Worksheet 32 Long-Range Projected Cash Flow

Use the space below to calculate and compare your business' present cash flow and its cash flow under the alternative whole-farm strategies that you are considering. Begin by estimating total cash inflows and outflows. Then subtract outflows from inflows. If the projected net cash flow is positive, then the plan will cash flow—it will be able to make debt payments on time. On the other hand, if the net cash flow is negative, the business alternative will have trouble servicing short-term debt.

		Base Plan	Strategy #1	Strategy #2
Projected Cash Flow:				
Net farm income				
Depreciation expense				
Interest expenses on term debt				
Nonfarm income				
Total cash inflows	**(a)**			
Owner withdrawals				
Income and social security taxes				
Principal and interest payments on term debt				
Loan				
Loan				
Loan				
Loan				
Loan				
Loan				
Total cash outflows	**(b)**			
Projected net cash flow	**(a – b)**			

TASK 4