
Information for

Econ 430

Advanced Farm Business Analysis

Exam 1

Fall 2008

Table 4. Soybeans following corn (nongenetically modified).

	Soil productivity level (bu./acre)	
	45	
	Fixed	Variable
Preharvest machinery 1/	\$15.99	\$ 8.14
Seed, chemical, etc.		
Seed@ \$18.60/50lb. unit x		\$22.32
Phosphate@ \$.25/lb. x		8.75
Potash@ \$.12/lb. x		8.40
Lime (yearly cost)		6.00
Herbicide		25.00
Crop insurance		3.15
Miscellaneous		7.00
Interest on preharvest variable costs (8 months @ 6.5%)		3.85
Total		\$84.47
Harvest machinery		
Combine	\$ 10.91	\$ 6.10
Haul	0.86	0.58
Handle	0.55	0.25
Total	\$ 12.33	\$ 6.93
Labor		
2.45 hours @ \$9.00	\$ 22.05	
Land		
Cash rent equivalent	\$135.00	
Total fixed & variable		
Per acre	\$185.36	\$99.54
Per bushel		
Total all costs		
Per acre		\$284.90
Per bushel		

1/Chisel plow, tandem disk, field cultivate, plant, cultivate, and spray. See the Estimated Machinery Costs Table 10.

Figure 1-Barrows and Gilts (6 Markets)

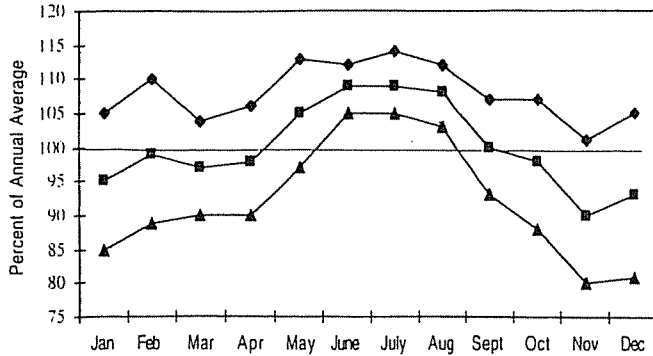


Figure 2-Barrows and gilts (Iowa-S. MN)

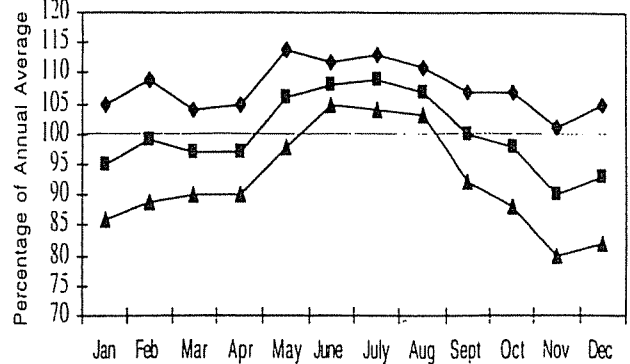


Figure 3-Sows (5 Markets)

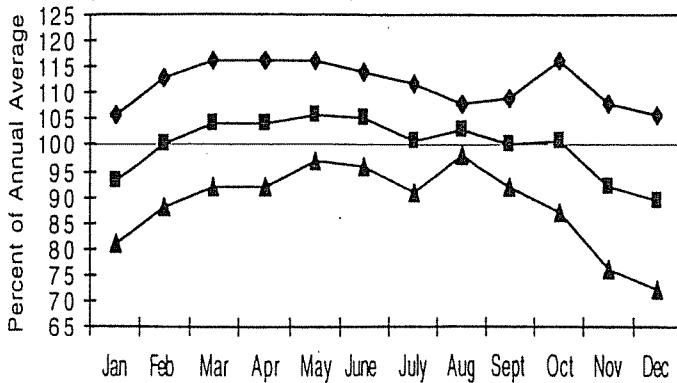


Figure 4-Feeder Pigs

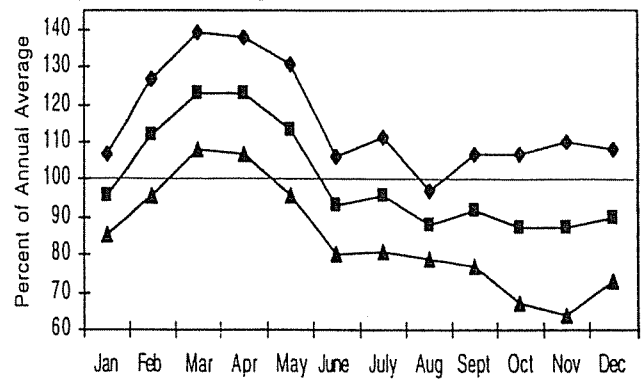


Table 1-Price index variability by type of hogs

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Barrows & gilts (6 markets)												
Price index	95	99	97	98	105	109	109	108	100	98	90	93
Variability	10.0	10.5	7.0	8.0	8.0	3.5	4.5	4.5	7.0	9.5	10.5	12.0
Barrow and gilts (Iowa-S. Minn)												
Price index	95	99	97	97	106	108	109	107	100	98	90	93
Variability	9.5	10.0	7.0	7.5	8.0	3.5	4.5	4.0	7.5	9.5	10.5	11.5
Sows (5 markets)												
Price index	93	100	104	104	106	105	101	103	100	101	92	89
Variability	12.5	12.5	12.0	12.0	9.5	9.0	10.5	5.0	8.5	14.5	16.0	17.0
Feeder pigs												
Price index	96	112	123	123	113	93	96	88	92	87	87	90
Variability	11.0	15.5	15.5	15.5	17.5	13.0	15.0	9.0	15.0	20.0	23.0	17.5

Table 2. Swine production—one litter.

		Farrow-to-finish total confinement	
		Total	Cash
INCOME ^{a/}			
Market Hogs	250 lb. × \$ _____ /lb. × _____ =		
	250 lb. × \$ _____ /lb. × _____ =	\$ _____	\$ _____
Cull Sows	400 lb. × \$ _____ /lb. × _____ =		
	400 lb. × \$ _____ /lb. × _____ =	\$ _____	\$ _____
Total Income		\$ _____	\$ _____
VARIABLE COSTS			
Feed Costs			
Corn	\$ _____ /bu. × _____ =		
	× 105 bu. =	\$ _____	\$ _____
Supplement & minerals	\$ _____ /lb. × _____ =		
	× 1,500 lb. =	\$ _____	\$ _____
Pasture	\$ _____ /ac. × 0.20 ac. =		
Feed Additives		25.00	25.00
Total Feed Costs		\$ _____	\$ _____
Veterinary and health		\$ 25.00	\$ 25.00
Fuel, repairs, utilities		50.00	50.00
Bedding, marketing, miscellaneous		30.00	30.00
Interest on variable costs _____ % × 5 mos. =		\$ _____	\$ _____
Labor \$8.00 per hr. × 13 hrs. =			
	× 11 hrs. =	88.00	0.00
Total Variable Costs		\$ _____	\$ _____
INCOME OVER VARIABLE COSTS		\$ _____	\$ _____
FIXED COSTS			
Machinery, facilities		\$ 158.17	\$ 15.82
Boar depreciation/replacement		10.00	10.00
Interest, insurance on breeding herd 10% =		<u>10.55</u>	<u>1.05</u>
Total Fixed Costs		\$ 178.72	\$ 26.87
TOTAL ALL COSTS		\$ _____	\$ _____
INCOME OVER ALL COSTS		\$ _____	\$ _____
Break-even selling price for variable costs ^{b/}		\$ _____	per cwt.
Break-even selling price for all costs ^{b/}		\$ _____	per cwt.

^{a/} For pasture, a weaning average of 7.8 pigs is assumed, minus 0.4 death loss and .6 for replacement.
 For confinement, a weaning average of 8.8 pigs is assumed, minus 0.6 death loss and .4 for replacement.
 Sow death loss is 5%.

^{b/} Cull sow income of \$64 per litter is assumed for pasture (sows sold after two litters) and \$42.67 per litter for total confinement (sows sold after three litters).

Live Cattle Basis

Table 1. Live cattle basis, Interior Iowa—Southern Minnesota, 1997-01.^{1/}

Market period ^{2/}	Contract for basis	(Dollars/cwt. Choice 1,100-1,300 lb. steers)				
		Expected basis	More negative 15% of time ^{3/}	Five year basis low ^{4/}	More positive 15% of time ^{3/}	Five year basis high ^{4/}
Jan. 1-15	February	-0.57	-1.88	-2.57	0.75	3.20
Jan. 16-31	February	-1.17	-2.29	-5.30	-0.05	1.40
Feb. 1-15	February	-1.85	-3.23	-4.37	-0.46	1.18
Feb. 16-28	April	-2.46	-4.02	-6.95	-0.91	0.83
Mar. 1-15	April	-1.92	-4.05	-5.60	0.20	1.88
Mar. 16-31	April	-1.18	-2.69	-4.15	0.33	1.50
Apr. 1-15	April	-1.17	-2.65	-4.62	0.31	1.38
Apr. 16-30	June	-0.60	-2.56	-4.57	1.36	3.25
May 1-15	June	1.23	-1.16	-4.33	3.62	4.33
May 16-31	June	0.66	-1.12	-2.63	2.44	4.05
June 1-15	June	-0.27	-1.81	-2.73	1.28	2.53
June 16-30	August	-0.58	-2.45	-5.00	1.28	2.08
July 1-15	August	-1.28	-3.21	-4.90	0.64	1.50
July 16-31	August	-1.44	-2.38	-3.08	-0.49	1.12
Aug. 1-15	August	-1.43	-2.35	-3.85	-0.51	0.67
Aug. 16-31	October	-1.77	-3.03	-4.42	-0.50	0.50
Sept. 1-15	October	-2.54	-3.38	-4.22	-1.71	-0.63
Sept. 16-30	October	-2.49	-3.35	-4.72	-1.64	-0.97
Oct. 1-15	October	-2.01	-3.19	-4.13	-0.84	-0.02
Oct. 16-31	December	-1.57	-4.19	-6.58	1.04	4.95
Nov. 1-15	December	0.19	-2.85	-4.05	3.23	6.03
Nov. 16-30	December	0.09	-2.43	-3.40	2.61	6.25
Dec. 1-15	December	-0.25	-2.03	-3.02	1.53	4.10
Dec. 16-31	February	-0.81	-2.54	-5.42	0.93	3.45

^{1/} Five year basis has been calculated from the beginning of 1997 through the end of March 2001 for the periods January to March. Five year basis has been calculated from 1996 through 2000 for the periods April to December.

^{2/} Basis is calculated as Cash - Futures. Negative sign means that futures are greater than cash.

^{3/} Market periods were divided on the 15th day of the month. It is important to note that during delivery months the futures contract used to calculate the basis changes when the nearby contract expires. Expiration is on or near the 20th of the month.

^{4/} Values for the more negative 15% and more positive 15% columns are figured as one standard deviation from the expected basis. Basis is expected to be outside of these values approximately 15% of the time.

^{5/} Values for the basis low and basis high columns are the extreme range for a period across the entire five years.

Crop Share Lease Analysis
Iowa State University Extension

share 50%

Name: Big Jims Cyclone Farm

Com On 430 Farm

Expected Revenue				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
Value of crop	Yield	Price	Total	50%	\$ 168.75	50%	\$ 168.75
USDA farm payments			\$ 50.00	50%	\$ 25.00	50%	\$ 25.00
Additional revenue (straw, stalks, etc.)			\$ 20.00	50%	\$ 10.00	50%	\$ 10.00
Total			\$ 407.50		\$ 203.75		\$ 203.75

Preharvest machinery				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
	Fixed Cost	Var. Cost or Custom Rate	Total				
Total	\$ 16.83	\$ 9.39	\$ 26.22	100%	\$ 26.22	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
Subtotal of Preharvest Machinery	\$ 16.83	\$ 9.39	\$ 26.22		\$ 26.22		\$ -

Production Inputs				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
	Quantity	Price	Total				
Seed	26	\$1.06	\$ 27.56	50%	\$ 13.78	50%	\$ 13.78
Fertility							
Nitrogen	120	\$0.20	\$ 24.00	50%	\$ 12.00	50%	\$ 12.00
Phosphate	55	\$0.25	\$ 13.75	50%	\$ 6.88	50%	\$ 6.88
Potash	45	\$0.12	\$ 5.40	50%	\$ 2.70	50%	\$ 2.70
Lime	1	6	6		\$ -	100%	\$ 6.00
			\$ 0.00		\$ -	100%	\$ -
Herbicides							
Total	1	20	\$20.00	50%	\$ 10.00	50%	\$ 10.00
			\$ 0.00		\$ -	100%	\$ -
			\$ 0.00		\$ -	100%	\$ -
Insecticides							
Total	1	10	\$10.00		\$ -	100%	\$ 10.00
			\$ 0.00		\$ -	100%	\$ -
Crop insurance			\$5.80	50%	\$ 2.90	50%	\$ 2.90
Miscellaneous			\$7.00	100%	\$ 7.00	0%	\$ -
Interest on preharvest variable costs	Months	Int. Rate-%					
	6	6.5%	\$ 4.19		\$ 2.65		\$ 2.09
Subtotal of Production Inputs			\$ 123.70		\$ 57.90		\$ 66.34

Harvest machinery				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
	Fixed	Var./Custom	Total				
Total	\$21.53	\$31.79	\$ 53.32	100%	\$ 53.32	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	50%	\$ -	50%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	0%	\$ -	100%	\$ -
Subtotal of Harvest Machinery	\$21.53	\$31.79	\$ 53.32		\$ 53.32		\$ -

Labor (list)				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
	Hours	Rate	Total				
Family	2.6	\$9.00	\$ 23.40	100%	\$ 23.40	0%	\$ -
			\$ -		\$ -	100%	\$ -
			\$ -		\$ -	100%	\$ -
Subtotal of Labor Cost			\$ 23.40		\$ 23.40		\$ -

Management (% of nonland costs)				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
	\$226.64	8%	\$ 18.13		\$ 12.87		\$ 5.31

Land				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
a) Cash rent equivalent			\$ 0.00		\$ -		\$ -
Or,	Land Value	% Return					
b) rate of return on investment	\$ 3,000	6%	\$ 180.00		\$ -		\$ -
b) property taxes and upkeep			\$ 5.00		\$ -		\$ -
Total land cost			\$ 185.00	0%	\$ -	100%	\$ 185.00

Subtotal of all costs				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
Per acre			\$429.77		\$173.71		\$256.65
Per bushel			\$ -		\$ -		\$ -

Contribution				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
				40%	\$ 30.04	60%	\$ 60.00

Profit				Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
			\$ (22.27)		\$ 30.04		\$ (52.90)

FINPACK

Year 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
CASH INFLOWS													
Beg cash bal	1254	500	500	500	500	500	500	500	500	500	500	500	1254
Milk	11191	10330	10330	9900	9488	9488	9488	9488	9488	9075	9075	9075	116415
Raised Hogs	-	8500	-	-	-	9360	-	9595	-	-	-	9595	37050
Fin Yrly Str	-	-	-	29878	-	-	-	-	-	-	-	-	29878
Soybeans	-	-	-	-	-	-	-	-	-	-	8652	-	8652
Cull stock													
Cull cows	688	688	688	688	688	688	688	688	688	688	688	688	8258
Other Cull	-	-	-	555	-	-	555	-	555	-	-	-	1664
Total	688	688	688	1243	688	688	1243	688	1243	688	688	688	9922
Misc. Ivstk													
Bull calves	258	258	258	258	258	258	258	258	258	258	258	258	3094
DCP payments	-	-	-	-	-	-	-	-	2051	-	-	1846	3897
Pat dividend	-	-	-	-	-	-	-	-	-	-	-	600	600
N-Farm wages	1417	1417	1417	1417	1417	1417	1417	1417	1417	1417	1417	1417	17000
Total inflow	14808	21693	13193	43195	12350	21710	12905	21945	14956	11938	20590	23979	227761
CASH OUTFLOWS													
Seed	4452	-	-	645	1400	-	-	-	-	-	-	-	6497
Fertilizer	-	-	-	864	3101	-	431	431	-	-	-	3101	7929
Chemicals	-	-	-	-	5992	-	-	-	-	-	-	-	5992
Crop insur.	-	-	-	-	-	-	-	-	-	-	1209	-	1209
Drying fuel	-	-	-	-	-	-	-	-	-	-	1392	-	1392
C. Cust hire	-	-	-	-	-	-	1196	-	600	-	-	-	1796
Pur. Hay	-	-	-	1131	2142	-	-	-	-	-	-	147	3419
Feeder Ivstk													
Fin Yrly St	-	-	-	-	-	-	-	-	20475	-	-	-	20475
Purch. feed	3492	3196	3330	3210	3346	3147	3293	3002	3388	3490	3636	3343	39872
Breeding	167	167	167	182	182	182	174	174	174	174	174	174	2090
Veterinary	627	627	627	594	594	600	600	600	638	638	638	638	7422
Lstk supply	660	660	660	649	649	652	652	652	665	665	665	665	7894
L. Marketing	286	403	286	915	275	397	291	394	291	264	264	383	4448
Fuel & oil	-	-	-	500	1000	500	-	500	500	1000	1000	-	5000
Repairs	-	-	-	1275	1275	1275	-	-	1275	2550	2550	-	10200
Labor	-	-	-	-	600	600	600	600	600	600	-	-	3600
RE taxes	-	-	-	-	1800	-	-	-	-	1800	-	-	3600
Farm insur.	-	-	-	-	1700	-	-	-	-	-	1700	-	3400
Utilities	525	525	525	525	525	525	525	525	525	525	525	525	6300
Dues & fees	50	50	50	50	50	50	50	50	50	50	50	50	600
Misc.	42	42	42	42	42	42	42	42	42	42	42	42	500
Fam. living	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000
Income taxes	-	-	4000	-	-	-	-	-	-	-	-	-	4000
Min end bal	500	500	500	500	500	500	500	500	500	500	500	500	500
Tot. outflow	13800	9170	13186	14080	28173	11469	11354	10469	32723	15298	17344	12568	184135
Opr. surplus	1008	12523	7	29115	-15823	10241	1551	11476	-17767	-3360		11410	43627

Year 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
CAPITAL PURCHASES													
Boars	-	-	-	600	-	-	-	-	-	-	-	-	600
Tot. cap pur	-	-	-	600	-	-	-	-	-	-	-	-	600
NEW CREDIT													
1st Ntl catt	-	-	-	-	-	-	-	-	20475	-	-	-	20475
Tot new cred	-	-	-	-	-	-	-	-	20475	-	-	-	20475
LOAN PAYMENTS													
1st Ntl catt													
Prin pay	-	-	-	17744	-	-	-	-	-	-	-	-	17744
Int. pay	-	-	-	1019	-	-	-	-	-	-	-	-	1019
Total	-	-	-	18763	-	-	-	-	-	-	-	-	18763
1st Ntl mach													
Prin pay	-	-	-	-	4170	-	-	-	-	-	4389	-	8559
Int. pay	-	-	-	-	3049	-	-	-	-	-	2830	-	5879
Total	-	-	-	-	7219	-	-	-	-	-	7219	-	14439
John Deere													
Prin pay	-	-	-	-	-	-	2951	-	-	-	-	-	2951
Int. pay	-	-	-	-	-	-	957	-	-	-	-	-	957
Total	-	-	-	-	-	-	3908	-	-	-	-	-	3908
1st Ntl cows													
Prin pay	417	420	424	427	430	433	437	440	444	447	450	454	5223
Int. pay	157	154	151	147	144	141	137	134	131	127	124	120	1667
Total	574	574	574	574	574	574	574	574	574	574	574	574	6890
1st Ntl RE													
Prin pay	-	-	-	1052	-	-	-	-	-	835	-	-	1887
Int. pay	-	-	-	3246	-	-	-	-	-	3463	-	-	6709
Total	-	-	-	4298	-	-	-	-	-	4298	-	-	8596
Tot loan pay	574	574	574	23635	7794	574	4482	574	574	4872	7794	574	52596
Surp. or def	434	11949	-567	4879	-23616	9667	-2931	10902	2134	-8232	-4548	10836	10906
ANNUAL OPERATING LOAN TRANSACTIONS & BALANCES													
Beg AO bal	18345	18282	6486	7053	2287	25903	16471	19402	8799	6738	14971	19519	18345
AO borrowing	-	-	567	-	-	-	2931	-	-	8232	4548	-	39895
AO int. pay	371	152	-	113	-	-	-	299	73	-	-	344	1587
AO prin. pay	63	11796	-	4767	-	-	-	10603	2061	-	-	10493	49213
End AO bal.	18282	6486	7053	2287	25903	16471	19402	8799	6738	14971	19519	9026	9026
Accrued int.	-	-	54	-	19	-	137	-	-	56	181	-	-
End cash bal	500	500	500	500	500	500	500	500	500	500	500	500	500

2008 CROP & LIVESTOCK PRODUCTION

Enterprise	Units	Production Per Unit	Share	Operator Production
Corn, Feed	74.0 Acres	130.0 bu.	100	9620 bu.
Corn Silage	15.0 Acres	16.5 ton	100	248 ton
Oats, Feed, with alfalfa establish	15.0 Acres	55.0 bu.	100	825 bu.
Hay, Alfalfa	46.0 Acres	4.00 ton	100	184 ton
Corn, Feed	70.0 Acres	130.0 bu.	60	5460 bu.
Soybeans	70.0 Acres	40.0 bu.	60	1680 bu.
Dairy	55.0 Cow	18000.0 lb.		990000 lb.
Hogs, Farrow To Finish	52.0 Litter	7.75 head		403 head
Total crops	290 Acres			

2008 CROP & LIVESTOCK SUMMARY

	Beg	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corn equivalents														
Produced	bu.	-	-	-	-	-	-	413	-	-	15080	-	-	15493
Fed	bu.	1355	1084	1245	1040	1175	933	1078	788	1134	1294	1468	1210	13805
Inventory	bu.	14275	12920	11836	10591	9551	8376	7443	6778	5989	4855	18641	17173	15963
Hay equivalents														
Produced	ton	-	-	-	-	-	64	46	46	28	-	-	-	184
Purchased	ton	-	-	-	13	25	-	-	-	-	-	-	2	40
Price	\$/ton	-	-	-	85.00	85.00	-	-	-	-	-	-	85.00	85.00
Fed	ton	28	28	28	25	25	25	25	25	27	27	28	28	319
Inventory	ton	95	67	40	12	-	39	60	81	81	54	26	-	
Silage equivalents														
Produced	ton	-	-	-	-	-	-	-	-	248	-	-	-	248
Fed	ton	28	29	31	16	16	16	16	16	25	26	28	29	276
Inventory	ton	220	192	162	132	116	100	84	67	51	274	248	220	191
Soybeans														
Produced	bu.	-	-	-	-	-	-	-	-	-	1680	-	-	1680
Sold	bu.	-	-	-	-	-	-	-	-	-	-	1680	-	1680
Price	\$/bu.	-	-	-	-	-	-	-	-	-	-	5.15	-	5.15
Inventory	bu.	-	-	-	-	-	-	-	-	-	1680	-	-	
CCC Soybeans														
Liquidated	bu.	-	-	-	-	-	-	-	1850	-	-	-	-	1850
Inventory	bu.	1850	1850	1850	1850	1850	1850	1850	1850	-	-	-	-	1850
Milk														
Produced		86087	86087	86087	82500	82500	82500	82500	82500	82500	78913	78913	78913	990000
Price	\$/cwt.	13.00	12.00	12.00	12.00	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.76
Raised Hogs														
Produced	head	-	101	-	-	-	101	-	101	-	-	-	101	403
Sold	head	-	100	-	-	-	104	-	101	-	-	-	101	406
Price	\$/cwt.	-	34.00	-	-	-	36.00	-	38.00	-	-	-	38.00	36.50
Inventory	head	188	188	189	189	189	186	186	185	185	185	185	185	185

bL
b1

~~2008~~ CROP & LIVESTOCK SUMMARY (cont.)

		<i>Beg</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
Fin Yrlg Str															
Purchased	head		-	-	-	-	-	-	-	-	45	-	-	-	45
Price	\$/cwt.		-	-	-	-	-	-	-	-	70.00	-	-	-	70.00
Sold	head		-	-	-	39	-	-	-	-	-	-	-	-	39
Price	\$/cwt.		-	-	-	67.00	-	-	-	-	-	-	-	-	67.00
Inventory	head	39	39	39	39	-	-	-	-	-	45	45	45	45	45

2008 PROJECTED CHANGE IN CURRENT INVENTORIES

Commodity	Ending Inventory	\$/Unit	Ending Value	Begin Inventory	\$/Unit	Begin Value
Corn equivalents	15963	1.75	27935	14275	1.51	21518
Hay equivalents	0	75.00	0	95	75.00	7125
Silage equivalents	191	18.00	3443	220	18.00	3960
Soybeans	0	5.15	0	0	0.00	0
CCC Soybeans	0	0.00	0	1850	0.00	0
Raised Hogs	185	34.00	7831	188	34.00	7670
Fin Yrlg Str	45	560.00	25200	39	63.00	18428
Prepaid expenses & supplies			2835			2835
Accounts receivable			10192			10192
Other current assets			0			0
Accounts payable	(Beginning)		6653	(Ending)		6653
Accrued interest	(Beginning)		2512	(Ending)		2504
	Subtotal A		86601	Subtotal B		80884
				Current Inventory Change (A-B)		5717

2008 PROJECTED NET FARM INCOME

Gross Cash Farm Income		209507
Cash Farm Expense (Exc Int)	(-)	143635
Farm Interest Paid	(-)	17819
Net Cash Farm Income	(=)	48053
Current Inventory Change	(→)	5717
Estimated Depreciation	(-)	17465
Projected Net Farm Income	(=)	

2008 PROJECTED NET WORTH CHANGE

Projected Net Farm Income		
Nonfarm Income	(+)	17000
Family Living Expense	(-)	36000
Income Tax & Social Sec.	(-)	4000
Nonfarm Interest	(-)	0
Other Nonfarm Expense	(-)	0
Earned Net Worth Change	(=)	13306

2008 TERM DEBT COVERAGE

Earned Net Worth Change		13306
Depreciation	(+)	17465
Term Debt Interest	(+)	15232
Balance for Term Debt Pay	(=)	46003
Scheduled Term Debt Payments		33833
Refinance & Capital Sales	(-)	0
Normal Term Debt Payments	(=)	33833
Term Debt Coverage Ratio		136.0 %
Capital Replacement Margin		12170

2008 EFFICIENCY MEASURES

Operating Expense Ratio	66.7 %
Depreciation Expense Ratio	8.1 %
Interest Expense Ratio	8.3 %
Net Farm Income Ratio	16.9 %

FINPACK

Crop Budget No.	1		2		3	
	Corn, Feed		Corn Silage		Oats, Feed	
Crop						
Unit	bu.		ton		bu.	
Type						
Description						with alfalfa establish
	Lng Range	Year 1	Lng Range	Year 1	Lng Range	Year 1
Yield	130	130	16.5	-	55	-
Price	2.20	2.20	18.00	-	1.30	-
Product income	286.00	286.00	297.00	0.00	71.50	0.00
Miscellaneous income	-	-	-	-	-	-
Gross income	286.00	286.00	297.00	0.00	71.50	0.00
Seed	28.00	28.00	28.00	-	43.00	-
Fertilizer	47.35	47.35	47.35	-	57.60	-
Crop chemicals	28.00	28.00	28.00	-	-	-
Crop insurance	6.50	6.50	6.50	-	-	-
Drying fuel	12.00	12.00	-	-	-	-
Irrigation energy	-	-	-	-	-	-
Custom hire	-	-	40.00	-	-	-
Hired labor	-	-	-	-	-	-
Total direct expense	121.85	121.85	149.85	0.00	100.60	0.00
Return over direct expense	164.15	164.15	147.15	0.00	-29.10	0.00
Labor hours	3.2	3.2	4	-	2.7	-
Corn equivalents (bu.)	130.0	130.0	-	-	27.5	-
Silage equivalents (ton)	-	-	16.5	-	-	-

Crop Budget No.	4		5		6	
	Hay, Alfalfa		Soybeans		Pasture	
Crop						
Unit	ton		bu.		aum	
Type						
Description						
	Lng Range	Year 1	Lng Range	Year 1	Lng Range	Year 1
Yield	4	-	40	-	-	-
Price	75.00	-	5.40	-	-	-
Product income	300.00	0.00	216.00	0.00	0.00	0.00
Miscellaneous income	-	-	-	-	-	-
Gross income	300.00	0.00	216.00	0.00	0.00	0.00
Seed	-	-	20.00	-	-	-
Fertilizer	18.75	-	-	-	-	-
Crop chemicals	-	-	22.00	-	-	-
Crop insurance	-	-	8.50	-	-	-
Drying fuel	-	-	-	-	-	-
Irrigation energy	-	-	-	-	-	-
Custom hire	26.00	-	-	-	-	-
Hired labor	-	-	-	-	-	-
Total direct expense	44.75	0.00	50.50	0.00	0.00	0.00
Return over direct expense	255.25	0.00	165.50	0.00	0.00	0.00
Labor hours	5.3	-	2.9	-	-	-
Hay equivalents (ton)	4.0	-	-	-	-	-
Pasture equiv. (AUM)	-	-	-	-	-	-



<i>Livestock Budget No.</i>	<i>3</i>	
Livestock Enterprise	<u>Beef, Finish Yrlg Steers</u>	
Budget Unit	Per Head	
Description		
	<i>Lng Range</i>	<i>Year 1</i>
Fin Yrlg Str		
Weight (lb.)	1150	-
Price (cwt.)	70.00	-
Product income	805.00	0.00
Miscellaneous income	-	-
Gross income	805.00	0.00
Purchase weight (lb.)	650	-
Purchase price (cwt.)	77.00	-
Purchased feed	38.00	-
Veterinary	6.00	-
Livestock supplies	2.00	-
Marketing	16.00	-
Total direct expense	562.50	0.00
Labor hours	4.5	-
Death loss percent	1.0	-
Months on farm	7	-
Corn equivalents (bu.)	45.0	-
Hay equivalents (ton)	0.4	-
Silage equivalents (ton)	2.0	-
Pasture equiv. (AUM)	-	-
Feed expense	165.00	-
Death loss value	8.05	-
Return over budget expense	69.45	0.00

Labor cost:	\$	4.50
Death loss:	\$	1.55
Marketing cost:	\$	1.80

	\$	13.79
TOTAL VARIABLE COSTS:	\$	95.20
TOTAL FIXED COSTS:	\$	8.63

TOTAL PRODUCTION COSTS:	\$	103.83
Estimated Profit and Return to Management (\$/GROUP):	\$	
Estimated Profit and Return to Management (\$/HEAD):	\$	-5.03
Estimated Profit and Return to Management (\$/CWT):	\$	-1.93
Return to Labor and Management (\$/HOUR):	\$	-1.05
Necessary Selling Price to Cover Variable Costs (\$/CWT):	\$	
Necessary Selling Price to Cover Total Costs (\$/CWT):	\$	
Estimated Feed Costs per CWT Gain (\$/CWT):	\$	14.96
Effect of 1% Change in Interest Rate on Total Costs (\$/CWT):	\$	0.14

Enter inputs for Price Sensitivity Tables (I94-I98)

Recalculate

Set printer paper to top of form

Print range is A81 to K135

