

Whole-Farm Reports

The whole-farm reports summarize the financial performance of FBMA member farms in 2007. Each table includes the average of the 122 farms included in the report and the average of four equally divided brackets from the lowest to highest profits (based on Net Farm Income). Appendix I provides detail on how the whole-farm measures are calculated. Below is a short summary of the whole farm reports.

Farm Income Statement

The Income Statement calculates the accrual Net Farm Income generated by the average farm for year 2007. Net Farm Income represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). It is the amount the farm contributed to owner family living, income taxes, and net worth growth. However, it does not include any asset appreciation, debt forgiveness or asset repossessions. The *Inventory Changes* and *Depreciation and Other Capital Adjustments* tables provide further detail on the non-cash adjustments made to calculate the accrual Net Farm Income.

Profitability Measures

The profitability measures are calculated based on both the cost value of assets and the market value. When calculated based on the market value of assets, the profitability measures can be compared to interest rates and returns available on alternative investments. When based on cost values, the returns more closely estimate the actual returns from the actual investment. (Cost values do not necessarily reflect the tax basis of farm assets. Instead, a method of calculating depreciation is used that estimates economic depreciation over the useful life of the assets).

The *Rate of Return on Assets* (ROA) can be thought of as the interest rate earned by all investment in farm assets. *Rate of Return on Equity* (ROE) is the rate earned on the operator's equity or net worth in the farm business. If ROE is higher than ROA, borrowed funds more than paid for their cost in interest expense. *Operating Profit Margin* measures efficiency in farm operations. The higher the margin, the more of the farm income remained in pockets of the farm operator. *Asset Turnover Rate* measures efficiency in use of capital. Again, the higher the better. Farms with high investment in fixed assets will generally have a lower turnover rate than those who lease a major share of their capital.

Liquidity Measures

Liquidity reflects the ability of the farm family to meet cash obligations including family living withdrawals, income taxes, and debt repayment. Liquidity measures are calculated on both a cash and accrual basis. The cash measures reflect how cash actually flowed through the operations during the year. The accrual measures, which adjust for changes in crop, livestock, and other inventories, more accurately reflect the income generation capacity of the businesses.

Years to Turnover Intermediate Debt reflects the ability of the business to repay short and intermediate term liabilities. Because intermediate term debt is usually scheduled for repayment over a three to seven year term, this measure is a simple way to reflect debt repayment capacity.

Expense as a Percent of Income reflects the portion of gross income that was used to pay operating expenses. It includes interest expense but not depreciation. *Interest as a Percent of Income* shows how much of gross income went solely to pay interest expenses.

Balance Sheets

Balance sheet reports are included for both the cost and market value of assets. In both tables, current assets are identical, with crop and livestock inventories generally valued at market value. This conforms to the methodology recommended by the Farm Financial Standard Council. Intermediate and long term assets are shown at depreciated value using estimated economic depreciation, not tax, on the cost-based table. On the market table, they are valued at estimated market value.

Liabilities are the same on the cost and market tables.

Net Worth Change on the cost value table is the amount of earned net worth growth or loss for the year. Net worth change on the market value table includes both earned growth and changes in the market valuation of capital assets.

Statement of Cash Flows

The statement of Cash Flows displays the sources and uses of cash for the year. *Cash From Operating Activities* includes sources and uses of cash related to normal farm operations. In the case of sole proprietors and partnerships, it also usually includes non-farm income and expenses activities. *Cash From Financing Activities* reflect cash used to buy and sell capital assets. *Cash From Financing Activities* includes sources and uses of borrowed funds.

Financial Standards Measures

The Farm Financial Standards Council recommends that farms use these sixteen measures as standard measures of farm financial performance. They are sometimes called the *Sweet 16*. Many are repeated from the Profitability, Liquidity, and Balance Sheet tables. For a complete description, see the Financial Guidelines for Agricultural Producers at www.ffsc.org/html/guidelin.htm.

Crop Production and Marketing

This table reports farm size in acres farmed, average crop yields for major commodities and average crop sales prices for the calendar year. Yields and prices are reported for the average of all farms for more commodities than those included in the High and Low columns because a minimum of four farms are required to report the yield or price for any group.

Operator and Labor Information

All previous tables report results per farm, regardless of the number of families or operators involved in the operation. This report repeats several measures from previous tables on a *Per Operator* basis. It also summarizes estimated labor hours used and labor performance.

Farm Income Statement
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Cash Farm Income					
Clover Seed, Red	118	-	-	480	-
Corn	78,750	7,973	13,910	90,615	200,601
Grass Seed, Fescue	489	546	890	524	-
Hay, Grass	329	893	-	255	183
Hay, Mixed	375	393	367	365	375
Sorghum, Grain	1,415	267	414	2,029	2,934
Soybeans	104,804	9,915	28,187	117,948	260,531
Soybeans Seed	33	-	-	133	-
Straw	213	-	32	378	438
Timber	46	-	-	185	-
Wheat, Spring	210	-	-	-	828
Wheat, Winter	11,537	2,167	4,047	18,914	20,953
Miscellaneous crop income	38	27	88	35	-
Beef Bulls	265	115	-	963	-
Beef Cow-Calf, Beef Calves	28,121	22,325	26,730	29,066	34,207
Beef Replacement Heifers	55	225	-	-	-
Beef, Background Beef	11,067	17,415	5,559	19,735	2,045
Beef, Finish Beef Calves	1,985	38	6,251	1,576	-
Dairy, Milk	4,220	-	16,608	-	-
Dairy Steer Finishing	3,840	-	242	-	14,870
Hogs, Farrow-Fin, Raised Hogs	79,982	221,761	31,592	43,553	26,420
Hogs, Finish Feeder Pigs	4,608	-	14,969	1,831	1,393
Horses, Breed Horses, Foals	26	107	-	-	-
Sheep, Market Lambs, Mkt Lambs	1,068	477	-	3,808	56
Beef, Finish Cull Cows	1,055	-	-	4,289	-
Hogs, Weaning Pigs, Weaning Pigs	835	108	-	-	3,181
Beef Cow-Calf (shares), Beef Calv	2,238	1,512	3,623	2,844	970
Cull breeding livestock	2,906	5,643	2,260	3,187	630
Misc. livestock income	2,718	387	3,635	2,554	4,217
Direct & CC govt payments	9,847	1,574	3,128	13,970	20,582
CRP payments	915	136	1,162	650	1,679
Livestock govt payments	354	377	38	1,008	14
Other government payments	5,372	8,970	1,897	4,059	6,637
Custom work income	6,496	3,527	3,703	7,163	11,518
Patronage dividends, cash	5,760	9,473	2,173	4,173	7,289
Insurance income	2,968	1,209	73	5,095	5,506
Cash from hedging accts	3,542	13,960	320	-	111
Other farm income	12,591	2,618	10,043	18,117	19,443
Gross Cash Farm Income	391,192	334,137	181,942	399,503	647,612

Farm Income Statement (Continued)
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Cash Farm Expense					
Seed	22,174	3,098	5,787	30,741	48,733
Fertilizer	41,813	8,670	12,157	52,016	93,668
Crop chemicals	14,765	1,880	4,600	14,367	37,784
Crop insurance	7,809	993	1,561	7,283	21,161
Drying fuel	556	-	116	524	1,566
Storage	62	2	13	218	16
CCC buyback	388	-	-	1,579	-
Crop marketing	215	-	31	374	454
Crop miscellaneous	2,130	307	434	1,260	6,434
Feeder livestock purchase	10,819	9,774	11,849	17,674	4,168
Purchased feed	65,531	165,454	37,652	31,952	29,207
Breeding fees	1,399	5,086	469	118	-
Veterinary	4,233	7,618	2,330	3,917	3,165
Supplies	2,312	4,394	2,353	1,895	658
DHIA	48	-	188	-	-
Contract production exp.	4,121	15,604	-	-	1,117
Livestock leases	2,180	2,005	6,638	-	-
Grazing fees	352	1,024	99	176	127
Livestock marketing	540	402	773	650	333
Livestock miscellaneous	245	66	837	65	-
Interest	19,610	17,969	10,065	24,634	25,880
Fuel & oil	17,384	5,575	7,064	23,305	33,402
Repairs	19,903	5,753	8,303	27,410	37,931
Custom hire	5,478	2,823	2,419	5,964	10,634
Hired labor	16,404	25,596	8,114	10,836	21,188
Land rent	22,179	4,746	7,277	31,432	44,998
Machinery leases	864	8	114	3,186	194
Building leases	6,442	22,210	45	875	2,967
Real estate taxes	2,566	1,103	1,234	3,225	4,675
Personal property taxes	849	1,120	506	449	1,316
Farm insurance	5,120	3,188	2,487	7,436	7,380
Utilities	5,875	9,785	3,196	4,430	6,170
Dues & professional fees	1,191	1,518	609	1,388	1,264
Hedging account deposits	1,148	-	-	563	3,974
Miscellaneous	8,799	4,659	5,669	11,006	13,801
Total cash expense	315,503	332,432	144,987	320,946	464,367
Net cash farm income	75,689	1,705	36,955	78,556	183,245
Inventory Changes					
Crops and feed	63,208	4,633	10,496	56,097	179,485
Market livestock	-9,509	-17,403	-1,152	-2,144	-17,355
Accounts receivable	1,303	-7,225	-389	2,397	10,191
Prepaid expenses and supplies	6,825	326	2,943	5,075	18,690
Accounts payable	-2,942	-1,597	-1,249	-2,806	-6,070
Total inventory change	58,884	-21,266	10,649	58,618	184,941
Net operating profit	134,573	-19,561	47,604	137,175	368,186
Depreciation and Other Capital Adjustments					
Breeding livestock	-2,517	-342	-2,786	-4,368	-2,560
Machinery and equipment	-8,918	-4,185	-5,854	-9,640	-15,862
Buildings and improvements	-532	-593	-1,108	80	-491
Other farm capital	89	-754	778	-243	537
Total depr. and other capital adj	-11,878	-5,874	-8,971	-14,172	-18,376
Net farm income	122,695	-25,435	38,633	123,003	349,811

Inventory Changes
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Net cash farm income	75,689	1,705	36,955	78,556	183,245
Crops and Feed					
Ending inventory	185,741	18,826	43,788	194,080	481,153
Beginning inventory	122,533	14,194	33,292	137,983	301,667
Inventory change	63,208	4,633	10,496	56,097	179,485
Market Livestock					
Ending inventory	56,870	87,837	39,047	59,927	41,766
Beginning inventory	66,379	105,240	40,199	62,071	59,121
Inventory change	-9,509	-17,403	-1,152	-2,144	-17,355
Accts Receivable & Other Current Assets					
Ending inventory	15,359	16,487	3,773	15,299	25,912
Beginning inventory	14,056	23,712	4,162	12,902	15,722
Inventory change	1,303	-7,225	-389	2,397	10,191
Prepaid Expenses and Supplies					
Ending inventory	22,242	1,364	5,099	19,472	62,270
Beginning inventory	15,417	1,037	2,156	14,398	43,580
Inventory change	6,825	326	2,943	5,075	18,690
Accounts Payable & Accrued Expenses					
Beginning inventory	6,539	841	1,627	10,056	13,563
Ending inventory	9,481	2,438	2,876	12,862	19,633
Inventory change	-2,942	-1,597	-1,249	-2,806	-6,070
Total inventory change	58,884	-21,266	10,649	58,618	184,941
Net operating profit	134,573	-19,561	47,604	137,175	368,186

**Depreciation and Other Capital Adjustments
(Farms Sorted By Net Farm Income)**

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Net operating profit	134,573	-19,561	47,604	137,175	368,186
Breeding Livestock					
Ending inventory	51,479	55,135	52,855	51,050	46,980
Capital sales	4,638	8,507	3,553	3,417	3,162
Beginning inventory	50,702	49,066	54,106	51,836	47,785
Capital purchases	7,931	14,918	5,089	6,999	4,916
Depreciation, capital adjust.	-2,517	-342	-2,786	-4,368	-2,560
Machinery and Equipment					
Ending inventory	193,329	82,597	82,793	223,565	381,765
Capital sales	5,896	1,109	5,315	3,779	13,159
Beginning inventory	167,989	76,134	75,981	199,163	318,721
Capital purchases	40,154	11,757	17,981	37,820	92,065
Depreciation, capital adjust.	-8,918	-4,185	-5,854	-9,640	-15,862
Buildings and Improvements					
Ending inventory	56,868	48,457	27,967	74,247	77,091
Capital sales	-	-	-	-	-
Beginning inventory	52,226	46,266	27,487	66,206	69,205
Capital purchases	5,174	2,784	1,587	7,962	8,376
Depreciation, capital adjust.	-532	-593	-1,108	80	-491
Other Capital Assets					
Ending inventory	66,076	143,295	12,629	10,358	98,718
Capital sales	428	-	-	239	1,452
Beginning inventory	42,555	60,290	10,092	7,552	91,730
Capital purchases	23,860	83,759	1,759	3,288	7,903
Depreciation, capital adjust.	89	-754	778	-243	537
Total depreciation, capital adj.	-11,878	-5,874	-8,971	-14,172	-18,376
Net farm income	122,695	-25,435	38,633	123,003	349,811

Profitability Measures
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Profitability (assets valued at cost)					
Net farm income	122,695	-25,435	38,633	123,003	349,811
Labor and management earnings	84,065	-43,987	20,840	85,106	270,203
Rate of return on assets	11.3 %	-4.5 %	6.3 %	11.1 %	17.6 %
Rate of return on equity	13.5 %	-14.5 %	6.0 %	13.4 %	21.6 %
Operating profit margin	29.3 %	-18.5 %	20.5 %	27.3 %	40.0 %
Asset turnover rate	38.7 %	24.6 %	30.8 %	40.5 %	44.0 %
Interest on farm net worth	38,631	18,552	17,793	37,897	79,608
Farm interest expense	20,651	19,069	10,778	25,288	27,568
Value of operator lbr and mgmt.	35,769	19,298	20,945	38,551	63,839
Return on farm assets	107,578	-25,664	28,467	109,741	313,540
Average farm assets	949,911	564,375	450,632	991,368	1,782,171
Return on farm equity	86,927	-44,733	17,688	84,453	285,972
Average farm equity	643,842	309,196	296,556	631,624	1,326,805
Value of farm production	367,326	138,571	138,609	401,859	783,998

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Profitability (assets valued at market)					
Net farm income	174,536	-7,584	68,544	171,045	460,152
Labor and management earnings	112,394	-37,357	41,008	107,084	333,840
Rate of return on assets	11.9 %	-1.0 %	9.5 %	11.1 %	16.6 %
Rate of return on equity	13.4 %	-5.4 %	10.4 %	12.4 %	18.8 %
Operating profit margin	43.4 %	-5.6 %	42.1 %	39.3 %	54.1 %
Asset turnover rate	27.4 %	18.4 %	22.6 %	28.2 %	30.6 %
Interest on farm net worth	62,141	29,772	27,535	63,961	126,312
Farm interest expense	20,651	19,069	10,778	25,288	27,568
Value of operator lbr and mgmt.	35,769	19,298	20,945	38,551	63,839
Return on farm assets	159,419	-7,813	58,377	157,783	423,881
Average farm assets	1,341,759	751,386	612,995	1,425,754	2,560,564
Return on farm equity	138,767	-26,882	47,598	132,494	396,313
Average farm equity	1,035,690	496,208	458,918	1,066,010	2,105,199
Value of farm production	367,326	138,571	138,609	401,859	783,998

Liquidity Measures
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Liquidity (cash)					
Net cash farm income	75,689	1,705	36,955	78,556	183,245
Net nonfarm income	26,090	45,147	21,574	18,763	19,253
Family living and taxes	51,694	43,134	36,470	47,583	79,180
Principal due on long term debt	10,293	7,834	4,917	8,136	20,136
Cash available for interm. debt	39,792	-4,116	17,142	41,601	103,182
Average intermediate debt	67,746	45,311	23,025	82,451	119,947
Years to turnover interm. debt	1.7	**	1.3	2.0	1.2
Expense as a % of income	81 %	99 %	80 %	80 %	72 %
Interest as a % of income	5 %	5 %	6 %	6 %	4 %
Working capital to gross income	48 %	10 %	34 %	46 %	73 %
Liquidity (accrual)					
Total accrual farm income	446,193	314,141	190,897	455,853	819,933
Total accrual operating expense	311,620	333,702	143,293	318,678	451,747
Net accrual operating income	134,573	-19,561	47,604	137,175	368,186
Net nonfarm income	26,090	45,147	21,574	18,763	19,253
Family living and taxes	51,694	43,134	36,470	47,583	79,180
Principal due on long term debt	10,293	7,834	4,917	8,136	20,136
Available for intermediate debt	98,676	-25,382	27,791	100,220	288,123
Average intermediate debt	67,746	45,311	23,025	82,451	119,947
Years to turnover interm. debt	0.7	**	0.8	0.8	0.4
Expense as a % of income	70 %	106 %	75 %	70 %	55 %
Interest as a % of income	5 %	6 %	6 %	6 %	3 %
Working capital to gross income	42 %	11 %	32 %	40 %	57 %

** Income insufficient to meet debt servicing requirements

Balance Sheet at Cost Values
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Assets					
Current Farm Assets					
Cash and checking balance	18,671	10,274	9,014	16,607	38,451
Prepaid expenses & supplies	22,242	1,364	5,099	19,472	62,270
Growing crops	5,291	799	1,490	7,358	11,437
Accounts receivable	5,563	9,558	68	5,235	7,511
Hedging accounts	1,598	5,430	292	-	741
Crops held for sale or feed	175,333	18,826	43,788	178,916	454,868
Crops under government loan	12,508	-	-	23,703	26,285
Market livestock held for sale	56,870	87,837	39,047	59,927	41,766
Other current assets	2,908	701	1,923	2,706	6,224
Total current farm assets	300,982	134,789	100,721	313,924	649,552
Intermediate Farm Assets					
Breeding livestock	51,479	55,135	52,855	51,050	46,980
Machinery and equipment	180,606	70,664	71,315	214,229	363,754
Titled vehicles	12,723	11,933	11,478	9,336	18,011
Other intermediate assets	20,670	2,531	2,490	7,741	68,916
Total intermediate farm assets	265,478	140,263	138,138	282,356	497,661
Long Term Farm Assets					
Farm land	355,021	149,878	199,802	380,790	683,825
Buildings and improvements	56,868	48,457	27,967	74,247	77,091
Other long-term assets	45,406	140,764	10,139	2,617	29,801
Total long-term farm assets	457,295	339,100	237,908	457,654	790,717
Total Farm Assets	1,023,755	614,151	476,767	1,053,934	1,937,931
Total Nonfarm Assets	106,154	149,327	70,797	73,765	131,076
Total Assets	1,129,910	763,478	547,564	1,127,698	2,069,007
Liabilities					
Current Farm Liabilities					
Accrued interest	4,336	1,820	2,090	4,720	8,644
Accounts payable	5,144	617	785	8,133	10,989
Current notes	71,785	79,124	24,167	91,965	92,771
Government crop loans	5,971	-	-	10,785	13,064
Principal due on term debt	25,363	19,971	12,357	14,869	53,741
Total current farm liabilities	112,598	101,533	39,399	130,471	179,209
Total intermediate farm liabs	56,160	41,577	17,607	76,994	88,665
Total long term farm liabilities	160,817	172,427	112,705	164,851	193,789
Total farm liabilities	329,575	315,537	169,711	372,316	461,663
Total nonfarm liabilities	20,145	39,205	18,820	13,807	9,158
Total liabilities	349,720	354,742	188,531	386,123	470,821
Net worth (farm and nonfarm)	780,189	408,736	359,033	741,575	1,598,186
Net worth change	112,398	-8,997	26,169	106,312	321,997
Ratio Analysis					
Current farm liabilities / assets	37 %	75 %	39 %	42 %	28 %
Curr. & interm farm liab. / assets	30 %	52 %	24 %	35 %	23 %
Long term farm liab. / assets	35 %	51 %	47 %	36 %	25 %
Total debt to asset ratio	31 %	46 %	34 %	34 %	23 %

Balance Sheet at Market Values
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
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Hedging accounts	1,598	5,430	292	-	741
Crops held for sale or feed	175,333	18,826	43,788	178,916	454,868
Crops under government loan	12,508	-	-	23,703	26,285
Market livestock held for sale	56,870	87,837	39,047	59,927	41,766
Other current assets	2,908	701	1,923	2,706	6,224
Total current farm assets	300,982	134,789	100,721	313,924	649,552
Intermediate Farm Assets					
Breeding livestock	67,353	78,285	65,817	65,221	60,374
Machinery and equipment	221,791	76,651	84,145	258,411	464,458
Titled vehicles	15,792	13,219	12,775	13,030	23,973
Other intermediate assets	26,185	4,894	2,490	7,741	88,334
Total intermediate farm assets	331,122	173,050	165,228	344,403	637,138
Long Term Farm Assets					
Farm land	686,794	282,800	342,899	759,102	1,351,674
Buildings and improvements	75,084	71,752	33,859	91,828	103,329
Other long-term assets	47,541	147,697	11,378	3,083	29,801
Total long-term farm assets	809,418	502,249	388,136	854,014	1,484,804
Total Farm Assets	1,441,523	810,087	654,085	1,512,341	2,771,494
Total Nonfarm Assets	131,847	165,686	100,436	82,364	178,395
Total Assets	1,573,370	975,774	754,521	1,594,705	2,949,890
Liabilities					
Current Farm Liabilities					
Accrued interest	4,336	1,820	2,090	4,720	8,644
Accounts payable	5,144	617	785	8,133	10,989
Current notes	71,785	79,124	24,167	91,965	92,771
Government crop loans	5,971	-	-	10,785	13,064
Principal due on term debt	25,363	19,971	12,357	14,869	53,741
Total current farm liabilities	112,598	101,533	39,399	130,471	179,209
Total intermediate farm liabs	56,160	41,577	17,607	76,994	88,665
Total long term farm liabilities	160,817	172,427	112,705	164,851	193,789
Total farm liabilities	329,575	315,537	169,711	372,316	461,663
Total nonfarm liabilities	20,145	39,205	18,820	13,807	9,158
Total liabs excluding deferreds	349,720	354,742	188,531	386,123	470,821
Total deferred liabilities	-	-	-	-	-
Total liabilities	349,720	354,742	188,531	386,123	470,821
Retained earnings	780,189	408,736	359,033	741,575	1,598,186
Market valuation equity	443,460	212,296	206,957	467,007	880,883
Net worth (farm and nonfarm)	1,223,649	621,032	565,990	1,208,582	2,479,069
Net worth excluding deferreds	1,223,649	621,032	565,990	1,208,582	2,479,069
Net worth change	167,653	10,420	55,148	154,545	445,006
Ratio Analysis					
Current farm liabilities / assets	37 %	75 %	39 %	42 %	28 %
Curr. & interm farm liab. / assets	27 %	46 %	21 %	32 %	21 %
Long term farm liab. / assets	20 %	34 %	29 %	19 %	13 %
Total debt to asset ratio	22 %	36 %	25 %	24 %	16 %
Debt to assets excl deferreds	22 %	36 %	25 %	24 %	16 %

Statement Of Cash Flows
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Beginning cash (farm & nonfarm)	22,640	23,186	20,733	11,899	34,414
Cash From Operating Activities					
Gross cash farm income	391,192	334,137	181,942	399,503	647,612
Net nonfarm income	26,090	45,147	21,574	18,763	19,253
Total cash farm expense	-315,503	-332,432	-144,987	-320,946	-464,367
Apparent family living expense	-46,482	-41,190	-32,923	-43,075	-68,457
Income and social security tax	-5,212	-1,944	-3,546	-4,507	-10,723
Cash from operations	50,085	3,718	22,059	49,737	123,318
Cash From Investing Activities					
Sale of breeding livestock	4,638	8,507	3,553	3,417	3,162
Sale of machinery & equipment	5,402	852	4,034	3,632	12,885
Sale of titled vehicles	494	257	1,282	147	274
Sale of farm land	246	-	968	-	-
Sale of farm buildings	-	-	-	-	-
Sale of other farm assets	428	-	-	239	1,452
Sale of nonfarm assets	1,786	6,524	360	367	-
Purchase of breeding livestock	-7,931	-14,918	-5,089	-6,999	-4,916
Purchase of machinery & equip.	-37,353	-8,929	-13,938	-35,922	-89,660
Purchase of titled vehicles	-2,801	-2,829	-4,043	-1,899	-2,405
Purchase of farm land	-23,583	-21,693	-33,856	-2,323	-35,713
Purchase of farm buildings	-5,174	-2,784	-1,587	-7,962	-8,376
Purchase of other farm assets	-23,860	-83,759	-1,759	-3,288	-7,903
Purchase of nonfarm assets	-6,755	-9,404	-1,291	-7,846	-8,598
Cash from investing activities	-94,463	-128,177	-51,367	-58,437	-139,799
Cash From Financing Activities					
Money borrowed	159,517	263,593	65,535	109,986	200,712
Cash gifts and inheritances	10,453	6,672	984	9,482	24,519
Principal payments	-119,207	-140,808	-36,587	-103,323	-196,293
Dividends paid	-	-	-	-	-
Gifts given	-1,552	-268	-2,167	-196	-3,489
Cash from financing activities	49,211	129,188	27,765	15,947	25,449
Net change in cash balance	4,832	4,730	-1,543	7,247	8,968
Ending cash (farm & nonfarm)	27,472	27,916	19,190	19,146	43,382

Financial Standards Measures
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Liquidity					
Current ratio	2.67	1.33	2.56	2.41	3.62
Working capital	188,384	33,255	61,322	183,453	470,344
Solvency (market)					
Farm debt to asset ratio	23 %	39 %	26 %	25 %	17 %
Farm equity to asset ratio	77 %	61 %	74 %	75 %	83 %
Farm debt to equity ratio	30 %	64 %	35 %	33 %	20 %
Profitability (cost)					
Rate of return on farm assets	11.3 %	-4.5 %	6.3 %	11.1 %	17.6 %
Rate of return on farm equity	13.5 %	-14.5 %	6.0 %	13.4 %	21.6 %
Operating profit margin	29.3 %	-18.5 %	20.5 %	27.3 %	40.0 %
Net farm income	122,695	-25,435	38,633	123,003	349,811
Repayment Capacity					
Term debt coverage ratio	318 %	-50 %	199 %	281 %	494 %
Capital replacement margin	66,259	-30,705	16,073	47,426	228,509
Efficiency					
Asset turnover rate (cost)	38.7 %	24.6 %	30.8 %	40.5 %	44.0 %
Operating expense ratio	65.2 %	100.2 %	69.4 %	64.4 %	51.7 %
Depreciation expense ratio	2.7 %	1.9 %	4.7 %	3.1 %	2.2 %
Interest expense ratio	4.6 %	6.1 %	5.6 %	5.5 %	3.4 %
Net farm income ratio	27.5 %	-8.1 %	20.2 %	27.0 %	42.7 %

Crop Production and Marketing Summary
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Acreage Summary					
Total acres owned	436	173	263	490	812
Total crop acres	739	150	228	796	1,765
Crop acres owned	263	54	95	266	629
Crop acres cash rented	236	54	73	333	483
Crop acres share rented	240	41	60	197	654
Total pasture acres	153	243	153	116	102
Average Price Received (Cash Sales Only)					
Soybeans per bushel	7.46	7.88	8.03	7.36	7.44
Corn per bushel	3.48	3.66	3.37	3.59	3.44
Wheat, Winter per bushel	4.51	3.86	4.65	4.72	4.39
Hay, Mixed per ton	61.37	54.72	-	65.12	-
Grass Seed, Fescue per lb	0.559	0.488	0.547	0.688	-
Sorghum, Grain per bushel	3.69	-	-	-	3.42
Hay, Grass per ton	45.83	-	-	-	-
Straw per ton	99.90	-	-	-	-
Average Yield Per Acre					
Corn (bushel)	137.28	92.23	136.15	123.25	148.33
Soybeans (bushel)	40.44	25.96	46.26	36.55	42.27
Wheat, Winter (bushel)	47.98	-	54.42	41.09	50.42
Pasture (aum)	3.69	3.59	3.12	4.25	4.44
Hay, Mixed (ton)	2.30	2.56	2.15	2.83	2.17
Sorghum, Grain (bushel)	88.79	-	-	-	-
Corn Silage (ton)	16.94	-	-	-	-

Household and Personal Expenses
(Farms Sorted By Years)

	<u>2007</u>
Number of farms	7
Average family size	3.4
Family Living Expenses	
Food and meals expense	5,493
Medical care	3,538
Health insurance	1,896
Cash donations	2,426
Household supplies	4,107
Clothing	1,273
Personal care	128
Child / Dependent care	85
Alimony and Child support	-
Gifts	1,386
Education	1,488
Recreation	1,117
Utilities (household share)	2,335
Nonfarm vehicle operating expense	3,222
Household real estate taxes	52
Dwelling rent	-
Household repairs	808
Nonfarm interest	2,612
Disability / Long term care insuran	322
Life insurance payments	561
Nonfarm property insurance	518
Miscellaneous	2,657
Total cash family living expense	36,024
Family living from the farm	142
Total family living	36,166
Other Nonfarm Expenditures	
Income taxes	6,590
Furnishing & appliance purchases	473
Nonfarm vehicle purchases	4,711
Nonfarm real estate purchases	7,173
Other nonfarm capital purchases	2,644
Nonfarm savings & investments	10,149
Total other nonfarm expenditures	31,740
Total cash family living investment & nonfarm capital purch	67,764

Operator and Labor Information
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Operator Information					
Average number of operators	1.1	1.0	1.1	1.2	1.2
Average age of operators	46.3	41.2	46.1	49.0	48.8
Average number of years farming	23.6	18.7	21.0	27.8	27.0
Results Per Operator					
Working capital	168,004	34,284	54,783	155,031	388,817
Total assets (market)	1,403,151	1,005,952	674,068	1,347,638	2,438,576
Total liabilities	311,885	365,714	168,428	326,301	389,212
Net worth (market)	1,091,266	640,239	505,639	1,021,337	2,049,364
Net worth excl deferred liabs	1,091,266	640,239	505,639	1,021,337	2,049,364
Gross farm income	397,921	323,857	170,542	385,228	677,811
Total farm expense	288,500	350,079	136,028	281,281	388,634
Net farm income	109,421	-26,222	34,514	103,946	289,177
Net nonfarm income	23,267	46,543	19,274	15,856	15,916
Family living & tax withdrawals	46,101	44,468	32,581	40,211	65,456
Total acres owned	389.1	178.6	235.1	413.9	671.5
Total crop acres	659.3	154.5	204.0	672.9	1,459.3
Crop acres owned	234.4	56.1	85.3	224.6	519.8
Crop acres cash rented	210.9	55.6	65.4	281.5	399.1
Crop acres share rented	214.0	42.7	53.2	166.8	540.4
Total pasture acres	136.6	251.0	136.9	97.6	84.4
Labor Analysis					
Number of farms	120	30	29	30	31
Total unpaid labor hours	1,752	916	1,684	2,170	2,219
Total hired labor hours	1,401	1,764	760	926	2,109
Total labor hours per farm	3,152	2,679	2,443	3,096	4,328
Unpaid hours per operator	1,559	944	1,493	1,834	1,835
Value of farm production / hour	118.24	51.72	59.45	129.82	181.14
Net farm income / unpaid hour	70.91	-27.78	23.21	56.68	157.62
Average hourly hired labor wage	15.58	19.24	11.38	16.08	13.85
Partnerships & LLCs					
Number of farms	12	1	2	3	6
Number of operators	1.8	-	-	-	1.5
Owner withdrawals per farm	64,475	-	-	-	-
Withdrawals per operator	42,983	-	-	-	-
Corporations					
Number of farms	5	1	1	2	1
Number of operators	1.8	-	-	-	-

Financial Summary
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 25%</u>	<u>25 - 50%</u>	<u>50 - 75%</u>	<u>High 25%</u>
Number of farms	122	30	31	30	31
Income Statement					
Gross cash farm income	391,192	334,137	181,942	399,503	647,612
Total cash farm expense	315,503	332,432	144,987	320,946	464,367
Net cash farm income	75,689	1,705	36,955	78,556	183,245
Inventory change	58,884	-21,266	10,649	58,618	184,941
Depreciation and capital adjust	-11,878	-5,874	-8,971	-14,172	-18,376
Net farm income	122,695	-25,435	38,633	123,003	349,811
Profitability (cost)					
Labor and management earnings	84,065	-43,987	20,840	85,106	270,203
Rate of return on assets	11.3 %	-4.5 %	6.3 %	11.1 %	17.6 %
Rate of return on equity	13.5 %	-14.5 %	6.0 %	13.4 %	21.6 %
Operating profit margin	29.3 %	-18.5 %	20.5 %	27.3 %	40.0 %
Asset turnover rate	38.7 %	24.6 %	30.8 %	40.5 %	44.0 %
Profitability (market)					
Labor and management earnings	112,394	-37,357	41,008	107,084	333,840
Rate of return on assets	11.9 %	-1.0 %	9.5 %	11.1 %	16.6 %
Rate of return on equity	13.4 %	-5.4 %	10.4 %	12.4 %	18.8 %
Operating profit margin	43.4 %	-5.6 %	42.1 %	39.3 %	54.1 %
Asset turnover rate	27.4 %	18.4 %	22.6 %	28.2 %	30.6 %
Liquidity					
Ending current ratio	2.67	1.33	2.56	2.41	3.62
Ending working capital	188,384	33,255	61,322	183,453	470,344
End working capital to gross inc	48.2 %	10.0 %	33.7 %	45.9 %	72.6 %
Term debt coverage ratio	318.5 %	-49.6 %	199.0 %	281.4 %	494.2 %
Expense as a percent of income	69.8 %	106.2 %	75.1 %	69.9 %	55.1 %
Interest as a percent of income	4.6 %	6.1 %	5.6 %	5.5 %	3.4 %
Solvency (cost)					
Number of farms	122	30	31	30	31
Ending farm assets	1,023,755	614,151	476,767	1,053,934	1,937,931
Ending farm liabilities	329,575	315,537	169,711	372,316	461,663
Ending total assets	1,129,910	763,478	547,564	1,127,698	2,069,007
Ending total liabilities	349,720	354,742	188,531	386,123	470,821
Ending net worth	780,189	408,736	359,033	741,575	1,598,186
Net worth change	112,398	-8,997	26,169	106,312	321,997
Ending farm debt to asset ratio	32 %	51 %	36 %	35 %	24 %
Beg total debt to asset ratio	32 %	36 %	32 %	37 %	27 %
End total debt to asset ratio	31 %	46 %	34 %	34 %	23 %
Solvency (market)					
Number of farms	122	30	31	30	31
Ending farm assets	1,441,523	810,087	654,085	1,512,341	2,771,494
Ending farm liabilities	329,575	315,537	169,711	372,316	461,663
Ending total assets	1,573,370	975,774	754,521	1,594,705	2,949,890
Ending total liabilities	349,720	354,742	188,531	386,123	470,821
Ending net worth	1,223,649	621,032	565,990	1,208,582	2,479,069
Net worth change	167,653	10,420	55,148	154,545	445,006
Ending farm debt to asset ratio	23 %	39 %	26 %	25 %	17 %
Beg total debt to asset ratio	23 %	28 %	24 %	26 %	18 %
End total debt to asset ratio	22 %	36 %	25 %	24 %	16 %
Nonfarm Information					
Net nonfarm income	26,090	45,147	21,574	18,763	19,253
Farms reporting living expenses	37	9	10	7	11
Total family living expense	36,314	26,401	20,346	39,202	57,102
Total living, invest, & capital	57,992	51,115	28,665	51,049	94,699
Crop Acres					
Total acres owned	436	173	263	490	812
Total crop acres	739	150	228	796	1,765
Total crop acres owned	263	54	95	266	629
Total crop acres cash rented	236	54	73	333	483
Total crop acres share rented	240	41	60	197	654

