



# AgriSolutions® Advantage

December 2009

**Our Tools, Your Success.**

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## Technical Support Hours

### Regular Office Hours

Monday—Friday  
8am—5pm CST

\*\*\*\*\*

### Extended Office Hours

#### January—February 2010

Monday—Friday  
8am—5pm CST

Saturday

10am—3pm CST

\*\*\*\*\*

### Holiday Schedule

The office will be closed:

December 24 (12pm CST)

December 25

December 31 (12pm CST)

January 1, 2010

**If you read nothing else in this newsletter, please take a few minutes and review the information in this article.**

We were recently approached by a national agriculture-specific magazine\* soliciting our opinion on the significant changes occurring in the industry regarding the importance of and recommendations for Working Capital. Rather than simply hoping all of our client's see the article, it made sense to publish our thoughts about working capital in our own AgriSolutions Advantage newsletter.

**This one financial truth can be the critical factor in whether your farming operation can sustain the risks posed by today's market. Don't sit back and wait to see what happens, start now in preparing your business to be sustainable regardless of "outside economic" influences.** Establishing and maintaining adequate levels of working capital is the key to peace of mind.

We can work with you to take a "financial snapshot" of your business. We can then project how that financial picture can be improved by applying a few simple financial concepts.

*\* The following are Allen's comments from the magazine article.*

"Farm people are not traditionally accustomed to having to carry working capital. This is a paradigm shift, but a necessary one, for farmers to access credit in the future," says Allen Lash, AgriSolutions, Brighton, Ill. Lash defines working capital as the difference between planned sale of assets over the next 12 months minus the liability owed over the next 12 months.

Until 2008, Lash says the generally accepted lender minimum for working capital was 15-20 percent. For example, 170 bushel-per-acre corn sold for \$2.00 per bushel provided \$340 in total revenue. That translated into about \$50 per acre in needed working capital, which Lash says satisfied most lenders. Then commodity prices took off and volatility rose, followed by input costs. Lash says many lenders moved the acceptable range to 20-25 percent to cover risk.

For 2009, the credit crisis raised the minimum working capital level again to 25-30 percent, the highest ever. Lash says one lender even sought 35 percent. Pencil in \$650 per acre based on cash rents of \$300 and input costs and 30 percent is \$195 per acre of working

capital, four times as much as two years ago. In many instances, Lash says the minimum is non-negotiable. Farmers in this scenario have to come up with an additional \$150 per acre in working capital.

"The good news for crop farmers is that 2010 looks like an extremely profitable year. Farmers should lock in \$4.00 corn for 2010 now, and show their lenders that \$650 in costs with \$4.00 corn and 200 bushels to the acre will provide \$150 in profit margins for working capital," says Lash. "Astute marketers will be able to lock in an even better margin. So if you make \$150, and have your pre-2008 usual working capital of \$50, you can more comfortably ask for a loan."

Lash encourages farmers to be proactive, and meet with lenders now to determine 2010 needs. "If you can figure out how to lock in profits for 2010, there is optimism for having enough working capital to please your lender," he says. "Farmers will find the greatest stability now and in the future will be in meeting lender requirements by locking in those profits ahead of time. The mindset must change to maximizing profits, not minimizing losses, to stay in business."

## Working Capital—Your Business Life's Blood *Con't from page 1*

For farmers who face a working capital crunch, Lash offers five alternatives in order of priority. While he says these are universal solutions for crop and livestock producers around the country, livestock producers may not find these options are as viable as crop growers.

The first option is profitability. Lash advises farmers not to buy equipment or land if they need working capital. Leave dollars in current assets, including cash, stored inventory, investments in growing crops and prepaid expenses, and agree during your loan not to buy fixed assets.

Once profitability is addressed (above), but working capital is not enough, Lash recommends liquidating non-current assets. For example, a farmer who owns a piece of equipment worth

\$500,000 may owe \$300,000, and can pay off the debt and place the difference into current assets.

"The third option is to put more capital into the business. The bad news is none of your relatives are going to die so you can inherit their assets," he says. "If you are a sole proprietor, you may get money from Aunt Sally. If you are part of a corporation, all owners should put in capital."

Once those three alternatives are covered, Lash says the next step is to restructure debt. Farmers can take current debt and shift it to long-term debt. The challenge is that restructuring only provides a short-term advantage for unprofitable farmers. The position will deteriorate in three to five years and erode working capital. And while refinancing real estate at more favorable rates is

sound, Lash says the long-term practice does not solve the underlying profitability issue.

"If you try the first four alternatives, and still are short working capital, the final alternative is to ask your lender to forgive debt," says Lash. "That usually means filing for bankruptcy."

"Farmers have to watch working capital like a hawk now," he continues. "They must stay in communication with lenders to stay ahead of the game. Farmers may find that some lenders will not be patient waiting for them to solve their working capital problems."

## Support Services Pilots New Phone Feature

### **We are Routing Your Calls More Efficiently**

The new support line queue feature is now taking calls and routing them accordingly. If you haven't called in and experienced it yet, here's an overview of the experience you'll have. When calling in you will be greeted with a message letting you know that your call will be handled by the next available representative, but if you don't wish to hold and would rather leave a voicemail then you have that option. While

you hold you'll enjoy some music, and also a periodic announcement of your position in line.

AgriSolutions is still very committed to providing "live" one-on-one technical support to our clients to assure their ongoing positive experience. The objectives for implementing this system are:

- Securing a prompt answer to your question
- Reducing the need for you to leave a message

Of course the point of these new technologies is to more efficiently answer your support questions, so we'll be analyzing call patterns, questions posed, and feedback from our support representatives to find ways to refine and expand on this new service. Watch for more news about our support line in the coming months!

## **Congratulations John Hiatt!**

AgriSolutions wishes to congratulate John Hiatt, E.A. one of our valued tax specialists from Indiana, on receiving the following awards for his many years of dedicated service to his State and his community.

2009 – Outstanding County Council Member, awarded by Indiana Association of Counties

2008 – Citizen of the Year of Westfield Washington Township, issued by Westfield Washington Chamber of Commerce

2008 – Melvin Jones Fellowship Award for dedication to humanitarian services for Lions Clubs, awarded by International Lions Clubs Foundation

2008 – Patriotic Award for dedication to Faith, Family and Fellow man. Awarded by Senator James Buck of Indiana

## **AgriSolutions**

### **Our Commitment To You**

- Tailored to you and your business operation
- Providing you with the information and tools to help your business
- Dedicated to helping you use your information to improve profitability

## Important Year-end Notification

### **AgManager W-2 and 1099 Preparation for 2009 Year-end Filings**

AgManager utilizes the Aatrix Software interface to prepare W-2's and 1099's. In the past, to print 1099's, users were required to purchase perforated form paper with specific red color indicators required by IRS for 1099 printing from Aatrix. However, in the past, W-2 printing could be done on blank paper with no specific IRS requirements.

Effective with the 2009 year-end filing, printing W-2's to blank paper is no longer an option per the IRS publication 1141 which states, "Employee copies of Form W-2 (Copies B, C and 2) including those that are printed on a single sheet of paper must be easily separated. Providing perforations between the individual copies satisfies this requirement, but using scissors to separate Copies B, C, and 2 does not."

### **Effective with the 2009 year-end filing, W-2's can no longer be printed on blank paper.**

AgManager users can order the required form paper for Federal W-2's & 1099's guaranteed compliant for state and federal filing directly from Aatrix by calling 1-800-426-0854.

**However, a better and recommended alternative to purchasing form paper is utilizing Aatrix's Complete Service.**

The Complete Service is available from Aatrix for only \$1.49 per form (minimum \$24.95 total per filing). The Complete Service does it all including filing your state copies, federal copies and mailing your employee copies directly to them.

From your AgManager system, you select to Produce W-2's and/or Print 1099 Forms and the Aatrix easy to follow filing wizard will walk you step-by-step through the entire process. **Let Aatrix do the work for you!**

**Complete W-2 and 1099 Filing Has Never Been Easier**  
Visit [www.aatrix.com/agrisolutions/](http://www.aatrix.com/agrisolutions/)

**It's Easy**


- Review/edit all reports
- Confirmation emailed
- eFile payments and reports in a few seconds

**It's Affordable**

- eFiling saves you time
- Eliminates certified mail costs
- Reduces printing supply costs
- Unlimited eFile Package results in **low per filing cost**

**It's Guaranteed**

- Aatrix liability for timely filing if received prior to the eFile Center deadline
- Aatrix guarantees all filings meet requirements for over 170 government agencies



**Go green!**  
Eliminate the need for paper forms.

**Only \$1.49** per employee  
(\$24.95 Minimum)

## Producer Education

### **AgriSolutions is working hard to help you make positive improvements in your future.**

Your farm isn't just your source of income-it's your heritage, your livelihood, your roots. Learning how to manage your business successfully will increase your profitability, strengthen your operation, and improve your cash flow.

AgriSolutions® provides services tailored to you and your business. We know how important your farm's profitability is. We're here to provide you with the information and tools you need so you can enjoy watching your business prosper. Find out how to manage finances and increase profitability with specially developed education from AgriSolutions.

You will find AgriSolutions Producer Education programs are the answer to many of your questions about the

potential success and future security of your operation. The following Producer Education classes will be offered by AgriSolutions in January and February 2010. Each of the classes will be held at the AgriSolutions headquarters in Brighton, Illinois.

#### **AS 103 – "Taking Action to Improve Performance"**

**January 12 & 13, 2010**

**February 16 & 17, 2010**

#### **AS 104 – "Growth & Debt Funding"**

**January 14 & 15, 2010**

**February 18 & 19, 2010**

#### **AS 301 – "Leading Your Farm Business"**

**January 25, 26 & 27, 2010**

#### **AS 203 – "Managerial Analysis"**

**February 2 & 3, 2010**

**For further information, registration assistance, or questions, please contact Valerie Bates at 1-800-454-4524 or [asiEducation@agrisolutions.com](mailto:asiEducation@agrisolutions.com)**

*Minimum participant requirement: A minimum of 8 participants is required to conduct the training. If minimum is not met, class will be cancelled. Participants will be notified two weeks before a class date if the class is to be cancelled.*

## Annual AgManager® Update 5.4.xx

AgriSolutions is pleased to announce that the 2009 AgManager update will include several enhancements as well as major changes to the Managerial Reporting and Financial Forecast Module. Many of our changes are based upon input received directly from our users and our own staff. We appreciate and value your input.

The 2009 enhancements include:

- Update to the RPV Graphic Print tool that will offer mark-up tools.
- Option to set a "Default Entity" when your business structure includes multiple entities.
- Option to use Payroll Direct Deposit on a Liability Cash Account.
- Option to "Save Additional Info" when saving a memorized transaction.
- The "1099 Dividend Form" is available for printing through the Aatrix form interface.
- An "Expanded Check Stub" format is available and includes Vacation, Sick and Personal time balances.
- A "Total Hours:" field has been added to the Payroll Checkwriting entry screen.
- A "Totals" line has been added to the Direct Deposit Summary Report to provide the user the total of dollars that will be transmitted from the bank account in the ACH file.
- Workman's Comp

Report Criteria is updated to allow selection of month, day and year beginning and ending dates for specific date range reporting.

- A "Print Summary" option has been added to the Payroll Liabilities Payments screen to provide a listing of payments for each liability group.
- A "Vendor Activity" button has been added to the Enter A/P Invoices screen.
- The "Vendor Defaults" option includes several new options for calculating invoice due dates. This option provides excellent flexibility for due date calculation.
- The "Save and Memorize" option is now available on a "Change" invoice selection in A/P to be consistent with the General Ledger.
- Managerial Reporting was significantly enhanced with newly formatted reports to improve production cycle analysis.
- Financial Forecast has been significantly updated to include a new "Managerial Forecast" which will allow users to budget their center structure on the same basis they manage and analyze their production cycle reporting.
- Financial Forecast includes a new "Capital Forecast" section which will allow users to segment the activity of budgeting capital (interest, debt, assets and owner demands)

into a standalone segment. The "Capital Forecast" concept allows the user to establish one capital budget that can be used with multiple Entity and/or Managerial Forecast Budgets for complete forecast reporting.

- Financial Forecast offers the entity that is a Sole Proprietor a newly enhanced family budget option within the Capital Forecast section. This Family Budget area will allow the user to budget and report their family budget in summary or in detail by account.
- The Display Account Information screen has been updated to include an "Average" column for accounts that include a quantity.

Once you are notified an update has been posted, visit [www.agrisolutions.com](http://www.agrisolutions.com) to download the current AgManager update and documentation. Go to the Client Login area; enter your User ID and password. Look for and click on the "Latest AgManager Release" section. Follow the on-screen prompts to download.

Remember you will need to use your "unlock code." We will provide you with the unlock code by email when we notify you that the update is posted to our website. We will also remind you of your User ID and password. If there are challenges in receiving our email containing this information, please email us at [WebSupport@agrisolutions.com](mailto:WebSupport@agrisolutions.com).

*"Plan for the future, because that is where you are going to spend the rest of your life."  
— Mark Twain*

### **AgManager Reminder:**

Remember to make frequent, multiple backups!

Flash Drives, Jump Drives and CD's are all great tools to use for secured backups.

If you need further assistance or have questions, contact: AgriSolutions Support at 1-888-486-2208 or via e-mail at [WebSupport@agrisolutions.com](mailto:WebSupport@agrisolutions.com)

### **AgriSolutions Advantage**

For Questions or Comments

Please Call:

1-877-372-3003 or

[bdroege@agrisolutions.com](mailto:bdroege@agrisolutions.com)

## Personnel Growth



Please join us in welcoming Amanda Teson to the AgriSolutions team. Amanda recently accepted a full-time position working with Daryl Pohlman as a Review Consultant.

Amanda worked in the Accounting Department of a pre-print press company in Maryland Heights, MO for the last three years. During that time, she completed her Bachelor of Science Degree in Finance from the University of Missouri-St. Louis, having also had several accounting courses. Amanda graduated 9<sup>th</sup> out of 250 in her high school graduating class at Fort Zumwalt West High School in O'Fallon, MO. She brings not only a strong intellect, but also a great work ethic and a good sense of customer service.

Amanda lives locally in Brighton and is a newlywed. She and her

husband, James, got married on November 7, 2009. She and her husband share their love of animals- together they have two dogs, Brady & Midnight, two cats, Cotton & Baby, & some fish. Amanda's hobbies include reading, counted cross-stitch, hanging out with their family & friends, and fixing the never-ending projects that come with owning a 100+ year old house.

We welcome Amanda to AgriSolutions.

## AgriSolutions Honors Employees



(L-R) AgriSolutions President, Allen Lash, Judi Boker, Amanda Bayless, Roberta Evans and Coby, the company mascot.

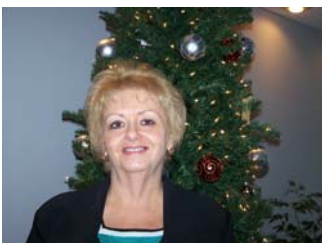
AgriSolutions held its annual Employee Service Recognition on December 2 to recognize employees celebrating an anniversary milestone in 2009. This year's honorees included Judi Boker and Roberta Evans both celebrating 10 years with AgriSolutions, and Amanda Bayless, celebrating 5 years. Allen Lash presented the awards and shared with everyone an overview of each recipient's contributions to the organization. Thanks to the recipients and all our employees for their years of dedication and loyalty to AgriSolutions.

## Birthday Business

**Roberta Evans**

*Client Advocate*

**November 8**



**Rachel Beilsmith**

*Administrative Asst.*

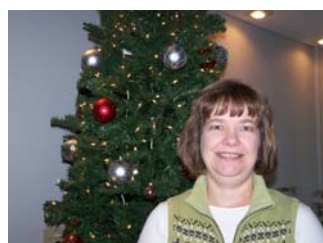
**December 2**



**Cheryl Brooks**

*HR Manager*

**December 31**




**Visit our Website**

[www.agrisolutions.com](http://www.agrisolutions.com)



*Thanks for another  
Great Year!*

**The AgriSolutions family  
wishes you and your family a  
wonderful Holiday Season.  
We sincerely appreciate your  
business and thank you for  
your loyalty!!!**



**Upcoming AgManager® Classes – January thru February, 2010**

**Accounts Payable**

(1.5 hours)  
January 12 at 2:00 pm  
February 9 at 10:00 am

**Accounts Receivable**

(1.5 hours)  
January 13 at 10:00 am  
February 10 at 2:00 pm

**Balance Sheet Maintenance**

(1.5 hours)  
January 27 at 10:00 am  
February 24 at 2:00 pm

**Financial Forecasting**

(2 hours)  
January 28 at 10:00 am  
February 25 at 1:30 pm

**Maintenance**

(1.5 hours)  
January 5 at 10:00 am  
January 19 at 1:30 pm  
February 2 at 10:00 am  
February 16 at 1:30 pm

**Month End Activities**

(1.5 hours)  
January 7 at 2:00 pm  
February 4 at 10:00 am

**Payroll**

(1.5 hours)  
January 14 at 2:00 pm  
February 11 at 10:00 am

**Producing Reports**

(1 hour)  
January 21 at 2:00 pm  
February 18 at 10:00 am

**Transaction Entry**

(2 hours)  
January 6 at 10:00 am  
January 20 at 2:00 pm  
February 3 at 10:00 am  
February 17 at 2:00 pm

**Understanding Your Reports**

(1.5 hours)  
January 26 at 2:00 pm  
February 23 at 10:00 am

**Registration Information:**

To sign up for a course, or for more information, please call  
1-800-454-4524 or e-mail [asieducation@agrisolutions.com](mailto:asieducation@agrisolutions.com).

**Our Tools, Your  
Success.**

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