

**WHAT IS THE ECONOMIC IMPACT OF AN AVERAGE FBMA FARM  
IN A LOCAL MISSOURI COMMUNITY IN 2014**

Money Spent by the Average 2014 Missouri FBMA Farm in the  
Local Community & Service Area (137 Farms, Missouri FBMA Summary, 2014)

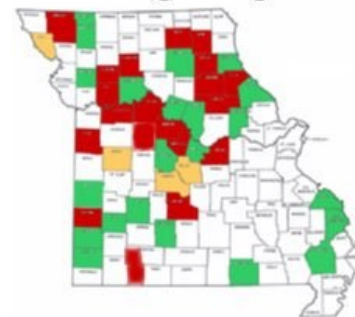
With Other Farmers.....		\$61,129
(Brd/Non-Brd. Livestock & Custom Work)		
With Other Landowners .....		\$41,809
(Cash Land Rent/ Land Leases)		
For Labor.....		\$23,034
For Farm Utilities .....		\$6,867
With Agribusiness Community .....		\$372,316
Crop Production Expenses .....	\$148,005	
Livestock Production Expenses .....	\$140,076	
Fuel & Repair Expenses.....	\$51,301	
Other/Misc. Expenses .....	\$26,428	
Farm Insurance.....	\$6,506	
With Lenders (Interest) .....		\$16,911
For Farm Equipment/Vehicles/Leases.....		\$65,188
For Farm Assets .....		\$13,008
(Bldgs./Land/Improvements-Other Farm Assets)		
For Local Government .....		\$4,158
(Real Estate/Personal Property Tax)		
Family Living Expenses*.....		\$70,766
(Inc. Taxes & Purchase of Non-Farm Assets)		

Total Annual Spending Within the Community or Service Area by the Average Missouri FBMA Farm in 2014 ----- \$675,186  
*\*partially reported*



# Farm Business Management Analysis 2014 Missouri Summary

## Missouri Adult Ag Programs



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

### Balance Sheets

The 137 farms completing a cost balance sheet ended the year with a net worth of \$1,328,637 (farm and non-farm). The average increase in net worth for the year was \$130,240. The average farm debt:asset ratio was 19% at market value. The average farm borrowed \$218,563 and paid \$186,272 in principal payments in 2014.

### Household and Personal Expenses

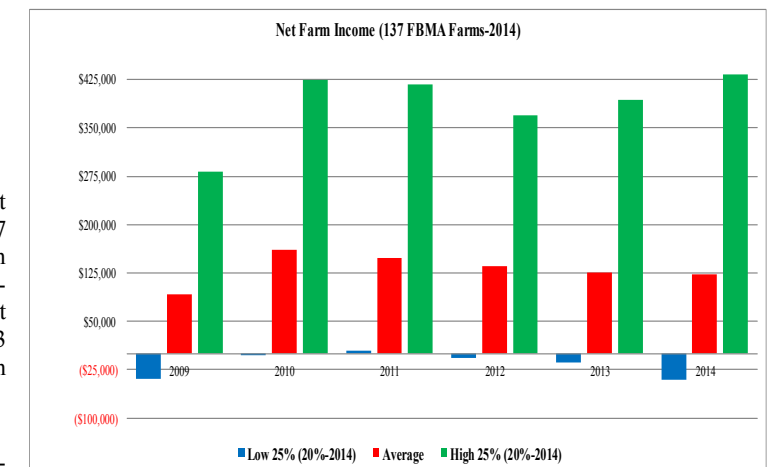
Thirteen FBMA farms submitted detailed family living and non-farm expenditures in 2014. The average of these families spent \$46,567 for family living and an additional \$24,261 for income taxes and major non-farm purchases and investments, for a total of \$70,766.

### \* Overview & Highlights from the 2014 Missouri Averages

The average net farm income (NFI) for the 137 farms included in the 2014 annual report of the Missouri Farm Business Management Analysis Program was \$122,567. 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 \$62,440, substantially lower than the average NFI, indicating that the average was skewed by high profits of the most profitable farms.

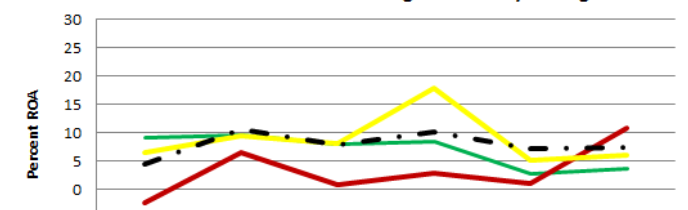
The average age of the operator on the 137 FBMA farms was 51.6 years. The average years in the farming operation was 28.7 years.

The net farm income/unpaid labor hour averaged \$92.06/hr. and ranged from -\$14.62 in the low profit group to \$204.94 in the high profit group.



### Return on Farm Assets by Type (Cost)

Data Source: MO Farm Business Management Analysis Program



Year	Crop	Beef	Crop & Beef	Other
2009	9	-2.4	6.5	4.5
2010	9.5	6.4	9.5	10.5
2011	7.9	0.9	8.2	7.9
2012	8.4	2.9	17.8	10.1
2013	2.7	1	5.1	7.2
2014	3.6	10.9	6	7.5

## Demographics of FBMA Summary Farms 2014

### Gross Farm Income

All Farms	Less than \$100,000	\$100,001—\$250,000	\$250,001-\$500,000	\$500,001-\$1,000,000	\$1,000,001-\$2,000,000	Over \$2,000,000
137	38	27	24	31	11	6

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

All Farms	Crop	Beef	Crop & Beef	Other
137	69	17	27	19

### Age of Operator

All Farms	Less than 31	31-40	41-50	51-60	Over 60
137	16	25	21	25	50



### For More Information

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\* Data Source: Missouri Farm Business Management Analysis Program

**Average FBMA Farm Income Statement—2014**

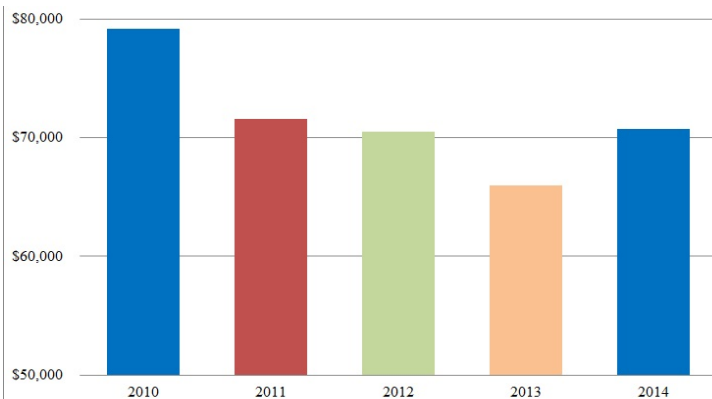
Gross Cash Farm Income	\$623,712
Total Cash Expense	\$512,380
<b>Net Cash Farm Income</b>	<b>\$111,332</b>
<b>Inventory Changes</b>	
Crops & Feed	\$30,829
Market & Breeding Livestock	\$44,685
Accts Rec & Prepaid Expenses	(\$11,214)
Accounts Payable	(\$1,491)
Other	(\$12,824)

**Total Inventory Change \$49,985**

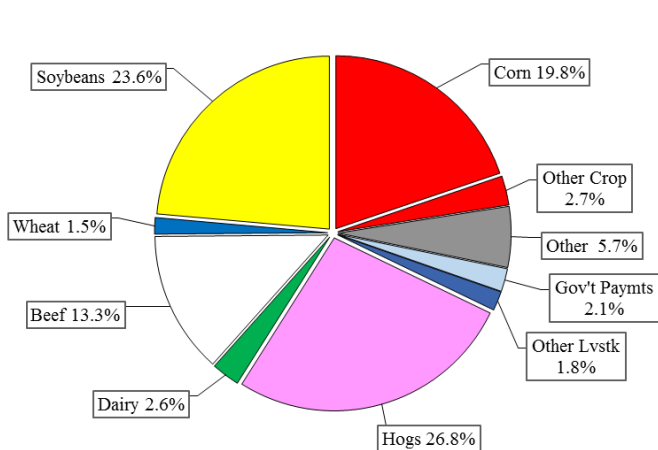
Net Operating Profit	\$161,317
Depreciation & Other Capital Adjustments	(\$33,147)
Gain or Loss on Capital Sales	(\$5,603)

**Net Farm Income \$122,567**

**2010-2014 FBMA Family Living Expenses**



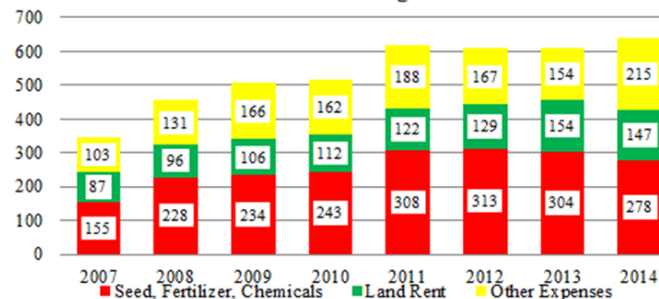
**2014 Missouri FBMA Income Sources \***



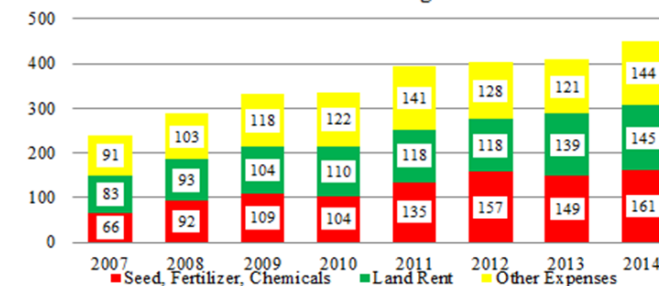
**Observations from the 2014 Summary** – Even though making comparisons between annual record summaries is imperfect when a few farms drop out and new farms are added each year, a large percentage of the farms in the summary are the same ones as 2013, so it is reasonable to make several general observations when comparing this year's summary to 2013. Even though the average net farm income of FBMA farms in 2014 declined somewhat from the net farm incomes of 2013, it was still a very profitable year overall for Missouri farms. Net farm income decreased by an average of \$3,537 per farm, or a 2.8% decrease from 2013. The 137 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 (reference page 38). Using this 70% rule, there were 69 crop farms, 17 beef farms, 27 crop and beef farms, and 19 "other" farms. "Other" farms were those that did not have a single source (or pair of sources) of income over 70%. Also, when there are less than four farms with a single source of income over 70%, they are not reported as a group. Many Missouri crop producers experienced record or near record yields in 2014. While timely rains made record yields

in some areas, flooding rains reduced or eliminated production in other areas. Several farms in the summary included crop insurance income for 2014 crop losses. Cow-calf producers had a particularly profitable year in Missouri in 2014. Return over direct costs were over \$500/cow in 2014 after being less than \$100 the past two years, and less than \$200 in each of the prior five years. The Farm Business Management Analysis Program is a component of the public school agriculture offerings for adults. The state of Missouri, through the Division of College and Career Readiness of the Department of Elementary and Secondary Education and the National Institute of Food and Agriculture (USDA), through the Farm Business Management and Benchmarking Program, provided funds in support of the program.

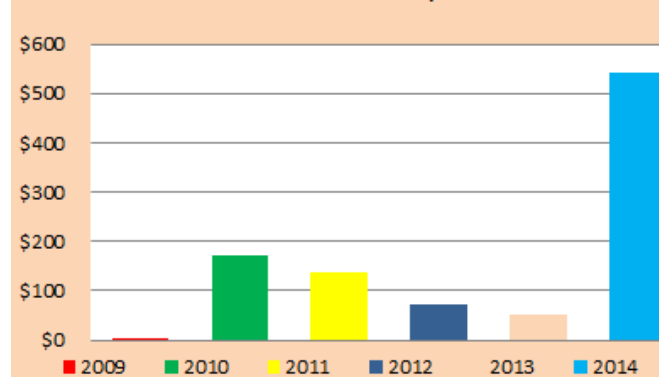
**Corn Cost Per Acre (cash rent) \* Missouri FBMA Program Data**



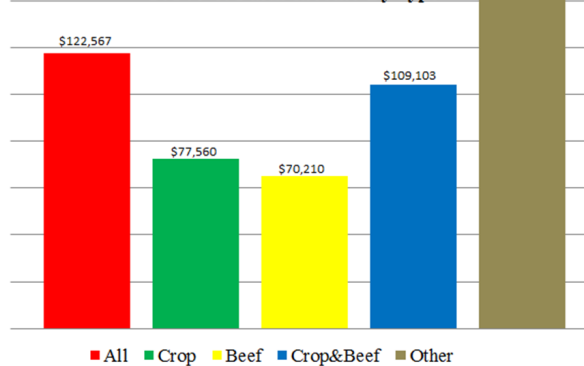
**Soybean Cost Per Acre (cash rent) \* Missouri FBMA Program Data**



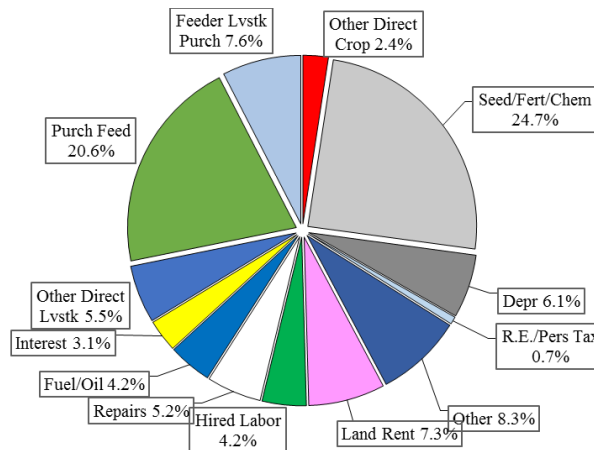
**Beef Cow-Calf - Average Per Cow Return Over Direct Expense**



**2014 Net Farm Income By Type**



**2014 Missouri FBMA Expense Sources \***



**2006-2014 Crop Yields & Returns**

<i>Corn (owned land)</i>			
	Bu/acre	Net Return over Labor/Mgt./Ac	* Cost of Prod./Bu.
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
2013	126.78	\$129.86	\$3.43
2014	193.08	\$96.75	\$3.04

<i>Soybeans (owned land)</i>			
	Bu/acre	Net Return over Labor/Mgt./Ac	* Cost of Prod./Bu.
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
2013	32.77	\$139.16	\$8.49
2014	48.15	\$117.44	\$7.57

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

**2014 Beef Cow-Calf Highlights**

Lower feed costs and higher feeder calf prices combined to make 2014 a profitable year for Missouri cow-calf producers.

<b>Beef Cow-Calf Enterprise—2014</b>	
Gross return / cow	\$1243.50
Feed cost / cow	\$430.23
Other direct expense / cow	\$272.81
Total overhead expense / cow	\$152.02
Net return / cow (w/o labor / mgt.)	\$388.44
Net return / cow over labor / mgt.	\$280.14
Average weaning weight	463