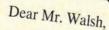
Agribusiness management

Financial Summary

Farm cash receipts		\$355,960
Investment income		\$12,435
Miscellaneous income		-
Gross farm revenue		\$368,395
Expenses		
Total Production expenses		(\$168,745)
Wages (S	43992)	
Feed costs (\$22081)	
Fuel costs (S	\$79554)	
Other materials	(\$23118)	
Fixed cash expenses		(\$34,248)
Depreciation (\$	20,889)	
Insurance (S	\$13,359)	
Interest payments on loan		(\$70,038)
Non-cash expenses		(\$11,578)
Gross farm expenses		(\$284,609)
Net farm income		\$83,786
Total farm assets		\$587,995
Total non-farm assets		\$125,877
Total outstanding debt		\$467,388
Net worth		\$264,484



As per your request, I have prepared a summary of your financial position. The attached summary is based on the information you provided to Mason and Howard, LLC. It includes a summary of your revenues minus expenses. We have also calculated your net worth. The information contained in this summary will be used to prepare your federal and state income taxes. Please review to ensure that it accurately matches your records.

Should you have any questions, feel free to contact me at any time.

Sincerely, Glenda Mason Senior Accountant Mason and Howard, LLC

Get ready!

- Before you read the passage, talk about these questions.
 - 1 What are the main costs and expenses of farming?
 - 2 Do you think it is wiser to manage your own finances or to get professional help?

Reading

- Read the letter from an accountant to a farmer. Then, mark the following statements as true (T) or false (F).
 - 1 _ The farmer earned \$168,745 last year.
 - 2 _ The farmer has over \$450,000 in debt.
 - 3 __ The farmer has a negative net worth.

Vocabulary

- Match the words (1-5) with the definitions (A-E).
 - 1 _ interest payments 4 _ income
 - 2 __ gross farm revenue 5 _ loan
 - 3 __ total production expenses
 - A the total of all costs
 - B the sum of all money from sales
 - C money that a person earns
 - D money that is paid to a lender
 - E money that is borrowed
- Write a word that is similar in meaning to the underlined part.
 - 1 Record all cash income from sales of farm produce and government subsidies. f___ c___ r_c___s
 - 2 Avoid taking on money owed to a lender.
 - 3 When equipment loses value, it is called a cost not due to spending.
 - n_n-___e
 - 4 The expenses of feeding livestock went up. _e__ c___
 - 5 What are your expenses that don't change? __x__ __h _x___s 6 Expenses increased, so gross revenue minus
 - expenses decreased. n__ f___ e

6 Solution Listen and read the letter from an accountant to a farmer again. What will the information in the summary be used for?

Listening

- 6 Solution Listen to a conversation between a farmer and an accountant. Choose the correct answers.
 - 1 Why does the farmer call the accountant?
 - A to address an error
 - B to request a summary
 - C to make an appointment
 - D to ask for assistance
 - 2 What will the farmer do tomorrow?
 - A create a financial summary
 - B correct the expenses section
 - C recalculate the wages information
 - D deliver information to the accountant

Accountant (W): Hello, Glenda Mason speaking.

Farmer (M): Hi, Glenda, this is Peter Walsh. I need to talk

to you about the financial summary you just

sent me.

Accountant: Sure, I'd be glad to go over it with you.

Farmer: Okay, well some of the figures in the summary

don't match my records.

Accountant: Where have you found discrepancies?

Farmer: Well, 1 _____ with

the numbers in the expenses section.

Accountant: Which ones 2 ______ to you?

Farmer: Well, you 3 _____ \$43,992 for

wages. And I have \$43,292.

Accountant: Okay, I've 4 ______ . I'll need to

review the original documents. 5 _____

Farmer: Unfortunately, no.

Accountant: 6 _____ did you find?

Farmer: Your insurance figures are too low. I forgot to

7_____ some

documentation.

Speaking

With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

Sure, I'd be glad to go over it with you.

Where have you found discrepancies?

Your insurance figures are too low.

Student A: You are a farmer.
Talk to Student B about:

- your financial summary
- expense figures
- insurance figures

Student B: You are a farmer's accountant. Talk to Student A about a financial summary.

Writing

Use the conversation from Task 8 and the financial summary to write a farmer's financial summary. Include: income, expenses, and debt.

Fi	nancial	Sum	mary
_			
_			
			F

10 International trade

Get ready!

- Before you read the passage, talk about these questions.
 - 1 How does international trade affect what farmers plant?
 - 2 Does your country import or export more agricultural products?

Canada - Agricultural companies looking to start selling in global markets may look to Canada.

Canada is one of the leading exporters of agricultural goods such as wheat and other grains. But it also receives significant yearly imports of organic fruits and vegetables. With one of the world's healthiest economies, Canada is a major player in the World Trade Organization (WTO). It is an advocate of liberalized trade. Canada charges very minimal tariffs on imported goods. The country also applies little or no trade restriction quotas. One setback to sending goods to Canada is the requirement of dual language labeling, in both English and French.

USA

import

export

WTO

Reading

Read the trade profile summaries. Then, mark the following statements as true (T) or false (F).

1 __ High tariffs are a setback to exporting to Canada.

- 2 _ Chile exports more than it imports.
- 3 _ Both nations require labels in two languages.

Vocabulary

Fill in the blanks with the correct words and phrases from the word bank.

WOrd BANK

export trade surplus quota import dependent

- 1 A(n) _____ country purchases more than it sells internationally.
- Wheat is a major ______ to other countries.
- 3 The government may impose a new
- 4 Fewer imports led to a(n) ______.

Chile - The Republic of Chile thrives as one of South America's strongest economies based largely on international trade. While Chile remains import dependent with respect to energy related goods, it is export dependent overall. Recent increases in the price of copper, Chile's leading export, have fueled the country's financial growth. Since 2006, Chile has enjoyed a positive balance of trade. Despite its trade surpluses the country still imports large amounts of agricultural goods such as soybeans and corn. Companies importing to Chile will find a six percent tariff on all imported goods. All products imported to Chile must have labels printed in Spanish.

- Write a word that is similar in meaning to the underlined part.
 - Countries interact through the exchange of products across borders.

in____a_ _r__

- 2 The <u>organization that oversees trade among nations</u> is considering some new regulations.
- 3 Increases in exports alter the <u>difference</u> between the value of exports and imports.

 b _ _ _ e _ t _ _ _
- 4 High fees on imported or exported goods protect domestic farmers. _a _ _ _ s
- Many countries depend on products brought in from other countries. _ m p _ _ _ _
- 6 Countries that have surpluses are often <u>reliant</u> on <u>selling products internationally</u>.

6 Sometimes Listen and read the trade profile summaries again. What is Chile's main export?

Listening

- 6 Solution Listen to a conversation between a farmer and an accountant. Choose the correct answers.
 - 1 What is the conversation mainly about?
 - A avoiding tariffs
 - B importing hay
 - C reducing trade costs
 - D exporting surplus hay
 - 2 What will the speakers likely do next?
 - A discuss hay prices
 - B look at trade profiles
 - C search for label printers
 - D contact buyers in Mexico
- Listen again and complete the conversation.

Farmer:	I hadn't really	thought	about it.
---------	-----------------	---------	-----------

Could I get a better price?

Accountant: Perhaps. But there are 1 ______to

consider.

Farmer: | 2_____

that buyers in Mexico aren't

going to pay what my clients here do.

Accountant: That 3 ____

But it would 4 _____

_____ to unload your

excess hay.

Farmer: Interesting. I don't 5 ___

_____ that surplus now, do I?

Accountant: No, you don't.

Farmer: Well, if you think we can sell it

internationally, 6 _____

Accountant: We also have to consider the costs.

There are shipping costs and tariffs.

Farmer: I see. So what do you recommend?

Accountant: Well, let's look at a few different

countries' trade profiles. An import-

dependent country might have a

good set up for you.

Speaking

With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

Could I get a better price?
There are shipping cost and tariffs.
What do you recommend.

Student A: Student A: You are an accountant. Talk to Student B about:

- international sales
- excess hay
- · costs and benefits

Student B: You are a farmer. Talk to Student A about selling hay internationally.

Writing

Use the conversation from Task 8 to write an email to a farmer. Include information about trade, tariffs and quotas benefits.

То:		
		_
		_
Regards,	_ (

The futures market

Get ready!

- 1 Before you read the passage, talk about these questions.
 - 1 Are investments in futures markets popular in your country?
 - 2 How do changes in the futures market impact farmers?

Falling Price of Wheat Futures

3.00 75	55.50 758	3.00 75	51.50 11:34 a.r
13.00 2,	780.00 2,78	38.00 2,7	737.00 11:35 a.r

At week's end, values in the March wheat futures market appear to be falling. Prices fluctuated greatly throughout the week. But, Friday's values closed twelve to fifteen cents lower than when the market opened on Monday. This change is interesting news for those wishing to sell the commodity in the coming season.

This new **high** may be better for those who have wheat ready to sell.

But a low could set off a run of wheat sales in coming weeks. Last year was marked by surplus wheat production across the board, and most major wheat producers began the year with a heavy carryover of last year's ending stocks. With beginning stock running well above normal, the industry has suffered from unusually high stocks-to-use ratios. With the sudden fall of the wheat prices in every index, we may

see a surge in wheat purchases. This could be good news for growers of wheat.

Expected changes in weather patterns, however, may begin to affect this trend. The predicted two inches of diminished rainfall could significantly affect the year's crop yield. The first signs of such a dry season will almost certainly lead to an increase in wheat futures purchases.

Reading

- Read the article from a financial newspaper. Then, choose the correct answers.
 - 1 What is the article mainly about?
 - A the effects of price changes
 - B the causes of crop damage
 - C the best markets to invest in
 - D the expected carryover for the year
 - 2 Why is the stocks-to-use ratio high?
 - A Ending stocks were low.
 - B Beginning stocks were high.
 - C Wheat purchases increased.
 - D Carryover was lower than usual.
 - 3 What can you infer about futures purchases?
 - A They limit crop production.
 - B They create low carryovers.
 - C They decrease when prices drop.
 - D They are impacted by weather patterns.



Vocabulary

- Match the words (1-6) with the definitions (A-F).
 - 1 _ value

4 _ high

2 _ change

5 _ low

3 _ open

6 _ beginning stock

- A the amount at the beginning of a year
- B a smaller amount or value
- C a larger amount or value
- D to begin a market for the day
- E monetary worth
- F difference occurring over time

	e a word that is similar in meaning to the crlined part.
	hat is today's figure that describes average value?
	his year's amount of stocks remaining has been unusually gh. e g s
	nything of value can be considered a thing that is bought, lld, or traded. c o
	st year, the amount of the previous year's stocks maining was unusually low. cy
CC	arrie made a lot of money on the <u>exchange where</u> ontracts are bought and solde r k
6 Ma	ark was very impressed with the <u>carryover stock divided by</u> tal use o c t r o
news	isten and read the article from a financial spaper again. How will dryer weather affect es purchases?
ister	ning
inves	isten to a conversation between a farmer and an stment analyst. Mark the following statements as (T) or false (F).
inves true	stment analyst. Mark the following statements as
inves true 1 _	stment analyst. Mark the following statements as (T) or false (F).
investrue 1 2	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased.
inves true 1 2 3	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year.
investrue 1 2 3	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year. The woman suggests planting less wheat.
investrue 1 2 3 7 \lfootnote{1} L Farmer:	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year. The woman suggests planting less wheat. isten again and complete the conversation.
investrue 1 2 3 7 \times L Farmer: Analyst:	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year. The woman suggests planting less wheat. isten again and complete the conversation. I heard the March wheat prices are falling.
investrue 1 2 3 7 \ldots L Farmer: Analyst: Farmer:	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year. The woman suggests planting less wheat. isten again and complete the conversation. I heard the March wheat prices are falling. You heard correctly, fifteen cents in one week.
investrue 1 2 3 7 \times L Farmer: Analyst: Farmer: Analyst:	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year. The woman suggests planting less wheat. isten again and complete the conversation. I heard the March wheat prices are falling. You heard correctly, fifteen cents in one week. That can't be good for us.
investrue 1 2 3 Farmer: Analyst: Farmer: Analyst: Farmer:	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year. The woman suggests planting less wheat. isten again and complete the conversation. I heard the March wheat prices are falling. You heard correctly, fifteen cents in one week. That can't be good for us. It might not be so bad, actually. What do you mean? Lower prices means I make less money. I mean, I already planted a thousand acres of wheat. I was going to plant three thousand more. But I
investrue 1 2 3 Farmer: Analyst: Farmer: Analyst: Farmer:	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year. The woman suggests planting less wheat. isten again and complete the conversation. I heard the March wheat prices are falling. You heard correctly, fifteen cents in one week. That can't be good for us. It might not be so bad, actually. What do you mean? Lower prices means I make less money. I mean, I already planted a thousand acres of wheat. I was going to plant three thousand more. But I don't know if it's worth it now. I'd plant it 1
investrue 1 2 3 7 L Farmer: Analyst: Farmer: Analyst: Farmer: Analyst: Farmer:	stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year. The woman suggests planting less wheat. isten again and complete the conversation. I heard the March wheat prices are falling. You heard correctly, fifteen cents in one week. That can't be good for us. It might not be so bad, actually. What do you mean? Lower prices means I make less money. I mean, I already planted a thousand acres of wheat. I was going to plant three thousand more. But I don't know if it's worth it now. I'd plant it 1 you. With all of last year's surplus, I don't want to 2
investrue 1 2 3 7 L Farmer: Analyst: Farmer: Analyst: Farmer: Analyst:	Stment analyst. Mark the following statements as (T) or false (F). Wheat prices have increased. The man had carryover last year. The woman suggests planting less wheat. Isten again and complete the conversation. I heard the March wheat prices are falling. You heard correctly, fifteen cents in one week. That can't be good for us. It might not be so bad, actually. What do you mean? Lower prices means I make less money. I mean, I already planted a thousand acres of wheat. I was going to plant three thousand more. But I don't know if it's worth it now. I'd plant it 1

Speaking

With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I heard ... prices are ...
With prices so low, futures will sell.
I think this trend is going to last a while.

Student A: Student A: You are an investment analyst. Talk to Student B about:

- wheat prices
- planting crops
- confidence

Student B: You are a farmer. Talk to Student A about prices and planting crops.

Writing

Use the conversation from Task 8 and the article to write a letter to a farmer. Include: changes to crop prices, how it will affect the futures market, and your recommendations for planting crops.

Regards	