

Please mark your state and team number in the blank in the upper right corner of each page

Each team will complete and turn in only one copy of these pages. Other copies can be used to make notes and calculations

**2012 National FFA Farm Business Management
Career Development Event
Team Activity**

Expectations: The team activity evaluates the ability of a team's members to work together to use decision making and problem analysis skills while applying economic principles and concepts taught in farm business management.

Evaluation: The team activity portion is evaluated as follows:

- involve all members of the team
- organize the team effort
- communicate with each other in resolving issues relating to the current situation
- reach consensus and agreement
- complete the analysis of possible alternatives and solutions
- communicate and submit in writing the team's consensus of answers on the following pages

Analyzing the Lawrence Farm Business: As a team, critically evaluate the business. Review the current situation of the Lawrence farm as a part time farming operation. Consider what you have learned from reviewing the Resource Information and working on the problem.

Problem to be evaluated: As a team, use the information from your analysis of the Lawrence farm to identify factors to be considered when entering into a part-time farming operation; identify advantages and disadvantages of a part-time operation; and evaluate options for improving profitability. Based on your knowledge of farming operations as a whole, identify the factors that are critical to consider when expanding to a full time operation for both parties involved. Finally, identify planning tools or instruments that are needed in farming operations and explain how they are used; and identify the advantages and challenges to implementation of cash flow projections.

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Part 1 - Part-time farm operations: (List five)

What factors should be considered when entering in to a part-time farming operation on your own? (20 points)

Part 1 - Part-time farm operations: (List four)

List <u>ADVANTAGES</u> of a part-time farming operation. (20 points)

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Part 1 – Part-time farm operations: (List four)

List <u>DISADVANTAGES</u> of a part-time farming operation. (20 points)

Part 1 – Part-time farm operations: (List four)

What can a part-time farmer do to improve profitability? (16 points)

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Part 2 – Expansion considerations: (List four)

What factors should be evaluated if/when the James and Charlotte Lawrence consider moving from a part-time farming operation to a full-time operation? (16 points)

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What factors should be evaluated if/when the Bill and Bridgette Lawrence consider moving from a part-time farming operation to a full-time operation? (16 points)

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Part 3 - Planning: (List & explain four)

Identify tools or instruments used for planning in the farm business and list in the first column. Describe how you would use them in the second column.	
Identify tool or instrument (16 points)	Describe how to use the tool or instrument (16 points)
<i>Example: Cash Flow Projection</i>	<i>Example: To project cash needs and sources for all areas of the operation for a given period of time.</i>

Part 3 – Planning: (List five)

What information do you need to develop a cash flow projection? (20 points)

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Part 3 – Planning: (List four)

What are the advantages to preparing and using a cash flow projection? (20 points)

Part 3 – Planning: (List four)

What are the challenges that impact implementation of a cash flow projection? (20 points)