



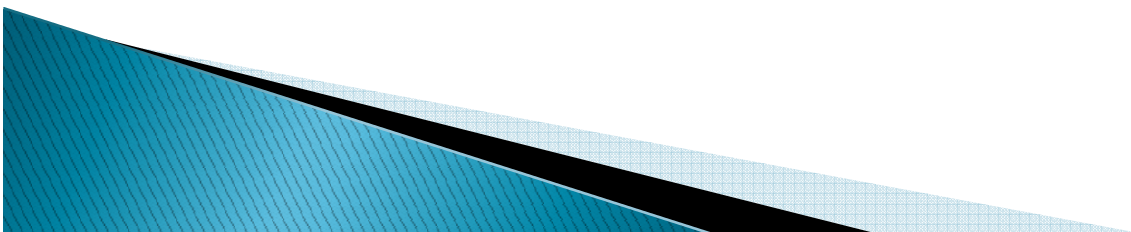
BRYANT Agricultural Enterprises
Washington Court House, Ohio

Bryant Farms

A Case Study

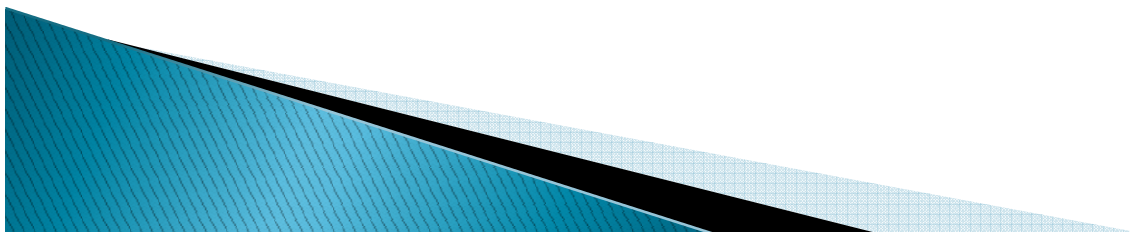
Vision Statement

- ▶ To grow and develop our farming operation by building strong relationships with family, landowners, employees, and our community, to ensure profitability for all.



Mission Statement

- ▶ Bryant Agricultural Enterprises will profitably expand our operation through honesty, integrity, and hard work, leaving a legacy for future generations. Our farm will maximize operating efficiencies to help us make the most precise environmental and economical decisions for optimal crop production in years to come. We will continue to sustain strong family, landowner, and employee relationships while maintaining our reputation in our community.



History and Organization

Beginning

- Home farm purchased during Great Depression
- John started farming 258 acres in 1958

Growth

- Brothers, Mike & Mike choose farm career
- Sustainable Growth
- Family Partnership formed in 1988

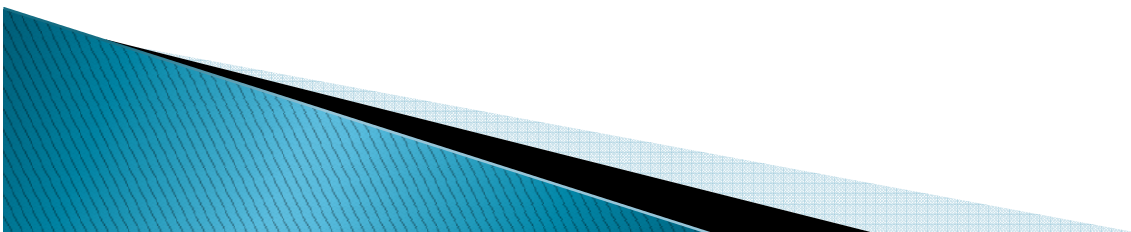
Today

- Next Generation
- Diversification and Expansion

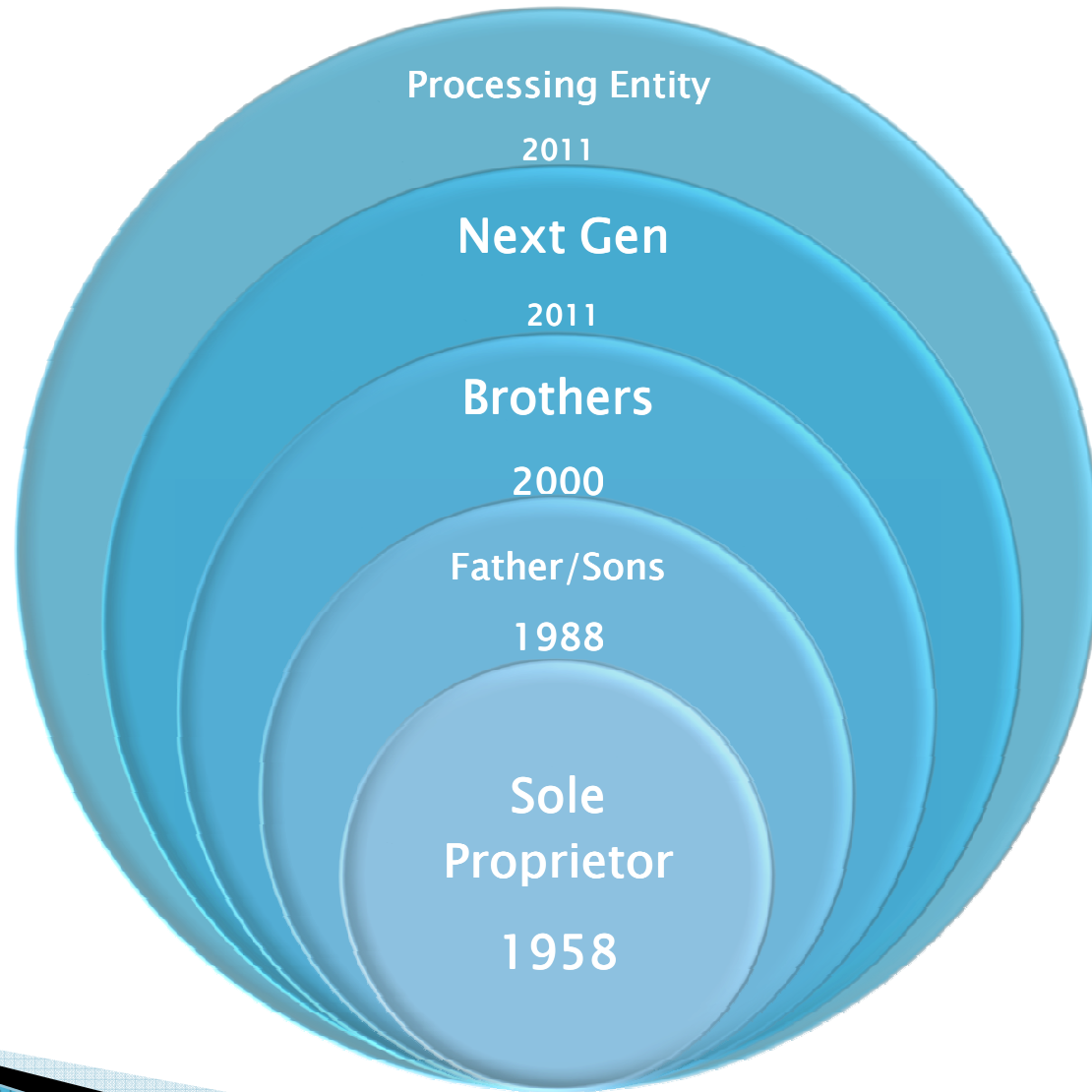
Products and Services

- ▶ Crops
 - Corn
 - Soybeans
 - Wheat

- ▶ Support services
 - Trucking
 - Storage & Drying
 - Drainage
 - Crop input management



How Things Developed



Current Business Structure

Common Payment Entity

Farm Operation
Multiple Entities – One Farm

Equip &
Storage

LAND

Drainage

Grandparent

-Crop
Operation
-Inventory
Control

Parent

-Crop
Operation
-Labor
-Trucking

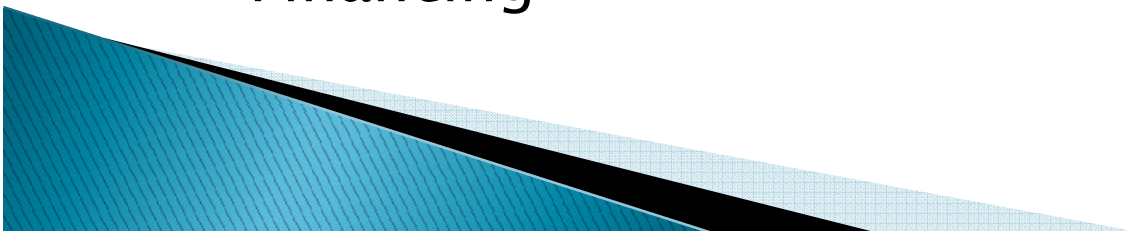
Children

-Crop
Operation

Drivers and Concerns

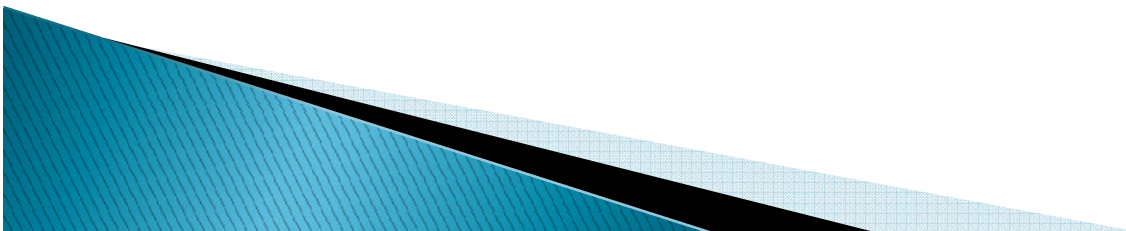
- ▶ Internal Concerns
 - Ownership
 - Cost sharing and allocations
 - Inventory Management
 - Liability Protection
 - Efficiency and Accuracy

- ▶ External Compliance & Reporting
 - FSA Compliance
 - Crop Insurance
 - Tax Planning
 - Financing



Processes

- ▶ Shared expenses
 - Ex: Fuel, supplies, marketing
- ▶ Direct inputs and costs
 - Ex: Fertilizer applications, cash rent, crop insurance
- ▶ Crop Input purchases and allocation
- ▶ Labor
- ▶ Equipment
- ▶ Trucking
- ▶ Financing and cash flow
- ▶ Commodity Inventory
 - Marketing
 - Storage
 - Delivery, sale, settlement



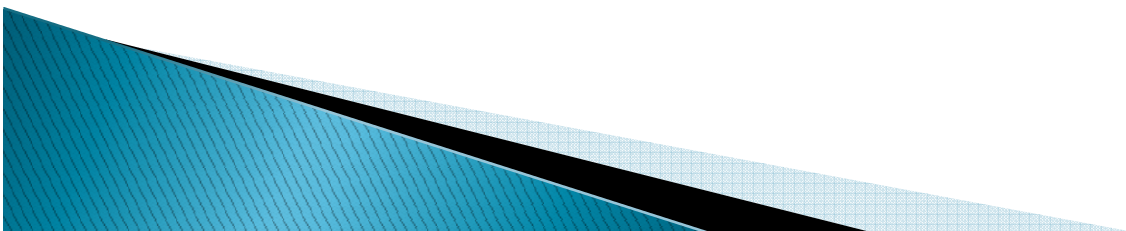
Shared Expenses

▶ Challenge

- Equitable sharing of all costs across multiple entities.

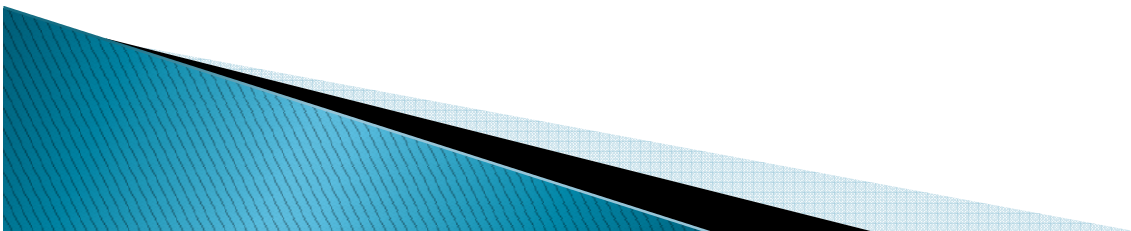
▶ Drivers & Concerns

- Owner Concerns
 - Multi-generational
 - Fair allocation
- External Concerns
 - FSA – each farming entity must demonstrate they are actually farming (ex: pay for equipment – and fuel.)
 - Vendor Relationships



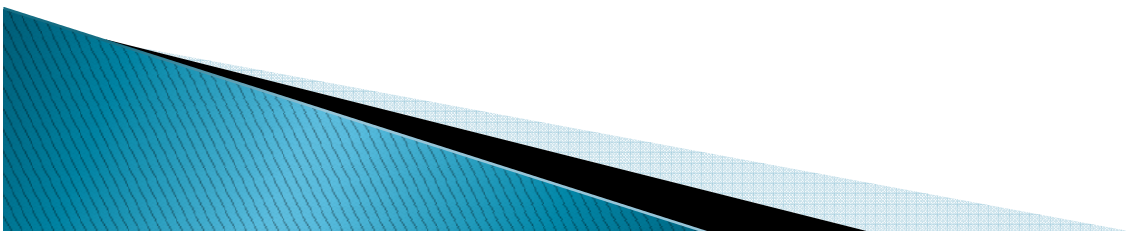
Shared Expenses

- ▶ Examples
 - Farm Fuel
 - Equipment Repairs
 - Shop Supplies
 - Consulting
 - Marketing
 - Utilities



Shared Expenses

- ▶ Solution
 - Common payment entity
 - Cash on deposit
 - Allocation at A/P entry
 - Acres or equipment value
 - Use FBS Macros
 - Monthly settlement
- ▶ Future Improvement
 - Inter-company module



Shared Expenses

(MMB12) Add A/P Entry

Bank Account

Invoice Number

Date /2012

To **DAYTON POWER AND LIGHT COMPANY**

Total Amount

Amt. to Balance

Select Macro and/or Vendor

Save entry as macro

Due date

Amt. paid/No.

Line	Acct.	Cen.	Div.	Amount	Description	Quantity	Weight	Life	Apply	Material	Project
	21101				EQUIP. REPAIRS						
	21101				EQUIP. REPAIRS						
	21102				BUILDING REPAIRS						
	21103				GROUNDS REPAIRS						
	21111				PICKUP REPAIRS						
	21121				LG TRK/TRAILER REPAIR						
	21200				INTEREST EXPENSE						
	21400				SEED CORN						
	21500				FERT & LIME						

Save Cancel Print Insert Line Delete Line F2 Add Ledger Acct

Shared Expenses

(MMB12) Accounting Input Options

Vendor and Macros

- JD EQUIPMENT, INC.
 - (J) JD EQUIPMENT JE
- MRC SALES & SERVICES, INC.
 - (P) REPAIR ALLOC 2011
- ** Vendor Not On List
 - (P) EXP A/P BY ACRE 2012
 - (C) EXP CHK BY ACRE 2012
 - (P) FARM FUEL ALLOC 2012
 - (P) Gasoline Per Acre 20
 - (P) MEALS & ENTERTAINMEN
 - (P) Marketing/Acre 2012
 - (P) PROFESSIONAL FEES
 - (P) REPAIR ALLOC 2011
 - (P) SUBSCRIPTIONS
 - (P) SUPPLIES BY ACRE 201
 - (P) Telephone/Acre 2012
 - (P) 148F7S
 - (P) ELECTRIC/ACRE 201**
 - (J) JD EQUIPMENT JE
 - (P) REPAIR ALLOC 2011

Entry type

5 = Accounts Payable

Total Amount

0.00

OK

Cancel

Only include macros for current entry type

Hide Macros

Refresh Vendors and Macros

Shared Expenses

(MMB12) Change macro

Description: 4 A/P Entry Report type: 1 = Tax/Cash

Description: FARM FUEL ALLOC 2012

Vendor:

Total Amount: 100.00

Line	Acct.	Cen.	Div.	Amount	Description	Quantity					Project
1	22102	0	1	69.90		69.900					
2	22102	0	2	12.80		12.800					
3	22102	0	3	17.30		17.300					

22102 DIESEL 0 General Farm 1 BAE

Save Cancel Insert Line Delete Line

Shared Expenses

(MMB12) Add A/P Entry

Bank Account Select Macro and/or Vendor

Invoice Number

Date /2012 Update macro

To

Total Amount

Amt. to Balance

Due date

Amt. paid/No.

Line	Acct.	Gen.	Div.	Amount	Description	Quantity													
1	22501	0	1	674.68		0.000													
2	22501	0	2	142.52		0.000													
3	22501	0	3	182.81		0.000													

22501 FARM ELECTRIC 0 General Farm 2 BBI

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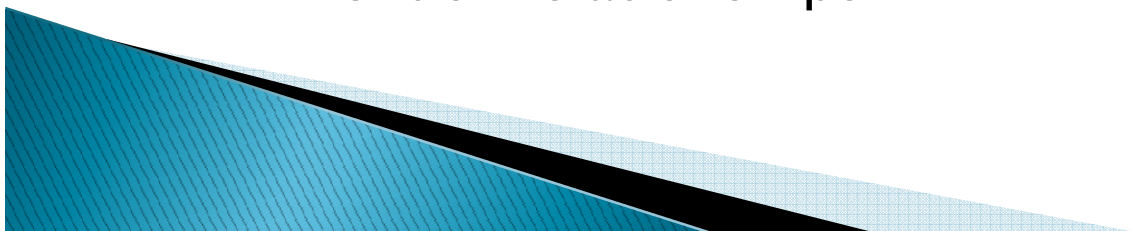
Direct Costs

▶ Challenge

- Paying direct costs to common vendors and landowners and charging appropriate entities.

▶ Drivers & Concerns

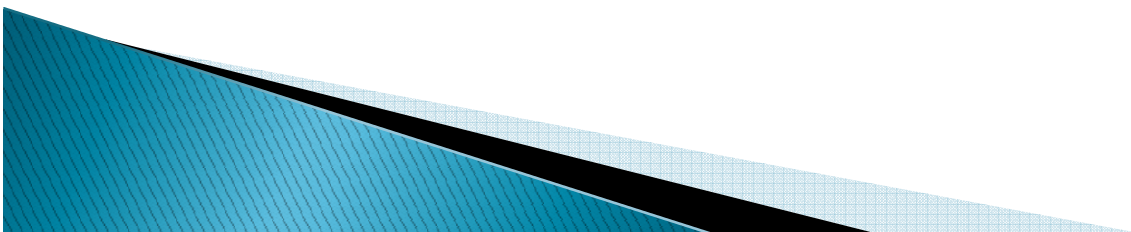
- Owner concerns –
 - Efficiency and accuracy
- External concerns –
 - Landowner
 - FSA
 - Crop Insurance
 - Vendor relationships



Direct Inputs and Costs

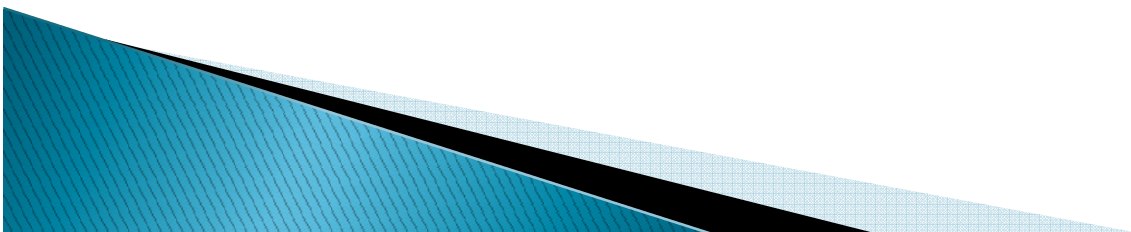
- ▶ Examples

- Cash Rent
- Crop Inputs directly applied by vendor
- Crop Insurance



Direct Inputs and Costs

- ▶ Solution – “it depends”
 - Cash Rent & Crop Insurance
 - paid direct by each entity
 - Crop Inputs
 - Direct application– paid @ common and charged direct
- ▶ Future Improvement
 - Product application in Crop Audit – either direct input or imported.



Crop Input Inventory

▶ Challenge

- Purchasing crop inputs in bulk and distributing costs to multiple entities and third parties.

▶ Drivers & Concerns

- Owner concerns –
 - Efficiency and accuracy
- External concerns –
 - FSA
 - Tax planning
 - Vendor relationships



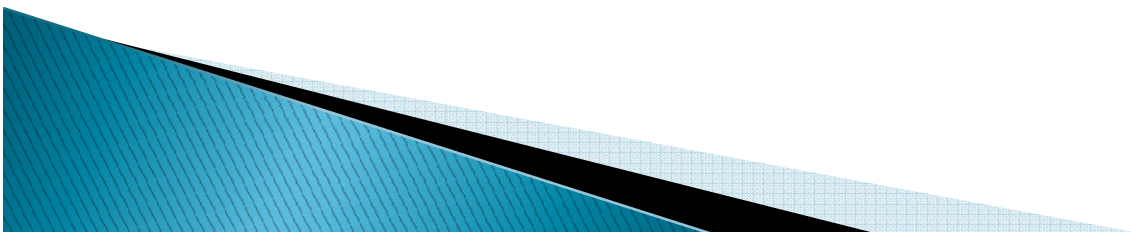
Crop Input Inventory

▶ Solution

- Common Payment Entity
- Inventory held on largest farm books
- Billed based on application rates

▶ Future Improvement

- Crop input inventory maintained
- Product application in Crop Audit – either direct input or imported.



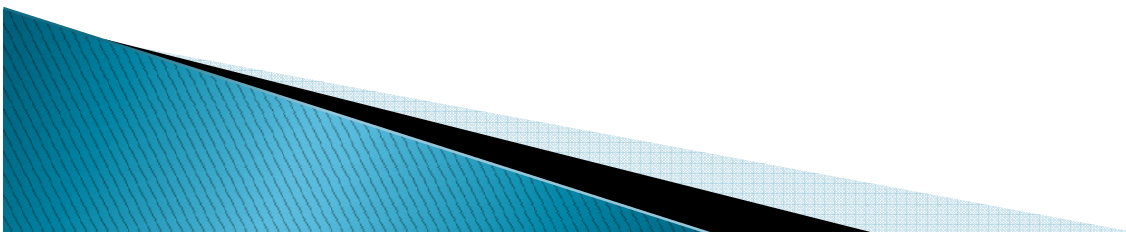
Equipment

▶ Challenge

- Accurately charging each farming entity for shared equipment.

▶ Drivers & Concerns

- Owner concerns –
 - Efficiency and accuracy
- External concerns –
 - FSA – custom farming not an option



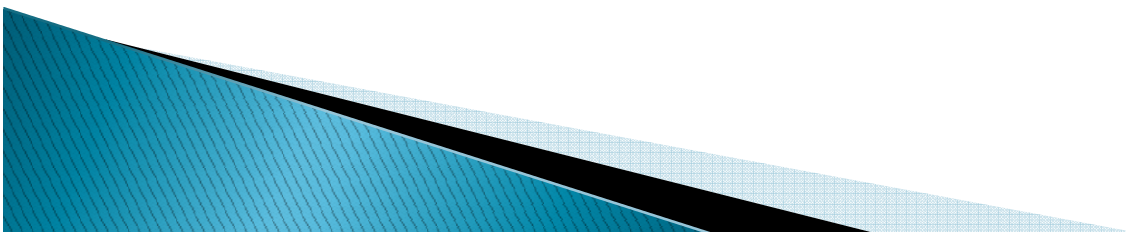
Equipment

▶ Solution

- Established equipment rental rates
- Derived from OSU custom farming rates
- Used crop based allocation
 - Takes more equipment, fuel, labor to plant corn.
- Leases signed

▶ Future Improvement

- Track hours and allocate



Labor

▶ Challenge

- Accurately charging each entity for shared labor while providing the best liability protection.

▶ Drivers & Concerns

- Owner concerns –
 - Fair allocation
 - Efficiency and accuracy
 - Liability Protection
- External concerns –
 - FSA
 - Custom farming not an option
 - Management cannot receive salary in partnership or LLC



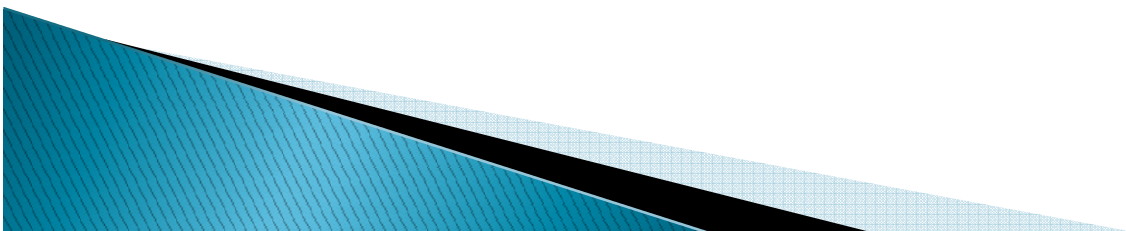
Labor

▶ Solution

- All labor paid by corporation
- Employees note task on time card
- Allocation:
 - Farms –based on acres (a share stays in corp.)
 - Trucking – stays in corporation
 - Drainage – charged direct – as employment service
 - Management – stays in corporation

▶ Future Improvement

- Track hours more specifically



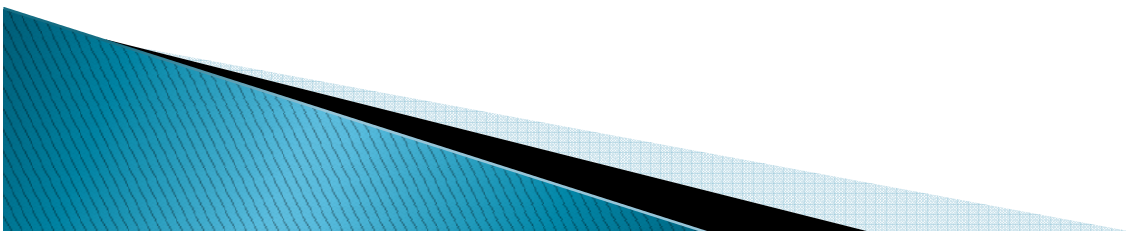
Trucking

▶ Challenge

- Provide trucking for crop inputs and commodities with the best possible liability protection.

▶ Drivers & Concerns

- Owner concerns –
 - Fair allocation
 - Efficiency and accuracy
 - Liability Protection
- External concerns –



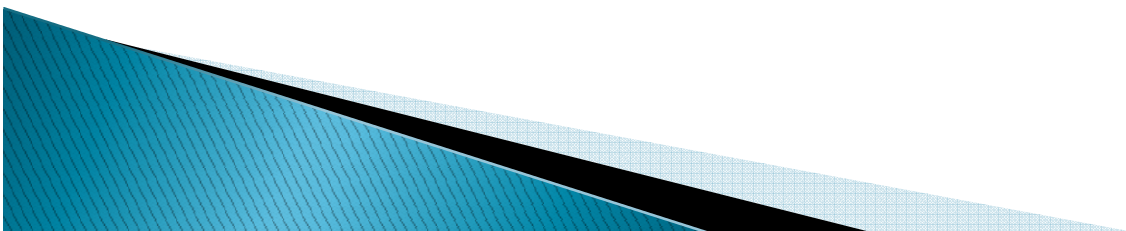
Trucking

▶ Solution

- All trucks and trailers owned by corporation
- All trucking labor remains in corporation
- Employees note task on time card
- Allocation:
 - Farms – per bushel at market rate
 - Land owner share – per bushel at market rate

▶ Future Improvement

- Track hours more specifically



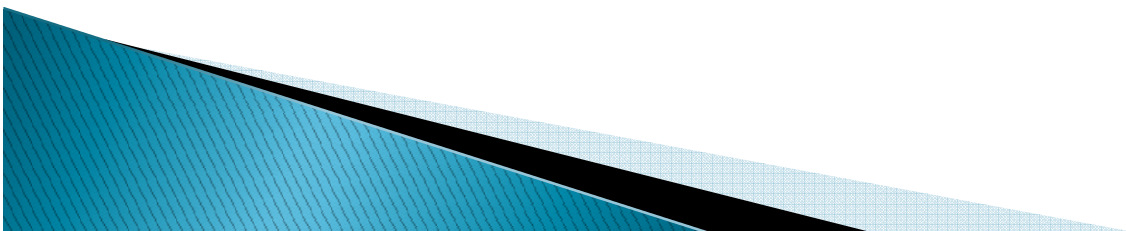
Financing and Cash Flow

▶ Challenge

- Providing adequate financing across multiple entities in proper timing and proportion for meeting cash demands.

▶ Drivers & Concerns

- Owner concerns –
 - Cash needs met adequately and timely
 - Minimize financing costs
- External concerns –
 - FSA
 - Each farm entity must maintain separate financing



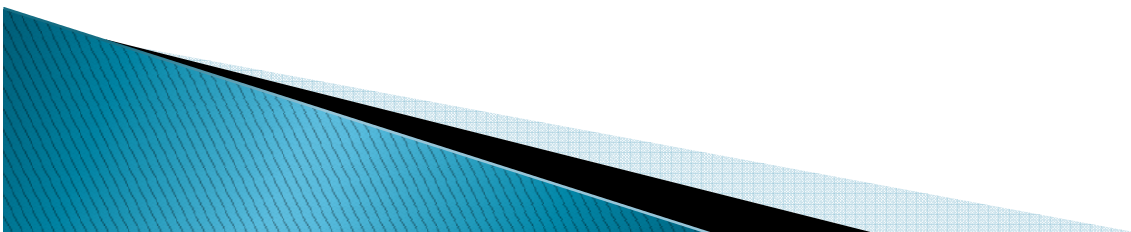
Financing and Cash Flow

▶ Solution

- Separate operating lines maintained
- Cash deposit in common payment entity
- Inter-company notes w/ interest

▶ Future Improvement

- Consolidated cash flow budget



Harvest – Inventory – Marketing

▶ Challenge

- Managing harvest, storage, and marketing across multiple owners (related and 3rd party.)

▶ Drivers & Concerns

- Owner concerns –
 - Efficiency and accuracy
 - Effective marketing
 - Tax planning and cash flow needs
- External concerns –
 - Landowner shares accurate
 - Crop insurance records



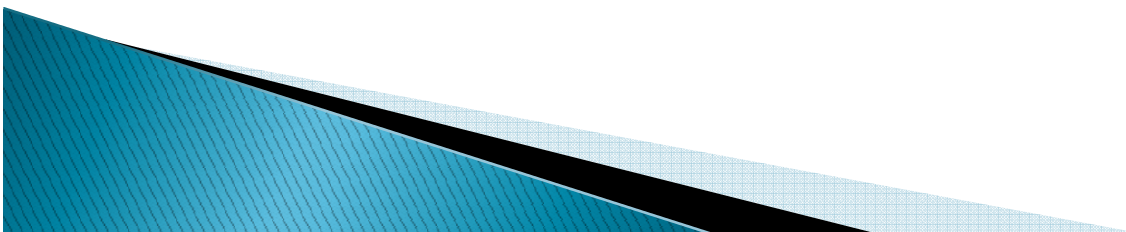
Harvest – Inventory – Marketing

▶ Solution

- Harvest records by entity
- Common commodity storage
- Consolidated marketing
- Income reported direct to owning entity (determined by contract at delivery)

▶ Future Improvement

- Integrated harvest and delivery records
- Import settlements



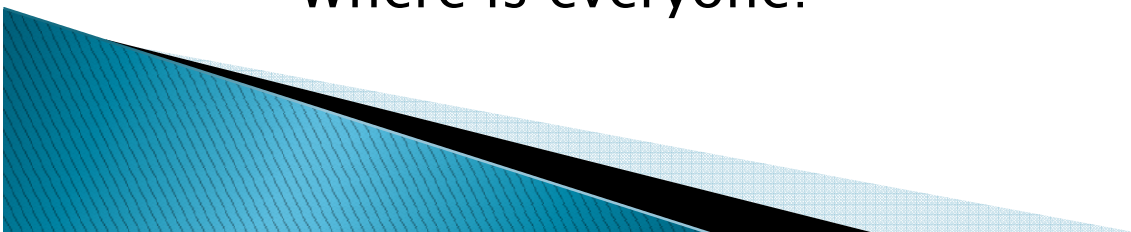
Space and Coordination

▶ Challenge

- As the operation has grown in size, shop and office space constraints present a barrier to efficient operation.

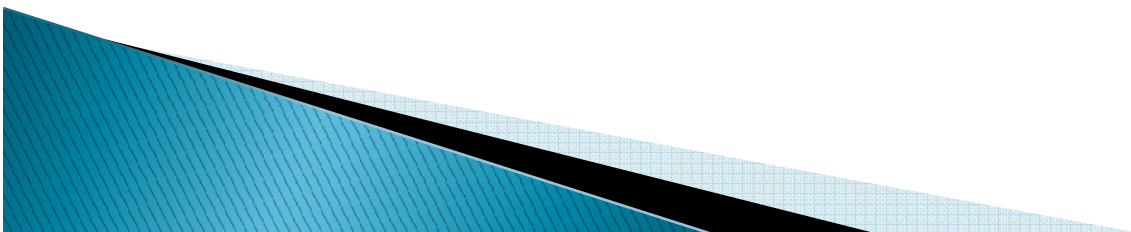
▶ Drivers & Concerns

- Owner concerns –
 - Adequate space maintenance and storage
 - Business support services in common location
- External concerns –
 - Where is everyone?

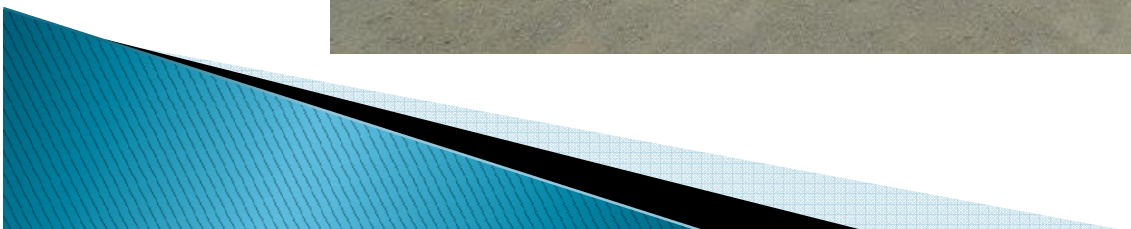


Space and Coordination

- ▶ Solution
 - New shop and office facility
 - Completion Fall 2012



Current Facility



New Facility

