



Practical Applications to Transition & Collaboration

"Multi Generational Business Models"



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Introduction to Collaborative Farming

A Multi Generational Business Model
With Chris Barron and Shay Foulk



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FUN Group- Our Collaboration Team



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Agenda

- Introduction to Collaboration Concept
- WHY Collaboration & Transition
- Get Your Own House in Order
- People Management
- Communication
- Structure
- Equipment Collaboration Example
- Discussion



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Keep YOUR Operation in mind



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Why Structure is KEY for Transition & Collaboration

- **Quality of Life!** Peace of mind...You're on a TEAM
- **Business Structure:** Create a professional and sustainable economic path.
- **Growth:** Define what growth means to you. Acres/Head/More VS. Profit...
- **Risk Management: 4 D's** Death Divorce Disability Disaster
- **Transition & Contingency planning:** Who has your back?
 - Is there an Estate Plan or other plan in place?
- **Stability & Critical Mass:** Operation size can ebb and flow with less impact
- **New Opportunities:** Competitive advantage
- **Efficiency:** Equipment, purchasing, marketing, personal time, quality labor



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Collaboration happens to everyone → OPPORTUNITIES!
The question is : "To what degree?"

- | | |
|-------------------------------------|------------------------------------|
| • Family transition | • Customers |
| • Neighbor retire or transition | • Investors / Lenders |
| • Employees working into operations | • Other Businesses / Organizations |
| • Suppliers | • Peer Advisory Board / Peer Group |


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Organize Yourself
Get your house in order first

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Identify Gaps in Your Transition/ Collaboration Plan



1. Updated Will? Lack of Estate Plan?
2. Land holdings in a Trust, or... guided business plan?
3. Buy – Sell agreements?
4. Insurance Plan? (IE. Term Life... on partners/family farming together?)
5. How much annual income is need for exiting generation to maintain standard of living? **This is a starting point and major hurdle**
6. Who is on your transition team?
(CPA, Attorney, Lender, Financial Planner, Ins. Agent, Ag Consultant)




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Legacy Planning for Your Farm?

•Transition Planning Current?

- ✓ **30% of family-owned businesses survive into the second generation**
- ✓ **12% of family-owned businesses survive into the third generation**
- ✓ **3% survive into a fourth generation and beyond**

• Source: Family Business Institute





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Before & During: Collaboration Implementation

Get your own house in order!

Estate Plan:

- Will
- Trust
- Gifting (Value Transition)
- Power of Attorney
- Medical Directives






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Before & During: Collaboration Implementation

Contingency Plan:

- Exit Strategy
- Operating Agreements & By Laws
- Buy-Sell Agreements
- Term Life Insurance
- Disability Insurance
- Cross Training Systems
- Key-Man Insurance
- Prenuptial Agreements

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Before & During: Collaboration Implementation

Succession Plan (5 questions):

- Who will run your company?
- Who will own your company?
- Ownership transfer timeline?
- Who is the Governance (Board of Directors)?
- Have you built your succession and transition team?

(CPA, Attorney, Lender, Financial Planner, Ins. Agent, Ag Facilitator)



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People

Create a collaborative culture with clear vision

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Define the Team's Core Values

Hire

Fire

Reward

Discipline



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Core Value Exercise

3rd Party facilitation

Check out this book → TRACTION: Entrepreneurial Operating System

- Gino Wickman

Use a 100+ Word attribute List


1. Write down 3 core values that most identifies everyone on your team
2. List the words on white board
3. Funnel words down to similar meanings
4. Identify the 3 to 5 words that the leadership team identifies as most representational

These are the collaboration/teams Core Values



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Blay Fieak
 Ag View Solutions
 www.agviewsolutions.com



AGV Core Values, Devoted, Professional, Honest and Transparent


Our Core Values at Ag View Solutions

- Devoted
- Professional
- Honest
- Transparent

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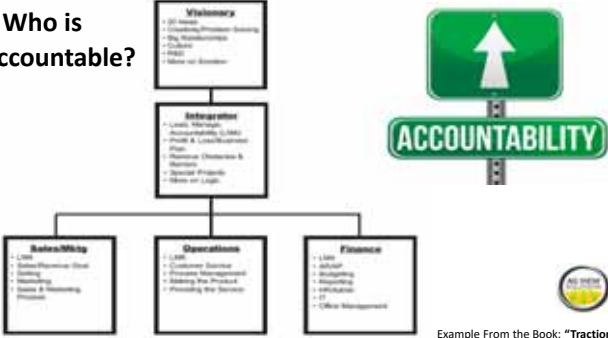
Clearly Defined Roles and Responsibilities

Who?
 Expectations?
 Defined Roles?
 Defined Process with clear timelines?
 Direct Reports?
 Accountability?
 Results and Reviews?




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Who is Accountable?

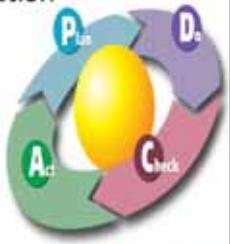



Example From the Book: "Traction"

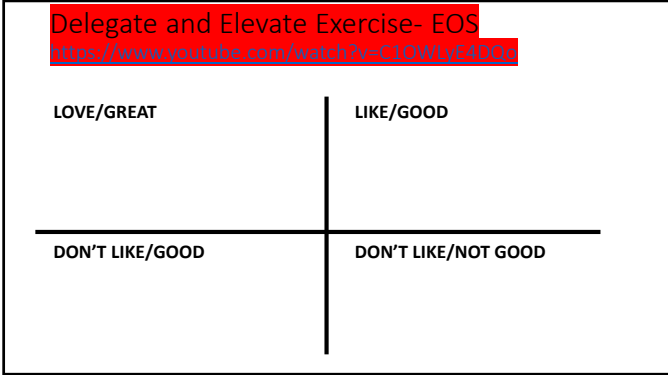
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ID The Core Processes in Collaboration

- People
- Marketing
- Purchasing and sales
- Operations
- Accounting/Technology
- Customer Relations and Retention

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COMMUNICATION

DYNAMICS & ISSUES

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WARNING
BEWARE OF DOG

Farm Communication Dynamics

Family Governance

- Requires Respect
- Listen and Understanding
- Family Structure 3rd Party
- Rights by Privilege/Age
- Driven by Emotions

Business Governance

- Requires Professionalism
- Facts and Documentation
- Business Structure 3rd Party
- Rights by Qualification
- Driven by Facts/Conditions


In God We TRUST.... everyone else bring numbers!!



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3 Communication Conflicts and Watch-outs


<ul style="list-style-type: none"> • Transparency? <i>Do you have transparency in your operation?</i> 	<ul style="list-style-type: none"> • Technology? <i>How are you handling technology?</i> 	<ul style="list-style-type: none"> • Transition? <i>Have you started Transition yet?</i>
<ul style="list-style-type: none"> • Economic • Planning • Information exchange • Triangulation communication 	<ul style="list-style-type: none"> • Generational • Rapid change • Social media • Resistance 	<ul style="list-style-type: none"> • Is your plan evergreen? • Expectations • The <u>unknown</u> • Comfortable as it is now...




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5 Dysfunctions of a Team Example






Credit: 5 Dysfunctions of a Team




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3 Reasons for **NOT** having Meetings?

1. Is the content going to be **confrontational** or painful?
2. How much **time** will the meeting take?
3. When we are done talking, what will we get out of it and **what is expected out of me?**





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Purpose of Meetings → SOLVE “ISSUES”

Progress Meetings: Once per week

Have a specific Agenda / Right People

3 Topics... **Examples: Things that need improved, fixed, or changed**

- Same time/location/time limits on topics – table some for next meeting
- List the issues for the meeting. Ex: (seed placement, herd health, employee)
- Discuss the issues one at a time and then...
 - **SOLVE IT!** (talk + talk + talk = Paralysis) → **IDS**
- Documentation and minutes for next meeting
- Provide specific action items with who is responsible for accountability
- Whether you have 2 people or 20... have the meeting!
- Score the meeting 1-10 (How can it be better?)



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Quarterly and/or PRE & Post -SEASON Meeting Checklist

SAFETY

Processes

Identify next steps in the production process

Define roles and responsibilities for the next quarter

“ROCKS” or “key action Items” for the next quarter or season

Assign one person to each action item.

Define timeline, or what equals success.

Review and grade yourselves at the end.



Example From the Book: Traction ... ROCKS = “Most important things to do in the next 90 day’s”



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Structure

Business Entities with Clarity and Purpose


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Process of developing Collaboration Structure.

1. Draft the final goal (Perfect world?) **VISION**
2. Document the current base line of existing operations.
3. Clearly identify the operating entities desired and their roles.
4. Define the people and ownership levels of entities on “start –up”.
5. Be flexible, patient, analytical, openminded, and critical along the process.
6. Document a baseline market value on all participating assets and liabilities.
7. Build baseline market value balance sheet for each new entity.
8. Establish rates for any value exchanges between entities.
9. Build your plan first: Then use CPA and Legal Counsel.
10. Have a clean and simple exit strategy/Buy Sell Agreement/Term Life Insurance
11. **Review, revise, and improve frequently**




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Map Your Operational Buckets	PROCESS
1. Ownership: (Now and in Future?)	Land Holdings, MGMT Company
2. Where is the income generated? Payroll Location?	Equipment, Seed Business
3. Economic (Cash Flow) plan for the transition or collaboration?	Trucking, Land & Realty
4. How will the equity transfer? (Will, Purchase, Gifting, discount values etc.)	Crop Operations, New Venture
5. Who is the operator/owner in charge?	Livestock Operations
6. Timeline for transition completion?	Other Profit Centers
7. Contingency plans and exit strategies?	

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Why Build Business Structure With Multiple Profit Centers? VS One Entity



1. Clear accounting and cost analysis.
2. Transition of rolling stock to next generation.
3. Risk mitigation.



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LLC Structure: (8) Risk Reduction Integrity List

1. Individual Accounting System with bank accounts
2. Detailed annual P&L report and Tax return documentation
3. Independent insurance policies
4. Certified operators: I.E. CDL or other regulatory certificates
5. Proof of 3rd party insurance when necessary
6. Itemized invoice documentation (including owner)
7. Independent payroll OR Labor tracking documentation
8. ALL of them are needed



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7 Keys to Successful Collaboration Structure


- 1. Bookkeeping:** Cleaner accounting, separation between profit centers, better tracking and accuracy
- 2. Transition Ready:** Clean hand over to next generation or next ownership plan
- 3. Risk Mitigation:** LLC/Entity- running as stand-alone for-profit business.
- 4. Control:** Defined Decision Rights? (Clear Roles and Responsibilities)
- 5. Leadership:** (Transmission fluid VS. Captain of the Ship)
- 6. Communication:** Constant need, SOPs, & Specific Meetings
- 7. Organizational Structure:** Organizational Chart vs. **Accountability** chart... **Example**




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Collaboration / Transition Structure Conclusion

What makes it work?	What screws it up?
<ul style="list-style-type: none"> • Documentation and Transparency • Trust and Confidentiality • Similar Vision Operational & Long term • One operation mindset with Clear Expectations • Diversity of talents and competencies • Strong Harmonic Leadership • Balance Family, Operational, Business 	<ul style="list-style-type: none"> • Lack of Documentation/Transparency • Honesty (i.e. not sharing mistakes) <i>Self report.</i> • Different Visions (Not all "One Operation") • No Clearly defined expectations. • Too much individualism (TEAM) (<i>We not I</i>) • Leadership Not Defined • No Contingency Plans & Cross Training



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Common Collaboration Example

Equipment LLC

Details and Process

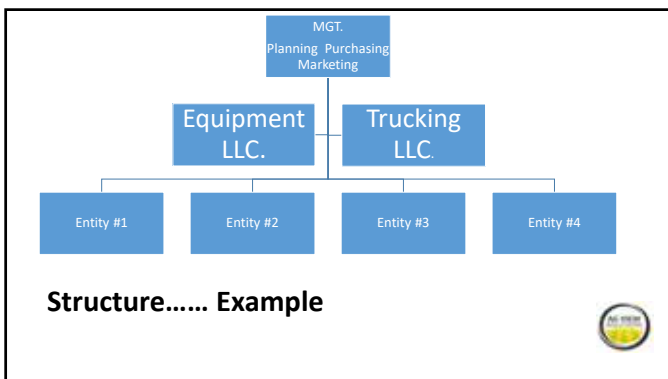
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What to Manage First?


- Look at the biggest "percent" expenses first
 1. Land/Rents
 2. Equipment- ROA? (2nd Largest Expense)
 3. Increase Yields! VRT- Fertilizer, N, Seed
 4. Loose ends? Details matter
 5. Basics (Tile? Water?)
- Return to management
 - Range \$33/acre to \$287/acre
 - \$254/acre spread

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Return to Management..... Cost Examples

- Health Care
- Labor / Payroll / Owner Draws
- Taxes
- Home / Building Improvements
- Personal Items
- Vehicles
- College
- Vacations
- **Toys & EXTRA EQUIPMENT**
- Etc.

200 Bu. Corn	% Cost Range	Per / Bu. Cost Range	Difference
Return to Management	3.5% - 24.2 %	\$.17 - \$1.44	\$1.27



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Inflation... The FED in 2020 said ... "It's transitory"

Farm Equipment: Collaboration Motivation


Inflation..... 2013 - 2020 = 2.95%
Depreciation..... 2013 - 2020 = 12.1%

Inflation..... 2021 = 14%
Depreciation.....2021 = 1%


Inflation..... 2022 = 14%
Depreciation.....2022 = 1%

Inflation..... 2023 = 5.5%
Depreciation.....2023 = 9.5%

4 Year Equipment
Inflation = 36.5%




\$500,000 Equip. investment at inflation rate of 36.5% = \$682,500 Current Cost.



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Cost of Production Ranges 2011 - 2023			
Corn Example	% Cost Range	Per / Bu. Cost Range	Difference
Land	25% - 43%	\$.90 - \$1.88	\$0.98
Equipment	12% - 26%	\$.52 - \$.97	\$0.45
N P K	12% - 21%	\$.50 - \$.75	\$0.25
Seed	11% - 14%	\$.43 - \$.60	\$0.17
Crop Protection	3% - 6%	\$.17 - \$.20	\$0.03
Zone Mgmt. / VRT Equip.	1% - 3.5%	\$.03 - \$.15	\$0.12

200 Bu. Corn



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# of Years	Depreciation	Inflation	Total Annual
5	\$30,000	\$20,000	\$50,000
	\$30,000	\$20,000	\$50,000
	\$30,000	\$20,000	\$50,000
	\$30,000	\$20,000	\$50,000
	\$30,000	\$20,000	\$50,000


Example of a purchase and a trade after 5 years.

TIME	Year 1	Year 2	Year 3	Year 4	Year 5
Original Equipment					\$400,000
Purchase Price	\$300,000				
Salvage value of original machine.					\$150,000

5 yr example

Inflationary replacement cost increase	\$100,000
Market value depreciation	\$150,000
Actual Cost of operation to stay current:	\$250,000

Chart Example: Produced by Ag View Solutions



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Item	Year	Cost	Value	%	Value
17 21ft Dominator New in 2018		\$33,500	\$35,000	4.2%	\$33,500
22 43' Bean Head Trailer Out Right 5 New in 22		\$13,500	\$14,950	0.00%	\$13,500
20 JD M 15 Rotary Cultivator		\$14,000	\$15,500	0.00%	\$14,000
20 JD M 15 Rotary Cultivator		\$14,000	\$15,500	0.00%	\$14,000
2006 Ford F250 Flat Bed White + Tools		\$8,000	\$8,500	5.8%	\$8,000
19 NEW Minimax 24 ROW NH3 Bar		\$169,787	\$169,787	0.00%	\$169,787
Hinkler Cultivator 6000 #11 Pul April 2012 18row		\$8,000	\$8,000	0.00%	\$8,000
Hinkler Cultivator 6000 #2 Pul Dec 2013		\$7,000	\$7,000	0.00%	\$7,000
13 Hinkler Cultivator 6000 #3 NEW Pul Dec 2013		\$10,000	\$10,500	4.7%	\$10,000
19 Strip Till Bar New in 19 / GPS Equip/Hitch Kraus		\$110,000	\$110,000	0.00%	\$110,000
14 Brent Hagan 644 New in 2016		\$12,500	\$12,500	0.00%	\$12,500
16 Deesator for corn head		\$2,000	\$2,000	0.00%	\$2,000
15 Hitch RTK for Strip Till & 24 row Planter		\$3,000	\$4,500	33.3%	\$3,000
18 JD Draper Head JD 961FD NEW		\$81,250	\$72,500	15.2%	\$81,250
15 Head meter for the New Draper		\$7,000	\$7,500	6.7%	\$7,000
18 Brent Grain Cart		\$55,000	\$50,200	4.4%	\$55,000
11 JD Gator at Bin Site		\$6,500	\$8,200	20.7%	\$6,500
12 JD Gator at C&B Site		\$6,500	\$8,200	20.7%	\$6,500
19 Dutton 16 Row VHS Side Dress Bar		\$37,000	\$17,500	1.8%	\$37,000
4 Starline 7000 Receivers		\$17,200	\$17,200	0.00%	\$17,200
3 Starline 6000 Receivers		\$9,000	\$9,000	0.00%	\$9,000
JD 2630 Monitor Sold to Bob Muchmore		\$1	\$1	0.00%	\$0.00
4 4000 extend display		\$4,000	\$4,000	0.00%	\$4,000
2 Imp. Guidance JD 2000 Rate Controllers \$4,000		\$4,000	\$6,000	33.3%	\$4,000
2 JD Liquid Rate Controllers \$1,000		\$2,000	\$2,000	0.00%	\$2,000
22 New Pro Tracker Hitch New in Late 2022		\$8,750	\$10,000	12.0%	\$8,750
21 3000 Gal Vertical Storage Tanks (2)		\$3,500	\$3,500	0.00%	\$3,500
Total Machinery & Equip/ Vehicles		\$3,806,862	\$3,806,862	0.00%	\$3,806,862
Annual replacement cost increase - 4% Avg.		\$3,806,862	\$25,425	4.9%	\$3,806,862

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Year	ASSETS	LIABILITIES	EQUITY	Annual Gain	Blin/C&B	ROA
2011	\$1,944,770	\$834,446	\$1,110,324	100.0%	50%	6.11%
2012	\$2,631,284	\$1,360,242	\$1,271,042	\$160,718.86	\$80,359.43	6.11%
2013	\$3,044,777	\$1,376,484	\$1,668,293	\$397,250.97	\$198,625.49	13.05%
2014	\$3,132,628	\$1,298,188	\$1,834,441	\$166,147.67	\$83,073.84	5.30%
2015	\$2,255,970	\$660,787	\$1,595,183	-\$239,258.00	-\$119,629.00	-10.61%
2016	\$2,260,237	\$510,902	\$1,749,335	\$154,152.00	\$77,076.00	6.82%
2017	\$2,169,910	\$202,300	\$1,967,610	\$218,275.26	\$109,137.63	10.06%
2018	\$2,285,736	\$145,103	\$2,140,633	\$173,022.66	\$86,511.33	7.57%
2019	\$2,575,217	\$488,559	\$2,086,659	-\$53,974.25	-\$26,987.13	-2.10%
2020	\$2,542,221	\$377,914	\$2,164,307	\$77,648.57	\$38,824.29	3.05%
2021	\$3,113,648	\$632,165	\$2,481,483	\$317,175.76	\$158,587.88	10.19%
2022	\$3,503,826	\$646,758	\$2,857,068	\$375,585.45	\$187,792.73	10.72%
2023	\$3,950,637	\$685,551	\$3,265,086	\$408,017.55	\$204,008.78	10.33%
2024	\$4,120,266	\$764,114	\$3,356,152	\$91,066.45	\$45,533.23	2.21%

14 Year Equity Gain \$2,245,829
Annual Earned Equity \$160,416

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Operation	Fuel Surcharge above \$4.90/Gal. Red	2023 Rate Per / Acre	Corn	Soybeans
Disk Ripper / acre Kruse DOMINATOR		\$29.00	\$29.00	
Field cultivating / acre		\$19.30	\$19.30	
Planting Corn & Soy w/GPS seed shut-off units Insecticide / Seed Delivery/ fert.		\$31.75	\$31.75	\$31.75
Rock picking / acre, w/Gators and labor \$8 -15		\$15.00	\$15.00	
IN LINE RIPPER		\$32.50	\$32.50	
Corn combining / w/cart,fuel,labor GPS Mapping		\$62.80	\$62.80	\$62.80
Strip Till Bar + P&K fert. \$31.00 per Acre (With NH3 + \$2.50 per Acre = \$33.50)		\$31.00	\$31.00	
Soybean combining / w /cart,fuel,labor		\$62.80	\$62.80	\$62.80
NH3 Application W/D Bar With Tractor and Bar \$18.56		\$18.56	\$18.56	
Basic Totals		\$303.31	\$303.31	\$113.11 \$94.55

Other Equipment Options	2023 Rate	Corn	Soybeans
Sprayer / acre "Custom Rate Charge" C&B Farms Sprayer	\$8.00	\$8.50	\$8.50
Backhoe Rental	\$50/ Hr.	\$50/ Hr.	\$50/ Hr.
Storage in Grain Bin per/yr.	\$.18/Bu.	\$.18/Bu.	\$.18/Bu.
Handling Grain by Leg system & Overhead @ C&B 3 in 3 out	\$.06/Bu.	\$.06/Bu.	\$.06/Bu.
Handling Grain by auger / Bu. Includes tractor - 2 IN & 3 OUT	\$.06/Bu.	\$.06/Bu.	\$.06/Bu.
Drier Cost Determined at Harvest LP & Electric Est.	.04 / Cents	.04 / Cents point	
Fence row Spraying --- Herbicide plus \$75.00 / hr.	\$75/ Hr.	\$75/ Hr.	\$75/ Hr.
Shop Service per/ hr rate repairs and service includes labor	\$50/ Hr.	\$50/ Hr.	\$50/ Hr.
STM Grain Hauling to Krobs from Bin Site	\$0.07	\$0.07	\$0.07
STM Grain Hauling to Cedar Rapids from Bin Site "Rowley area, Bin Site" CORN	\$0.26	\$0.26	\$0.26
STM Grain Hauling to Cedar Rapids from Bin Site "Rowley area, Bin Site" SOY.	\$0.26	\$0.26	\$0.26
STM Grain Hauling from field to Bin	\$0.06	\$0.06	\$0.06
STM Grain Hauling to Fort Dodge from Bin Site "Rowley area, Bin Site" CORN	\$0.43	\$0.42	\$0.42
STM Grain Hauling to Fort Dodge from Bin Site "Rowley area, Bin Site" SOY	\$0.00	\$0.00	\$0.00
Other Equipment Options - Totals		\$8.50	\$8.50

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TOTALS											
Annual Equipment Income (Rate * Acres)	\$207,911.00	\$184,433.50	\$163,730.32	\$145,537.92	\$129,528.61	\$115,440.42	\$103,042.81	\$90,132.91	\$82,532.20	\$74,083.58	\$1,298,333.27
Accumulated Cash Inflow (\$ Generated)	\$207,911.00	\$392,344.50	\$556,074.82	\$701,572.74	\$831,101.35	\$946,541.77	\$1,049,584.58	\$1,142,717.49	\$1,224,249.69	\$1,298,333.27	
Average Rate Per Acre (RUNNING AVG.)	\$24.03	\$27.52	\$28.44	\$24.72	\$19.32	\$17.23	\$15.38	\$13.75	\$12.32	\$14.06	

Equipment Depreciation & Inflation Calculator											
Year	1	2	3	4	5	6	7	8	9	10	
Machine Brand / Model	Planter										
Total Machine Value	\$783,075.00	\$689,106.00	\$606,413.28	\$533,948.69	\$469,605.44	\$413,253.67	\$363,662.23	\$320,023.64	\$281,630.81	\$247,826.31	Salvage
Annual Operation Acre	4,700	5,700	6,700	7,700	8,700	9,700	10,700	11,700	12,700	13,700	Acres
Start Rate Per Acre + Fuel, Labor, Overhead	\$21.03	\$27.52	\$24.44	\$24.72	\$19.32	\$17.23	\$15.38	\$13.75	\$12.32	\$11.06	
Machine Replacement Cost Estimate (MCR)	0	\$117,461.25	\$106,184.97	\$96,361.84	\$87,529.49	\$79,645.02	\$72,682.69	\$67,531.84	\$63,855.09	\$57,266.75	\$0.00
Estimated Trade Difference Each Year	\$117,461.25	\$23,946.22	\$23,926.06	\$407,437.56	\$487,202.58	\$580,365.27	\$627,489.11	\$688,332.19	\$746,678.94		

KNOW YOUR COST TO OPERATE

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Equipment Collaboration

- **LLC. Ownership:** Totally a choice of those collaborating. (Stage, Cash, Taxes, Etc.)
- **Per acre fees:** based on Equipment Company costs **Plus 5%-12% Return**
- **Rates include** Principal, Interest, Repair, Fuel, Labor, Insurance, Depreciation, Inflation, and Efficiency
- **Invoices include** Labor credit back to participant of **(\$15-\$45+/Hr.)**
1 Spring and 1 Fall Invoice

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Invoice Equipment Spring				
3,658.0	Hard Green LLC. P.O. Box 773 Independence In. 46644	#2023HG0515C85	1/7/2024	
3,110.4	3,110.4 Corn Ac. 547.0 Soybean Ac.	INVOICE TRACKING FORM		
NAME	DESCRIPTION	# UNITS	\$ / UNIT	TOTAL \$
Carson & Barron Farms				\$0.00
Spring 2023	Strip Till 100% Paid in fall 2022	0	\$30.00	\$0.00
	NH3 Side Dress	3,110.4	\$18.56	\$57,728.28
	FieldCultivator	62.72	\$19.30	\$1,210.25
	Plant Corn / Soybeans All Cert. Ac.	3,658.0	\$31.75	\$116,140.87
				\$0.00
	Includes all Fall & part time workers	Credit Value LABOR (Now 2750-3022 - Jump - 2345)	Total Aggs. Hours All	\$53,024.48
	Hard Green (Seed Costs Labor only (No Shop M))	Green Tractor (MCR) (Now 2750-3022 - Jump - 2345)	Total Strip Till	\$23,144.00
	Labor/Grease/oil/tools/shop,etc.	Tractors Service all tractors All Tractors Includes all grease, labor and shop	0	\$350.00
		Tractors Detaild - 9 hrs	0	\$230.00
	Clean / Detail / Service	AutoDetailing - 6 hrs	0	\$450.00
		24 Hours - 10 hrs	0	\$600.00
	Clean / Detail / Service	Tractor Detail Materil (Spring) Cleaning Supplies	0	\$125.00
		Heavy Duty Truck Use 3500 GVW Seed, 32" Trailer NH3 Tanks	0	\$500.00
	Code #777 Casey Card	Gas for Service Truck	0	\$210.00
		Chris Labor Admin Spring	1	\$2,000.00
	DUE:			\$90,308.38

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Invoice Equipment Fall

Please Pay: HARD GREEN LLC P.O. Box 773 Independence, IA 50644		#2023110CBF	1/7/2024	
INVOICE TRACKING FORM				
NAME	DESCRIPTION	# UNITS	\$ / UNIT	TOTAL \$
Carson & Barron Farms				
Fall 2023	Harvest Corn	3322.47	\$62.80	\$207,772.26
	Harvest Soybeans	148.62	\$62.80	\$9,333.34
2024 Prep	Strip Till All Ac. Completed and wet to go	2599.90	\$31.00	\$80,596.90
2024 Prep	Ripper - All Ac. Completed in the fall	506.53	\$29.40	\$14,993.29
	On Line Ripper	12	\$30.00	\$360.00
				\$0.00
All C&B Labor Credit	Credit Value June 25th - Nov.26th 2023 Shop Hrs. = 1,338.53	4061.65	-\$20.00	-\$81,233.00
				\$0.00
Labor/Grease,oil,tools,shop,etc. OH	Tractor Service all tractors/combines Fall operations	13	-\$235.00	-\$3,055.00
Labor/Grease,oil,tools,shop,etc. OH	Clean Detail Tractors 5 hrs. per tractor / detail cabs	4	-\$450.00	-\$1,800.00
Labor/Grease,tools,shop,etc. OH	Clean Detail Ripper/Strip Bar & service 9 hrs. per / machine EST	2	-\$500.00	-\$1,000.00
Labor/Grease,oil,tools,shop,etc. OH	Clean Detail 2 Combine 40 hrs. per machine/ Shop Use/ equipment	2	-\$1,200.00	-\$2,400.00
Labor/Grease,tools,shop,etc. OH	Clean Detail / Service Carts 6hrs per cart Shop Use /equipment	3	-\$100.00	-\$300.00
	Chris' Labor Admin. Fall	1	-\$2,000.00	-\$2,000.00
Chris', T, C&B Farm Truck	Midsize truck use Mowing heads/support/miller. EST	2	-\$425.00	-\$850.00
				\$0.00
2023 Fall Invoice Due:				\$233,922.80

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Invoice Trucking Fall

Please Pay: CB Trucking LLC 3228 Jameson Ave Rowley Iowa 52229		#2023CBT145CBF	1/7/2024	
INVOICE TRACKING FORM 2023				
NAME	DESCRIPTION	# UNITS	\$ / UNIT	TOTAL \$
Carson & Barron Farms	Corn Field to the Bin Site 100% Acres	323,512.21	\$0.06	\$19,410.73
Fall 2023	To CR from the Bin Site as of 11/10/22	190,680.60	\$0.25	\$47,670.15
	To CR from the Bin Site Yet to Haul as of 11/10/2022	130,355.20	\$0.25	\$32,588.80
				\$0.00
	Soybeans to CR Carson Barron 100%	20,486.99	\$0.26	\$5,326.62
	Soybeans to CR Carson Barron 100% YET TO HAUL	16,269.97	\$0.26	\$4,230.19
				\$0.00
				\$0.00
Dean, Travis, TL, Chris, Nikki Shawn, Part Time, Brody, Corbin	Labor Credit: 11/18/2021 to 11/27/2022 Shop and Hauling	4,140.53	-\$20.00	-\$82,810.00
				\$0.00
				\$0.00
	Amount Due:			\$26,416.29


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ITEMS	LAST UPDATED	2024	2024 4's	2025	2025 5's	2026	2026 4's	NOTES:
Combines	20-2020	USE						
OWNED - T1	21-2021	USE		Trade at Lease?	\$275,000.00	USE		Don't run combine longer than 1,500 Engine Hrs.
						Trade at Lease?		\$275,000.00
Trucks								
Tractor T6	2016	USE	\$0.00	Trade	\$300,000.00	Trade		\$100,000.00
T7 T8	2018	USE		USE		USE		
Craper Head T2	2022	USE				USE		
Craper Head T8	2018	USE				Trade		\$70,000.00
Service Carts								
Comet 1212	2012-01	USE		USE		USE		
	2018-11	USE		USE		USE		
Trailers								
Jason 24 New H5 T1	2021	USE		USE		USE		
T1 24 New H5 T2	2020	USE		USE		USE		
Trailers								
18 H&L Center	2016	USE		USE		USE		
19 3000 15 Runn 1205	2019	USE	\$110,000.00	USE		USE	\$0.00	\$0.00
On Line Ripper	2013	USE		USE		USE		
17 2 combine 21	2016	USE		USE		USE		
Tractors								
T3 834 58	2019	USE		USE		USE		
T4 834 58	2021	USE		USE		USE		
T9 MAX 600	2023	USE	\$0.00	USE		USE		
T10 6000 4000	2016	USE		USE		USE		
101 6000 4000	2020	USE		USE		USE		
Address bar	2019	USE		USE		USE		
Address bar 24 New New 24	2024	USE	\$0.00	USE		USE		
Address bar	2013	USE		USE	\$0.00	USE		\$0.00
Equipment		\$'s needed T4	\$110,000.00	\$'s needed T5	\$375,000.00	\$'s needed T6	\$445,000.00	
								Total \$930,000.00
								Avg. Per Year \$310,000.00

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Those Unplanned Expenses!

Additional Equipment Inventory	
Planter Controls - TJ	\$40,560.00
Fuel Trailer	\$18,250.00
1610 Tank Trailer	\$12,940.00
Batwings-2	\$36,800.00
Batwings 2 Traded	(\$9,500.00)
Clean Sweeps Jason	\$16,941.00
3000 gal Vert Tanks-2	\$3,600.00
Yetter 1600 gal cart	\$17,000.00
Total Value	\$136,591.00



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Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cumulative Power Unit Hrs.	5,585	10,762	13,201	16,787	19,293	17,965	8,839	7,492	10,686	12,980	15,216	6,491

Hard Green LLC 2023 Power Unit Report		Efficiency					
% USE	Unit	2023 Use	Total Hrs. % Total Hrs.	Idle	Work	Trans.	
23%	22' JD 8310R	612	615 4.2%	31.0%	62.0%	7.0%	Full YR
19%	23' JD 981X 490	503	503 3.4%	28.0%	68.0%	3.0%	Fall only HRS
28%	18' JD 8345R	746	3,497 23.7%	27.0%	69.0%	5.0%	Full YR
12%	18' JD 9620R	327	1,876 12.7%	16.0%	78.0%	7.0%	Full YR
100%	Total	2,679	6,491 100.0%				

23 Use		With Traded Units		
%	Unit	Use	% of Total	Traded
13%	18' JD 8320R	357	3108 21.0%	
5%	09' JD 9430	134	5175 36.0%	

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LAST	FIRST	ENTITY	HOURS	% Employee Time	Wages / Benefits	% of Entity	Avg. Cost/Hr.
Barron	Chris	Shop - Hard Green	131.58	5.5%	\$6,269.75	5.6%	
Bolton	Matt	Shop - Hard Green	39.49	5.8%	\$592.35	1.7%	
Barron	Grant	Shop - Hard Green	157.32	13.9%	\$2,359.80	6.7%	
Franck	Jason	Shop - Hard Green	28.18	1.0%	\$1,239.51	1.2%	
Jones	Cody	Shop - Hard Green	1,085.63	46.1%	\$32,556.93	45.9%	
Kelley	Travis	Shop - Hard Green	66.39	7.1%	\$995.85	2.8%	
Matthiesen	Rick	Shop - Hard Green	0.00	0.0%	\$0.00	0.0%	
Matthiesen	T.J.	Shop - Hard Green	561.65	19.8%	\$21,930.62	23.8%	
Matthiesen	Corbin	Shop - Hard Green	36.63	3.7%	\$549.45	1.5%	
Schmitz	Mack	Shop - Hard Green	78.74	19.0%	\$944.88	3.3%	
Schmitz	Nash	Shop - Hard Green	23.97	10.0%	\$263.67	1.0%	
Schmitz	Josef	Shop - Hard Green	154.94	14.0%	\$2,324.10	6.6%	
			2364.52		\$70,026.91	100.0%	\$29.62

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LAST	FIRST	ENTITY	HOURS	% Employee Time	Wages / Benefits	% of Entity	Avg. Cost/Hr.
Barron	Chris	Hard Green	676.27	28.3%	\$32,224.07	10.7%	
Barron	Keven	Hard Green	133.96	8.2%	\$6,727.72	2.1%	
Takes	Jim	Hard Green	54	100.0%	\$810.00	0.9%	
Tabitha	Woods	Hard Green	136.5	100.0%	\$2,047.50	2.2%	
Birner	Dean	Hard Green	1.29	0.0%	\$34.91	0.0%	
Blin	Jon	Hard Green	70.92	100.0%	\$1,063.80	1.1%	
Bolton	Matt	Hard Green	264.13	38.6%	\$3,961.95	4.2%	
Barron	Grant	Hard Green	503.90	44.5%	\$7,810.45	8.0%	
Franck	Amy	Hard Green	58.29	25.0%	\$903.50	0.9%	
Franck	Jason	Hard Green	915.70	34.7%	\$40,277.64	14.5%	
Johnson	Larry	Hard Green	0.00	0.0%	\$0.00	0.0%	
Pentecost	Legan	Hard Green	63.5	100.0%	\$952.50	1.0%	
Jones	Cody	Hard Green	838.73	35.6%	\$25,152.65	13.3%	
Kelley	Travis	Hard Green	524.61	56.3%	\$7,869.15	8.3%	
Matthiesen	Corbin	Hard Green	460.57	46.7%	\$7,138.84	7.3%	
Matthiesen	Rick	Hard Green	125.64	7.8%	\$8,090.65	2.0%	
Matthiesen	T.J.	Hard Green	1,043.80	36.8%	\$40,757.02	16.6%	
Schmitz	Josef	Hard Green	362.42	32.8%	\$5,617.51	5.7%	
Schmitz	Mack	Hard Green	39.58	9.5%	\$593.70	0.6%	
Willson	Korey	Hard Green	32.00	100.0%	\$480.00	0.5%	
			6305.81		\$192,513.55	100.0%	\$30.53

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Final Thoughts

Collaboration Benefits and Take Aways

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Challenges



1. **Control:** Decision Rights?
2. **Bookkeeping:** Information tracking is critical
3. **Leadership:** (Transmission fluid VS. Captain of the Ship)
4. **Communication:** Constant need, SOP, & Specific Meetings



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Collaboration

- Quality of life
- Legacy Transition
- Growth
- Financial
- Skilled labor
- Peace of mind




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More Economic Savings: Supplier Relationships

- Drier Gas
- Interest Rates
- Fuel Savings
- Labor Savings
- Health Care
- Insurance
- Market Access
- Equipment
- Legal and Professional access
- Less Total Capital needed! Better decision making



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Discussion & Common Questions

- Who Plants First?
- Who in our group gets the next opportunity?
- What if I'm doing more than my partner?
- Do we need to track time?
- Who has decision rights / control ?
- How do you start a conversation with a collaborative prospect?
- Can I stay independent and still collaborate?
- What should the exit strategy include?
- How much economic value can I benefit from.
- How do you keep everything "Equal"
- How do I get buy-in from the senior generation in my operation?




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**Identify Gaps in Your Transition/
Collaboration Plan**
There is a lot more to it...

1. Updated Will? Lack of Estate Plan?
2. Land holdings in a Trust, OR a guided business plan?
3. Buy – Sell agreements?
4. Insurance Plan? (IE. Term Life on partners/family farming together?)
5. How much annual income is needed for exiting generation to maintain standard of living?
6. Who is on your transition team?
(CPA, Attorney, Lender, Financial Planner, Ins. Agent, Ag Facilitator, Industry partners, people who know the family and situation well, friends)



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Strategy is a commodity

EXECUTION is the art.....

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**Chris Barron
Shay Foulk
Ag View Solutions LLC.**



E-mail shay@agviewsolutions.com

**Chris: 319-533-5703
Shay: 319-464-5708**

Podcast: "The Ag View Pitch"



Website: agviewsolutions.com

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