

Audience: Young, Beginning, & Small (YBS) Producers

Format: Post-video facilitated discussion (~30 minutes)

Objective: Help participants reflect on their own operation using concepts from the profitability video, deepen understanding and identify actions they can take in their own operation.

30-Minute Facilitation Plan

Time	Section	Purpose
0–5 min	Opening Reflection	Personal connection to “success” & profitability
5–12 min	What Drives Profitability?	Identify key levers (revenue, costs)
12–20 min	The 5-Line Income Statement	Connect framework to their operation
20–27 min	Levers, Risks & Tradeoffs	Encourage strategic thinking
27–30 min	Wrap up & Commitments	Turn insight into action

Profitability – Refer to Participant Handout

Encourage participants to write *something* in at least 2–3 sections—this increases engagement and likelihood of follow-up conversations.

1. Opening Reflection (0–5 min)

Goal: Shift mindset from “*appearance of success*” to “*true profitability*”

Set the tone: “Let’s start with what stood out to you from the video, especially how it challenged your thinking.”

Discussion prompts:

- When you think about a “successful operation,” what comes to mind first?
- Did the video change how you think about success vs. profitability?
- Why do you think it’s easy to confuse appearance with actual profitability?

Key idea to reinforce (don’t lecture):

Profitability isn’t always visible. Stronger-looking operations may not be financially sustainable.

Facilitator tip:

If the group is quiet, ask:

“Have you ever seen an operation that looked successful, but you weren’t sure if it actually was?”

2. What Drives Profitability? (5–12 min)

Goal: *Help participants recognize that profitability is influenced by their decisions and by factors outside their control.*

Discussion prompts:

- What did you hear about what *actually* drives profitability?
- Which of these feels most important in your operation right now:
 - Revenue
 - Variable costs
 - Fixed costs
- What is one factor impacting your profitability that feels *outside your control*?

Key ideas to reinforce:

- Profitability comes from understanding drivers, risks and controllable levers
- Producers are “in the driver’s seat” of many decisions that influence outcomes

Follow-up push: “What’s one area where you actually have *more control than you thought?*”

3. The 5-Line Income Statement (12–20 min)

Goal: *Make the framework practical and relatable.*

Introduce briefly: “Let’s walk through the five-line income statement, but through your operation.”

Prompt by line:**1. Revenue**

- What are all your revenue streams today?
- Are there any you hadn’t considered before, such as custom work, program payments, or insurance proceeds?

2. Variable Costs

- What are your biggest input costs?
- Where do you think efficiency matters most in your operation?

3. Gross Profit

Reminder: Gross Profit remains after variable costs are subtracted from revenue. Gross Profit Margin expresses that amount as a percentage of revenue.

- What does “efficiency” mean in your business?
- Where do you feel strong? Where do you feel stretched?

4. Fixed Costs

- What are your biggest fixed commitments right now?
- Which ones were strategic choices vs. “just happened”?

5. Net Profit

- How do you currently think about profit—monthly, annually, or not at all?

Key ideas to reinforce:

- The 5-line model simplifies decision-making and highlights what matters most
- Each line represents decisions and tradeoffs

Facilitator tip:

Pause after each section and let participants share examples (this is where ownership builds).

4. Levers, Risks & Tradeoffs (20–27 min)

Goal: *Move from understanding to strategic thinking.*

Discussion prompts:

- What’s one “lever” you could pull to improve profitability?
- What risks affect your operation most:
 - Production (weather, yield)
 - Market prices
 - Processing or logistics
- How do you currently manage those risks?

Deeper reflection:

- Where are you trying to “maximize” instead of “optimize”?
- Have you made a decision that increased fixed costs? If so, how did that affect your flexibility?

Key ideas to reinforce:

- Small changes can have big impacts on profit
- Risk management tools smooth volatility but involve tradeoffs
- Fixed costs are hardest to change after decisions are made

Power question: *“What’s one small change that could meaningfully improve your bottom line?”*

5. Wrap-Up & Commitments (27–30 min)

Goal: *Turn insight into action*

Final questions:

- What’s one takeaway you’ll apply to your operation?
- What’s one question you want to explore further? How can we help?
- What’s one number in your business you want to better understand?

Reinforce:

- Profitability is about knowing your numbers and making intentional decisions
- They don’t have to do it alone—AgWest is a partner

Optional close: *“What is one thing you are taking away from this discussion?”*

Core concepts to listen for:

- Awareness of profitability vs perception
- Understanding of revenue vs cost structure
- Recognition of controllable vs uncontrollable factors
- Willingness to reflect on decisions

If conversation stalls:

- Ask for examples (“What does that look like on your farm?”)
- Ask for comparisons (“Has this changed over time?”)
- Ask for tradeoffs (“What did you give up to do that?”)

Legal Disclaimer: The information contained in these materials is provided for educational and informational purposes only and is not intended to constitute legal, financial, tax, or other professional advice. Users should consult with a qualified professional licensed in the applicable jurisdiction before taking any action based on this information.