*(Adapted from Dropbox Resources MLLF, Summer 2016)*

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| **Why do a cash flow analysis?** | | | |
|  | **A primary decision making tool:** | | |
|  |  | Can I afford new equipment? | |
|  |  |  | to expand? |
|  |  | Is there any way around being flat bust in the spring? | |
|  |  | Where and when am I profitable? | |
|  |  |  | How can I expand on that? |
|  |  |  |  |
|  | **To show a lender your ability to re-pay a loan.** | | |
|  |  |  |  |
| **When to do cash flow analysis?** | | | |
|  | **Before you start farming** | | |
|  | **(Should you start farming? What will it take to start and get through the first year?)** | | |
|  |  | You may have a different cash flow analysis for each of the farm | |
|  |  | locations under consideration | |
|  |  |  |  |
|  | **Every year so that you can see how you are managing for profitability (and stress!)** | | |
|  |  |  |  |
|  | **Anytime you consider a change, expanding or contracting or re-mixing** | | |
|  |  | adding capacity with a new tractor or hired help | |
|  |  | giving up a lease on marginal land | |
|  |  | changing crop mix, timing | |
|  |  | picking up a new lease | |