

WHAT IS THE ECONOMIC IMPACT OF AN AVERAGE FBMA FARM IN A LOCAL MISSOURI COMMUNITY IN 2012?

Money Spent by the Average 2012 Missouri FBMA Farm in the Local Community & Service Area (132 Farms, Missouri FBMA Summary, 2012)

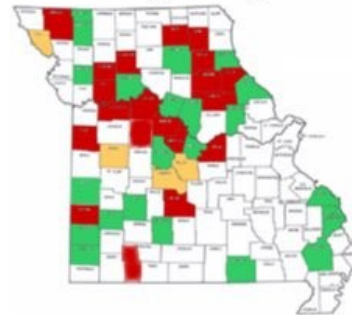
With Other Farmers.....		\$42,485
(Brd/Non-Brd. Livestock & Custom Work)		
With Other Landowners		\$38,394
(Cash Land Rent/ Land Leases)		
For Labor.....		\$21,199
For Farm Utilities.....		\$6,160
With Agribusiness Community		\$394,733
Crop Production Expenses		
	\$171,919	
Livestock Production Expenses		
	\$147,962	
Fuel & Repair Expenses.....		
	\$54,415	
Other/Misc. Expenses		
	\$13,539	
Farm Insurance.....		
	\$6,898	
With Lenders (Interest)		\$18,637
For Farm Equipment/Vehicles/Leases.....		\$70,502
For Farm Assets		\$9,176
(Bldgs./Land/Improvements-Other Farm Assets)		
For Local Government		\$4,388
(Real Estate/Personal Property Tax)		
Family Living Expenses*.....		\$70,521
(Inc. Taxes & Purchase of Non-Farm Assets)		

Total Annual Spending Within the Community or Service Area by the Average Missouri FBMA Farm in 2012 ----- \$676,195
*partially reported



Farm Business Management Analysis 2012 Missouri Summary

Missouri Adult Ag Programs



■ FBMA, Adult Classes, Young Farmers
■ Adult Classes, Young Farmers
■ Adult Classes

Balance Sheets

The 132 farms completing a cost balance sheet ended the year with a net worth of \$1,250,959 (farm and non-farm). The average increase in net worth for the year was \$111,818. The average farm debt:asset ratio was 19% at market value. The average farm borrowed \$213,463 and paid \$217,306 in principal payments in 2012.

Household and Personal Expenses

Ten FBMA farms submitted detailed family living and non-farm expenditures in 2012. The average of these families spent \$41,847 for family living and an additional \$28,673 for income taxes and major non-farm purchases and investments, for a total of \$70,521.



For More Information

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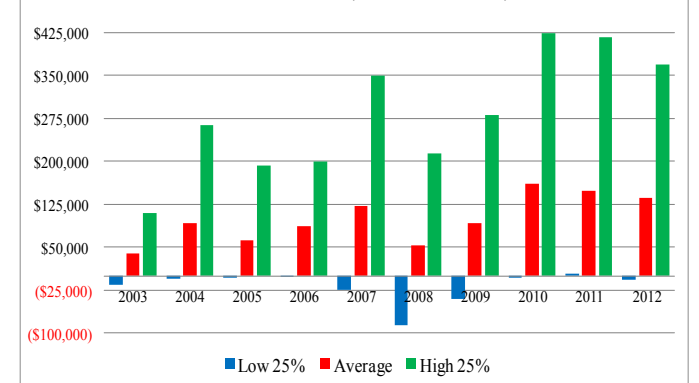
* Overview & Highlights from the 2012 Missouri Averages

The average net farm income (NFI) for the 132 farms included in the 2012 annual report of the Missouri Farm Business Management Analysis Program was \$135,444. As is the case every year, there was a wide range in income among program participants. Median net farm income, or the income earned by the middle farm, was \$73,891, substantially lower than the average NFI, indicating that the average was skewed by high profits of the most profitable farms.

The average age of the operator on the 132 FBMA farms was 50.7 years. The average years in the farming operation was 27.9 years.

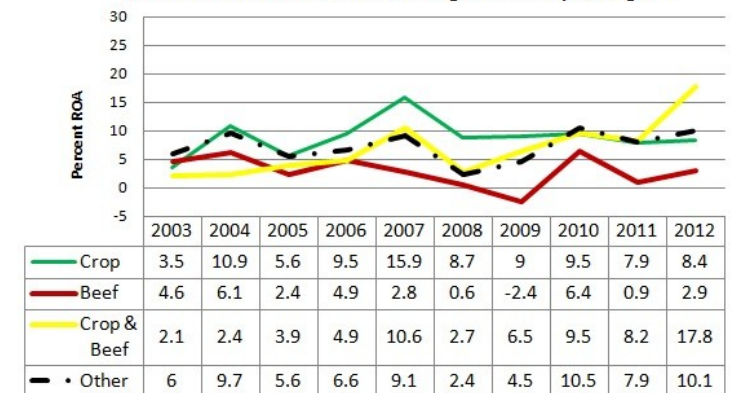
The net farm income/unpaid labor hour averaged \$98.48/hr. and ranged from -\$10.29 in the low profit group to \$189.78 in the high profit group.

Net Farm Income (132 FBMA Farms)



Return on Farm Assets by Type (Cost)

Data Source: MO Farm Business Management Analysis Program



Demographics of FBMA Summary Farms 2012

Gross Farm Income

All Farms	Less than \$50,000	\$50,001—\$100,000	\$100,001-\$250,000	\$250,001-\$500,000	\$500,001-\$1,000,000	Over \$1,000,000
132	17	12	21	26	37	19

Farm Type (by Enterprise(s)) contributing > 70% of gross farm income

All Farms	Crop	Beef	Crop & Beef	Other
132	47	11	19	51

Age of Operator

All Farms	Less than 31	31-40	41-50	51-60	Over 60
132	10	27	26	27	42

* Data Source: Missouri Farm Business Management Analysis Program

Average FBMA Farm Income Statement—2012

Gross Cash Farm Income	\$665,848
Total Cash Expense	\$531,304
Net Cash Farm Income	\$134,544
Inventory Changes	
Crops & Feed	(\$41,392)
Market & Breeding Livestock	\$6,855
Accts Rec & Prepaid Expenses	\$51,257
Accounts Payable	\$9
Other	\$11,310
Total Inventory Change	\$28,038
Net Operating Profit	\$162,582
Depreciation & Other Capital Adjustments	(\$28,782)
Gain or Loss on Capital Sales	\$1,644
Net Farm Income	\$135,444

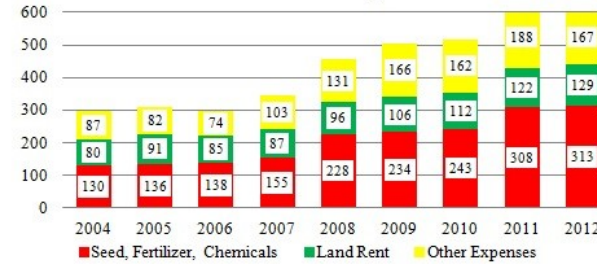
Observations from the 2012 Summary – Even though making comparisons between annual record summaries is imperfect when a few farms drop out and new farms are added each year, a large percentage of the farms in the summary are the same ones as 2011, so it is reasonable to make several general observations when comparing this year’s summary to 2011. Even though the average net farm income of FBMA farms in 2012 declined somewhat from the net farm incomes of 2011, it was still a very profitable year overall for Missouri farms. Net farm income decreased by an average of \$13,444 per farm, or a 9% decrease from 2011.

The 132 farms in the report were classified by type (e.g. crop, dairy, hog) on the basis of having at least 70% of gross sales in each category. Using this 70% rule, there were 47 crop farms, 11 beef farms, 19 crop and beef farms, and 51 “other” farm. “Other” farms were those that did not have a single source (or pair of sources) of income over 70%.

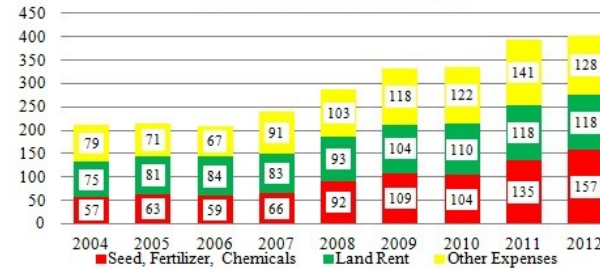
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This year, many crop farms fell into the “other” category as crop insurance income was categorized as other income. 2012 was a non-typical year for all types of producers as the drought played a key role in many of the outcomes. A large portion of crop farms income came from crop insurance, while livestock farms found their forage production cut short resulting in higher feed costs. However, this year is a prime example of the risk involved in production agriculture and how important it is to have a strong business plan, cost management figures, solid marketing plan, and a comprehensive risk management plan. FBMA farms with a history of records to prove their actual costs of production for major enterprises have a real advantage in financial planning.

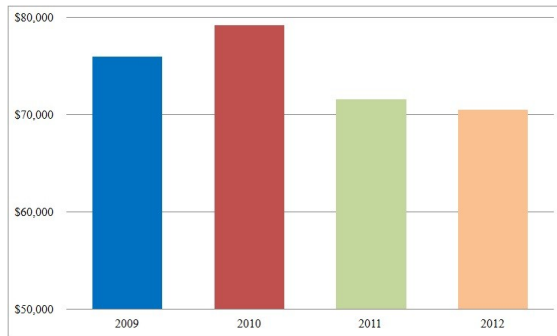
Corn Cost Per Acre (cash rent)*
Missouri FBMA Program Data



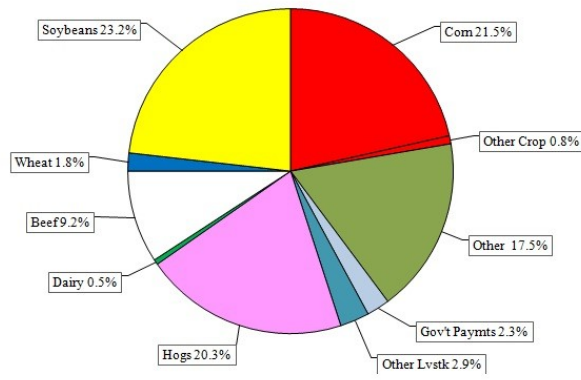
Soybean Cost Per Acre (cash rent)*
Missouri FBMA Program Data



2009-2012 FBMA Family Living Expenses

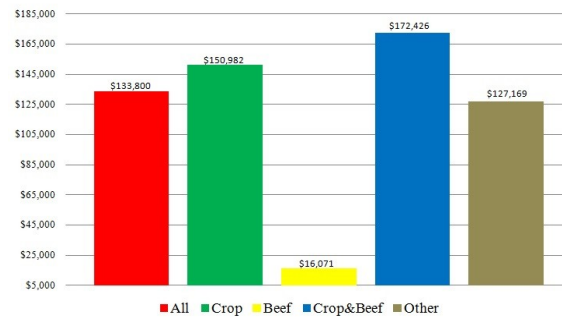


2012 Missouri FBMA Income Sources *

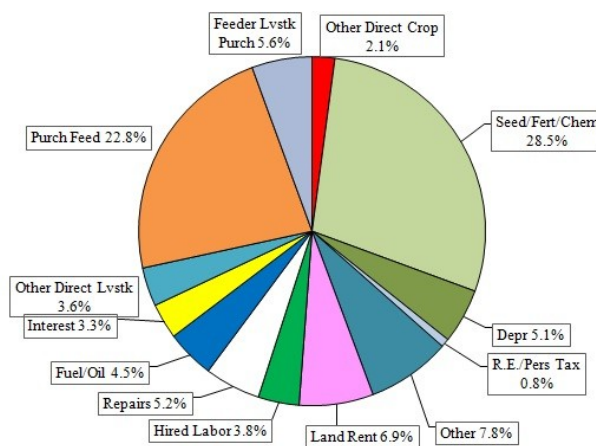


* Average FBMA Farm 2012

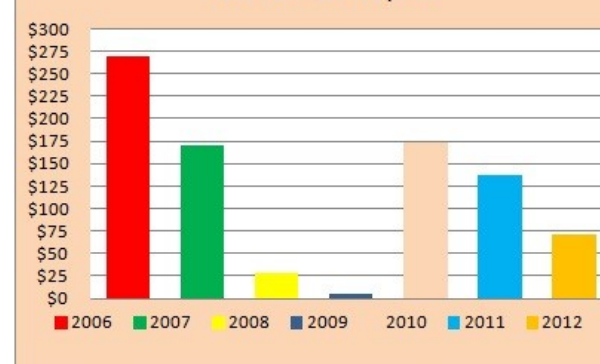
2012 Net Farm Income By Type



2012 Missouri FBMA Expense Sources *



Beef Cow-Calf - Average Per Cow
Return Over Direct Expense



2004-2012 Crop Yields & Returns

<i>Corn (owned land)</i>			
	Bu/acre	Net Return over Labor/Mgt./Ac	* Cost of Prod./Bu.
2004	172.18	\$119.94	\$1.29
2005	63.65	(\$36.83)	\$2.62
2006	120.90	\$77.02	\$1.99
2007	138.74	\$232.56	\$2.25
2008	135.19	\$196.91	\$2.75
2009	150.29	\$125.31	\$2.90
2010	110.63	\$134.24	\$3.62
2011	121.10	\$200.79	\$4.33
2012	55.21	\$104.19	\$4.89

<i>Soybeans (owned land)</i>			
	Bu/acre	Net Return over Labor/Mgt./Ac	* Cost of Prod./Bu.
2004	52.36	\$116.83	\$3.27
2005	30.16	\$24.15	\$4.91
2006	39.37	\$72.26	\$4.23
2007	36.43	\$176.29	\$5.31
2008	35.86	\$162.87	\$5.45
2009	44.51	\$191.53	\$5.50
2010	43.14	\$218.83	\$6.10
2011	42.07	\$178.33	\$7.51
2012	31.75	\$156.18	\$8.65

*direct & overhead expense including charge for labor & management less government & other income/bushel.

2012 Beef Cow-Calf Highlights

Average price received per hundred weight was up 9% while feed costs were up 18% partly due to drought conditions forcing many beef producers to purchase extra feed to make up for lost forage.

Beef Cow-Calf Enterprise—2012	
Gross return / cow	\$761.55
Feed cost / cow	\$454.96
Other direct expense / cow	\$235.60
Total overhead expense / cow	\$112.09
Net return / cow (w/o labor / mgt.)	(\$41.08)
Net return / cow over labor / mgt.	(\$140.54)
Average weaning weight	496