



University of Manitoba
Faculty of Agriculture
Department of Agribusiness & Agricultural Economics

Course Details

Course Title & Number:	ABIZ 0750 Advanced Ag Financial Management and Lending
Number of Credit Hours:	3 credit hours
Class Times & Days of Week:	<u>Lectures:</u> Mondays 1:00 p.m. – 4:00 p.m.
Location for classes/labs/tutorials:	Room 343 Agriculture Building
Pre-Requisites:	ABIZ 0470 Minimum grade of C

Instructor Contact Information

Instructor(s) Name:	Mr. Gavin Betker and Mr. Terry Betker
Preferred Form of Address:	Gavin, Terry
Office Location:	421 - 100 Innovation Drive, Winnipeg, MB
Office Hours or Availability:	By Appointment
Office Phone No.	204.275.0458
Email:	gavin.betker@umanitoba.ca (Gavin) terry.betker@backswath.com (Terry) Emails will be responded to within 48 hours.
Contact:	Students are welcome to contact instructors in person, by phone, or by email. All email communication must conform to the Communicating with Students university policy. It must come from a university email. Emails from personal accounts will not get a response.

Course Description

This course will offer insight into assessing loan application cases and determining financial need and repayment for lenders. Students will analyze lender portfolios and the various instruments that are

associated with credit for farm businesses. Students will learn to apply financial management concepts in evaluating investment options in farm and agribusiness decision-making.

Course Overview

This course will provide students with the knowledge of lending processes and to successfully apply for agricultural credit. Students will gain insight into potential career pursuit options in agriculture lending.

The course is an elective in the business option. It is open to any student interested in learning more about farm management as it pertains to financial management, lending and the lending process.

Course Goals and Intended Learning Outcomes

Upon completion of this course:

Students will have had an opportunity to better understand the following:

- Key requirements of conducting a lender/client interview
- Risk rating for a farm client
- Financial information to support credit facilities and financing proposals
- Structuring credit for its intended purpose
- Analysis of credit applications using a variety of tools
- Various types of security requirements and the appropriate use of each
- Loan monitoring, loan limitations and aspects of realizing loan security
- Risk management resources
- Perspectives from actual institutional lenders
- Asset valuation

Using Copyrighted Material

Please respect copyright. We will use copyrighted content in this course. We have ensured that the content we use is appropriately acknowledged and is copied in accordance with copyright laws and University guidelines. Copyrighted works, including those created by us, are made available for private study and research and must not be distributed in any format without permission. Do not upload copyrighted works to a learning management system (such as UMLearn), or any website, unless an exception to the *Copyright Act* applies or written permission has been confirmed. For more information, see the University's Copyright Office website at <http://umanitoba.ca/copyright/> or contact um_copyright@umanitoba.ca.

Recording Class Lectures

Gavin Betker, Terry Betker and the University of Manitoba hold copyright over the course materials, presentations and lectures which form part of this course. No audio or video recording of lectures or presentations is allowed in any format, openly or surreptitiously, in whole or in part without permission. Course materials (both paper and digital) are for the participant's private study and research.

Textbook, Readings, Materials

All course materials will be distributed by the instructors either through UMLearn or during class time.

Course Technology

It is the general University of Manitoba policy that all technology resources are to be used in a responsible, efficient, ethical and legal manner. The student can use all technology in classroom setting only for educational purposes approved by instructor and/or the University of Manitoba Student Accessibility Services. Students should not participate in personal direct electronic messaging / posting activities (e-mail, texting, video or voice chat, wikis, blogs, social networking (e.g. Facebook) online and offline “gaming” during scheduled class time. If student is on call (emergency) the student should switch his/her cell phone on vibrate mode and leave the classroom before using it. (©S Kondrashov. Used with permission)

Laptops and school computers may only be used for note taking, accessing course resources, presentations, and group work.

Required Software:

Farmcaster is a required software program. The Microsoft suite of Word, Excel and Powerpoint, is required.

Class Communication

The University requires all students to activate an official University email account. For full details of the Electronic Communication with Students please visit:

http://umanitoba.ca/registrar/email_policy/

Please note that all communication between the instructors and you as a student must comply with the electronic communication with student policy

(http://umanitoba.ca/admin/governance/governing_documents/community/electronic_communication_with_students_policy.html). You are required to obtain and use your U of M email account for all communication between yourself and the university.

Expectations: We Expect You To

1. Attend lectures regularly.
2. Participate in classroom activities and make a positive contribution to the learning environment.
3. Participate and make a contribution to group work.
4. Seek clarification from instructors if course content is not understood.

Academic Integrity:

In addition to the general information about academic integrity and student discipline included in Schedule “A” Policies and Resources, please note the following:

- (i) Group projects are subject to the rules of academic dishonesty,
- (ii) Group members must ensure that a group project adheres to the principles of academic integrity,
- (iii) Students should also be made aware of any specific instructions concerning study groups and individual assignments,
- (iv) The limits of collaboration on assignments should be defined as explicitly as possible, and
- (v) All work is to be completed independently unless otherwise specified.

Expectations: You Can Expect Us To

1. A large part of our teaching practice includes the use of questions in class. We expect students to respond but we do not expect perfection.
2. We expect students to be respectful and to be prepared.
3. As instructors, we will offer the same respectfulness and preparedness back to the students.
4. We will use real farm examples when possible and applicable.
5. We will do our best to answer all questions students may have, and if the answers are not immediately available, we will work to find answers.

Students Accessibility Services

If you are a student with a disability, please contact Gavin or Terry ahead of time so that we can work with you to provide the best learning environment for you. The university SAS department provides academic accommodation supports and services such as note-taking, interpreting, assistive technology and exam accommodations. Students who have, or think they may have, a disability (e.g. mental illness, learning, medical, hearing, injury-related, visual) are invited to contact SAS to arrange a confidential consultation.

Student Accessibility Services <http://umanitoba.ca/student/accessibility/>

520 University Centre

204 474 7423

Student_accessibility@umanitoba.ca

Class Schedule

This schedule is subject to change at the discretion of the instructor and/or based on the learning needs of the students but such changes are subject to Section 2.8 of the – [ROASS](#)- Procedure).

The following topics may be covered during the semester:

- Financial Statements
- Financial Analysis and Application to Lending
- Debt Re-Structuring and Mediation
- Risk Management and Lending
- Industry Analysis
- Planning Tools
- Credit Application
- Security Outline
- Valuation

Course Evaluation Methods

Grades will be based on assignments. All course work must be completed to pass this course. There is NO final exam.

Instructors reserve the right to assign a zero score for any late assignment or missed class presentation or assignment. Feedback on assignments will be provided in writing and electronic formats.

Students who are unable to meet a course requirement due to medical circumstances are currently not required to submit medical notes. However, students are required to contact their instructor or

academic advisor by email to inform of the missed work and to make arrangements for extensions, deferrals, or make-up assignments. Please follow these guidelines if you are unable to meet an academic requirement for your courses:

- Contact your instructor for term work such as a class, quiz, midterm/test, assignment, lab;
- Email your instructor/advisor from a U of M email address, and include your full name, student number, course number, and academic work that was missed. "

Assignments, Case Studies, Dates and Grade Allocation Weighting

Assignment	Due Date	% Of Overall Mark
In-class participation and attendance	Semester duration	15.0%
Assignment #1 – Credit Opinion	In class Sept. 18 th , 2023	5.0%
Assignment #2 – Industry Analysis	October 9 th , 2023	20.0%
Assignment #3 – Risk Management Resources	October 23 rd , 2023	15.0%
Assignment #4 – Financial Analysis	November 20 th , 2023	30.0%
Assignment #5 – Corporate Farms	December 4 th , 2023	15.0%

Grading

The following table provides detail on grading.

Letter Grade	Percentage out of 100
A+	90-100
A	85-89
B+	80-84
B	75-79
C+	70-74
C	60-69
D	50-59
F	Less than 50

VOLUNTARY WITHDRAWAL

The date for Voluntary Withdrawal (VW) is November 21, 2023. Assignments #1, #2 and #3 will be graded and returned prior to the VW date.

Assignment and Case Study Detail

Assignment #1 – Credit Opinion

Students are asked to write down and submit comments on the following questions:

1. What are the important things a farmer should do or provide to support an application for a loan?

2. What things are lenders looking for when they are considering whether or not to approve a loan?

Grade Breakdown: The grade for this assignment is worth 5% of the final grade.

Assignment #2 – Industry Analysis

Students will be organized in groups and asked to research agriculture lending in Canada with a specific focus on farm businesses. The research is to include:

1. An overview on agriculture lending in Canada.
2. Detailed information on Manitoba lenders, to include:
 - a. How they are organized in terms of ag lending.
 - b. What programs and services they have for agriculture.
 - c. What loans and lending products they have specifically for agriculture.
 - d. Lenders to be considered:
 - i. Government lenders
 1. Both are required
 - a. MASC
 - b. FCC
 - ii. **One lending institution from two of the following three categories.**
 1. Chartered banks
 - a. CIBC
 - b. TD
 - c. RBC
 - d. BMO
 - e. ScotiaBank
 - f. National Bank
 2. Credit Unions
 - a. Noventis
 - b. Sunova
 - c. Steinbach
 - d. Access
 - e. Catalyst
 - f. Westoba
 3. Alternative lenders or out-of-province lenders
 - a. Alberta Treasury Branch
 - b. Agri-Roots Capital Management
 - c. Others as identified by the groups and approved by instructors
3. A “compare and contrast-type” review of Canadian and US farm lending.

The following sources should be considered:

- Canadian Bankers Association
- Canadian Credit Union Association
- Credit Union Central of Manitoba
- Farm Credit Canada
- Manitoba Agricultural Services Corporation
- American Bankers Association
- United States Department of Agriculture – Farm Service Agency

Students are asked to arrange and conduct interviews with representatives from the different lending organizations. **Interview questions must be reviewed by Instructors prior to the interviews.**

Students are asked to present their findings to the class during one of the lectures.

Grade Breakdown: The grade for this assignment is worth 20% of the final grade. The grade will be based on, and prorated to, the rubric presented below. The PowerPoint presentation will simply be a pass/fail. A failing grade for the PowerPoint will result in a 0 out of 15 for the assignment.

The breakdown will be as follows:

Industry Overview	5 Marks
Detailed Information on Manitoba Lenders	25 Marks
Interview Structure and Questions	5 Marks
Compare and Contrast Canadian and US Farm Lending	5 Marks
Class Presentation	Pass/fail
Total	40 Marks

Assignment #3 – Risk Management Resources

The objective of this assignment is to familiarize students with different risk management options that farm businesses can use. Students will be organized in groups.

Additional detail on the assignment will be presented prior to students starting to work on it.

Grade Breakdown: The grade for this assignment is worth 15.0% of the final grade. The breakdown will be presented when the assignment is handed out.

Assignment #4 – Financial Analysis

The objective is to provide an opportunity for students to become familiar with financing farm businesses where the farm businesses have different financial structures. Three different farm scenarios will be used. One of the scenarios will include debt restructuring. Students will be organized in groups. This assignment includes a requirement to analyze financial performance and to prepare credit submissions.

Grade Breakdown: The assignment includes analyzing and reporting on financial performance, determining options for restructuring and for financing capital purchases. The grade for this assignment is worth 30.0% of the final grade.

The breakdown will be as follows:

Scenario One		
	Overall Financial Performance Assessment	5 Marks
	Key Ratios Selected and Why	10 Marks
	Risk Rating Calculation	5 Marks
	<i>CREDIT SUBMISSION</i>	
	Details To Be Provided	10 Marks
	Total	30 Marks
Scenario Two		
	Overall Financial Performance Assessment	5 Marks
	Key Ratios Selected and Why	10 Marks
	Risk Rating Calculation	5 Marks
	<i>CREDIT SUBMISSION</i>	
	Details To Be Provided	10 Marks
	Total	30 Marks

Scenario Three (Restructuring)		
	Overall Financial Performance Assessment	5 Marks
	Key Ratios Selected and Why	10 Marks
	Risk Rating Calculation	5 Marks
	<i>RESTRUCTURING</i>	
	Details To Be Provided	10 Marks
	Total	30 Marks

Assignment #5 – Corporate Farms

The objective of this assignment is to familiarize students with different corporate farming models. Students will be organized in groups.

Additional detail on the assignment will be presented prior to students starting to work on it.

Grade Breakdown: The grade for this assignment is worth 15.0% of the final grade. The breakdown will be presented when the assignment is handed out.

SUBMISSION GUIDELINES – All assignments and case studies are to be submitted electronically.

Instructors reserve the right to award a zero mark for any assignment or case study that is submitted after the deadlines identified above.

GROUP WORK – Groups will be assigned randomly throughout the semester, comprised of roughly 3 students per group. It is expected that each student contributes equally to the group. To ensure this, contribution evaluation forms will be filled out by each student for their participation and submitted at the end of each class.

ASSIGNMENT EXTENSION AND LATE SUBMISSION POLICY - No extensions on assignments or group project work. Late submissions may result in a grade of 0% (F) at the sole discretion of the instructors.

Instructor Bios

GAVIN BETKER

Gavin Betker graduated from the University of Manitoba with a Bachelor of Commerce (Hons.) in 2004. Gavin has expertise in business development, and agricultural consulting.

Having grown up on a farm, he shares the Backswath passion for advancing farm management. After obtaining his business degree, the first job he held out of university was front line manager in a window manufacturing plant. He was promoted to regional service and logistics manager for southern Alberta. He decided to change career tracks, and came back to Manitoba to farm, where he spent four years as a hired hand. Now that he's working for Backswath, he is putting his business and farm backgrounds together.

In his spare time, he likes to curl and play ultimate and soccer.

TERRY BETKER

Terry Betker, P.Ag., CAC, is President and CEO of Backswath Management Inc., a Manitoba-based company that originated in 1992. Terry has an interest and passion in providing consulting expertise to farmers, focusing primarily on strategic business and succession planning, financial analysis, and risk management. Consulting to agribusiness has been, and continues to be, part of the service suite.

Terry is recognized for his visionary and leading-edge contribution to farm management. He is further

recognized for his work at Meyers Norris Penny (MNP) where he was a Partner and Director of Practice Development in Agriculture for over 12 years. Terry was responsible for strategically positioning MNP at the farm, industry, and government level within Canada. Terry initiated the development of the agriculture consulting practice across MNP.

Terry's 17 years experience as a grain, oilseed, and special crops producer in Western Manitoba, gives him first-hand insight into the issues producers face. A popular speaker on management issues, Terry has delivered presentations to the Canadian Bankers Association, American Society of Farm Managers and Rural Appraisers, American Society of Agricultural Consultants, American Association of Production Executions, major farm lenders, international food product and supply companies, agri-marketing and farm management associations, and numerous farm groups. He has made presentations on farm management in the United States, the Netherlands, Chile, Mexico, Poland, Tasmania and New Zealand. He is also a sessional instructor on farm management at the University of Manitoba.

Terry is the Canadian representative to the International Farm Management Association. He is a founding member of familybusiness.ag. He is a past director of the Canadian Association of Management Consultants. He is a member, and past director, of the Manitoba Institute of Agrologists. He is past president of the Canadian Consulting Agrologists Association. Terry is also past founding national director of the Canadian Association of Farm Advisors. He is past director of the Canadian Farm Business Management Council. He was appointed to a committee, by the Federal government Minister of Agriculture, to review Business Risk Management program development and implementation. He was appointed to a national committee to report on, and recommend changes to, farm income reporting standards. He is also a regular contributor to farm newspapers and magazines in Canada.