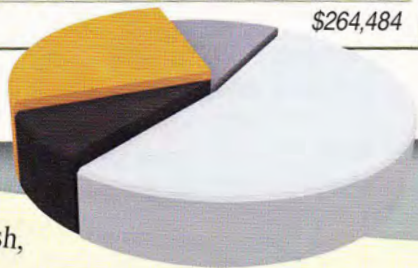




Financial Summary

Revenue	
Farm cash receipts	\$355,960
Investment income	\$12,435
Miscellaneous income	-
Gross farm revenue	\$368,395
Expenses	
Total Production expenses	(\$168,745)
Wages (\$43992)	
Feed costs (\$22081)	
Fuel costs (\$79554)	
Other materials (\$23118)	
Fixed cash expenses	(\$34,248)
Depreciation (\$20,889)	
Insurance (\$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



Dear Mr. Walsh,

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!

1 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

2 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

3 Match the words (1-5) with the definitions (A-E).

- | | |
|--|-----------------------------------|
| 1 <input type="checkbox"/> interest payments | 4 <input type="checkbox"/> income |
| 2 <input type="checkbox"/> gross farm revenue | 5 <input type="checkbox"/> loan |
| 3 <input type="checkbox"/> 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

4 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.
_ _ b _
- 3 When equipment loses value, it is called a cost not due to spending.
n _ n - _ _ _ _ _ x _ _ _ _ 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 _ _ _ _ n _ _ _ e

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

Listening

- 6 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

- 7 Listen again and complete the conversation.

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

- 8 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:

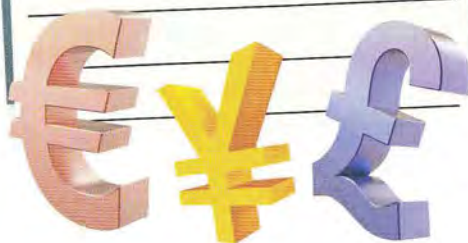
- your financial summary
- expense figures
- insurance figures

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

Writing

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

Financial Summary



Get ready!

1 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?

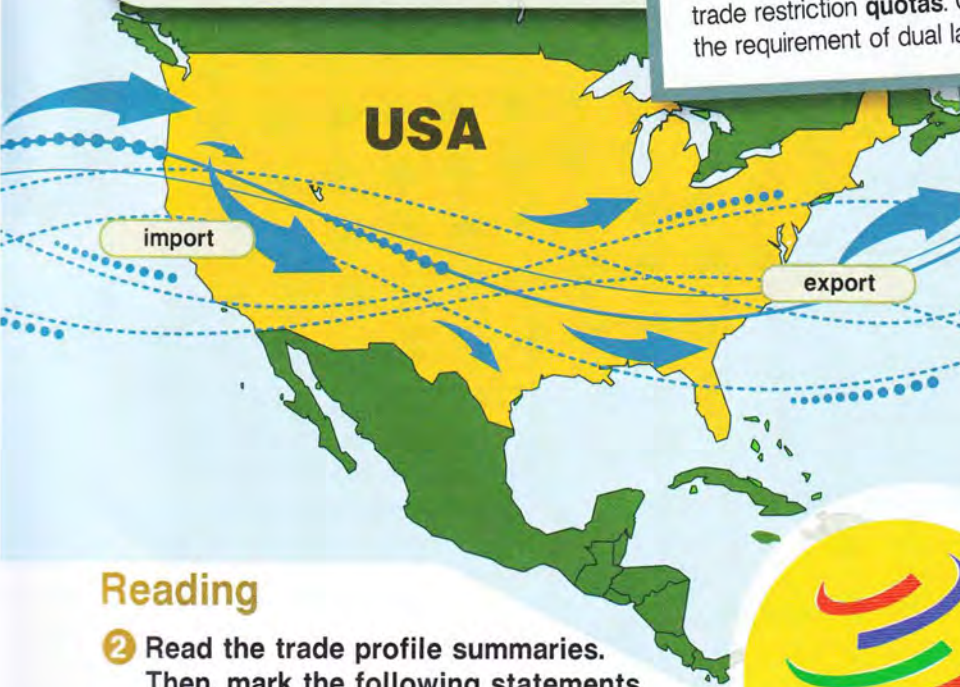
Canada

- 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.

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.



Reading

2 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

3 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.
- 2 Wheat is a major _____ to other countries.
- 3 The government may impose a new _____.
- 4 Fewer imports led to a(n) _____.

4 Write a word that is similar in meaning to the underlined part.

- 1 Countries interact through the exchange of products across borders.
i n _____ a _ _ r _ _ _
- 2 The organization that oversees trade among nations is considering some new regulations.
_ _ _ _
- 3 Increases in exports alter the difference between the value of exports and imports.
b _ _ _ _ e _ _ t _ _ _ _
- 4 High fees on imported or exported goods protect domestic farmers. _ a _ _ _ _ s
- 5 Many countries depend on products brought in from other countries. _ m p _ _ _ _
- 6 Countries that have surpluses are often reliant on selling products internationally.
_ x _ _ _ _ d _ p _ _ _ _ _

Get ready!

1 Before you read the passage, talk about these questions.

- Are investments in futures markets popular in your country?
- How do changes in the futures market impact farmers?

Falling Price of Wheat Futures

Index	Value	Change	Open	High	Low	Time
S&G	752.50	-3.00	755.50	758.00	751.50	11:34 a.m.
FRE 100	2,737.00	-43.00	2,780.00	2,788.00	2,737.00	11:35 a.m.

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

2 Read the article from a financial newspaper. Then, choose the correct answers.

- What is the article mainly about?
 - the effects of price changes
 - the causes of crop damage
 - the best markets to invest in
 - the expected carryover for the year
- Why is the stocks-to-use ratio high?
 - Ending stocks were low.
 - Beginning stocks were high.
 - Wheat purchases increased.
 - Carryover was lower than usual.
- What can you infer about futures purchases?
 - They limit crop production.
 - They create low carryovers.
 - They decrease when prices drop.
 - They are impacted by weather patterns.



Vocabulary

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

- | | |
|-------------|----------------------|
| 1 __ value | 4 __ high |
| 2 __ change | 5 __ low |
| 3 __ open | 6 __ beginning stock |

- the amount at the beginning of a year
- a smaller amount or value
- a larger amount or value
- to begin a market for the day
- monetary worth
- difference occurring over time

