



Episode Three Transcription

Here We Grow Podcast

Speaker 1 ([00:03](#)):

Welcome to here We Grow, a grassroots podcast by Southwest Georgia Farm Credit, focused on education and inspiring growth down on the farm at home, and in rural communities. Whether you're a farmer or farm, her advocate, land lover, or southern dweller, we have industry experts and homegrown leaders ready to share their insights with you. Thanks for listening.

Speaker 2 ([00:27](#)):

Welcome back. Here we Grow again with episode three of Here We Grow. I'm your host, Billy Billings, relationship manager with Southwest Georgia Farm Credit. Today a welcome, a line of expert guests willing to share their knowledge and insights with young beginning and small farmers and small operations. Today I'm joined by Mr. Van McCall, Ms. Lindsay Hayes, and Mr. Terrill Bennett. All right. Our first speaker today is Mr. Van McCall. Mr. Van is an ordained minister and retired ag lender from Denton, Georgia. He is a graduate of the University of Georgia School of Agriculture and Banker School, and has recently retired after 36 years with the Farm Credit System. He's the past president of the University of Georgia College of Agriculture Environmental Sciences and Alumni Association, and is the past chair of the UGA Dean's Advisory Council, and also the Advancing Georgia leaders and agriculture and forestry. His company, VM llc, works to provide business management education for young, beginning and small farmers via the AWA program, agricultural advocacy work and speaking services. Thanks, Mr. Van.

Speaker 3 ([01:32](#)):

Thank you very much. I'm excited about sharing some information about what I think is the greatest industry we have in our nation as agriculture. You had to be on with Lindsey and Mr. Tarell. Let me get started. I think it's good to set a preference here before we go into some tips and some resources by saying why it's important for us to have young, beginning small farmers and why it's so important to our, our nation. 1.3%, our nation farm, our farmers. 10.9% of the US employment comes through agriculture. It is our number one industry and 98% of all of our farms are family farms that produce 86% of our total AG output. So that's why I always say that it is second to our military, our greatest line of defense in agriculture, and I'm very passionate about teaching and encouraging and preparing the next generation.

Speaker 3 ([02:36](#)):

I just wanna give some some tips. I do have 36 and a half years experience. I, I cut my teeth in ag lending in the Depression of Ag oppression of the eighties. Learned a lot on life lessons about farming. So this program that, that I, that we do, I, I teach the AG Agri Wear program, and that's where I'm gonna pull information from today. It's just it's a lot of, of lifetime formal and practical education agriculture. So let's get right into, first of all, just some tips. So somebody's getting into agriculture as a young or a beginning small farmer, I think I developed people always would ask me, Well, what is a like a 60,000 foot level if I'm gonna get into agriculture and doing a business plan, what, what's kind of a 60,000 foot level that I can get an understand of, of what I need to do?

Speaker 3 ([03:32](#)):

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And I always say, first of all, a SWAT analysis is important. It's a straight weakness, opportunity and analysis that looks internally at your, your farm, your strengths and your weaknesses internally, but then it looks externally at your opportunities and threats globally in your area. And you can use that information then to build a business plan, which really is what you need for a roadmap in your business for the first three to five years. It shows your strategy, your financial objective, how your business will develop over time, and it, it just organizes every part of your business. And then the second thing after you, you get that business plan is these are some things that go in that business plan. You need a, a balance sheet of course, which is just a, a, a, a listing of your assets, what you own, your liability, what you owe, and your net worth is the way I always teach it.

Speaker 3 ([04:32](#)):

Your network is the percent of your assets that you really control because of course, the ones that are the creditors would control those. So it, it's got everything to do with, with your solvency and, and, and your liquidity and how much money you have available to meet current term liability obligations. Then after you balance sheet, you always, you will need an income statement. That's just a, it, it takes a look at what we all care about, our profitability measures profit, but then not only an income statement, but other statements that need to be in there dealing with the flow of income is an enterprise budget. And it's this is so essential because it gives you a breakeven price of your of, of the enterprise that you're going to grow. You would do one of these for each one of your enterprises and it, you could do a break even on your price or a break even on your yield to see what you've gotta have to come out.

Speaker 3 ([05:34](#)):

And then also, we want to have a budget in certain op operations to show how money's flowing in and out. So let me, let me just give you five bullet points here. People say, Well, what I have to do to be successful as a farmer, Well, let me just tell you what other people that are successful, other farmers that have been successful, what they do, they, they look at it as a business. They keep records, They set profit goals and then adapt production to those profit goals, priorities in purchase. You need a capital plan. So you don't over purchase capital because your income is, is wasted. Your net income when you're paying for more than that piece of equipment will produce and prepare for long hours. Of course. You need to make sure why you're going into a farming operation.

Speaker 3 ([06:32](#)):

What is, ask yourself, what is my primary reason for farming? And define what your farming will be. Keep records, keep goals, set long and short term records, and make sure that you're doing it to make serious a profit. And it's not just a hobby, because if it's a hobby, you really don't mine not making money. So, so look at it as a business. And then it's important to know about legal structure. You know, whether you're a sole proprietor or just a general partnership, which would mean you would be completely liable legally for everything that happens at all liabilities. Or do you want to go into a limited liability partnership or some type of corporation to insulate you personally somewhat from the liability and some of the other things. Now you know, that, that's just some, some things up front that I think are so important for us to, to do.

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Speaker 3 ([07:32](#)):

But also the thing getting close to the end here, what I'm gonna talk about, we have to protect our investment. So it's very essential. And all this I talking about, we teach in our ware program in depth. It's important to understand there's risk and the that's uncertainty that an added adverse of debt will occur. We need to prepare for those things that will happen. And it, a risk management plan is a process that helps us to protect our investment in, in farming. Just let me say a couple of resources. I believe we're gonna talk about the a, the farm credit lending. So sources that and have some great lending tools for people getting into agriculture or established. But another one is farm service agency. Actually, our agway program is certified through FSA to give bar training credits because you have to have within two years after getting the direct loan with fsa, you have to have some kind of financial management training program.

Speaker 3 ([08:41](#)):

So we offer this free of charge. FSA can provide financing at very cheap rates for someone that can't get conventional financing. So that's, that's very, very good tool to have. Also have a number of grant programs and rural Energy America programs through U S D A rule development. Let me close with this last, I I mentioned business planning. I have two excellent resources if you want to write a business plan. I think it's very important that not only for you, but for others that would want to invest in your operation. First one is Small Business Development Centers, s bdc. You can go to their website and find a location near anyone in Georgia, and they won't write the plan for you, but they will guide you through every part of the plan, absolutely free of charge. They don't ever charge for, for, for their As and not only business plans, but any kind of financial document you need they can help you with that. And the second one is called Ag Plan. It is found at ag plan dot u n.edu. That's the university of Minnesota. And it is a work at your own PACE online template program for writing a business plan. They've got tutorials, they've got videos examples, and anybody can use this program to write a business plan. And with that, I've enjoyed it so much. Thank you for the opportunity to share with you. And I, I wish everyone the best in their ag operations going forward. Thank you.

Speaker 2 ([10:22](#)):

Thank you, Mr. Bam.

Speaker 3 ([10:23](#)):

Thank you.

Speaker 2 ([10:25](#)):

All right. Next on our list. Today is Ms. Lindsay Hayes. She is born and raised in Decatur County, Georgia. She is a third generation farm. Her and a mother of four Ms. Lindsay attended both aback and Georgia Southern Lindsey has served as the Decatur County Extension Office for 16 years. In addition to her work at the extension office and her responsibilities there, she's also served as the four H Youth Development leader agent for 16 years. So thanks for joining us, Ms. Hayes.

Speaker 4 ([10:52](#)):

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Yeah, thank you. It's great to be here this afternoon. It's great weather outside and it's always, always fun to come talk about agriculture. And we all know we certainly need new, new, new blood in agriculture. We've got a lot of folks to feed in this world. And with, like Mr. Van said, less than 2% of our nation's population farms. So we certainly wanna be here and be a resource for those folks that are getting into farming, cuz we do need them. So I work for UGA Extension, I'm the county extension coordinator there, and I also am the four H and youth development agent. So for my four H responsibilities we get to start early and start with those youngsters and, and start teaching them about agriculture and how important it is. We have three buckets and extension. We have the family and consumer science program.

Speaker 4 ([11:44](#)):

We have the four H program, and we have the ag and natural resource program. And like Mr. Van said, we wanna treat tho those farmers need to treat this as a business. So our a and r agents are here to help those farmers or those new farmers to be successful and profitable. And so we're able to disseminate research based information to these guys or girls and able to get them that information that comes from our specialist. We have some of the best specialists in the world, and they're able to perform that research and get these, that information to those growers to help them be successful. We're able to do that from our production meetings and our production guides. That's a step by step best management practice tool for them that helps them on pest management, that helps them in a variety of ways, helps 'em with planning guides and so forth.

Speaker 4 ([12:41](#)):

We also have lab services that we offer where they can submit soil sampling and nematology or even water samples to help them get their recommendations on how they can be profitable with the least amount of input there. So we certainly are here to provide those resources to them. Our a and r agents, they work side by side with our farmers to help our largest industry and economic engine. They help by improving systems and crop quality marketing strategies, and we just really help and work with them individually to increase the sustainability and profitability of their farms. We have u extension offices in 159 of our counties. So we are in every county there to provide that relationship and that help with our growers and producers.

Speaker 2 ([13:32](#)):

Up next, I'm gonna bring on our third guest and then we'll come back and have a conversation about the topics we've covered today. But our third and final guest today is Mr. Terrell Bennett, the man, the myth, the legend himself. He is born and raised here in Grady County to his share cropping family. He now resides in Decatur County, where he is worked as an agriculture lender with Southwest Georgia Farm Credit for 50 years now. He's the Chief Lending Officer at Southwest Georgia Farm Credit. In total, Mr. Terrill has farmed peanuts, cotton corn, as well as raised cattle for over 60 years. Mr. Terrill and his wife also raised two daughters and now enjoy spending time with their two grandsons. Welcome Mr. Terrill.

Speaker 5 ([14:09](#)):

Thanks Billy.

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Speaker 2 ([14:11](#)):

Well, hey, I'm just gonna give you the floor and just kind of, I mean, like our other two panelists today, you just have a, a plethora of experience with the the agricultural industry in our area. And so just kind of tell us, I mean, what you experienced as a young farmer and then what the challenges you're seeing as of today and, and any insight you can provide these young beginning small farmers.

Speaker 5 ([14:30](#)):

Okay, Billy, I'll do my best. For, for young beginning and small farmers, most loans that are available through farm credit are provided to the prospective borrower as a direct loan with the use of a 90% FSA guarantee. These are used to provide the needs generally for operating expenses, for crop, for cattle production, and due to low equity or low income and or collateral. That's, that's the program that we use to, to finance the young farmers generally. Additionally, loans for the purchase of AG real estate are available with participation with fsa, with each lender providing approximately one half of the funds. Both are long term repayment terms, 20 years or more with annual fixed payments or payments that coincide with the cash flows from the operation. They're all, they're both fixed, but the both, no, both loans are fixed rates. The FSA portion of the financing is at a lower rate than most commercial lenders.

Speaker 5 ([15:41](#)):

These loans are available with minimal down payment requirements back to the fsa farm Credit participation Farm Credit actually handles the loan application process, submits the loans to fsa, the customer borrower has, has no interaction with fsa. We handle, we handle all of that. And now some of what Mr. Van has already said, the initial information that is required is a current detailed financial statement, lot of often called a ballot sheet, three years of historical verification of income using tax returns and or income expense statements and historical acres and yields for each crop. And a projected plan for the coming year, including a budget for the income and expenses. Also, we like to see a narrative prepared by the pros prospective person about whatever non-farm and farm experience you may have, the level of education, your goals, why you want to farm and or, or, or why do you want to grow your farm? And also tell the lender anything you can think of that could help in receiving a positive answer. And also another thing Mr. Van said, if, if you have a profitable year, don't go out and spend the money. Keep it in the form of liquidity, a working capital to maintain that level so that in those years when you don't have such a good year, you may, you should still have the pro, the profit, the money there available to make a payment even if you did not have it from, from the crop itself.

Speaker 2 ([17:41](#)):

I completely agree, Mr. Terrell. I mean, agriculture more than any other industry is a cyclical business. I mean, you can do everything right and have a a natural disaster come in drought or like a hurricane that we're facing now. And it can come in and change everything. You can mitigate those risks by having a risk management plan like Mr. Van said. But it it, it's tough. And so, yeah, I mean, if you have a good year, I mean, there's always the next year and this year's been presenting more challenges than we've seen in years past with rising interest rates. The cost of inputs going through the roof. Luckily commodity prices have followed. It's tough. And so you definitely want to make sure you're, you're wanting to get in agriculture. And if so, these resources we've had today, Ms. Lindsay, Mr. Terrill, Mr.

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Van, are great people to reach out to. That can just show historical experiences as well as just a wealth of knowledge of what to do and what not to do. Does anybody else have anything else they wanna put in after hearing the other panels today?

Speaker 3 ([18:36](#)):

I will say I went, well, I was listening to Mr. Bennett. It reminded me of something that I always thought helped a lot with young farmers and beginning when they came in to apply. I think the first visit to your lender does not need to be to ask for the loan. It needs to be to discover what it takes to get an approval or a, a positive action. That way you may have to go back and work on some things.

Speaker 2 ([19:04](#)):

No, I completely agree. I mean, and, and that's what we pride ourselves on at Southwest Georgia Farm Credit. I mean, we're call relationship managers cuz we're just not looking to make a loan and disappear. We're here for it for the long haul to help grow your business in whatever direction you want to go. And so and we look forward to sitting down on people with people and just discussing their needs, their wants, desires, and, and helping them get there. I mean, we don't like saying no and sometimes and no is not a, a permanent no, but it's just as the, as currently presented, we're seeing that we may not necessarily wanna make the loan, but we, we can change some conditions and move forward. So I completely agree. Mr. Van, thank everyone for tuning in today. This is your host, Billy Billings. I'm a relationship manager here at Southwest Georgia Farm Credit. Today we had Mr. Van, Mr. Ms. Lindsay and Mr. Tarrell. We appreciate the taking their time during their busy schedules to speak with our audience. Make sure to subscribe to get more information on upcoming episodes and follow us on Facebook and Instagram for great industry resources. Thanks again for listening.