




Topic	Topic	Topic
Technical efficiency	Mental health	Economic resilience
		

Managing cash flows

Background

Grass based milk production is seasonal and results in peaks and troughs in cash flow for the farm business. Because of this, a cash flow planner will help farmers to better manage their cash flow throughout the year, improving their mental health and the resilience of their farm.

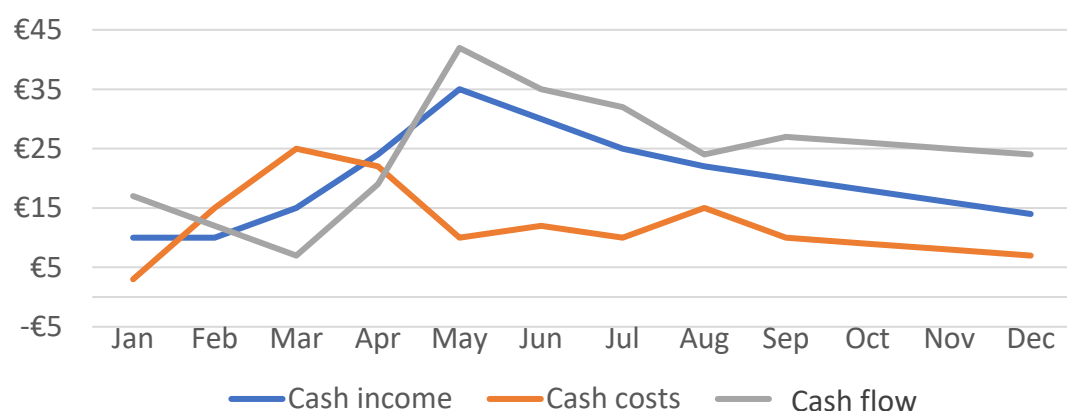
How does the plan work?

Creating a cash flow plan for the farm business

Estimate monthly cash income



Project monthly cash costs



When

Plan prepared at the end of the year

Monthly updates completed to ensure that the plan stays on track

Suggested method

Teagasc cash flow planner

Positive features

- Allows farmers to better understand and plan their annual cash flow
- Being aware and 'in control' of their finances facilitates better mental health
- Helps farmers to identify peaks in cash flow
- Helps farmers to forecast when credit facilities are required
- Can be used when working with financial institutions to discuss what credit facilities are required

Be careful, especially on these points

- Prepare the budget at the end of the previous financial year
- Regularly monitor the target budget against your actual cash flow to check progress

Specific advice

- Input cash income and cash costs are updated on a monthly basis.
- This is vital to ensure that the cash flow is both accurate and up to date

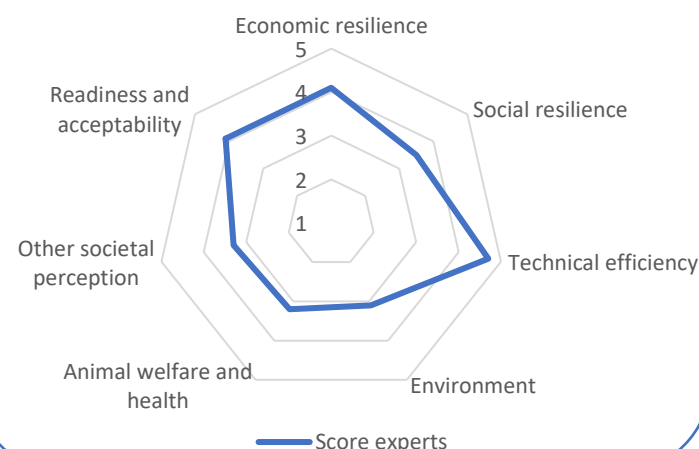


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Adequate training of farmer (course/mentor)

https://www.teagasc.ie/media/website/rural-economy/farm-management/Dairy-Cash-Flow-Budget-Worksheet_V1.1_2015.xlsx

Assessment of method



Quote of the farmer:

"Cash flow budgeting is as important as grass budgeting on my farm"