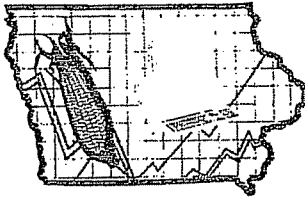


Information for Econ 333 Advanced Farm Business Analysis

Exam 2

Fall 2010



ACCRUED INCOME STATEMENT

IOWA STATEWIDE

Crain

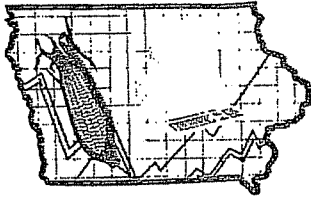
Page: 1

2009 Production Year

Farm: 1499999

Run Date: 10/4/2010

Iowa Farm Business Association		Operator(s)	High Profit 1/3 38 Farms	Size 4 114 Farms	Low Profit 1/3 38 Farms	Group Avg 429 Farms
101	Accrued Net Farm Income	\$ 178,920	302,480	171,053	43,144	138,651
102	Accrued Net/Operator	\$ 178,920	273,672	151,164	37,261	126,019
103						
104	Sources of Cash Income					
105	Corn	\$ 249,569	320,499	305,655	278,400	222,548
106	Soybeans	\$ 270,230	215,963	214,785	191,972	170,435
107	Other Crop	\$ 3,177	3,177	4,618	3,621	5,379
108	Hogs	\$ 87,249	87,249	193,462	367,975	140,942
109	Cattle	\$ 154,328	154,328	134,999	178,866	145,916
110	Other Livestock	\$ 37,594	37,594	13,459	365	9,173
111	Miscellaneous	\$ 42,800	78,033	80,588	93,140	62,222
112	Total Cash Farm Incomes	\$ 562,599	896,843	947,566	1,114,339	756,616
113	Accrued Incomes	\$ 168,080	27,834	28,465	20,140	19,070
114	Food from Farm	\$ 140	140	164	256	181
115	Inventory Increase	\$ 67,252	67,252	37,073	16,150	39,256
116	Total Business Credits	\$ 730,679	992,070	1,013,268	1,150,885	815,123
117						
118	Expenditures					
119	Machine & Equipment Repairs	\$ 9,750	23,969	26,964	33,966	23,599
120	Fuel & Oil Farm Use	\$ 11,500	18,351	20,734	27,713	17,929
121	Power & Machine Hire	\$ 1,500	13,693	12,948	11,640	11,530
122	Owned Truck	\$ 6,700	33,453	13,820	4,258	6,282
123	Auto Expense Farm Share	\$ 1,067	1,067	1,123	1,580	1,081
124	Utilities Farm Share	\$ 1,800	9,002	9,936	12,800	9,222
125	Labor Hired	\$ 11,228	11,228	18,461	31,165	17,768
126	Livestock Expense	\$ 9,553	9,553	23,512	52,742	21,536
127	Crop Expense	\$ 143,330	117,797	117,783	118,111	90,489
128	Fertilizer & Lime	\$ 38,500	65,881	71,024	72,648	54,475
129	Miscellaneous Expense	\$ 1,000	6,269	8,661	12,542	8,009
130	Rent	\$ 168,000	89,678	99,508	101,235	76,246
131	Taxes	\$ 2,300	9,463	9,630	10,601	7,241
132	Interest	\$ 10,500	25,098	30,143	38,409	26,132
133	Insurance	\$ 27,400	17,770	21,830	24,827	16,192
134	Building & Improvement Repairs	\$ 9,700	9,700	9,100	10,149	8,213
135	Total Feed Bought	\$ 56,922	56,922	105,679	202,628	91,054
136	Hogs Bought	\$ 14,277	14,277	49,309	87,384	35,779
137	Cattle Bought	\$ 92,271	92,271	73,701	74,964	64,924
138	Other Livestock Bought	\$ 58	58	25	18	167
139	Beans Bought from Seal	\$ 1,505	1,505	909	907	1,582
140	Total Cash Expense	\$ 422,280	626,648	724,400	929,762	588,847
141	Economic Depreciation	\$ 31,617	56,333	60,784	71,834	48,375
142	Inventory Decrease & Mach Value	\$ 97,862	6,102	56,956	106,145	39,194
143	Accrued Expenses	\$ 506	506	74		57
144	Total Business Debits	\$ 551,759	689,590	842,214	1,107,741	676,473
145	Accrued Net Farm Income	\$ 178,920	302,480	170,880	42,612	138,399
146	Less 4% Charge on Equity	\$ 34,208	68,545	72,023	84,018	53,030
147	Less Unpaid Family Labor	\$ 20,400	21,697	23,893	28,400	21,733
148	Management Return	\$ 124,312	212,237	74,964	(69,806)	63,636
149						
150	Total Cash Farm Incomes	\$ 562,599	896,843	947,566	1,114,339	756,616
151	Less Cash Farm Expenses	\$ 422,280	626,648	724,400	929,762	588,847
152	Plus Loans Received	\$ 338,009	338,009	356,498	487,924	275,378
153	Less Loan Payments	\$ 78,529	350,163	317,829	377,720	253,624
154	Total Farm Cash Flow	\$ 61,790	258,041	261,835	294,781	189,522
155	Plus Non Farm Incomes	\$ 34,950	15,030	28,897	32,486	20,827
156	Remaining Cash Available	\$ 96,740	273,071	290,732	327,267	210,349
157	Non Farm Income % Cash Available	36	6	10	10	10



ENTERPRISE ANALYSIS DATA

IOWA STATEWIDE

Crown

2009 Production Year

Farm: 1499999

Run Date: 10/4/2010

Iowa Farm Business Association	Operator(s)		High Profit 1/3		Size 4		Low Profit 1/3		Group Avg		
1 GENERAL CROP INFORMATION											
2 Total Value Production	554,799		597,638		604,016		581,287		475,509		
3 % of Total Gross Profit	75.9		73.3		82.4		83.9		80.8		
4 Owned Acres: Total, Rotated	90	90	333	315	341	321	379	354	270	246	
5 Rented Acres: Total, Rotated	1122	1122	671	647	667	646	618	597	542	523	
6											
7 CORN - FEED ENTERPRISE (10)											
8 Number of Farms	1		34		91		27		325		
9 Operator Bushel Equivalent	115,636		96,740		98,884		98,168		75,811		
10 Operator Share of Acres	606		500		524		544		399		
11 Yield/Acre	190.8		193.5		188.7		180.5		190.0		
12 Crop Value/Acre	644.97		733.19		703.36		653.49		703.52		
13 Insurance & Other Value	85,531		69,212		49,564		34,429		37,114		
14 Total "Net" Crop Value/Acre	786.11		871.61		797.95		716.78		796.54		
15 Total Allocated Costs	401,812		320,230		364,987		408,828		272,876		
16 Net Crop Return	74,569		115,576		53,139		(18,898)		44,942		
17 Net Crop Return/Acre	123.05		231.15		101.41		(34.74)		112.64		
18											
19 Bushels Sold	70,601		82,524		79,318		69,062		57,448		
20 Average Selling Price/Bushel	3.53		4.00		3.95		3.83		3.80		
21		\$/Bu	\$/A	\$/Bu	\$/A	\$/Bu	\$/A	\$/Bu	\$/A	\$/Bu	\$/A
22 Seed		0.46	88.17	0.42	81.57	0.45	84.20	0.47	84.46	0.44	82.67
23 Insecticide		0.04	6.93	0.02	4.40	0.02	2.96	0.02	2.77	0.02	3.14
24 Herbicide		0.11	20.69	0.13	25.83	0.15	27.82	0.15	27.94	0.15	28.40
25 Fertilizer & Lime		0.90	171.50	0.64	123.99	0.76	143.73	0.80	144.00	0.71	134.36
26 Drying & Storage		0.36	69.31	0.11	21.43	0.13	25.03	0.15	27.56	0.14	26.51
27 Other Crop Expense		0.01	1.36	0.05	8.81	0.04	8.00	0.05	8.91	0.06	10.96
28											
29 Cash Mach & Equip Cost		0.15	28.54	0.27	52.63	0.29	55.44	0.33	59.93	0.32	60.44
30 Miscellaneous		0.00	0.91	0.03	6.73	0.04	8.25	0.06	11.36	0.04	7.96
31 Utilities		0.01	1.63	0.04	8.46	0.05	8.60	0.06	10.45	0.04	8.46
32 Rent		0.80	152.48	0.53	102.14	0.58	109.90	0.59	107.21	0.57	109.20
33 Property Tax & Building Repair		0.01	2.09	0.10	18.43	0.09	16.97	0.10	18.48	0.08	15.74
34 Interest		0.05	9.53	0.10	19.39	0.14	25.61	0.18	31.62	0.15	28.47
35 Insurance		0.13	24.87	0.09	18.06	0.11	20.83	0.13	23.48	0.10	19.04
36 Labor Hired				0.05	9.50	0.07	12.77	0.10	18.89	0.07	13.98
37 Irrigation											
38 Total Cash Expense		3.03	578.00	2.59	501.38	2.92	550.10	3.20	577.06	2.89	549.34
39											
40 Mach & Equip Depreciation		0.15	27.77	0.21	40.73	0.22	42.26	0.25	45.79	0.21	39.39
41 Bldg & Imprv Depreciation		0.00	0.93	0.05	9.85	0.06	12.21	0.09	16.62	0.06	12.12
42 Unpaid Labor Expenses		0.10	18.51	0.10	19.75	0.10	19.81	0.12	22.31	0.11	21.50
43 Equity Charge		0.20	37.85	0.36	68.75	0.38	72.16	0.50	89.75	0.32	61.55
44 Total Economic Cost		3.47	663.06	3.31	640.46	3.69	696.54	4.16	751.52	3.60	683.90
45											
46 Family Living Expense				0.43	82.64	0.38	72.33	0.41	73.14	0.35	66.23
47 Principal Payments				0.12	23.56	0.11	19.94	0.02	4.30	0.06	11.18
48 Total Cash Flow Cost		3.03	578.00	3.14	607.57	3.40	642.37	3.63	654.50	3.30	626.75
49											
50											
51											
52 Corn Expense as % Total Expense		79.0		56.4		57.9		56.8		52.8	
53											
54 Corn Labor as % Total Labor		55.0		138.6		92.0		58.9		74.1	
55											
56 Return to Capital (%)				90.59		81.90		94.79		69.17	
57 Return to Hour Labor (\$/Hr)				90.59		81.90		94.79		69.17	

TABLE 4. ANNUAL DEPRECIATION PERCENTAGES FOR 3-YR PROPERTY, 150% DB
Mid-Quarter Convention

Tax Year	Mid-Year Convention	Quarter Placed in Service			
		1	2	3	4
1	25.000%	43.750%	31.250%	18.750%	6.250%
2	37.500	28.125	34.375	40.625	46.875
3	25.000	25.000	25.000	25.000	25.000
4	12.500	3.125	9.375	15.625	21.875
Total	100.000%	100.000%	100.000%	100.000%	100.000%

TABLE 5. ANNUAL DEPRECIATION PERCENTAGES FOR 5-YR PROPERTY, 150% DB
Mid-Quarter Convention

Tax Year	Mid-Year Convention	Quarter Placed in Service			
		1	2	3	4
1	15.000%	26.250%	18.750%	11.250%	3.750%
2	25.500	22.125	24.375	26.625	28.875
3	17.850	16.520	17.062	18.637	20.212
4-5	16.660	16.520	16.763	16.567	16.404
6	8.330	2.065	6.287	10.354	14.355
Total	100.000%	100.000%	100.000%	100.000%	100.000%

TABLE 6. ANNUAL DEPRECIATION PERCENTAGES FOR 6-YR PROPERTY, 150% DB
Mid-Quarter Convention

Tax Year	Mid-Year Convention	Quarter Placed in Service			
		1	2	3	4
1	12.500%	21.875%	15.625%	9.375%	3.125%
2	21.875	19.531	21.094	22.656	24.219
3	16.406	14.649	15.820	16.992	18.164
4-6	14.063	14.062	14.063	14.063	14.062
7	7.032	1.759	5.272	8.788	12.306
Total	100.000%	100.000%	100.000%	100.000%	100.000%

TABLE 10. ANNUAL DEPRECIATION PERCENTAGES, 15-YR PROPERTY, 150% DB

Tax Year	Mid-Year Convention	Mid-Quarter Convention			
		Quarter Placed in Service			
		1	2	3	4
1	5.000%	8.750%	6.250%	3.750%	1.250%
2	9.500	9.125	9.375	9.625	9.875
3	8.550	8.212	8.437	8.662	8.887
4	7.695	7.391	7.593	7.796	7.998
5	6.925	6.652	6.834	7.017	7.198
6	6.232	5.987	6.151	6.315	6.479
7-15	5.905	5.905	5.905	5.905	5.905
16	2.953	0.738	2.215	3.691	5.168
Total	100.000%	100.000%	100.000%	100.000%	100.000%

TABLE 11. ANNUAL DEPRECIATION PERCENTAGES, 20-YR PROPERTY, 150% DB

Tax Year	Mid-Year Convention	Mid-Quarter Convention			
		Quarter Placed in Service			
		1	2	3	4
1	3.750%	6.562%	4.687%	2.812%	0.937%
2	7.218	7.007	7.148	7.289	7.429
3	6.677	6.482	6.612	6.742	6.872
4	6.176	5.996	6.116	6.236	6.357
5	5.713	5.546	5.657	5.769	5.880
6	5.285	5.130	5.233	5.336	5.439
7	4.888	4.745	4.841	4.936	5.031
8	4.522	4.457	4.477	4.568	4.654
9-20	4.461	4.460	4.463	4.460	4.458
21	2.239	0.555	1.673	2.792	3.905
Total	100.000%	100.000%	100.000%	100.000%	100.000%

TABLE 12. ANNUAL FRACTIONS FOR STRAIGHT LINE OVER N YEARS (N < 26)

Tax Year	Mid-Year Convention	Mid-Quarter Convention			
		Quarter Placed in Service			
		1	2	3	4
1	1/2	7/8	5/8	3/8	1/8
2-N	1	1	1	1	1
N+1	1/2	1/8	3/8	5/8	7/8

DEPRECIATION FORMULA: Basis ÷ N times number from above table.

BALANCE SHEET

BS

As of 12-31, 2009

Business
 Combined (Business & personal)

Name George A and Ann Profit

Address Anywhere, USA

Phone _____

ASSETS					LIABILITIES AND OWNER EQUITY				
Current Assets					Current Liabilities				
		Cost	Market Value						
Cash on hand & in checking accounts.....		\$ 2,180	\$ 2,180	(1)	Accounts payable:				
Savings & money market accounts.....		8,870	8,870	(2)	Labor \$ 280	Feed & seed \$			
Marketable bonds & securities (Sch. 1).....		14,830	24,420	(3)	Receipts	Fert & chem.			
Futures/Options account equity.....		-	-	(4)	Storage	Fuel & oil	225		
Accounts receivable:				(5)	Rent	Mach hire			
Government program payments..... (1)		12,021	12,021	(6)	Other			\$ 505	
Other.....		-	-	(7)	Credit card balances (business accounts).....				
Notes & contracts receivable:				(8)	Commodity Credit Corporation (CCC loans):				
Portion due within 12 months (Sch. 11).....		-	-	(9)					
Accrued interest earned (Sch. 11).....		-	-	(10)	<u>Loan on corn in storage</u>			45,500	
Feeder livestock & poultry:				(11)					
Kind	No.	Avg. Wt.	S/Und	Value	(12)	Notes due within 12 months:			
Hogs	150	212	45	\$14,310	(13)	(to whom, maturity, purpose)			
"	150	174	50	13,050	(14)				
"	155	130	60	12,090	(15)	<u>Farmland State Bank</u>		57,978	
"	155	92	60	8,556	(16)	<u>due March 1</u>			
"	160	54	90	7,776	(17)				
"	165	20	90	2,970	(18)				
Cattle	54	450	65	15,795	(19)				
"	58	975	60	33,930	(20)	Accrued interest on:			
				108,477	(21)	Accounts payable & credit cards \$			
				108,477	(22)	Notes due within 12 months.....	5,218	5,218	
Crops and feed:					(23)	Accrued interest on all			
Item	Quantity	Unit	S/Und	Value	(24)	non-current liabilities (Sch. 12, line l).....		14,295	
Corn	31,500	Bu.	2.20	\$69,300	(25)	Principal due within 12 months on all			
Beans	8,155	Bu.	5.85	47,707	(26)	non-current liabilities (Sch. 12, line l).....		23,335	
Hay	60	Ton	50	3,000	(27)	Accrued tax liabilities:			
Silage	135	Ton	18	2,430	(28)	Property.....	\$		
Supp.	2	Ton	27	540	(29)	Real estate.....	3,900		
				122,977	(30)	Employer payroll withholdings...	547	4,447	
				122,977	(31)	Estimated accrued income & soc. sec. tax.....		1,251	
Prepaid expenses (Sch. 2).....		1,300	1,300	(32)	Other current liabilities.....				
Supplies (Sch. 3).....		2,848	2,848	(33)					
Investment in growing crops (Sch. 4).....		4,160	4,160	(34)	Deferred tax on current assets (Sch. 13, line 22)...			81,868	
Other current assets.....		-	-	(35)	TOTAL CURRENT LIABILITIES			\$234,397	
TOTAL CURRENT ASSETS		\$ 277,613	\$ 287,203	(36)	Non-Current Liabilities				
Non-Current Assets				(37)	(Principal portion due beyond 12 months)				
Raised breeding livestock, not depreciated (Sch. 6)		\$ 36,850	\$ 49,305	(38)	Notes (Sch. 12, line a).....			\$ 21,392	
Raised breeding livestock, depreciated (Sch. 7)...		-	-	(39)	Capital leases (Sch. 12, line b).....				
Purchased breeding livestock (Sch. 8)		-	2,516	(40)	Sales/Land contracts (Sch. 12, line c).....				
Cost or basis.....		\$ 6,900	-	(41)	Real estate mortgages (Sch. 12, line d)..... (3)			205,600	
minus Accumulated depr. (-) 3,243		3,657	-	(42)	Other loans (Sch. 12, line e)..... (4)			90,549	
Machinery & equipment (Sch. 9)		-	\$128,700	(43)	Other non-current liabilities.....				
Cost or basis.....		\$211,522	-	(44)	TOTAL NON-CURRENT LIABILITIES			\$377,541	
minus Accumulated depr. (-) 150,687		60,835	-	(45)	TOTAL LIABILITIES			\$611,938	
Capital leased assets (Sch. 5).....		-	-	(46)	OWNER EQUITY:				
Investments in cooperatives (Sch. 5).....		14,780	14,780	(47)	Retained Earnings.....	\$ 289,422	\$ 289,422		
Investments in other entities (Sch. 5).....		-	-	(48)	Contributed Capital.....	-	-		
Notes & contracts receivable—portion due		-	-	(49)	Personal Net Worth (Sch. 14)....	-	40,465		
beyond 12 months (Sch. 11).....		-	-	(50)	Valuation Equity.....	-	154,353		
Real estate (Sch. 10).....		-	611,000	(51)	TOTAL BUSINESS LIABILITIES	\$ 551,938	\$ 649,729		
Cost or basis..... (7)		\$ 616,000	-	(52)	Personal liabilities (Sch. 14).....	-	12,120		
minus Accumulated depr. (-) 168,375		447,625	-	(53)	TOTAL LIABILITIES	\$ 551,938	\$ 661,849		
Other non-current assets.....		-	-	(54)	OWNER EQUITY:				
		-	-	(55)	Retained Earnings.....	\$ 289,422	\$ 289,422		
TOTAL NON-CURRENT ASSETS		\$ 563,747	\$ 806,301	(56)	Contributed Capital.....	-	-		
		\$ 841,360	\$ 1,093,504	(57)	Personal Net Worth (Sch. 14)....	-	40,465		
TOTAL BUSINESS ASSETS		\$ 841,360	\$ 1,093,504	(58)	Valuation Equity.....	-	154,353		
Personal assets (Sch. 14).....		-	\$ 22,280	(59)	TOTAL OWNER EQUITY	\$ 289,422	\$ 484,240		
		-	\$ 22,280	(60)	TOTAL LIABILITIES	\$ 289,422	\$ 446,089		
TOTAL ASSETS		\$ 841,360	\$ 1,115,784		and OWNER EQUITY	\$ 289,422	\$ 446,089		

