

Information for

Econ 333

Advanced Farm Business Analysis

Exam 1

Fall 2009

Corn following Soybeans

	160 bu. per acre	
	Fixed	Variable
Preharvest Machinery ^{1/}	\$16.20	\$14.30
	# 30.50	
Seed, Chemical, etc.	Units	
Seed @ \$3.13 per 1000 k.	30,000	\$93.90
Nitrogen @ \$0.68 per lb.		73.44
Phosphate @ \$0.90 per lb.	60	54.00
Potash @ \$0.72 per lb.	48	34.56
Lime (yearly cost)		7.00
Herbicide		37.80
Crop Insurance		20.00
Miscellaneous		9.00
Interest on preharvest variable costs (8 months @ 6.25%)		<u>14.33</u>
Total		\$344.03
Harvest Machinery		
Combine	\$15.30	\$8.20
Grain Cart	4.40	2.30
Haul	3.20	4.80
Dry (LP Gas @ \$1.90/gal.)	6.40	36.48
Handle	1.60	0.80
Total	\$30.90	\$52.58
	# 83.48	
Labor		
2.6 hours @ \$11.00	\$28.60	
Land		
Cash rent equivalent	\$205.00	
Total fixed, variable		
Per acre	\$280.70	\$410.91
Per bushel	\$1.75	\$2.57
Total cost per acre		\$691.61
Total cost per bushel		

^{1/}Apply N, tandem disk, field cultivate, plant, cultivate, and spray. See the Estimated Machinery Costs table.

Sept 2009

Figure 1. Barrows and gilts (IA-So MN) seasonal price index

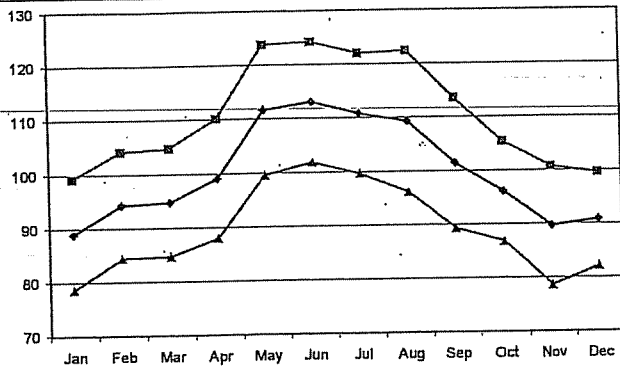


Figure 2. Sow seasonal price index

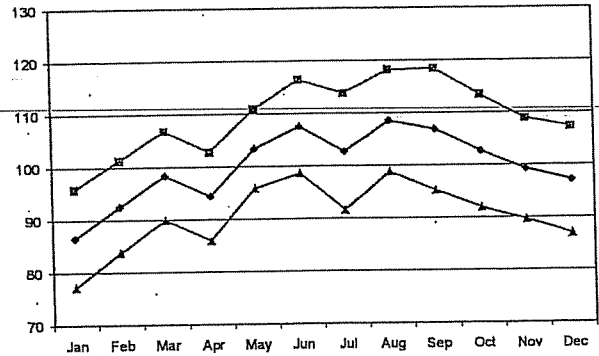


Figure 3. 40 lb. feeder pigs seasonal price index

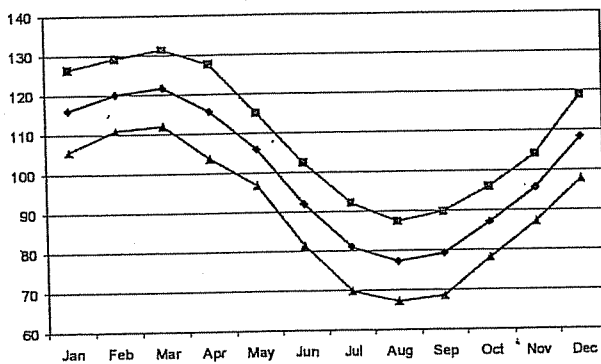


Figure 4. Weaned pigs seasonal price index

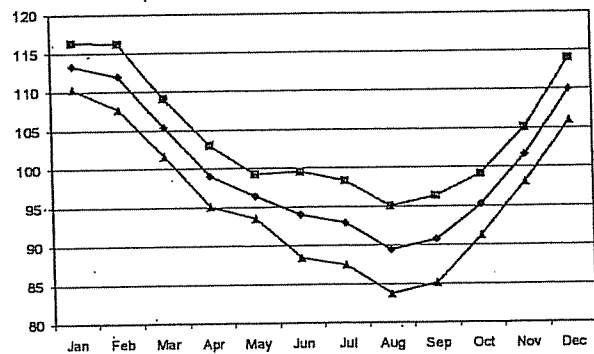


Table 1. Price index variability by type of hogs

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Barrows & gilts (Iowa-So MN)												
Seasonal price Index	89	94	95	99	112	113	111	109	101	96	90	91
Variability	10.3	9.9	10.0	11.1	12.1	11.2	11.2	13.1	12.1	9.3	11.1	8.7
Sows (National)												
Seasonal price Index	87	93	98	94	103	108	103	109	107	103	99	97
Variability	9.3	8.8	8.4	8.4	7.5	8.9	11.1	9.7	11.6	10.7	9.6	10.2
40 lb. feeder pigs												
Seasonal price Index	116	120	122	116	106	92	81	77	79	87	96	108
Variability	10.4	9.1	9.7	12.0	9.2	10.5	11.2	10.1	10.6	8.9	8.5	10.5
Early wean pigs												
Seasonal price Index	113	112	105	99	96	94	93	89	91	95	102	110
Variability	3.0	4.3	3.7	4.0	2.9	5.6	5.4	5.7	5.6	4.0	3.5	4.0

... and justice for all
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Crop Share Lease Analysis
Iowa State University Extension

55%

Econ 333 Crop Farm

Qam on 333 Farm

	Yield	Price	Total	Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
Expected Revenue	180	\$ 3.50	\$ 630.00	55%	\$ 346.50	45%	\$ 283.50
Value of crop			\$ 35.00	55%	\$ 19.25	45%	\$ 15.75
USDA farm payments			\$ 20.00	55%	\$ 11.00	45%	\$ 9.00
Additional revenue (straw, stalks, etc.)							
Total			\$ 685.00		\$ 376.75		\$ 308.25

	Fixed Cost	Var. Cost or Custom Rate	Total	Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
Preharvest machinery							
	\$ 16.20	\$ 14.30	\$ 30.50	100%	\$ 30.50	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
Subtotal of Preharvest Machinery	\$ 16.20	\$ 14.30	\$ 30.50		\$ 30.50		\$ -

	Quantity	Price	Total	Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
Production Inputs							
Seed	85	\$ 3.13	\$ 109.55	55%	\$ 60.25	45%	\$ 49.30
Fertilizer							
Nitrogen	108	\$ 0.68	\$ 73.44	55%	\$ 40.39	45%	\$ 33.05
Phosphate	62	\$ 0.90	\$ 47.70	55%	\$ 26.24	45%	\$ 21.47
Potash	42	\$ 0.72	\$ 30.24	55%	\$ 16.63	45%	\$ 13.61
Lime	1	7	\$ 7.00	0%	\$ -	100%	\$ 7.00
			\$ 0.00		\$ -	100%	\$ -
Herbicides							
	1	40	\$ 40.00	55%	\$ 22.00	45%	\$ 18.00
			\$ 0.00		\$ -	100%	\$ -
			\$ 0.00		\$ -	100%	\$ -

Insecticides							
	1	10	\$ 10.00		\$ -	100%	\$ 10.00
			\$ 0.00		\$ -	100%	\$ -
Crop Insurance			\$ 22.50	55%	\$ 12.38	45%	\$ 10.13
Miscellaneous				100%	\$ -	0%	\$ -
Interest on preharvest variable costs	8	6.0%	\$ 14.19		\$ 8.34		\$ 6.50
Subtotal of Production Inputs			\$ 354.62		\$ 186.22		\$ 169.05

	Fixed	Var /custom	Total	Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
Harvest machinery							
	\$ 32.30	\$ 57.84	\$ 90.14	100%	\$ 90.14	0%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	50%	\$ -	50%	\$ -
			\$ -	100%	\$ -	0%	\$ -
			\$ -	0%	\$ -	100%	\$ -
Subtotal of Harvest Machinery	\$ 32.30	\$ 57.84	\$ 90.14		\$ 90.14		\$ -

	Hours	Rate	Total	Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
Labor (list)							
	2.6	\$ 16.00	\$ 39.00	100%	\$ 39.00	0%	\$ -
			\$ -		\$ -	100%	\$ -
			\$ -		\$ -	100%	\$ -
Subtotal of Labor Cost			\$ 39.00		\$ 39.00		\$ -

Management (% of nonland costs)	\$ 514.26	4%	\$ 20.57	\$ 345.86	\$ 13.83	\$ 169.05	\$ 6.76
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	Land Value	% Return	Total	Tenant's Share-%	Tenant's Share-\$	Owner's Share-%	Owner's Share-\$
Land							
a) Cash rent equivalent							
Or,							
b) rate of return on Investment	\$ 4,800	5%	\$ 240.00		\$ -	100%	\$ 240.00
b) property taxes and upkeep			\$ 20.00		\$ -		\$ -
Total land cost			\$ 260.00	0%	\$ -	100%	\$ 260.00

Subtotal of all costs			\$ 794.83		\$ 359.70		\$ 435.81
Per acre			\$ 4.42		\$ -		\$ -
Per bushel					\$ -		\$ -
Contribution					45%		55%
Profit			\$ (109.83)		\$ -		\$ (127.56)

Executive Summary

Projected Cash Flow Summary

Total operating inflow		250,496
Total operating outflow	(-)	198,082
Capital purchases	(-)	600
Capital sales	(+)	-
New credit	(+)	20,475
Loan payments	(-)	49,533
Net cash flow	(=)	22,756
Beginning cash balance	(+)	1,254
Operating loan borrowings	(+)	32,578
Operating loan principal payments	(-)	56,088
Ending cash balance	(=)	500
Beginning operating loan balance		28,345
Peak operating loan balance (May)		37,129
Ending operating loan balance		4,835

Projected Change in Working Capital

Change in cash		-754
Change in current inventories	(+)	8,649
Change in operating loan balance	(-)	-23,510
Change in other current loans	(-)	2,730
Change in princ due on term loans	(-)	1,089
Estimated change in working capital	(=)	27,586

Projected Income Statement

Gross cash farm income		224,496
Inventory change - income items	(+)	5,374
Gross revenue	(=)	229,870
Cash farm operating expense		149,082
Interest expense	(+)	14,503
Depreciation	(+)	17,465
Inventory change - expense items	(+)	-3,275
Total farm expense	(=)	177,775
Net farm income		52,095

Projected Earned Net Worth Change

Net farm income		52,095
Personal income	(+)	26,000
Family living expense	(-)	45,000
Income & social security tax	(-)	4,000
Earned net worth change	(=)	29,095

Term Debt Coverage

Net farm income from operations		52,095
Depreciation	(+)	17,465
Personal income	(+)	26,000
Family living expense	(-)	45,000
Income and social security tax	(-)	4,000
Interest paid on term debt	(+)	12,023
Capital debt repayment capacity	(=)	58,583
Term debt payments		29,279
Term debt coverage		2.00

Farm Financial Standards Measures

Liquidity	Beginning	Ending
Current ratio	1.3	2.1
Working capital	22,212	49,798
Working capital to gross revenue	9.7 %	21.7 %

Solvency (market)

Debt to asset ratio	50.5 %	44.7 %
Equity to asset ratio	49.5 %	55.3 %
Debt to equity ratio	1.02	0.81

Profitability (market)

Rate of return on assets		5.1 %
Rate of return on equity		5.3 %
Operating profit margin		19.0 %
Net farm income		52,095
EBITDA		84,148

Repayment Capacity

Capital debt repayment capacity		58,583
Capital debt repayment margin		29,304
Replacement margin		29,304
Term debt coverage		2.00
Replacement margin coverage ratio		2.00

Efficiency

Asset turnover rate (market)		27.0
Operating expense ratio		63.5 %
Depreciation ratio		7.6 %
Interest expense ratio		6.3 %
Net farm income ratio		22.7 %

Shocks - Change in Net Farm Income

10% decrease in prices		-21,349
10% increase in expenses		-15,227
3% increase in interest rates		-5,713

	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
Soybeans								2030			8459		10489
Fin Yearling	-	-	-	29878	-	-	-	-	-	-	-	-	29878
Milk	10761	10761	10761	10519	10519	10519	10725	10725	10725	10259	10259	10259	126790
Raised Hogs	-	9328	-	-	-	10670	-	10858	-	-	-	10100	40955
Cull stock	688	1104	688	1104	688	688	688	1104	688	1104	688	688	9922
Misc. Ivstk	258	258	258	258	258	258	258	258	258	258	258	258	3094
DCP payments	1384	-	-	-	-	-	-	-	-	1384	-	-	2768
Pat dividend	-	-	-	-	-	-	-	-	-	-	-	600	600
Pers. wages	2167	2167	2167	2167	2167	2167	2167	2167	2167	2167	2167	2167	26000
Total inflow	16512	24117	14374	44425	14131	24801	14338	27641	14338	15671	22330	24571	251750
CASH OUTFLOWS													
Seed	-	-	-	6210	1750	-	-	-	-	-	-	-	7960
Fertilizer	-	-	-	-	6203	-	431	431	-	-	-	-	7929
Chemicals	-	-	-	-	5712	-	-	-	-	-	-	-	5712
Crop insur.	-	-	-	-	-	-	-	-	128	357	986	-	1471
Drying fuel	-	-	-	-	-	-	-	-	-	-	1392	-	1392
C. Cust hire	-	-	-	-	-	580	414	414	998	-	-	-	2406
Pur. Hay	-	-	-	1131	2142	-	-	-	-	-	-	147	3419
Feeder Ivstk	-	-	-	-	-	-	-	-	20475	-	-	-	20475
Purch. feed	3465	3242	3382	3269	3412	3147	3293	3002	3388	3490	3636	3343	40068
Breeding	167	167	167	182	182	182	174	174	174	174	174	174	2090
Veterinary	627	631	631	598	598	600	600	600	638	638	638	638	7439
Supplies	660	662	662	651	651	652	652	652	665	665	665	665	7902
L. Marketing	286	404	286	911	275	389	275	405	275	276	264	383	4429
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
Accounts pay	3190	-	-	-	-	-	-	-	-	-	-	-	3190
Living/Draw	3750	3750	3750	3750	3750	3750	3750	3750	3750	3750	3750	3750	45000
Income taxes	-	-	4000	-	-	-	-	-	-	-	-	-	4000
Min end bal	500	500	500	500	500	500	500	500	500	500	500	500	500
Tot. outflow	13261	9973	13994	20457	32166	12791	11306	11645	33983	16417	17872	10217	198582
Opr. surplus	3250	14144	379	23969	-18035	12011	3032	15996	-19645	-745	4458	14354	53168

	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	-	-	-	18550	-	-	-	-	-	-	-	-	18550
1st Ntl cows	473	473	473	473	473	473	473	473	473	473	473	473	5680
1st Ntl mach	-	-	-	-	6036	-	-	-	-	-	6036	-	12071
John Deere	-	-	-	-	-	-	2932	-	-	-	-	-	2932
1st Ntl RE	-	-	-	4298	-	-	-	-	-	4298	-	-	8596
Tot loan pay	473	473	473	23321	6509	473	3405	473	473	4771	6509	473	47829
Surp. or def	2777	13670	-94	48	-24544	11537	-374	15523	356	-5516	-2051	13881	25214

ANNUAL OPERATING LOAN TRANSACTIONS & BALANCES

Beg AO bal	28345	26004	12491	12585	12585	37129	25995	26369	11162	10873	16390	18440	28345
AO borrowing	-	-	94	-	24544	-	-	-	-	5516	2051	-	32578
AO int. pay	436	157	-	48	-	404	-	316	67	-	-	276	1705
AO prin. pay	2341	13513	-	-	-	-	-	15207	289	-	-	13605	56088
End AO bal.	26004	12491	12585	12585	37129	25995	26369	11162	10873	16390	18440	4835	4835
Accrued int.	-	-	75	104	-	-	157	-	-	66	165	-	-
End cash bal	500	500	500	500	500	500	500	500	500	500	500	500	500

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	18.0 ton	100	270 ton
Oats, with alfalfa establish, Feed	15.0 Acres	65.0 bu.	100	975 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	38.0 bu.	60	1596 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			

CROP & LIVESTOCK SUMMARY

	Beg	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corn equivalents														
Produced	bu.	-	-	-	-	-	-	488	-	-	15080	-	-	15568
Fed	bu.	1329	1097	1264	1065	1207	933	1078	788	1134	1294	1468	1210	13869
Inventory	bu.	14275	12946	11849	10585	9519	8312	7379	6789	6000	4866	18652	17184	15974
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	-	-	-	81	81	54	26	-	-
Silage equivalents														
Produced	ton	-	-	-	-	-	-	-	-	270	-	-	-	270
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	296	270	243	214
Soybeans														
Produced	bu.	-	-	-	-	-	-	-	-	-	1596	-	-	1596
Sold	bu.	-	-	-	-	-	-	-	-	-	-	1596	-	1596
Price	\$/bu.	-	-	-	-	-	-	-	-	-	-	5.30	-	5.30
Inventory	bu.	-	-	-	-	-	-	-	-	-	1596	-	-	-
CCC Soybeans														
Liquidated	bu.	-	-	-	-	-	-	-	1850	-	-	-	-	1850
Price	\$/bu.	-	-	-	-	-	-	-	6.00	-	-	-	-	6.00
Inventory	bu.	1850	1850	1850	1850	1850	1850	1850	1850	-	-	-	-	-
Fin Yearling														
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
Milk														
No. Cows		55	55	55	55	55	55	55	55	55	55	55	55	55
Produced		86087	86087	86087	82500	82500	82500	82500	82500	82500	78913	78913	78913	990000
Price	\$/cwt.	12.50	12.50	12.50	12.75	12.75	12.75	13.00	13.00	13.00	13.00	13.00	13.00	12.81

CROP & LIVESTOCK SUMMARY (cont.)

		Beg	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Raised Hogs															
No. Sows			26	26	26	26	26	26	26	26	26	26	26	26	26
Produced	head		-	101	-	-	-	101	-	101	-	-	-	101	403
Sold	head		-	91	-	-	-	97	-	101	-	-	-	101	390
Price	\$/cwt.		-	41.00	-	-	-	44.00	-	43.00	-	-	-	40.00	42.01
Inventory	head	188	188	198	198	198	198	202	202	201	201	201	201	201	201

PROJECTED INVENTORY CHANGE

Commodity	Begin Inventor	\$/Unit	Begin Value	Ending Inventory	\$/Unit	Ending Value	Change
Corn equivalents	14275	2.26	32306	15974	2.28	36356	4050
Hay equivalents	95	85.00	8075	0	0.00	0	-8075
Silage equivalents	220	18.00	3960	214	18.00	3848	-112
CCC Soybeans	1850	0.91	1685	0	0.00	0	-1685
Fin Yearling	39	80.00	23400	0	0.00	0	-23400
Fin Yearling	0	0.00	0	45	80.00	33660	33660
Raised Hogs	188	38.00	8573	0	0.00	0	-8573
Raised Hogs	0	0.00	0	201	38.00	9509	9509
Accounts receivable			10192			10192	0
Hedging accounts			0			0	0
Other current assets			0			0	0
Total income items			88191			93565	
Prepaid expenses & supplies			2835			2835	0
Growing crops			0			0	0
Accounts payable		(End)	1412		(Beg)	4602	3190
Accrued interest		(End)	1990		(Beg)	2075	85
Total expense items			6237			9512	3275
Total inventories			94428			103077	8649

I.M. Coatings Enterprise Budgets

Soybeans

	Long Range	Year 1
Soybeans		
Yield (bu.)	38	-
Price	5.40	-
Product income	205.20	-
Miscellaneous income	-	-
Gross income	205.20	-
Seed	25.00	-
Fertilizer	-	-
Crop chemicals	18.00	-
Crop insurance	8.50	-
Drying expense	-	-
Irrigation energy	-	-
Custom hire	-	-
Hired labor	-	-
Total direct expenses	51.50	-
Return over direct expenses	153.70	-
Labor hours	2.9	-
Feed Equivalents Produced		
Corn equivalents (bu.)	-	-
Hay equivalents (ton)	-	-
Silage equivalents (ton)	-	-
Pasture equivalents (aum)	-	-

Hay, Alfalfa

	Long Range	Year 1
Alfalfa Hay		
Yield (ton)	4	-
Price	85.00	-
Product income	340.00	-
Miscellaneous income	-	-
Gross income	340.00	-
Seed	-	-
Fertilizer	18.75	-
Crop chemicals	-	-
Crop insurance	-	-
Drying expense	-	-
Irrigation energy	-	-
Custom hire	36.00	-
Hired labor	-	-
Total direct expenses	54.75	-
Return over direct expenses	285.25	-
Labor hours	4	-
Feed Equivalents Produced		
Corn equivalents (bu.)	-	-
Hay equivalents (ton)	4	-
Silage equivalents (ton)	-	-
Pasture equivalents (aum)	-	-

Corn, Feed

	Long Range	Year 1
Corn		
Yield (bu.)	130	-
Price	2.20	-
Product income	286.00	-
Miscellaneous income	-	-
Gross income	286.00	-
Seed	35.00	-
Fertilizer	47.35	-
Crop chemicals	28.00	-
Crop insurance	8.50	-
Drying expense	12.00	-
Irrigation energy	-	-
Custom hire	-	-
Hired labor	-	-
Total direct expenses	130.85	-
Return over direct expenses	155.15	-
Labor hours	3.5	-
Feed Equivalents Produced		
Corn equivalents (bu.)	130	-
Hay equivalents (ton)	-	-
Silage equivalents (ton)	-	-
Pasture equivalents (aum)	-	-

Beef Yearlings, Str

	Long Range	Year 1
Fin Yearling		
Sales Weight (lb.)	1150.00	-
Price (/ cwt.)	70.00	-
Product income	805.00	-
Miscellaneous income	-	-
Gross income	805.00	-
Purchase weight (lb.)	650	-
Purchase price (/ cwt.)	77.00	-
Purchase cost	500.50	-
Purchased feed	38.00	-
Veterinary	6.00	-
Supplies	2.00	-
Marketing	16.00	-
Total direct expenses	562.50	-
Labor hours	4.5	-
Death loss percent	1.00	-
Months on farm	7	-
Feed Equivalents Fed		
Corn equivalents (bu.)	45	-
Hay equivalents (ton)	0.4	-
Silage equivalents (ton)	2	-
Pasture equivalents (aum)	-	-
Feed cost	169.00	-
Death loss value	8.05	-
Return over budget expenses	65.45	-

Labor cost:	\$	8.50
Death loss:	\$	1.08
Marketing cost:	\$	1.80

\$ 17.28

TOTAL VARIABLE COSTS:	\$	99.94
TOTAL FIXED COSTS:	\$	8.63
TOTAL PRODUCTION COSTS:	\$	108.57

Estimated Profit and Return to Management (\$/GROUP):	\$	
Estimated Profit and Return to Management (\$/HEAD):	\$	-9.77
Estimated Profit and Return to Management (\$/CWT):	\$	
Return to Labor and Management (\$/HOUR):	\$	
Necessary Selling Price to Cover Variable Costs (\$/CWT):	\$	
Necessary Selling Price to Cover Total Costs (\$/CWT):	\$	
Estimated Feed Costs per CWT Gain (\$/CWT):	\$	22.70
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

PRICE SENSITIVITY TABLES

Feeder pig purchase price interval (\$/hd)	\$	3.00
Corn price interval (\$/bu):	\$	0.10
Supplement price interval (\$/ton):	\$	20.00
Market selling price interval (\$/cwt):	\$	1.00
Desired profit level (\$/head):	\$	5.00



I.M. Castings Farm
January 1, 2009

Current Assets			Value	Current Liabilities			Balance		
Cash and checking			1,254	Accrued interest			2,092		
Prepaid exp. & suppl. (Schd B)			2,835	Payables & accr exp (Schd S)					
Growing crops			-	Sweet Feed Company			3,190		
Accounts receivable (Schd D)			10,192	Farmer's Coop - fuel			552		
Hedging accounts			-	Zumchester Repair - parts			860		
Other current assets			-						
Crops (Schd G)	Quantity	Value/Unit			Int	P & I	Principal		
Corn	14,125	2.25/bu.	31,781	Current loans (Schd T)	Rate	Due	Balance		
Alfalfa Hay	95	85.00/ton	8,075	1st Ntl Oper	7.25	-	28,345		
Corn Silage	220	18.00/ton	3,960	1st Ntl catt	7.50	18,763	17,745		
Oats	300	1.75/bu.	525						
Crops under gov't loan (Schd R)			10,638	Government crop loans (Schd R)			8,936		
				Principal due within 12 months on term liabilities					
Mkt Ivst (Schd H)	No.	Value/Unit		Total Current Liabilities			79,020		
Raised Hogs	188	38.00/cwt.	8,573						
Fin Yearling	39	80.00/cwt.	23,400						
Total Current Assets			101,233						
Intermediate Assets		Cost	Market	Intermediate Liabilities (Schd U)	Int	Principal	P & I	Principal	Intermed
Brdg Ivst (Schd I)	No.	Value	Value	Loan	Rate	Balance	Due	Due	Balance
Dairy cows	55	44,000	49,500	1st Ntl mach	7.25	65,362	12,071	7,452	57,910
Bred heifers	11	6,600	8,800	John Deere	7.75	9,766	2,932	2,173	7,593
Yearling heifers	15	6,000	7,500	1st Ntl cows	7.25	20,377	5,680	4,347	16,030
Heifer calves	14	2,800	4,200						
Add Brdg Ivst (Schd I)			4,784	Total Intermediate Liabilities					81,533
Machinery (Schd J)			83,627						
Titled vehicles (Schd K)			10,675						
Other intermediate assets			-						
Total Intermediate Assets			158,486						
Long Term Assets		Cost	Market	Long Term Liabilities (Schd V)	Int	Principal	P & I	Principal	Lg Term
Land (Schd M)	Acres	Value	Value	Loan	Rate	Balance	Due	Due	Balance
Home farm	160	80,000	184,000	1st Ntl RE	7.50	73,950	8,596	3,329	70,621
Buildings and improvements			93,667	Total Long Term Liabilities					70,621
Other long term (Schd O)			30,356						
Total Long Term Assets			204,023						
				Total Farm Liabilities					231,174
Total Farm Assets			463,742	Personal Liabilities					-
Personal Assets (Schd P)			18,634					Cost	Market
				Deferred Liabilities (c)					90,784
				Total Liabilities (d)(e)					
				Retained Earnings/Contributed Capital			[a-d]		
				Market valuation equity			[b-a-c]		
Total Assets (a)(b)			482,376	Net Worth			[b-e]		325,470
			647,428						

I certify that my statements on this balance sheet are true, complete, and correct to the best of my knowledge and belief.

Signature(s) _____

Date _____

Educational Version: Classroom Use Only