the North Coast to visit with several members of this group who were working there with cooperatives developing farm plans (five year investment loans). That group has given Loren copies of the budgets for about 10 crops in the Comayagua Valley. The OSU team will, in turn, provide budgets to them that we have developed for the Jamastran Valley.

There is potential for even more collaboration when PROTECPA begins to work with private or individual farms. That group could use the farm records with those farmers in our farm records program as a basis for developing the investment plans for determining loan requirements.

Dan visited with Loren on his itinerary for travel to OSU and possibly CSU to present seminars on the Small Farmer Credit Project. A tentative date selected for OSU was Monday, July 23 and for CSU, Thursday, July 26. These dates will need to be coordinated with the faculty members involved in the project at the two universities.

Dan visited with Mario Pagoaga Diaz from San Pedro Sula, who is interested in attending OSU next year (January 1980) to work on his MS degree in Agricultural Economics. He has a BS degree in Economics from UNAH in San Pedro Sula (1978). He will need to learn English this year. He works with the Federacion Hondurena de Cooperativas in San Pedro Sula. Dan will send him information on the English Language Institute at Oklahoma State University and will send him admission forms.

Dan visited with Ernesto Foster, A BNF employee who is working with the Farm Planning Advisory Group (Small Farmer Technology). Ernesto is interested in attending an intensive short course in farm management in the U.S., preferably presented in Spanish. He attended

a short course (three months) in grains at Kansas State University several years ago where a translator converted the lecture to Spanish.

Dan visited with Alfonso Bonilla about extending the records program to include a few cooperatives (asientamientos) in the Agrarian Reform Program. We will discuss this with Roberto Valladares tomorrow morning and possibily develop a timetable for that effort.

Kurt, Joe, and Reynerio went to the Camayagua Valley for the afternoon and visited with two accountants, Nereyda Vargas and Catalina Tejada. Catalina accompanied Joe, Reynerio, and Kurt to two farms participating in the project. A total of five record books were reviewed. Joe suggested to Loren that they consider bringing all the accountants into Tegucigalpa for training sessions covering the record book.

Tuesday afternoon, Dan went to AID to meet again with Lars Klassen on the new Technical Assistance Plan (AID/Honduras Project) with BNF. Rob Thurston also met with us. Dan reviewed the ten areas of emphasis or interest in the new plan and discussed the four areas which will provide opportunity for coordination and cooperation, and exchange of ideas. There will be long term consultants (two years) in each of those areas except Livestock Development (3 months). The four areas for coordination appear to be: Institutional Development, Livestock Development, Agricultural Credit, and Credit for Cooperatives and Related Organizations. The other six areas are: Data Processing, Capital Acquisition, Banking Organization and Services, Accounting, Financial Management, and Systems and Procedures. Each of the 10 areas has a "training requirements and types of training needed" component.

Dan visited with Bill Janssen over a range of topics, covering graduate training for BNF personnel, the Farm Planning Advisory Group Project in BNF and our coordination with them, and the need for coordination with the long term and short term consultants who will be working in BNF under the new AID/Honduras Planning Assistance loan.

At 6:00 p.m., Rene Cruz, Roberto Valladares, Alfonso Bonilla, Cristiana de Fletes, Marco Antonio Aguerro, Reynerio Barahona, Loren Parks, and Kurt Rockeman come to Joe and Dan's apartment for a social hour complete with "bocas" from six countries! After meeting at the apartment until 8:30 p.m., we all went to dinner at the Chico Club,

compliments of Rene Cruz. The informal exchange of ideas was most useful.

Wednesday, January 10, 1979

Joe and Dan went to the BNF offices. Dan, Loren, Alfonso Bonilla, Roberto Valladares and Rene Cruz had a meeting in Roberto's office. We discussed the progress of our project, and the need for training bank personnel so that they may return to work in the Technical Division and continue the programs we are developing, e.g., budgeting, farm records, cash flow analysis in the bank. Roberto is interested in having a group of 10-20 personnel from several government agencies (possibly BNF, MRN, INA and others) go to the States, possibly to OSU, for a "short course" of one semester training in courses such as farm management, agricultural finance and farm appraisal. The students could take the courses as auditors, or on a pass-fail basis, if they do not plan to use these courses at a later time for graduate credit. Otherwise, they could take the course for regular credit (letter grade).

Dan visited with Marco Antonio Aguerro of the Technical Division on his application papers for admission to OSU. Marco completed the forms and gave them to Dan to take back to OSU. Dan also visited briefly with Cristiana and Reynerio on the importance of learning basic English in Honduras before coming to the U.S. for graduate study or short courses. Both have enrolled in an English language course which will meet 2 hours each day (6:00 p.m. to 8:00 p.m.) Classes start next week.

Joe worked with Kurt and Reynerio to complete the first draft of the record book. A condensed version of all forms is included in Appendix E. Joe will discuss the forms with Mike Hardin upon returning to OSU. In the meantime, a typed form will be completed at BNF. The book should be available for distribution in March.

Joe and Dan returned to the Hotel to pack. David Hughes and Allen Schaller came by the Hotel Maya to visit more on their Project. Allen has been a Peace Corps volunteer in Honduras since August 1977. He has a MS degree in Economics from the University of Oregon. He is working with David on the Auburn University Aquaculture Project now. We

discussed the accounting record books and the revisions which Joe and Kurt have been making so that the input data will be entered by enterprise. David would like for us to visit with Ed McCoy, Agricultural Economist at Auburn, who has been helping on their project.

Thursday, January 11, 1979

Joe and Dan checked out of the Hotel Honduras Maya. Dan left at 7:00 a.m. on SAHSA 952 for Guatemala City. He checked into the Hotel Guatemala Biltmore (part of the Camino Real now). Joe left at 7:55 a.m. on SAHSA 414 for New Orleans.

Thursday afternoon, Dan went to the USAID/RDO to visit with Clem Webber. Dan knew Clem from Honduras in April 1975 where Clem was working in USAID/Honduras in the RDO with Jim Bleidner. Clem is an Agricultural Economist with a MS degree from Iowa State University. We discussed the Rural Development Linkages Project with USAID in Nicaragua and the Vampire Bat Control Evaluation Project with USAID. Clem did some checking and found that there had been no organized program by the Ministry of Agriculture in Guatemala on vampire bat control. Evidently vampire bats are not a major problem with livestock in Guatemala. Dan discussed the objectives of the Small Farmer Credit Project with Clem and Carl Koone, the Rural Development officer for USAID/Guatemala. Carl is an agricultural economist who graduated from the University of Arkansas in 1951. Clem discussed the loan and grant projects under USAID/Guatemala, particularly those with small farmer credit implications. The exchange of ideas was very useful. ICTA (Instituto de Ciencia y Technologia Agricolas), an agricultural applied research organization supported by Rockefeller Foundation and USAID, is doing similar type work in improving corn and bean yields that PROMYFSA is doing in the Danli region in Honduras.

Thursday evening, Dan met with Sr. Rodolfo Garcio Valdez, his wife Lesbia, and two of their three children, Rodolfo and Claudia. Young Rodolfo is a sophomore in Animal Science at Oklahoma State University. Rodolfo Sr. Graduated from Oklahoma State University in Animal Science. His wife wook some landscaping courses in Horticulture under Raymond

Kays at OSU. Both know Martha and Cecil Maynard of OSU Ag. Econ. very well from their OSU stay. We went to dinner at an excellent seafood restaurant, Delicias del Mar. Rululfo Sr. is coming to Kansas and Oklahoma in February 1979 and may be available to spend a little time with Agricultural Economics faculty members and graduate students in a seminar on his agricultural operations (cattle) in Guatemala. There is a possibility their daughter, Claudia, may come to OSU in August 1980 to study Agricultural Economics, after finishing high school in Guatemala. The Garcias live at 5 Avenida, 16-69, Zona 10, Guatemala City.

Friday, January 12, 1979

Dan worked at the Hotel on the trip report and on correspondence on the project. He read the report on the ICTA program in Guatemala.

Dan visited with Joyce and Pete Hildebrand at the Hotel Camino Real (Biltmore). Pete is employed by Rockefeller Foundation but works for ICTA in Guatemala. He is head of a socio-economic team which is developing farm plans for implementing small scale technology on small farmers (many of them 1 to 2 hectares). ICTA also has a farm records program going with about 250 small farmers in Guatemala, producing many different crops and vegetables. It would be useful for Loren Parks and Kurt Rockeman to visit with Pete and his co-workers since many of the activities of our Small Farmer Credit Project in Honduras are similar to the ICTA program in Guatemala.

In the evening, Dan went to the home of Rodolfo and Lesbia Garcia to have dinner. The three children, Rodolfo Jr. (student at OSU), Claudia 17 years old, and Alvaro, 14 years old, were also there. We discussed livestock, the packing plant operation, mutual friends at OSU and alternative programs of study at OSU for Claudia and Alvaro. Rodolfo, Sr. will be coming to New Orleans for an International Trade Exposition in February and will then go to Kansas City to buy some packing plant supplies. He may be able to come by Stillwater and present an informal, joint Animal Science - Agricultural Economics, seminar on his ranching, packing plant and beef exporting operation (deboned beef packed in polyethylene bags, then in 60 pound boxes, frozen and shipped

to Miami in large shipping containers).

Dan returned to the Hotel at 10:45 p.m. to pack for the trip home tomorrow.

Saturday, January 13, 1979

Dan left the Hotel Camino Real for the Airport at 8:30 a.m. The PanAm Flight 502 was late in arriving due to very heavy fog in Guatemala City. We left at 11:10 a.m. more than one hour late. We stopped in Mexico City and arrived in Houston at 3:45 p.m. The last leg of the flight on Continental 427 left Houston at 5:00 p.m., arriving in Tulsa at 6:30 p.m. Dan arrived in Stillwater at 9:30 p.m., a fairly slow highway trip due to lots of ice and snow. Joe Williams arrived back in Stillwater Sunday evening, January 14, 1979, so all hands arrived home safe and sound!

Summary

The team trip by Harry Mapp, Joe Williams, and Dan Badger was very productive. We were able to provide useful input into the accounting or record keeping system and in developing the cash flow analysis form for analyzing the enterprise budgets. The discussions with Loren Parks and Kurt Rockeman were wide-ranging and helped in developing plans for future activities of the project. The project seems to be progressing as planned and Loren, Kurt and Reynerio are working as an effective team in accomplishing the objectives of the project.

Discussions with BNF personnel were productive; it is felt that good rapport has been established between BNF personnel and OSU - CSU personnel. Coordination with personnel working on other AID projects in BNF will be of prime importance, particularly as the consultants for the ten areas in the new AID Planning Assistance grant begin working in the Bank early in 1979.

1 MANZANA

FRIJOL: NIVEL ALTO

Mano de Obra (Jornales)	Ago.	Sept.	Oct.	Nov.	Dic.	Valor Lps.	Total Unidades	Costo Total Lempiras
Aplicación insecticida	-	2	2	4	-	3.00	8	24.00
Limpia	-	-	8	6	-	3.00	14	42.00
Arrancado, acarreo	-	-	-	-	10	3.00	10	30.00
								96.00
Otros Servicios Contratados								
Arada (tractor)	4	-	-	-	-	12.00	4	48.00
Rastreada (tractor)	1	1	-	-	-	12.00	2	24.00
Siembra y fertilizante (tract)	-	1	-	-	-	15.00	1	15.00
Aporreo por máquina (tractor)	-	-	-	-	1	15.00	1	15.00
								102.00
Materiales	**Unid.**							
Semilla	lbs.	-	75	-	-	-	.40	75	30.00
Fertilizante formula	qq.	-	2	-	-	-	20.00	2	40.00
Insecticida Ortrro-B	lbs.	-	-	40	-	-	1.05	40	42.00
Lannate	lbs.	-	.5	-	.5	-	32.00	1	32.00
Metasoptax	lbs.	-	-	-	1	-	18.00	1	18.50
Sacos	Cga.	-	-	-	-	10	1.40	10	14.00
								174.50

RENDIMIENTO ESPERADO 18-20 qq. PRECIO REQUERIDO = 19.61 Costo Total L.372.50

Danlí - Jamastrán Tractor = horas

APENDIX A

1 manzana

FRIJOL: NIVEL MEDIO

Mano de Obra (Jornales)	Ago.	Sept.	Oct.	Nov.	Dic.	Valor Unit.	Total Unid.	Costo Total Lempiras
Siembra	-	3	-	-	-	3.00	3	9.00
Aplicación fertilizante	-	1	-	-	-	3.00	1	3.00
Aplicación insecticida	-	-	2	2	-	3.00	4	12.00
Limpia	-	-	8	6	-	3.00	14	42.00
Arranque, acarreo, aporreo	-	-	-	-	-	3.00	16	48.00
								114.00

Otros Servicios Contratados

Arada (tractor)	2	-	-	-	-	12.00	2	24.00
Rastreada (tractor)	-	-	-	-	-	12.00	1	12.00
Surqueada (yunta)	-	2	-	-	-	7.00	2	14.00
								50.00

Materiales	Unid.								
Semilla	lbs.	-	65	-	-	-	.40	65	26.00
Fertilizante formula	qq.	-	1	-	-	-	20.00	1	20.00
Insecticida Orthro-B	lbs.	-	-	40	-	-	1.05	40	42.00
Lannate	lbs.	-	-	-	.5	-	32.00	.5	16.00
Sacos	Carga	-	-	-	-	-	1.40	7	9.80
									113.80

RENDIMIENTO ESPERADO 12-14 qq.

PRECIO REQUERIDO= 21.37

Costo Total L.277.80

Danlí - Jamastrán

Tractor = horas

Yunta = jornal de bueyes + hombre

1 Manzana

FRIJOL: NIVEL BAJO

Mano de Obra (Jornales)	Ago.	Sept.	Oct.	Nov.	Dic.	Valor Lps.	Total Unidades	Costo Total Lempiras
Siembra	-	8	-	-	-	3.00	8	24.00
Aplicación insecticida	-	-	2	-	-	3.00	2	6.00
Limpia	-	=	8	-	-	3.00	8	24.00
Arranque, acarreo, aporreo	-	-	-	-	12	3.00	12	36.00
								90.00
Otros Servicios Contratados								
Arada (yunta)	3	-	-	-	-	7.00	3	21.00
Materiales	**Unid.**							
Semilla	lbs.	-	50	-	-	.40	50	20.00
Insecticida Lannate	lbs.	-	--	.5	-	32.00	.5	16.00
Sacos	Cga.	-	-	-	-	1.40	4	5.60
								41.60

RENDIMIENTO ESPERADO 6-8 qq. PRECIO REQUERIDO = 21.80 Costo Total 152.60

Danlí - Jamastrán

Yunta = Jornal de bueyes + hombre

MAIZ - NIVEL ALTO

1 manzana

Mano de Obra (Jornales)	Abr.	Mayo	Junio	Julio	Ago.	Nov. Dic.	Valor Lps.	Total Unidades	Costo Total Lempiras
Aplicación herbicida	-	-	2	-	-	-	3.00	2	6.00
Aplicación insecticida	-	-	-	2	2	-	3.00	6	18.00
Aplicación fertilizante	-	-	-	2	1	-	3.00	3	9.00
Limpia	-	-	-	4	-	-	3.00	4	12.00
Tapizca	-	-	-	-	-	8	3.00	8	24.00
									69.00
Otros Servicios Contratados									
Arada (tractor)	4	-	-	-	-	-	12.00	2	48.00
Rastreada (tractor)	1	1	-	-	-	-	12.00	2	24.00
Siembra y Fertilización (trac)	-	1	-	-	-	-	15.00	1	15.00
Cultivada (tractor)	-	-	1	-	-	-	15.00	1	15.00
Desgranadora (maquina)	-	-	-	-	-	40	1.40	40	56.00
									158.00
Materiales Unid.									
Semilla lbs.	-	30	-	-	-	-	.80	30	24.00
Fertilizante Formula qq.	-	2	-	-	-	-	22.00	2	44.00
Urea qq.	-	-	-	1	1	-	23.00	2	46.00
Herbicida Gesaprim Kg.	-	-	1.5	-	-	-	4.67	1.5	22.00
Insecticida Aldrin lbs.	-	-	20	-	-	-	.60	20	12.00
Dipterex lbs.	-	-	-	12	12	-	.75	24	18.00
Sacos carga	-	-	-	-	-	40	1.40	40	56.00
									222.00

Rendimiento esperado 70-80 qq. Precio Requerido = 5.99 Costo Total 449.00

18

Danlli - Jamastrán Tractor - Horas Yunta - Días (Yunta con 1 hombre)

MAIZ: NIVEL MEDIO

1 Manzana

Mano de Obra (Jornales)	Abr.	Mayo	Jun.	Jul.	Ago.	Nov. Dic.	Valor Lps.	Total Unid.	Costo Total Lempiras
Siembra Seed	-	2	-	-	-	-	3.00	2	6.00
Aplicación Fertilizante	-	-	2 1 libra Urea	1 1.5 libra	-	-	3.00	3	9.00
Aplicación insecticida	-	-	2½ 1 libra 1 litro	-	3.5 litros 2 libra.	-	3.00	4	12.00
Limpia weed	-	-	-	7 3.5 libra	-	-	3.00	7	21.00
Tapizca y acarreo harvest (pick + carry)	-	-	-	-	-	9 6 litros 3 libra	3.00	~~8~~ 9	~~21.00~~ 27.00
Desgrane y ensacado shell + sack	-	-	-	-	-	8	3.00	8	24.00
									99.00
Otros Servicios Contratados									
Arado (tractor) Plow	2	-	-	-	-	-	12.00	2	24.00
Rastreada (tractor) Disc	-	1	-	-	-	-	12.00	1	12.00
Surqueada (yunta) Surrow	-	1	-	-	-	-	7.00	1	7.00
Cultivada (Aporque) Yunta	-	-	2	-	-	-	7.00	2	14.00
Acarreo (Yunta) Carry (haul)	-	-	-	-	-	1	7.00	1	7.00
									64.00
Materiales	**Unid.**								
Semilla Seed	lbs.	-	25	-	-	-	.80	25	20.00
Fertilizante Formula	qq.	-	-	1	-	-	22.00	1	22.00
Urea	qq.	-	-	-	1	-	23.00	1	23.00
Insecticida Aldrin	lbs.	-	-	20	-	-	.60	20	12.00
Lannate	lbs.	-	-	-	.5 → .5	-	32.00	.5	16.00
Sacos	Cga.	-	-	-	-	~~28~~ 15	1.40	~~28~~ 15	~~39.20~~ 17.50
									132.20

Rhndimiento Esperado 45 - 55 qq. Precio Requerido = 5.90 Costo Total L. 295.20

Danlí - Jamastrán Tractor = Horas Yunta = Días (1 jornal de yunta con hombre)

1 Manzana

MAIZ: NIVEL BAJO

Mano de Obra (Jornales)	Abr.	Mayo	Jun.	Jul.	Ago.	Nov. Dic.	Lps.	Total Unidades	Costo Total Lempiras
Siembra	-	2	-	-	-	-	3.00	2	6.00
Limpia	-	-	8	-	-	-	3.00	8	24.00
Aplicación insecticida	-	-	-	2	-	-	3.00	2	6.00
Tapizca y acarreo	-	-	-	-	-	7	3.00	7	21.00
Desgrane y ensacado	-	-	-	-	-	5	3.00	5	15.00
									72.00
Otros Servicios Contratados									
Arada	-	3	-	-	-	-	7.00	3	21.00
Surqueada	-	1	-	-	-	-	7.00	1	7.00
Aporque Yunta	-	-	2	-	-	-	7.00	2	14.00
Acarreo	-	-	-	-	-	1	7.00	1	7.00
									49.00

Materiales	Unid.								
Semilla	lbs.	-	25	-	-	-	-	.80	25	20.00
Insecticida Dipterex	lbs.	-	-	-	12	-	-	.75	12	9.00
Sacos	Cga.	-	-	-	-	-	13	1.40	13	18.20
										47.20

Rendimiento Esperado = 25 qq. Precio Requerido = 6.73 Costo Total L.168.20

Danlí - Jamastrán

Yunta= Días (Bueyes + Hombre)

APPENDIX B

CASH FLOW STATEMENT FOR 7-MANZANA CORN AND BEAN FARM, JAMASTRAN VALLEY, HONDURAS

Attached is a cash flow projection prepared for a seven-manzana corn and bean farm in the Jamastran Valley, Honduras. The cash flow projection is based on corn and bean budgets for the area, assuming a medium level of production technology. The cash flow projection is prepared on an "item of expense" basis rather than simply totaling cash and capital expenses by enterprise. A number of assumptions were made in preparing the cash flow. They are summarized as follows:

1. Seven manzanas of corn are produced. The yield from 2 manzanas is consumed by the family and livestock. The yield from the remaining 5 manzanas is sold for cash. Yield is assumed to be 50 quintals (qq) per manzana. (this yield is equivalent to approximately 53 bushels per acre: 50qq per manzana x 100 pounds per = 5,000 lbs. per manzana/56 lbs. per bushel = 89.3 bushels per manzana/1.7 acres per manzana = 52.53 bushels per acre.) A market price of L8 per quintal was assumed. Total revenue from the com crop is L2,000, to be received in December.
2. Seven manzanas are planted to beans. The yield of one manzana of beans (11 quintals per manzana) is required for family consumption. The yield of 6 manzanas is sold for cash (L22/qq) at harvest in December, resulting in total revenues of L1,452 (11qq per manzana x 6 manzana = L22 per quintal = L1452).
3. Most field operations are custom hired. Thus, no capital expenses for machiner, used equipment or livestock are included.

4. Purchase of sacks for storing corn and beans and two machetes and one hoe per year are entered as cash expenses.
5. The corn and bean budgets assume that all labor required to produce the crops is hired at a wage of L3 per day. In order to separate hired labor from that provided by the operator and his family, it was assumed that about half the labor required is hired and half is provided by the operator and his family.
6. Family living expenses are entered in line 38 on the cash flow form. To derive family living requirements per month, we estimated the number of days of operator and family labor we had substracted from the corn and bean budgets. Family labor requirements totaled 133 days for corn and 140 days for beans. Multiplying by L3 per day, the value of family labor totals L819 per year or L68.25 per month. We rounded this up to L70 per month. Observation of several of the record books being maintained by corn and bean operators in the Jamastran Valley caused us to suspect that family living requirements exceeded L70 per month. More data are needed regarding family labor use, consumption requirements and living expenses.
7. Interest on the operating loan is calculated by summing the accumulated borrowing row, multiplying by 9 percent and dividing by 12 (L14,702 x .09 /12 = L110).
8. The cash flow summary indicates that total cash inflows equal L3,452 and total cash outflows equal L3,764. Principal payments on the operating loan total L2,668 and the interest payment is L110. Accumulated borrowing is higher at the end of the year than at the beginning by L422. Thus, the banker may conclude that the operating loan is infeasible, assuming the yields, prices and other assumptions are approximately correct.

2V

Cash Flow Planning: How?

OSU Extension Facts

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No. 708

Clint E. Roush
Extension Farm Management Specialist

Cash flow planning is becoming an increasingly valuable tool in farm financial management. Larger farm size, continued substitution of capital assets for labor and rapidly rising costs of production have increased the amount of cash required to finance the farm or ranch business. As a result, a larger proportion of the cash outlay associated with the purchase of farm investments and operating inputs is being financed with borrowed funds. As the levels of debt in the farm or ranch financial structure increase, both the farm operator and his lending institution are subject to greater risk. Thus, it is important that both the borrower and the lender know when and how outstanding debts will be retired and the amount of additional debts that can be carried by the farm or ranch business. Cash flow planning is a tool of financial analysis which can provide information to answer these questions. By simply projecting the flow of cash through the business, the farm operator can estimate when and how much annual operating debt will be required, make provisions for its repayment and determine his loan repayment capacity on longer term obligations. For a more complete discussion of the benefits that cash flow planning can provide the user, see Fact Sheet 707.

The Cash Flow Statement

A cash flow plan is simply a recorded projection of the amount and timing of all cash inflows and cash outflows that are expected to occur throughout the coming year. A Farm Cash Flow Statement form is shown on the inside fold of this Fact Sheet. The cash flow plan is made on a period basis. For a monthly cash flow plan, the columns can be used to denote the twelve months of the year. Alternatively, one could use the columns to denote bi-monthly, quarterly, or semi-annual periods. The rows denote individual cash inflow and cash outflow items plus some additional spaces for determining the projected cash position, borrowings, loan payments and the accumulated operating loan balance for each period of the year.

The "totals" column of the cash flow form shows summations of each cash inflow and outflow item for the year. Thus, the values in this column represent the projected annual sources (inflows) and uses (outflows) of cash. The "totals" column is also useful as a check column for mistakes in the calculations for each period. The "remarks" column can be used to record additional details such as prices, quantities, or other information pertaining to individual cash inflow or outflow estimates.

In addition to estimating future cash flows, the Cash Flow Statement form can be used to record actual cash flows as they occur during the year. A comparison of projected with actual cash flows will be very useful for comparing plans with actual performance. A place is provided at the top of the form to indicate whether actual or projected cash flow information is recorded on the statement. Additional Farm Cash Flow Statement forms are available from the Department of Agricultural Economics, Oklahoma State University, Stillwater, Oklahoma 74074.

Steps in Making Cash Flow Estimates

A cash flow projection should be prepared at the time farm plans for the coming year are being developed. A good time to make farm plans and prepare the cash flow estimate is at the beginning of the accounting period. For many farm and ranch firms, this will be at the first of the year when income tax returns are being prepared and all records are together.

Last year's records provide a good starting point for making the cash flow projection for the coming year. Some record keeping systems provide the operator with a complete cash flow summary of the previous year. The Costfinder Farm Record System available through Oklahoma State University Cooperative Extension Service provides such a summary.

Also, crop and livestock budgets provide a necessary input for estimating future farm cash flows. Budgets summarizing cost and return information for various crop and livestock enterprises in different areas of the state are available through Oklahoma State University Cooperative Extension Service.

Once records and other available information such as enterprise budgets are obtained, the following steps may prove useful in constructing a cash flow plan:

1. Plan the farm organization for the coming year. Determine the number of acres of each crop

FARM CASH FLOW STATEMENT

Projected ☑ or Actual ☐

	Period	Jan	Feb	Mar	Apr.	May
CASH INFLOWS	OPERATING RECEIPTS					
	1. Livestock: 1					
	2. 2.					
	3. Crops: 1. Corn					
	4. 2. Beans					
	5. Other Farm Income:					
	6.					
	7.					
	8. Total Cash Operating Receipts					
	CAPITAL SALES					
	9. Breeding Livestock					
	10. Machinery and Equipment					
	1. Total Cash Receipts From Capital Sales					
	12. Non-Farm Cash Receipts					
	13. Total Cash Inflows (8+11+12)					
CASH OUTFLOWS	OPERATING EXPENSE					
	14. ~~Feeder Livestock Purchases~~ Animal Hire					49
	15. Labor Hired					21
	16. Repairs: Machinery and Equipment					
	17. Building and Fences					
	18. Rent and Leases					
	19. Feed Purchased					
	20. Seed Purchased					
	21. Fertilizer and Lime					140
	22. Chemicals (Insecticides)					
	23. Machine Hire				168	84
	24. Livestock Expenses (Vet., Med., Breeding, Supplies)					
	25. Fuel, Oil, Lubricants					
	26. Taxes (R.E. and Personal Property)					
	27. Insurance					
	28. Gas, Electricity, Phone, etc.					
	29. Freight, Trucking					
	30. Conservation and Land Clearing					
	31. Other Farm Operating Expense: Sacks					
	32. Machettes (2) & hoe (1)			16		
	33. Total Cash Operating Expenses			16	168	294
	CAPITAL EXPENSES					
	34. Breeding Livestock					
	35. Machinery and Equipment					
	36. Bldgs., Fences, Tile					
	37. Total Capital Expenditures					
	38. Family Living, Income Tax, Non-Farm Expense	70	70	70	70	70
	39. Payments on Previous Debt Commitments: Principal					
	40. Interest					
	41. Total Cash Outflows (33+37+38+39+40)	70	70	86	238	~~354~~
SUMMARY	42. Beginning Cash Balance	0	0	0	0	0
	43. Cash Difference (13−41)	−70	−70	−86	−238	−364
	44. *Cash Position (42+43)	−70	−70	−86	−238	−364
	45. Money Borrowed this Period	70	70	86	238	364
	46. Principal Payments on Operating Loan	0	0	0	0	0
	47. Interest Payments on Operating Loan	0	0	0	0	0
	48. Ending Cash Balance	0	0	0	0	0
	49. Accumulated Borrowing (0)**	70	140	226	464	828

* **Cash Position** — Negative figure indicates need to borrow
Positive figure reduces accumulated debt

** **Beginning Operating Loan Bal**

14

Seven Manzana

Name: Corn and Bean Farm in the Jamastran Valley, Honduras Year: 1979

Expressed in Limperas

JUN		July	Aug	Sept	Oct	Nov	Dec		TOTALS	REMARKS
	1.							1.		
	2.							2.		
	3.						2,000	3.	2,000	
	4.						1,452	4.	1,452	
	5.							5.		
	6.							6.		
	7.							7.		
	8.						3,452	8.	3,452	
	9.							9.		
	10.							10.		
	11.							11.		
	12.							12.		
	13.						3,452	13.	3,452	
98	14.						49	14.	196	
42	15.	85	84	84	126	84	378	15.	904	
	16.							16.		
	17.							17.		
	18.							18.		
	19.							19.		
	20.			182				20.	322	
154	21.	161		140				21.	455	
84	22.		112		294	112		22.	602	
	23.							23.	252	
	24.							24.		
	25.							25.		
	26.							26.		
	27.							27.		
	28.							28.		
	29.							29.		
	30.							30.		
	31.						177	31.	177	
	32.							32.	16	
378	33.	246	196	406	420	196	604	33.	2,924	
	34.							34.		
	35.							35.		
	36.							36.		
	37.							37.		
70	38.	70	70	70	70	70	70	38.	840	
	39.							39.		
	40.							40.		
448	41.	316	266	476	490	266	674	41.	3764	
0	42.	0	0	0	0	0	0	42.		
-448	43.	-316	-266	-476	-490	-266	2,778	43.		
-448	44.	-316	-266	-476	-490	-266	2,778	44.		
448	45.	316	266	476	490	266	0	45.		
0	46.	0	0	0	0	0	2,668	46.	2,668	
0	47.	0	0	0	0	0	110	47.	110	
0	48.	0	0	0	0	0	0	48.		
1,276	49.	1,592	1,858	2,334	2,824	3,090	422	49.		

ce

75

enterprise and the number of head of each livestock enterprise to be included in next year's farm plans.

2. Estimate the amount and timing of cash inflows that are expected to occur throughout the coming year. Cash inflows include:

(a) Expected cash receipts from sales for each crop and livestock enterprise included in the farm plan (lines 1-4).

(b) Other cash farm operating income such as government payments, patronage dividends and mineral royalties (lines 5-7).

(c) Cash receipts from the sale of machinery, breeding livestock, and other capital assets (lines 9-10).

(d) Non-farm cash receipts that will be available for use in the farm business during the coming year (line 12). These include income from a non-farm business, wages or salaries from off-farm work, interest or dividends from investments and gifts or inheritances of cash.

3. Using past records, experience, and enterprise budgets, estimate the timing and amount of cash outflows that are expected to occur during the coming year. Cash outflows include:

(a) Expected cash operating expenses for each crop and livestock enterprise included in the farm plan (lines 14-32). Do not include non-cash expenses such as depreciation or grain raised on the farm for feeding to livestock.

(b) Other cash farm operating expenses not associated with a specific enterprise, such as hired labor, repair of fences and buildings, rent of crop and pasture land, real estate and personal property taxes, farm insurance and soil conservation and land clearing expenses (lines 14-32).

(c) Cash payments to purchase machinery, equipment, breeding livestock and other capital assets (line 34-36).

(d) Expected cash withdrawals for non-farm uses such as family living expenses, income taxes and off-farm investments (line 38).

(e) Cash outlays to make principal and interest payments on previous loan commitments (lines 39-40). These include payments on intermediate and long term loans used to purchase land, machinery and other capital assets.

4. After the expected cash inflows and outflows are entered for each period of the year, make the necessary calculations to determine whether the cash position for a given period will be positive or negative. For periods showing a negative, money will need to be borrowed. In surplus months, money can be paid on the operating loan or accumulated in the cash balance. The following procedure is suggested:

(a) Enter the "Beginning Cash Balance" for the period (line 42).

(b) Calculate the "Cash Difference" for the period. ("Total Cash Inflows" minus "Total Cash Outflows") (line 43).

(c) Calculate the "Cash Position" for the period ("Beginning Cash Balance" plus "Cash Difference") (line 44).

(d) If the "Cash Position" is negative or less than the desired ending cash balance, it will be necessary to borrow operating money to cover the deficit and bring the ending cash balance to the desired level. The dollar amount of expected borrowings is entered (line 45) and added to the accumulated borrowing (line 49).

(e) If the "Cash Position" is positive and greater than the minimum desired ending cash balance, cash will be available to make interest and principal payments on the operating loan. Interest should be calculated and entered (line 47). Principal payments on the operating loan should be entered (line 46) and subtracted from the accumulated borrowing (line 49).

(f) Determine the "Ending Cash Balance" for the period (line 48) ("Cash Position" plus "Money Borrowed this Period" minus "Interest Payments on Operating Loan" minus "Principal Payments on Operating Loan"). The "Ending Cash Balance" should be greater than or equal to the minimum ending cash balance desired.

(g) The "Ending Cash Balance" for the period becomes the "Beginning Cash Balance" for the next period. The cash flow summary is completed by repeating steps (a) through (g) for each successive period of the year.

Computerized Cash Flow Planning

The ultimate success of cash flow planning depends upon the accuracy of the information and the effort which goes into it. Estimating costs and returns for each farm enterprise and making the calculations necessary to summarize the cash flows take a considerable amount of time. A computer routine is available to calculate farm enterprise cash flows. The computer program utilizes data from selected farm enterprise cost and return budgets and additional information from an input form completed by the farm or ranch operator. For additional information and copies of the computer cash flow input form, contact the Department of Agricultural Economics, Oklahoma State University, Stillwater, Oklahoma 74074.

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0578 4.5M 10 Rep

26

APPENDIX C

TRAINING PROGRAM TOPICS for Peritos*

1. Budgets and Cash Flow

   Preparation and use of crop and livestock budgets for loan evaluation using standard forms. Preparation and interpretation of cash flow statement. Estimation of crop and livestock yields, product prices received, non-farm income, and family consumption.

2. Appraisal

   Determination of asset values used as loan collateral. Emphasis on appraisal of rural and urban property.

3. Economic Analysis of Intermediate-Term Loans

   Estimation of costs and returns over time of specific types of investments on the farm. Examples include buildings, silos, irrigation, systems, equipment, vehicles, etc.

4. Farm Records

   Management and use of the farm records system. How to record, process, and analyze the information to improve the loan evaluation process and the farmer.

5. Communications and Loan Supervision

   How to improve communications with BNF clients. Methods of obtaining correct information, maintaining cooperation of the client, and good image of the BNF. Supervision of production expenses paid with loan money. How to identify potential repayment problems and how to handle them.

---

*Tentative list of topics developed by Loren Parks (1/2/79) for discussion for developing a workshop.

DANAFOM

NOMBRE:

PLAN DE INVERSION DE MANZANAS DE

MANO DE OBRA		Ene.	Feb	mar.	abr.	Mayo	jun.	jul.	ago	sept	oct.	nov.	dic.	TOTAL JORNALES
1														
2.														
3														
4.														
5.														
6.														
7.														
Jornales Total														
Jornales Familiares														
Jornales Contratados														

OTROS SERVICIOS CONTRATADOS														TOTAL JORNALES YUNTA	TOTAL HORAS TRACTOR
1.															
2.															
3.															
4.															
5.															
6.															
Jornales de Yunta															
Horas de Tractor															

MATERIALES	UNID.	TOTAL												DISPONIBL	NECESIDAD
5.															
6.															

ANEXO 0

1.																			
5.																			
6.																			
7.																			
8.																			
REQUERIMIENTO DE LAS																			
- FINANZA PRODUCTOR																			
NECESIDAD DE PRESTAMO																			

RENDIMIENTO ESTIMADA	
- USO ESTIMADA	
RENDIMIENTO DISPONIBLE	

Banco de Fomento

Nombre: _____

GASTOS DE CULTIVO

MANO DE OBRA.	$ / UNID	ENE.	Feb	mar.	abr.	mayo	jun.	jul.	ago	sept.	oct.	nov	dic.	$ TOTAL
JORNALES CONTRATADOS														
OTROS SERVICIOS CONTRATADOS														
Jornales de Yunta														
Horas de Tractor 1.														
2.														
3.														
4.														
5.														
Otros 1.														
2.														
3.														

MATERIALES	UNIDADES													
1.														
2.														
3.														
4.														
5.														
6.														
7.														
8.														
REQUERIMIENTO DE LAS														
FINANZA. PRODUCTOR														

Jornales de Yunta																		
Horas de Tractor																		
MATERIALES	UNID.	TOTAL															DISPONIBL	NECESIDAD
1.																		
2.																		
3.																		
4.																		
5.																		
6.																		
7.																		
8.																		

BANCO DE FOMENTO

FLUJO DE CAJA

NOMBRE:

	ene.	Feb	mar.	abr.	mayo	jun	jul	ago	sept	oct	nov	dic.	TOTAL
JORNALES CONTRATADOS													
Maiz													
Frijol													
___													
OTROS SERVICIOS CONTRATADOS													
Maiz													
Frijol													
___													
MATERIALES NECESIDADES													
Maiz													
Frijol													
___													
REQUERIMIENTO DE LPS													
FINANZA PROPIA PRODUCTOR													
Maiz													
Frijol													
___													
TOTAL FINANZA PRODUCTOR													
TOTAL PRESTAMO NECESITO													
INGRESOS DE CULTIVO													

Frijol													
TOTAL FINANZA PRODUCTOR													
TOTAL PRESTAMO NECESITO													
INGRESOS DE CULTIVO													
Maiz													
Frijol													
INGRESOS TOTAL													

RENTABILIDAD DEL PRESTAMO

CULTIVO	RENDIMIENTO ESTIMADA	USO ESTIMADA	RENDIMIENTO DISPONBLE	$/UNID	INGRESOS DEL I CULTIVO
MAIZ					
FRIJOL					

INGRESOS ESTIMADAS	
PRESTAMO (OTORGADO) NECESITO	

BANCO DE FOMENTO

RENTABILIDAD :

Appendix E

Record Book Forms

1.1 Crop Receipts
1.2 Livestock Receipts
1.3 Other Income and Sales

2.1 Crop Expenses
2.2 Livestock Expenses
2.3 Other Cash Expenses
2.4 Household Expenses

3.1 Labor Record

4.1 Crop Balance
4.2 Livestock Record

5.1 Livestock Inventory
5.2 Perennial Crop Record
5.3 Inventory of Tools, Equipment, Land and Building

6.1 Net Worth
6.2 Cash Flow
6.3 Profit and Loss Statement

Form 1.1 CROP RECEIPTS Page

Date	Descrip.	Units	Quantity				
Totals							

Form 1.2 LIVESTOCK RECEIPTS Page

Date	Descrip.	Units	Quantity	Cattle	Pork	Chickens	Other
Totals							

Form 1.3 OTHER INCOME AND SALES (NONCROP & NONLIVESTOCK) Page

Date	Descrip.	Misc. Sales	Other Income	Borrowings
Totals				

Form 2.1 CROP EXPENSES Page

Date	Descrip.	Units	Quantity				
Totals							

Form 2.2 LIVESTOCK EXPENSES Page

Date	Descrip.	Units	Quantity	Cattle	Pork	Chickens	Other
Totals							

Form 2.4 HOUSEHOLD EXPENSES Page

Date	Descrip.	Total	Food	Medical	Transportation	Other
Totals						

Form 2.3 OTHER CASH EXPENSES Page

Date	Descrip.	Farm Expenses		Improumts	Loan Repayment
		Repairs	Other		
Totals					

Form 3.1

LABOR RECORD

Date	Description of Activity	Enterprise	Contract Labor			Family Labor	
			Number of Hours	Number of Meals	Cost ($)	Manager (hrs.)	Other Family (hrs.)
Totals							

Form 4.1 CROP BALANCE Crop Page

Date	Purchase	Production	Sales	Feed	Seed	Losses	Family Consump.	Total	Amount on Hand
Totals									

Form 4.2 LIVESTOCK RECORD Livestock Page

Descrip.	Livestock Production			Livestock Mortality		
	Dates of Birth	# Born	# Weaned	Date of Death	Natural	Killed for Consumption
Totals						

Form 5.1 LIVESTOCK INVENTORY

See form on next page. Form was changed by renumbering lines to be consistent with the need of the net worth statement.

Form 5.2 PERENNIAL CROP RECORD Crop Page

Date	Intitial Inventory		Production		Value of Production	Final Inventory	
			Sales	Consumption			
	Quant.	$	Quant.	Quant.	$	Quant.	$
Totals							

Renglón	DESCRIPCION			INVENTARIO DE GANADO					
				INICIAL			FINAL		
				N° Cab.	Vl.Unit.	Vl. total	N° Cab.	Vl. Unit.	Vl. Total
	GANADO VACUNO								
1	Sementales		5						
2	Vacas		6						
3	Vaquillas	3 años	7						
4	Terneras	1 año	1						
5	Novillos	1-2 años	2						
6	Terneros	1 año	3						
7	Bueyes		8						
8	TOTAL GANADO VACUNO		9						
	GANADO PORCINO								
9	Sementales		13						
10	Cerdas de cría		14						
11	Cerdos de engorde		15						
12	Lechones		16						
13	TOTAL GANADO PORCINO		17						
	AVES								
14	Gallos		16						
15	Gallinas		17						
16	Pollos		18						
17	Pavos		19						
18	Patos		20						
19	TOTAL AVES		21						
	OTROS								
19	Caballos		22						
20	Yeguas		23						
21	Asnos		24						
22	Mulas		25						
23	Cabras		26						
			27						
	Total Otros		28						
	TOTAL								




Form 5.3 INVENTORY OF TOOLS, EQUIPMENT, LAND, AND BUILDINGS

Description	Beginning			Ending		
	Number	Value per Unit	Total Value	Number	Value per Unit	Total Value
Tools & Equipment						
1)						
2)						
3)						
4)						
5)						
6)						
7)						
8)						
9)						
10)						
11)						
12) Total						
Land and Buildings						
13)						
14)						
15)						
16)						
17)						
18)						
19)						
20) Total						
TOTAL (lines 12 & 20)						

Form 6.1

NET WORTH STATEMENT

Assets	Beg.	End
I. Current		
A. Personal		
1. Cash		
2. Other		
3.		
4.		
5. Total		
B. Farm		
6. Cattle (5.1, 6.4)		
7. Swine (5.1, 6.12)		
8. Birds (5.1, 6.21)		
9. Crops (4.1, page ___)		
10. " " "		
11. " " "		
12. " " "		
13. Perennial (5.2, Page__)		
14. " " "		
15. Other		
16. Total Farm (Line)		
II. Working		
17. Cattle (5.1, Line ___)		
18. Swine (5.1, Line ___)		
19. Other (5.1, Line ___)		
20. Total work (17 & 19)		
21. Tools&Equip. (5.3,6.12)		
22. Total Work (lines 20&21)		
III. Land & Buildings		
23. (5.3, line ___)		
IV. Total Assets (5, 16, 22, & 23)		

Liabilities	Beg.	End
V. Current Liab.'s		
24.		
25.		
26.		
27. Total Current Liab.'s (Lines 24 & 26)		
VI. Intermediate Liab.		
28.		
29.		
30.		
31. Total Int. (28 - 30)		
VII. Long Term		
32.		
33.		
34.		
35. Total L.T. (lines 32 - 34)		
VIII. Total Liab.'s (lines 27, 31, 35)		
IX. Net Worth (IV - VIII)		

Form 6.2

CASH FLOW SUMMARY

Description	Col.	January		Total
----------Receipts----------				
1. Crops	1.	XXX	.....	XXX
2.	2.			
3.	3.			
4.	4.			
5.	5.			
6.	6.			
7. Livestock	7.			
8.	8.			
9.	9.			
10.	10.			
11.	11.			
12. Misc. Receipts	12.			
----------Total Farm Receipts----------	A.			
13. Other Receipts	13.			
14. Borrowings	14.			
Total cash Available (A + 13 + 14)	B.			
----------Expenditures----------		XXX	XX	XXX
15. Crop Expenses	15.			
16.	16.			
17.	17.			
18.	18.			
19.	19.			
20.	20.			
21.	21.			
22. Livestock Expenses	22.			
23.	23.			
24.	24.			
25.	25.			
26. Repairs	26.			
27. Other Expenses	27.			
28. Improvements	28.			
Total Farm Expenditures	C.			
29. Loan Repayments	29.			
30. Household Expenses	30.			
Total Cash Expenditures	D.			
----------Summary----------		XXX	....	XXX
Cash Difference (B-D)	E.			
Beginning Cash Balance (line 6 of last month)	F.			
Ending Cash Balance (E ± F)	G.			

Form 6.3

PROFIT AND LOSS STATEMENT

1. Total Farm Receipts (Form 6.2, line A)		
2. Total Farm Expenditures (Form 6.2, line C)		
3. Net Cash Income (line 1 - 2)	XXX	
x x x x x Change in Inventory x x x x x		
4. Crop and Livestock (form 6.1, line 20)		
5. Working livestock (Form 6.1, line 20)		
6. Tools and Equip. (Form 6.1, line 21)		
7. Land and Bldg. (Form 6.1, line 23)		
8. Total Inventory change (line 4 + 5 + 6 + 7)	XXX	
9. Value of home used products (forms 4.1, 4.2, 5.2)	XXXX	
10. Minus - Value of meals fed laborers (form 3.1)	XXXX	-_____
11. Net Farm Income (line 3 + 8 + 9 - 10)	XXXX	