

Southeast

2008 Nebraska Farm & Ranch Annual Report

In cooperation with Nebraska Farm Business, Inc., the University of Nebraska—Lincoln and Nebaskaland Farm & Ranch Management Education Program.



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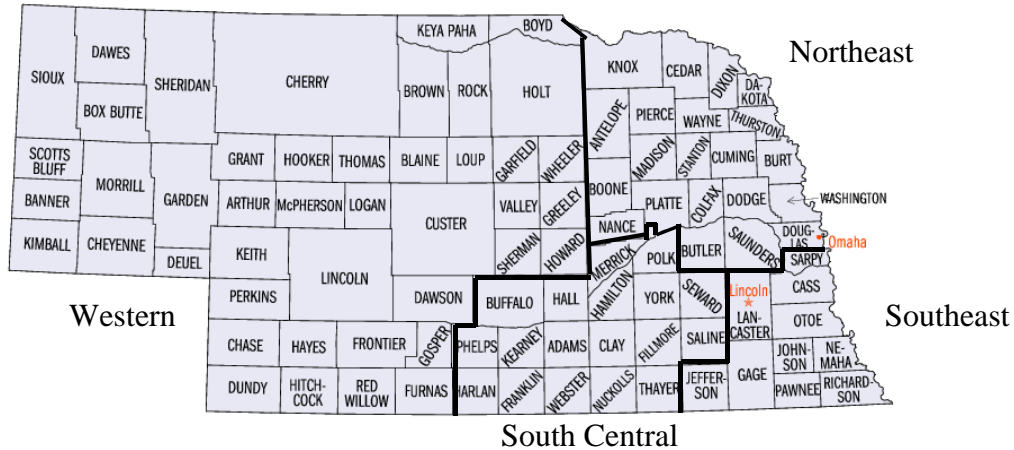
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Regional Comments

When driving across Nebraska, it doesn't take long to see the incredibly diverse landscape and farming practices. It also doesn't take long when working with production agriculture to know the profitability and financial outlook of operations are incredibly diverse across the state. In an effort to provide more detailed educational and resource materials, four books have been published that detail the average financial situation of members in each of the four regions. Each book contains details on one region followed by general information about the other three.

The counties are split into the following four regions:



These regions were selected for differences in farming practices such as irrigation potential versus dry land, special opportunities such as seed corn contracts, and other historical differences. The Western region covers a very large territory, and although there are vast differences within this area, it cannot be broken down any further due to limited number of operations. If you would like to order other books, please contact us at (402) 464-6324, or order from our website: www.nfbi.net.

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Table 1: Southeast - Summary Information, 2008

Farm Income

Gross Cash Farm Income	\$673,834
Inventory Change - Income Items	-37,997
Gross Revenue	\$635,837
Cash Farm Operating Expenses	\$490,480
Interest Expense	18,742
Depreciation	46,490
Total Farm Expense	\$555,712
Net Accrual Farm Income from Operations	\$80,125

Net Worth Change

Net Farm Income from Operations	(+)	\$80,125
Personal Income	(+)	29,951
Family Living/Owner Withdrawals	(-)	59,662
Income & Social Security Tax	(-)	26,223
Market Value Adjustment	(+)	-32,255
Earned Net Worth Change	(=)	-\$8,064

Ending Net Worth * \$1,446,587

*Please note land values are not adjusted so the Net Worth reported is a true, earned net worth.

Farm Financial Standards Measures

	<u>Beginning</u>	<u>Ending</u>
<u>Liquidity</u>		
Current Ratio	2.86	2.23
Working Capital	\$312,472	\$237,699
Working Capital to Gross Income		37.7%
<u>Solvency (Market)</u>		
Debt to Asset Ratio	23%	26%
Debt to Equity Ratio	30%	35%
<u>Profitability (Cost)</u>		
Rate of Return on Assets		5.9%
Rate of Return on Equity		5.9%
Operating Profit Margin		13.6%
EBIDTA		\$147,108
<u>Efficiency</u>		
Asset Turnover Rate (Cost)		43.5%
Operating Expense Ratio		76.7%
Depreciation Ratio		7.4%
Interest Expense Ratio		3.0%
Net Farm Income Ratio		13.4%

Repayment Capacity

Replacement Margin	23,929
Term Debt Coverage Ratio	2.21
Replacement Coverage Ratio	1.51

Table 2A: Southeast - Gross Cash Farm Income, 2008

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Crop Income			
Corn	222,313	308,817	253,278
Seed Corn	0	0	0
Soybeans	161,340	158,253	225,453
Wheat	12,662	17,011	14,883
Hay Crops	15,928	48,703	767
Grain Sorghum	3,066	0	1,187
White Corn	0	0	0
Sugar Beets	0	0	0
Great Northern Beans	0	0	0
Miscellaneous Crop Income	212	0	592
Total Crop Income	\$415,521	\$532,784	\$496,160
Livestock and Product Income			
Beef Finishing	16,039	3,316	41,813
Beef Calves	8,439	10,302	10,186
Background Beef	703	0	61
Farrow-to-Finish, Hogs	3,025	0	0
Finish Feeder Pigs	152,303	427,718	31,612
Dairy, Milk	30,297	71,976	20,052
Cull Breeding Livestock	5,439	11,544	3,233
Contract Livestock Income	0	0	0
Miscellaneous Livestock Income	32	0	91
Total Livestock Income	\$216,277	\$524,856	\$107,048
Other Farm Income			
LDP Payments	0	0	0
Direct and CC Gov't Payments	15,089	17,754	18,344
CRP & Other Gov't Payments	4,341	4,836	6,121
Custom Work	6,353	10,935	6,026
Patronage Dividends, Cash	2,046	3,395	1,568
Insurance Income	7,571	8,538	3,502
Other Miscellaneous Farm Income	6,636	3,904	10,241
Total Other Farm Income	\$42,036	\$49,362	\$45,802
Gross Cash Farm Income	\$673,834	\$1,107,002	\$649,010

Table 2B: Southeast - Gross Cash Farm Expenses, 2008

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Crop Expense			
Seed	45,774	49,860	55,600
Fertilizer	41,015	53,689	49,265
Crop Chemicals	35,614	48,652	35,709
Crop Insurance	14,296	19,104	13,703
Drying Fuel & Storage Expense	536	680	629
Irrigation Energy	3,914	460	8,138
Irrigation Repairs	238	0	469
Crop Marketing	641	1,738	227
Crop Miscellaneous	5,120	5,482	7,753
CCC Buyback	8,495	24,413	1,427
Total Crop Expense	\$155,643	\$204,078	\$172,920
Livestock Expense			
Feeder Livestock Purchases	11,163	968	24,806
Purchased Feed	130,088	374,416	19,828
Breeding Fees	2,838	8,009	0
Veterinary	5,261	13,784	1,417
Livestock Supplies	834	1,634	612
Livestock Repairs	826	0	2019
Livestock Leases	330	0	0
Grazing Fees	663	988	767
Livestock Marketing	733	1,469	731
Livestock Custom Hire	21,989	65,796	1,925
Total Livestock Expense	\$174,725	\$467,064	\$52,105
Other Farm Expense			
Interest	18,742	30,533	11,594
Fuel and Oil	28,250	41,790	30,708
Repairs	34,590	48,489	33,431
Custom Hire	10,921	24,893	4,921
Hired Labor	24,180	54,480	17,415
Land Rent	29,083	38,375	30,264
Machinery and Building Lease	3,715	8,989	2,108
Real Estate Taxes	8,409	13,567	8,718
Personal Property Taxes	2,847	3,160	4,083
Farm Insurance	6,835	9,886	7,458
Utilities	5,515	8,473	4,680
Dues and Professional Fees	2,455	3,990	1,594
Miscellaneous	3,312	3,992	3,484
Total Other Cash Farm Expense	\$178,854	\$290,617	\$160,458
Total Cash Operating Expense	\$509,222	\$961,759	\$385,483
Summary			
Gross Cash Farm Income (Table 2A)	\$673,834	\$1,107,002	\$649,010
- Total Cash Operating Expense	\$509,222	\$961,759	\$385,483
= Net Cash Farm Income	\$164,612	\$145,243	\$263,527

Table 3A: Southeast - Inventory Changes & Depreciation, 2008

	Average Of Farms	Average Of Low 33%	Average Of High 33%
Net Cash Farm Income	\$164,612	\$145,243	\$263,527
Crops and Feed			
Ending Inventory	263,653	279,900	375,977
Beginning Inventory	279,384	363,809	345,776
Inventory Change	-15,731	-83,909	30,201
Market Livestock			
Ending Inventory	42,620	86,508	32,308
Beginning Inventory	66,913	149,797	45,000
Inventory Change	-24,293	-63,289	-12,692
Accounts Receivable & Other Current Assets			
Ending Inventory	5,143	5,831	6,819
Beginning Inventory	7,247	17,013	0
Inventory Change	-2,104	-11,182	6,819
Prepaid Expenses and Supplies			
Ending Inventory	57,035	89,355	62,480
Beginning Inventory	51,031	89,908	50,512
Inventory Change	6,004	-553	11,968
Hedging Activities			
Ending Inventory	1,195	1,844	0
Withdrawals	6,518	15,581	1,844
Beginning Inventory	781	1,906	0
Deposits	4,133	9,667	361
Gain or Loss	2,799	5,852	1,483
Other Current Assets			
Ending Inventory	3,483	306	8,354
Beginning Inventory	6,236	9,200	7,722
Inventory Change	-2,753	-8,894	632
Breeding Livestock			
Ending Inventory	2,168	2,099	2,354
Capital Sales	700	1,790	0
Beginning Inventory	3,281	5,019	1,685
Capital Purchases	1,257	1,453	1,691
Depreciation, Capital Adjustments	-1,670	-2,583	-1,022
Other Capital Assets			
Ending Inventory	30,866	61,463	18,705
Capital Sales	190	298	13
Beginning Inventory	29,639	60,601	16,577
Capital Purchases	216	0	605
Depreciation, Capital Adjustments	1,201	1,160	1,536

Table 3B: Southeast - Inventory Changes & Depreciation, 2008 (cont.)

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Accounts Payable			
Beginning Inventory	4,126	5,758	4,626
Ending Inventory	3,823	5,116	4,763
Inventory Change	303	642	-137
Accrued Interest			
Beginning Inventory	6,314	11,573	3,321
Ending Inventory	8,067	9,644	8,795
Inventory Change	-1,753	1,929	-5,474
Total Inventory Change	-\$37,997	-\$160,827	\$33,314
Net Operating Profit	\$126,615	-\$15,584	\$296,841
Machinery & Equipment			
Ending Inventory	168,446	233,354	216,181
Capital Sales	6,010	13,790	2,067
Beginning Inventory	140,075	187,472	184,762
Capital Purchases	69,779	100,458	75,477
Depreciation, Capital Adjustments	-35,398	-40,786	-41,991
Titled Vehicles			
Ending Inventory	7,687	6,647	9,330
Capital Sales	0	0	0
Beginning Inventory	5,447	8,517	3,880
Capital Purchases	6,823	2,186	13,209
Depreciation, Capital Adjustments	-4,583	-4,056	-7,759
Buildings and Improvements			
Ending Inventory	44,808	84,243	29,232
Capital Sales	0	0	0
Beginning Inventory	44,060	90,732	27,844
Capital Purchases	7,257	8,376	3,990
Depreciation, Capital Adjustments	-6,509	-14,865	-2,602
Total Depreciation & Capital Adjustments	-\$46,490	-\$59,707	-\$52,352
Net Farm Income From Operations	\$80,125	-\$75,291	\$244,489
Gain or Loss on Capital Sales	4,578	9,572	4,101
Net Farm Income	\$84,703	-\$65,719	\$248,590

Table 4: Southeast - Profitability Analysis At Cost Value, 2008

	Average Of All Farms	Average Of Low 33 %	Average Of High 33%
Profitability			
Net Farm Income From Operations	\$80,125	-\$75,291	\$244,489
Rate of Return on Assets	5.9%	-4.8%	15.2%
Rate of Return on Equity	5.9%	-11.1%	16.8%
Operating Profit Margin	13.6%	-12.9%	33.8%
Asset Turnover Rate	43.5%	37.6%	44.9%
Farm Interest Expense	\$20,495	\$28,604	\$17,068
Value of Operator Labor & Mgt.	\$34,194	\$26,444	\$48,144
Return on Farm Assets	\$66,424	-\$73,136	\$213,414
Average Farm Assets	\$1,125,910	\$1,512,596	\$1,406,859
Return on Farm Equity	\$45,929	-\$101,739	\$196,346
Average Farm Equity	\$779,718	\$915,899	\$1,165,875
Value of Farm Production	\$490,029	\$568,769	\$631,332

Table 5: Southeast - Profitability Analysis At Market Value, 2008

	Average Of All Farms	Average Of Low 33 %	Average Of High 33 %
Profitability			
Net Farm Income From Operations	\$90,402	-\$71,089	\$262,383
Rate of Return on Assets	5.2%	-3.6%	12.4%
Rate of Return on Equity	5.0%	-7.4%	13.1%
Operating Profit Margin	15.7%	-12.1%	36.6%
Asset Turnover Rate	33.5%	29.7%	33.7%
Farm Interest Expense	\$20,495	\$28,604	\$17,068
Value of Operator Labor & Mgt.	\$34,194	\$26,444	\$48,144
Return on Farm Assets	\$76,703	-\$68,930	\$231,307
Average Farm Assets	\$1,464,693	\$1,917,055	\$1,872,304
Return on Farm Equity	\$56,208	-\$97,534	\$214,239
Average Farm Equity	\$1,118,501	\$1,320,358	\$1,631,319
Value of Farm Production	\$490,029	\$568,769	\$631,332

Table 6: Southeast - Liquidity & Repayment Capacity Measures, 2008

		Average of All Farms	Average Of Low 33%	Average Of High 33%
Liquidity				
Current Ratio		2.23	1.42	4.26
Working Capital		237,699	155,912	440,952
Working Capital to Gross Income		37.7%	16.5%	65.2%
Current Assets		431,547	529,319	576,319
Current Liabilities		193,848	373,407	135,367
Gross Revenues (Accrual)		631,280	944,154	675,965
Repayment Capacity				
Net Farm Income From Operations		80,125	-75,291	244,489
Depreciation	(+)	46,490	59,707	52,352
Personal Income	(+)	29,951	41,615	20,777
Family Living/Owner Withdrawals	(-)	59,662	46,489	82,799
Payments on Personal Debt	(-)	3,232	6,454	372
Income Taxes Paid	(-)	26,223	31,117	38,381
Interest on Term Debt	(+)	3,493	4,374	-433
Capital Debt Repayment Capacity	(=)	\$70,942	-\$53,655	\$195,633
Scheduled Term Debt Payments	(-)	32,131	68,395	15,370
Capital Debt Repayment Margin	(=)	\$38,811	-\$122,050	\$180,263
Cash Replacement Allowance	(-)	14,882	10,344	24,126
Replacement Margin	(=)	\$23,929	-\$132,394	\$156,137
Term Debt Coverage Ratio		2.21	-0.78	12.73
Replacement Coverage Ratio		1.51	-0.68	4.95



Table 7A: Southeast - Balance Sheet - Assets at Cost Value, 2008

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Assets						
Cash and Checking Accounts	29,627	22,677	-15,510	950	90,672	54,692
Prepaid Expenses & Supplies	51,031	57,035	89,908	89,355	50,512	62,480
Growing Crops	5,602	2,277	9,150	306	6,442	4,979
Accounts Receivable	7,247	5,143	17,013	5,831	0	6,819
Hedging Accounts	781	1,195	1,906	1,844	0	0
Crops Held for Sale or Feed	271,764	271,273	351,254	292,455	338,212	383,541
Crops Under Government Loan	46,936	28,121	78,591	52,070	49,265	28,125
Market Livestock Held for Sale	66,913	42,620	149,797	86,508	45,000	32,308
Other Current Assets	634	1,205	50	0	1,280	3,375
Total Current Farm Assets	\$480,535	\$431,546	\$682,159	\$529,319	\$581,383	\$576,319
Intermediate Farm Assets						
Breeding Livestock	3,281	2,168	5,019	2,099	1,685	2,354
Machinery and Equipment	140,075	168,446	187,472	233,354	184,762	216,181
Titled Vehicles	5,447	7,687	8,517	6,647	3,880	9,330
Other Intermediate Assets	25,126	26,247	54,832	55,401	13,535	15,383
Total Intermediate Farm Assets	\$173,929	\$204,548	\$255,840	\$297,501	\$203,862	\$243,248
Long Term Farm Assets						
Farm Land	399,244	490,927	559,636	561,414	485,767	689,586
Buildings and Improvements	44,060	44,808	90,732	84,243	27,844	29,232
Other Long Term Assets	4,513	4,618	5,768	6,062	3,042	3,322
Total Long Term Farm Assets	\$447,817	\$540,353	\$656,136	\$651,719	\$516,653	\$722,140
Total Farm Assets	\$1,102,281	\$1,176,447	\$1,594,135	\$1,478,539	\$1,301,898	\$1,541,707
Non-Farm Assets	359,392	361,827	451,834	434,439	528,531	511,250
Total Farm & Non-Farm Assets	\$1,461,673	\$1,538,274	\$2,045,969	\$1,912,978	\$1,830,429	\$2,052,957

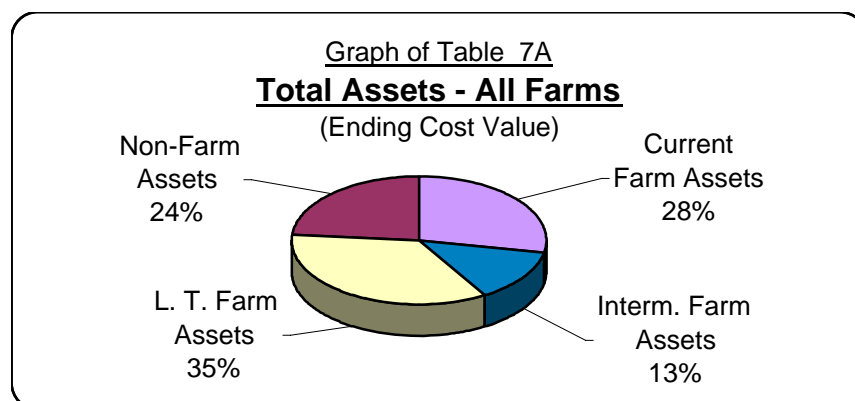


Table 7B: Southeast - Balance Sheet - Liabilities at Cost Value, 2008

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	6,346	8,089	11,643	9,710	3,321	8,795
Accounts Payable	4,126	3,823	5,758	5,116	4,626	4,763
Current Notes	109,109	146,494	195,349	293,671	90,393	94,034
Government Crop Loans	19,844	13,718	33,108	24,861	20,729	14,146
Principle Due on Term Debt	28,638	21,724	64,021	40,050	15,803	13,629
Total Current Farm Liabilities	\$168,063	\$193,848	\$309,879	\$373,408	\$134,872	\$135,367
Intermediate Farm Liabilities	\$73,709	\$57,819	\$162,668	\$113,657	\$25,364	\$25,619
Long Term Farm Liabilities	\$85,482	\$140,373	\$149,635	\$131,631	\$33,818	\$156,815
Total Farm Liabilities	\$327,254	\$392,040	\$622,182	\$618,696	\$194,054	\$317,801
Non-Farm Liabilities	42,970	55,884	55,794	52,249	39,802	52,266
Total Liabilities	\$370,224	\$447,924	\$677,976	\$670,945	\$233,856	\$370,067
Net Worth (Farm & Non-Farm)	\$1,091,449	\$1,090,350	\$1,367,993	\$1,242,033	\$1,596,573	\$1,682,890
Net Worth Change (Cost Value)		-\$1,099		-\$125,960		\$86,317

Ratio Analysis

Current Farm Liabilities / Assets	35%	45%	45%	71%	23%	23%
Interm Farm Liab. / Assets	42%	28%	64%	38%	12%	11%
Long Term Farm Liab. / Assets	19%	26%	23%	20%	7%	22%
Total Debt to Asset Ratio	25%	29%	33%	35%	13%	18%

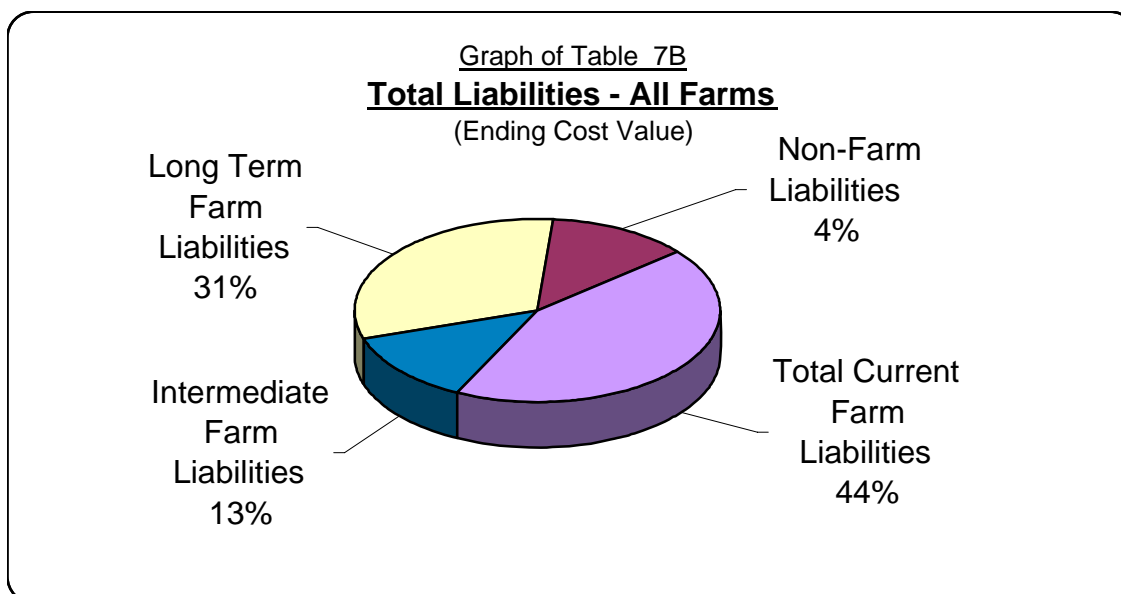


Table 8A: Southeast - Balance Sheet - Assets at Market Value, 2008

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Assets						
Cash and Checking Balance	29,627	22,677	-15,510	950	90,672	54,692
Prepaid Expenses & Supplies	51,031	57,035	89,908	89,355	50,512	62,480
Growing Crops	5,602	2,277	9,150	306	6,442	4,979
Accounts Receivable	7,247	5,143	17,013	5,831	0	6,819
Hedging Accounts	781	1,195	1,906	1,844	0	0
Crops Held for Sale or Feed	271,764	271,273	351,254	292,455	338,212	383,541
Crops Under Government Loan	46,936	28,121	78,591	52,070	49,265	28,125
Market Livestock Held for Sale	66,913	42,620	149,797	86,508	45,000	32,308
Other Current Assets	634	1,205	50	0	1,280	3,375
Total Current Farm Assets	\$480,535	\$431,546	\$682,159	\$529,319	\$581,383	\$576,319
Intermediate Farm Assets						
Breeding Livestock	33,146	33,132	81,033	82,311	11,120	11,610
Machinery and Equipment	260,150	289,258	329,784	367,067	322,653	360,235
Titled Vehicles	3,039	7,511	0	0	2,956	9,466
Other Intermediate Assets	25,160	26,283	54,937	55,512	13,535	15,383
Total Intermediate Farm Assets	\$321,495	\$356,184	\$465,754	\$504,890	\$350,264	\$396,694
Long Term Farm Assets						
Farm Land	552,599	648,568	705,355	706,800	760,901	977,022
Buildings and Improvements	74,885	77,556	137,454	138,029	62,806	62,742
Other Long Term Assets	6,411	6,516	5,768	6,062	3,042	3,322
Total Long Term Farm Assets	\$633,895	\$732,640	\$848,577	\$850,891	\$826,749	\$1,043,086
Total Farm Assets	\$1,435,925	\$1,520,370	\$1,996,490	\$1,885,100	\$1,758,396	\$2,016,099
Non-Farm Assets	388,950	374,141	515,883	463,787	553,651	516,916
Total Farm & Non-Farm Assets	\$1,824,875	\$1,894,511	\$2,512,373	\$2,348,887	\$2,312,047	\$2,533,015

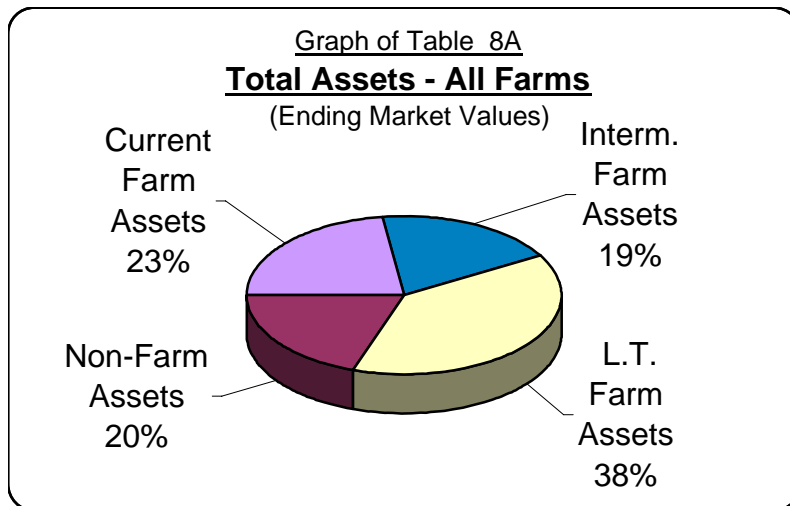


Table 8B: Southeast - Balance Sheet - Liabilities at Market Value, 2008

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	6,346	8,089	11,643	9,710	3,321	8,795
Accounts Payable	4,126	3,823	5,758	5,116	4,626	4,763
Current Notes	109,109	146,494	195,349	293,671	90,393	94,034
Government Crop Loans	19,844	13,718	33,108	24,861	20,729	14,146
Principal Due on Term Debt	28,638	21,724	64,021	40,050	15,803	13,629
Total Current Farm Liabilities	\$168,063	\$193,848	\$309,879	\$373,408	\$134,872	\$135,367
Intermediate Farm Liabilities	\$73,709	\$57,819	\$162,668	\$113,657	\$25,364	\$25,619
Long Term Farm Liabilities	\$85,482	\$140,373	\$149,635	\$131,631	\$33,818	\$156,815
Total Farm Liabilities	\$327,254	\$392,040	\$622,182	\$618,696	\$194,054	\$317,801
Non-Farm Liabilities	42,970	55,884	55,794	52,249	39,802	52,266
Total Deferred Liabilities	N/A	N/A	N/A	N/A	N/A	N/A
Total Farm & Non-Farm Liabilities	\$370,224	\$447,924	\$677,976	\$670,945	\$233,856	\$370,067
Net Worth (Farm and Non-Farm)	\$1,454,651	\$1,446,587	\$1,834,397	\$1,677,942	\$2,078,191	\$2,162,948
Net Worth Change (Market Value)		-\$8,064		-\$156,455		\$84,757

Ratio Analysis

Current Farm Liabilities / Assets	35%	45%	45%	71%	23%	23%
Interm Farm Liab / Assets	23%	16%	35%	23%	7%	6%
Long Term Farm Liab. / Assets	13%	19%	18%	15%	4%	15%
Total Debt to Asset Ratio	20%	24%	27%	29%	10%	15%

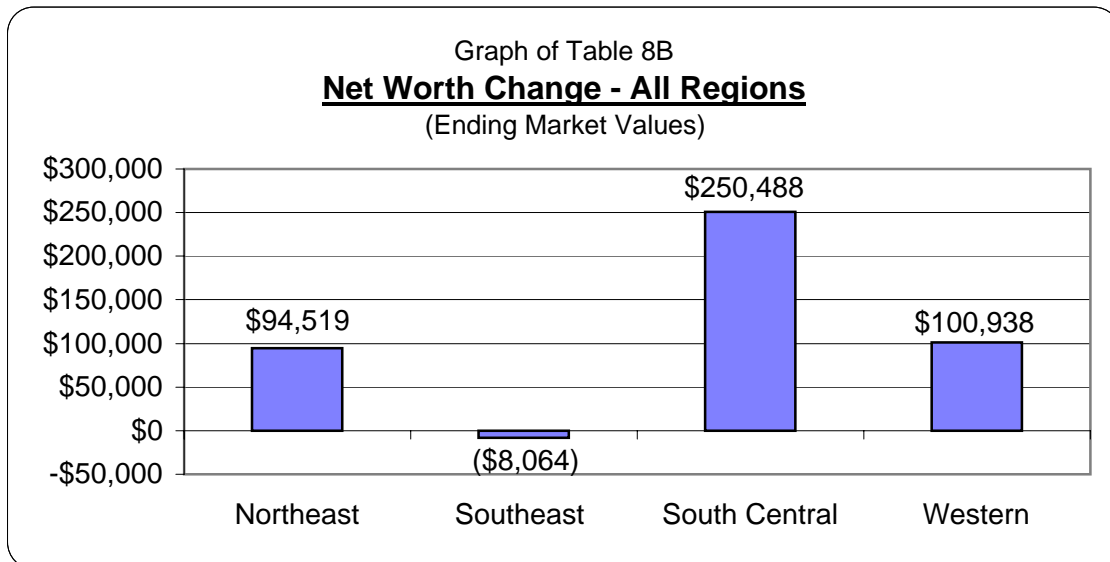


Table 9: Southeast - Statement of Cash Flows, 2008

		Average Of All Farms	Average Of Low 33%	Average Of High 33%
(A) Beginning Cash Balance (Farm & Non-Farm)		\$43,027	-\$7,424	\$112,460
Cash Provided By Operating Activities				
Gross Cash Farm Income	(+)	673,834	1,106,999	649,008
Total Cash Farm Expense	(-)	509,222	961,760	385,482
Net Cash from Hedging Transactions	(+)	2,385	5,915	1,483
(B) Cash Provided By Operating	(=)	\$166,997	\$151,154	\$265,009
Cash Provided By Investing Activities				
Sale of Breeding Livestock	(+)	967	2,620	0
Sale of Machinery & Equipment	(+)	10,321	22,532	6,168
Sale of Titled Vehicles	(+)	0	0	0
Sale of Farm Land	(+)	3,599	0	10,076
Sale of Farm Buildings	(+)	0	0	0
Sale of Other Farm Assets	(+)	190	298	13
Sale of Non-Farm Assets	(+)	14,915	4,137	38,040
Purchase of Breeding Livestock	(-)	1,257	1,453	1,691
Purchase of Machinery & Equip.	(-)	69,779	100,458	75,477
Purchase of Titled Vehicles	(-)	6,823	2,186	13,209
Purchase of Farm Land	(-)	96,683	568	218,909
Purchase of Farm Buildings	(-)	7,257	8,376	3,990
Purchase of Other Farm Assets	(-)	216	0	605
Purchase of Non-Farm Assets	(-)	51,629	14,343	92,520
(C) Cash Provided By Investing	(=)	-\$203,652	-\$97,797	-\$352,104
Cash Provided By Financing Activities				
Money Borrowed	(+)	432,360	545,405	488,168
Principle Payments	(-)	352,392	548,417	351,567
Personal Income	(+)	29,951	41,615	20,777
Family Living/Owner Withdrawals	(-)	59,662	46,489	82,799
Income and Social Security Tax	(-)	26,223	31,117	38,381
Capital Contributions	(-)	0	0	0
Capital Distributions	(-)	0	0	0
Dividends Paid	(-)	43	0	120
Cash Gifts and Inheritances	(+)	6,419	2,797	15,300
Gifts Given	(-)	219	0	194
(D) Cash Provided By Financing	(=)	\$30,191	-\$36,206	\$51,184
(E) Net Change In Cash Balance (B+C+D)		-\$6,464	\$17,151	-\$35,911
(F) Ending Cash Balance (A+E)		\$36,563	\$9,727	\$76,549

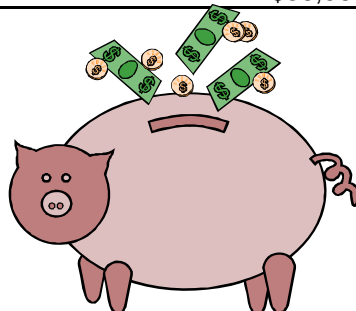


Table 10: Southeast - Financial Guideline Measures, 2008

	Average Of <u>All Farms</u>	Average Of <u>Low 33%</u>	Average Of <u>High 33%</u>
Liquidity			
Current Ratio	2.23	1.42	4.26
Working Capital	\$237,699	\$155,912	\$440,952
Working Capital to Gross Income	37.7%	16.5%	65.2%
Solvency (Market)			
Farm Debt to Asset Ratio	26%	33%	16%
Farm Equity to Asset Ratio	74%	67%	84%
Farm Debt to Equity Ratio	35%	49%	19%
Profitability (Cost)			
Rate of Return on Farm Assets	5.9%	-4.8%	15.2%
Rate of Return on Farm Equity	5.9%	-11.1%	16.8%
Operating Profit Margin	13.6%	-12.9%	33.8%
Net Farm Income	\$84,703	-\$65,719	\$248,590
EBIDTA	\$147,108	\$13,016	\$313,909
Repayment Capacity			
Capital Debt Repayment Capacity	\$70,941	-\$53,659	\$195,633
Capital Debt Repayment Margin	\$38,810	-\$122,054	\$180,263
Replacement Margin	\$23,928	-\$132,398	\$156,136
Term Debt Coverage Ratio	2.21	-0.78	12.73
Replacement Coverage Ratio	1.5	-0.7	5.0
Efficiency			
Asset Turnover Rate (Cost)	43.5%	37.6%	44.9%
Operating Expense Ratio	76.7%	98.6%	53.6%
Depreciation Expense Ratio	7.4%	6.3%	7.7%
Interest Expense Ratio	3.0%	3.2%	1.7%
Net Farm Income Ratio	13.4%	-7.0%	36.8%

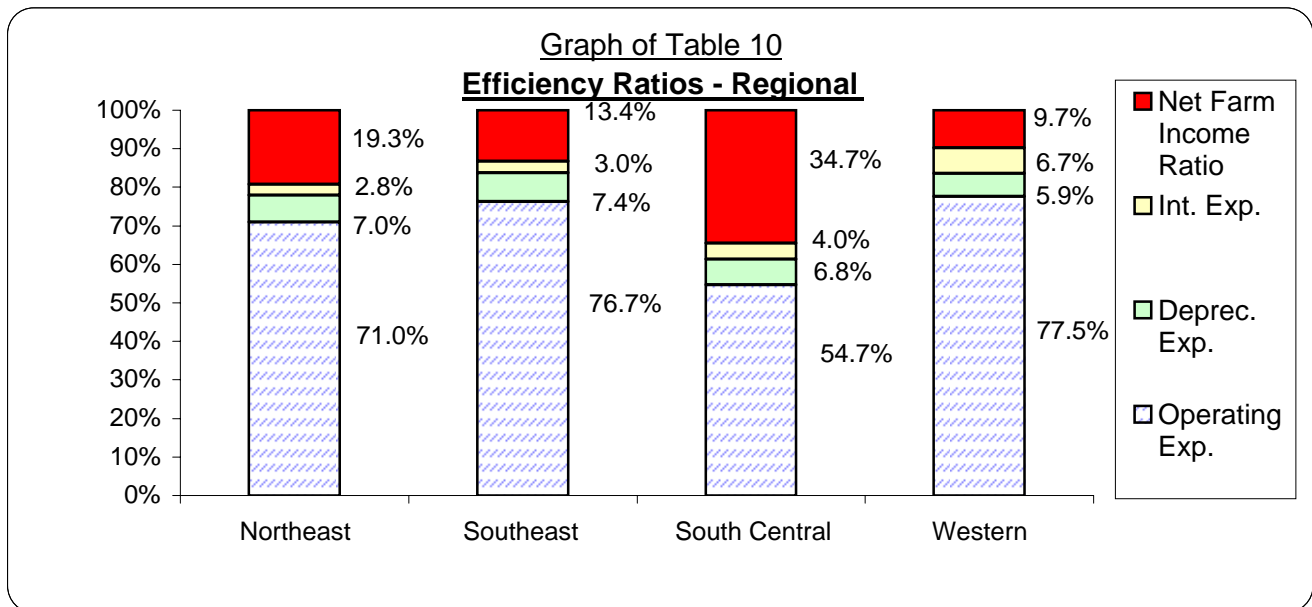


Table 11: Southeast - Household and Personal Expense, 2008

	Average Of All Farms	Average Of Low 33%
Average Family Size	2.6	2.3
Family Living Expense		
Food and Meals Expense	5,889	4,019
Medical Care	4,853	3,918
Health Insurance	2,720	3,475
Cash Donations	2,699	4,134
Household Supplies	3,209	948
Clothing	2,721	950
Personal Care	1,224	716
Child / Dependent Care	628	0
Alimony and Child Support	1,949	2,790
Gifts	6,898	5,883
Education	1,162	1,824
Recreation	4,054	2,157
Utilities (Household Share)	2,285	2,440
Non-Farm Vehicle Operating Expense	1,865	1,544
Household Real Estate Taxes	773	1,219
Dwelling Rent	222	0
Household Repairs	3,745	1,186
Non-Farm Interest	2,377	3,902
Disability/ Long Term Care Insurance	1,483	192
Life Insurance Payments	1,565	2,521
Non-Farm Property Insurance	172	173
Miscellaneous	2,190	1,748
Total Cash Family Living Expense	\$54,683	\$45,739
Family Living from the Farm	152	0
Total Family Living Expense **	\$54,835	\$45,739
Other Non-Farm Expense		
Income Taxes	36,412	39,673
Furnishing & Appliance Purchases	1,293	0
Non-Farm Vehicle Purchases	5,720	3,283
Non-Farm Real Estate Purchases	28,506	0
Other Non-Farm Capital Purchases	20,009	9,267
Non-Farm Savings & Investments	2,145	851
Total Other Non-Farm Expense	\$94,085	\$53,074
Total Cash Family Living, Investment & Non-Farm Capital Purchases	\$148,920	\$98,813

** Includes only farms that provided detailed family living expenses.

Table 12: Southeast - Operator Information and Non-Farm Summary, 2008

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Operator Information			
Average Number of Operators	1.1	1.0	1.3
Average Age of Operators	53.8	59.4	56.7
Average Number of Years Farming	32.4	38.6	36.0
Non-Farm Income			
Personal Wages & Salary	18,591	16,063	15,342
Net Non-Farm Business Income	5,874	17,421	768
Personal Rental Income	52	3,226	-3,190
Personal Interest Income	1,383	2,027	1,888
Personal Cash Dividends	5	0	15
Tax Refunds	570	684	505
Other Non-Farm Income	3,475	2,194	5,448
Gifts & Inheritances	6,419	2,797	15,300
Total Non-Farm Income	\$36,369	\$44,412	\$36,076
Non-Farm Assets (Market Value)			
Checking & Savings	13,886	8,777	21,857
Stocks & Bonds	65,230	95,159	92,101
Other Current Assets	16,384	45,217	3,745
Furniture & Appliances	8,001	8,933	8,815
Non-Farm Vehicles	13,210	10,871	16,766
Cash Value of Life Ins.	6,645	6,953	10,007
Retirement Accounts	90,023	144,149	113,421
Other Interm. Assets	10,761	18,607	11,471
Non-Farm Real Estate	95,204	96,569	118,495
Personal Business Investment	232	0	650
Other Long Term Assets	54,565	28,551	119,587
Total Non-Farm Assets	\$374,141	\$463,786	\$516,915
Non-Farm Liabilities			
Accrued Interest	134	97	214
Accounts Payable	239	0	362
Current Notes	0	0	0
Princ. Due on Term Debt	1,850	3,418	0
Total Current Liabilities	2,223	3,515	576
Intermediate Liabilities	6,849	3,417	1,536
Long Term Liabilities	46,813	45,317	50,155
Total Non-Farm Liabilities	\$55,885	\$52,249	\$52,267
Non-Farm Net Worth	\$318,256	\$411,537	\$464,648
Non-Farm Debt to Asset Ratio	15%	11%	10%

Table 13: Southeast - Comparison By Age of Operator, 2008

	Average Of <u>All Farms</u>	<u>41-50</u>	<u>51-60</u>	<u>Over 60</u>
Income Statement				
Crop Income	415,521	611,460	253,324	496,144
Livestock Income	216,277	155,948	43,951	405,924
Government Payments	19,430	23,042	13,233	25,709
Other Farm Income	22,606	37,259	22,627	19,798
Gross Cash Farm Income	\$673,834	\$827,709	\$333,135	\$947,575
Direct Crop Expenses	155,643	250,952	109,796	167,587
Direct Livestock Expenses	174,725	87,081	8,473	360,289
Interest	18,742	29,314	10,140	21,386
Land Rent	29,083	49,729	30,389	22,532
Other Farm Expenses	131,029	207,478	73,519	163,852
Total Cash Farm Expense	\$509,222	\$624,554	\$232,317	\$735,646
Net Cash Farm Income	164,612	203,155	100,818	211,929
Inventory Change	-37,997	-4,081	27,522	-114,883
Depreciation and Capital Adj.	-46,490	-76,830	-28,826	-50,124
Net Farm Income From Operations	80,125	122,244	99,514	46,922
Gain or Loss on Capital Sales	4,578	23,439	709	0
Net Farm Income	\$84,703	\$145,683	\$100,223	\$46,922
Profitability (Cost Value)				
Rate of Return on Assets	5.9%	8.9%	11.3%	1.6%
Rate of Return on Equity	5.9%	9.6%	12.3%	0.3%
Operating Profit Margin	13.6%	17.1%	23.1%	4.3%
Asset Turnover Rate	43.5%	52.1%	48.8%	36.7%
Profitability (Market Value)				
Rate of Return on Assets	5.2%	6.7%	9.8%	1.3%
Rate of Return on Equity	5.0%	6.6%	10.3%	0.2%
Operating Profit Margin	15.7%	18.8%	25.8%	4.2%
Asset Turnover Rate	33.5%	35.8%	38.2%	30.8%
Liquidity & Repayment (end of year)				
Current Assets	431,547	516,926	256,597	576,155
Current Liabilities	193,848	256,991	55,661	286,079
Current Ratio	2.23	2.01	4.61	2.01
Working Capital	237,699	259,935	200,935	290,076
Working Capital to Gross Income	37.7%	32.0%	57.0%	35.0%
Term Debt Coverage Ratio	2.2	2.4	6.5	0.3
Replacement Coverage Ratio	1.5	1.9	3.0	0.2

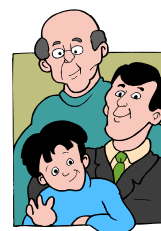


Table 13: Southeast - Comparison By Age of Operator, 2008 (cont.)

	Average Of <u>All Farms</u>	<u>41-50</u>	<u>51-60</u>	<u>Over 60</u>
Solvency (Cost Value)				
Farm Assets	1,176,448	1,566,665	778,438	1,417,508
Farm Liabilities	392,040	539,710	178,602	428,238
Total Assets	1,538,275	2,196,325	883,431	1,897,887
Total Liabilities	447,924	648,196	192,881	466,119
Net Worth	1,090,351	1,548,129	690,550	1,431,768
Net Worth Change	-1,099	58,492	66,156	-102,568
Farm Debt to Asset Ratio	33%	34%	23%	30%
Total Debt to Asset Ratio	29%	30%	22%	25%
Solvency (Market Value)				
Farm Assets	1,520,371	2,220,351	982,109	1,700,550
Farm Liabilities	392,040	539,710	178,602	428,238
Total Assets	1,894,512	2,859,357	1,087,623	2,205,512
Total Liabilities	447,924	648,196	192,881	466,119
Net Worth	1,446,588	2,211,161	894,742	1,739,393
Net Worth Change	-8,063	32,290	74,874	-131,237
Farm Debt to Asset Ratio	26%	24%	18%	25%
Total Debt to Asset Ratio	24%	23%	18%	21%
Non-Farm Information				
Farms Reporting Living Expenses	13	2	1	7
Total Family Living Expense	54,743	0	0	64,842
Total Living, Invest, & Capital Purch	123,929	0	0	144,145
Net Non-Farm Income	29,951	29,531	15,753	35,752
Crop Acres				
Total Acres Owned	354	497	183	516
Total Crop Acres	941	1,411	613	1,002
Total Crop Acres Owned	210	439	100	244
Total Crop Acres Cash Rented	230	389	178	200
Total Crop Acres Share Rented	500	583	336	559

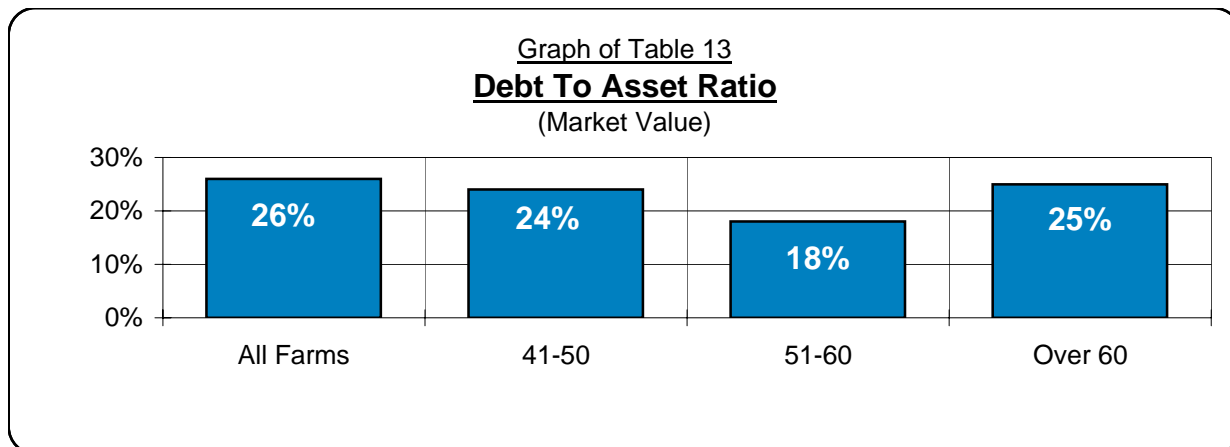


Table 14: Southeast - Comparison by Gross Cash Farm Income, 2008

	Average Of <u>All Farms</u>	\$100,001 to <u>\$250,000</u>	\$250,001 to <u>\$500,000</u>	\$500,001 to <u>\$1,000,000</u>	Over <u>\$1,000,000</u>
Income Statement					
Gross Cash Farm Income	673,834	187,023	361,021	688,453	2,133,227
Total Cash Farm Expense	509,222	132,847	241,621	454,302	1,739,294
Net Cash Farm Income	164,612	54,176	119,400	234,151	393,933
Inventory Change	-37,997	-5,694	6,959	34,803	-260,766
Depreciation and Capital Adj.	-46,490	-14,452	-33,247	-53,302	-121,971
Net Farm Income From Operations	80,125	34,030	93,112	215,652	11,196
Gain or Loss on Capital Sales	4,578	0	0	7,202	18,230
Net Farm Income	\$84,703	\$34,030	\$93,112	\$222,854	\$29,426
Profitability (Cost Value)					
Rate of Return on Assets	5.9%	3.5%	9.8%	14.0%	1.3%
Rate of Return on Equity	5.9%	2.4%	11.1%	15.6%	-0.9%
Operating Profit Margin	13.6%	6.8%	23.6%	25.4%	3.2%
Asset Turnover Rate	43.5%	51.1%	41.4%	55.3%	40.0%
Profitability (Market Value)					
Rate of Return on Assets	5.2%	4.3%	8.2%	10.8%	1.8%
Rate of Return on Equity	5.0%	3.7%	8.7%	11.3%	0.5%
Operating Profit Margin	15.7%	11.7%	23.5%	28.6%	5.8%
Asset Turnover Rate	33.5%	36.8%	34.9%	37.7%	31.5%
Liquidity & Repayment (end of year)					
Current Assets	431,547	178,847	255,000	501,832	1,193,745
Current Liabilities	193,848	73,507	88,813	123,452	692,445
Current Ratio	2.23	2.43	2.87	4.07	1.72
Working Capital	237,699	105,340	166,186	378,380	501,300
Working Capital to Gross Income	37.7%	60.5%	46.8%	52.5%	26.6%
Term Debt Coverage Ratio	2.2	4.8	3.2	6.0	0.4
Replacement Coverage Ratio	1.5	1.7	2.2	2.9	0.3

Graph of Table 14

Gross Cash Farm Income - By Region

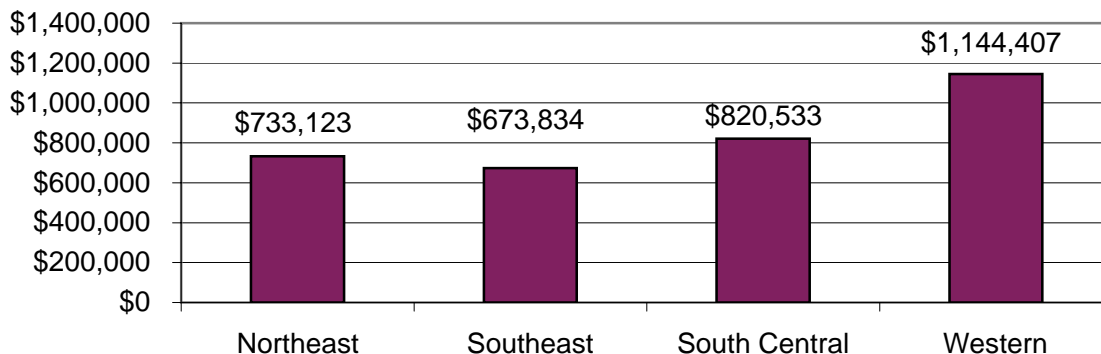


Table 14: Southeast - Comparison by Gross Cash Farm Income, 2008 (cont.)

	Average Of <u>All Farms</u>	\$100,001 to <u>\$250,000</u>	\$250,001 to <u>\$500,000</u>	\$500,001 to <u>\$1,000,000</u>	Over <u>\$1,000,000</u>
Solvency (Cost Value)					
Farm Assets	1,176,448	354,832	869,361	1,281,925	3,053,127
Farm Liabilities	392,040	96,389	262,026	278,646	1,251,208
Total Assets	1,538,275	589,395	1,113,761	1,840,637	3,632,689
Total Liabilities	447,924	115,656	298,616	373,083	1,347,352
Net Worth	1,090,351	473,739	815,145	1,467,554	2,285,337
Net Worth Change	-1,099	11,433	5,063	82,432	-115,072
Farm Debt to Asset Ratio	33%	27%	30%	22%	41%
Total Debt to Asset Ratio	29%	20%	27%	20%	37%

Solvency (Market Value)					
Farm Assets	1,520,371	485,988	1,023,529	1,843,830	3,873,667
Farm Liabilities	392,040	96,389	262,026	278,646	1,251,208
Total Assets	1,894,512	756,260	1,271,224	2,409,407	4,473,556
Total Liabilities	447,924	115,656	298,616	373,083	1,347,352
Net Worth	1,446,588	640,604	972,608	2,036,324	3,126,204
Net Worth Change	-8,063	19,993	6,883	64,723	-145,636
Farm Debt to Asset Ratio	26%	20%	26%	15%	32%
Total Debt to Asset Ratio	24%	15%	23%	15%	30%

Non-Farm Information					
Farms Reporting Living Expenses	13	1	4	1	4
Total Family Living Expense	54,743	0	0	0	0
Total Living, Invest, & Capital Purch	123,929	0	0	0	0
Net Non-Farm Income	29,951	8,916	32,411	18,236	44,932

Crop Acres					
Total Acres Owned	354	143	354	255	774
Total Crop Acres	941	518	721	1,251	1,994
Total Crop Acres Owned	210	64	213	243	402
Total Crop Acres Cash Rented	230	87	114	367	607
Total Crop Acres Share Rented	500	367	394	640	985

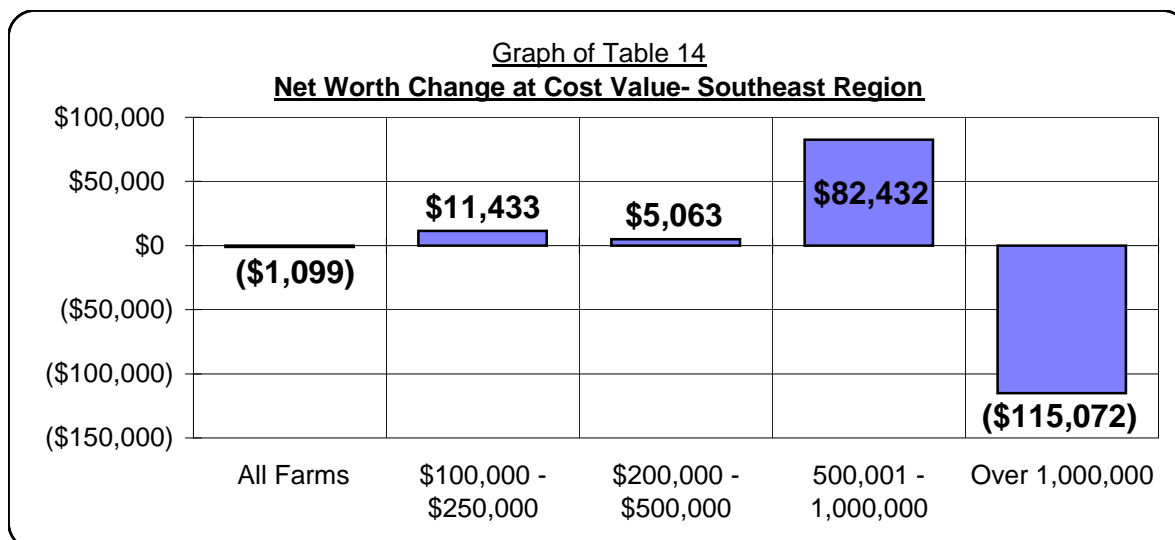


Table 15: Southeast - Debt to Asset Ratio, 2008

	Average Of All Farms	Less than 20%	20% - 40%
Income Statement			
Gross Cash Farm Income	673,834	399,174	1,196,133
Total Cash Farm Expense	509,222	241,229	987,472
Net Cash Farm Income	164,612	157,945	208,661
Inventory Change	-37,997	20,380	-139,122
Depreciation and Capital Adj.	-46,490	-37,189	-65,614
Net Farm Income From Operations	80,125	141,136	3,925
Gain or Loss on Capital Sales	4,578	2,572	9,218
Net Farm Income	\$84,703	\$143,708	\$13,143
Profitability (Cost Value)			
Rate of Return on Assets	5.9%	12.1%	-0.3%
Rate of Return on Equity	5.9%	12.7%	-4.4%
Operating Profit Margin	13.6%	29.6%	-0.6%
Asset Turnover Rate	43.5%	40.8%	44.5%
Profitability (Market Value)			
Rate of Return on Assets	5.2%	9.4%	0.7%
Rate of Return on Equity	5.0%	9.6%	-1.5%
Operating Profit Margin	15.7%	30.3%	2.2%
Asset Turnover Rate	33.5%	31.1%	34.5%
Liquidity & Repayment (end of year)			
Current Assets	431,547	374,538	607,838
Current Liabilities	193,848	58,562	405,934
Current Ratio	2.2	6.4	1.5
Working Capital	237,699	315,975	201,905
Working Capital to Gross Income	37.7%	77.3%	19.1%
Term Debt Coverage Ratio	2.2	11.7	0.0
Replacement Coverage Ratio	1.5	4.2	0.0

Graph of Table 15
Debt to Asset Ratios At Market Value - All Regions

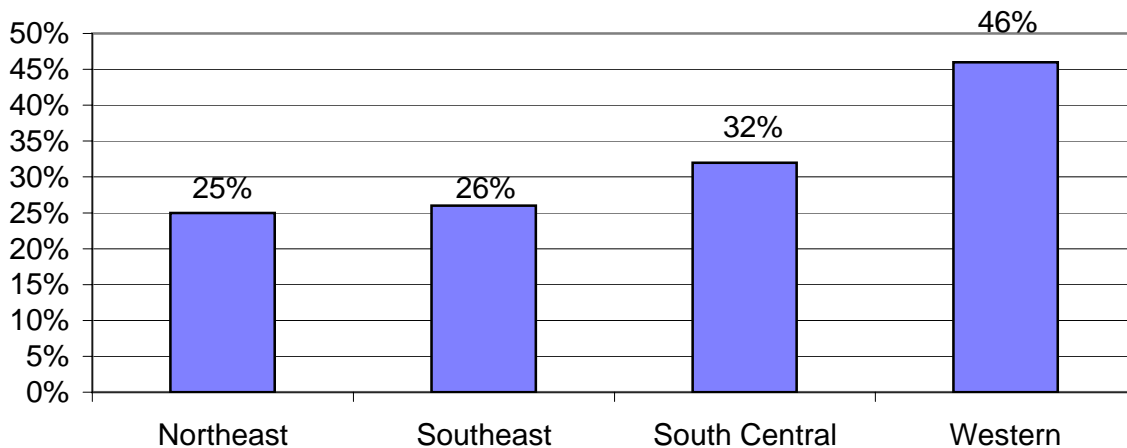


Table 15: Southeast - Debt to Asset Ratio, 2008 (cont.)

	<u>Average Of All Farms</u>	<u>Less than 20%</u>	<u>20% - 40%</u>
Solvency (Cost Value)			
Farm Assets	1,176,448	1,023,223	1,581,690
Farm Liabilities	392,040	109,800	748,235
Total Assets	1,538,275	1,514,729	1,844,566
Total Liabilities	447,924	143,888	826,750
Net Worth	1,090,351	1,370,841	1,017,816
Net Worth Change	-1,099	37,077	-64,716
Farm Debt to Asset Ratio	33%	11%	47%
Total Debt to Asset Ratio	29%	9%	45%

Solvency (Market Value)			
Farm Assets	1,520,371	1,331,834	2,042,145
Farm Liabilities	392,040	109,800	748,235
Total Assets	1,894,512	1,840,328	2,315,717
Total Liabilities	447,924	143,888	826,750
Net Worth	1,446,588	1,696,440	1,488,967
Net Worth Change	-8,063	25,954	-74,779
Farm Debt to Asset Ratio	26%	8%	37%
Total Debt to Asset Ratio	24%	8%	36%

Non-Farm Information

Farms Reporting Living Expenses	13	6	6
Total Family Living Expense	54,743	50,269	58,019
Total Living, Invest, & Capital Purch	123,929	120,064	133,860
Net Non-Farm Income	29,951	26,599	34,947

Crop Acres

Total Acres Owned	354	380	410
Total Crop Acres	941	781	1,308
Total Crop Acres Owned	210	249	191
Total Crop Acres Cash Rented	230	155	374
Total Crop Acres Share Rented	500	378	742

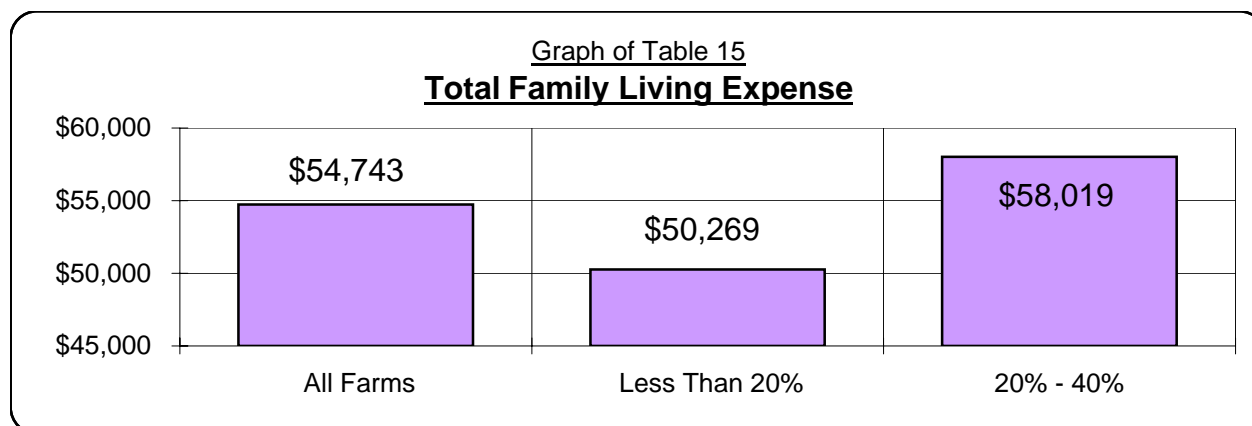


Table 16: Southeast - Crop Production, Marketing & Labor Summary, 2008

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Acreage Summary			
Acres Owned	354	561	398
Crop Acres	941	988	1,247
Crop Acres Owned	210	266	280
Crop Acres Cash Rented	230	278	301
Crop Acres Share Rented	500	444	666
Pasture Acres	9	26	4
% Crop Acres Owned	22.32%	26.92%	22.45%
Average Price Received in Dollars (Cash Sales Only)			
Corn per bu.	\$4.34	\$3.90	\$4.96
Soybeans per bu.	\$9.88	\$9.09	\$10.65
Sorghum, Grain per bu.	N/A	N/A	N/A
Wheat, Winter per bu.	\$6.41	N/A	\$6.29
Hay, Alfalfa per ton	\$143.29	N/A	N/A
Average Yield Per Acre			
Corn, Dryland (bu.)	138.42	104.44	170.89
Soybeans, Dryland (bu.)	39.69	33.97	45.87
Alfalfa Hay (ton)	4.98	N/A	N/A
Winter Wheat (bu.)	46.64	N/A	N/A
Labor Analysis			
Total Unpaid Labor Hours*	2,317	2,060	2,773
Total Hired Labor Hours	1,602	3,931	854
Total Labor Hours per Farm	3,918	5,991	3,626
Unpaid Hours per Operator	2,027	2,060	2,133
Value of Farm Production / Hour	\$125.07	\$94.94	\$174.10
Net Farm Income / Unpaid Hour*	\$34.59	-\$36.55	\$88.18

* Based on 2080 Hrs. Annually Per Full Time Operator

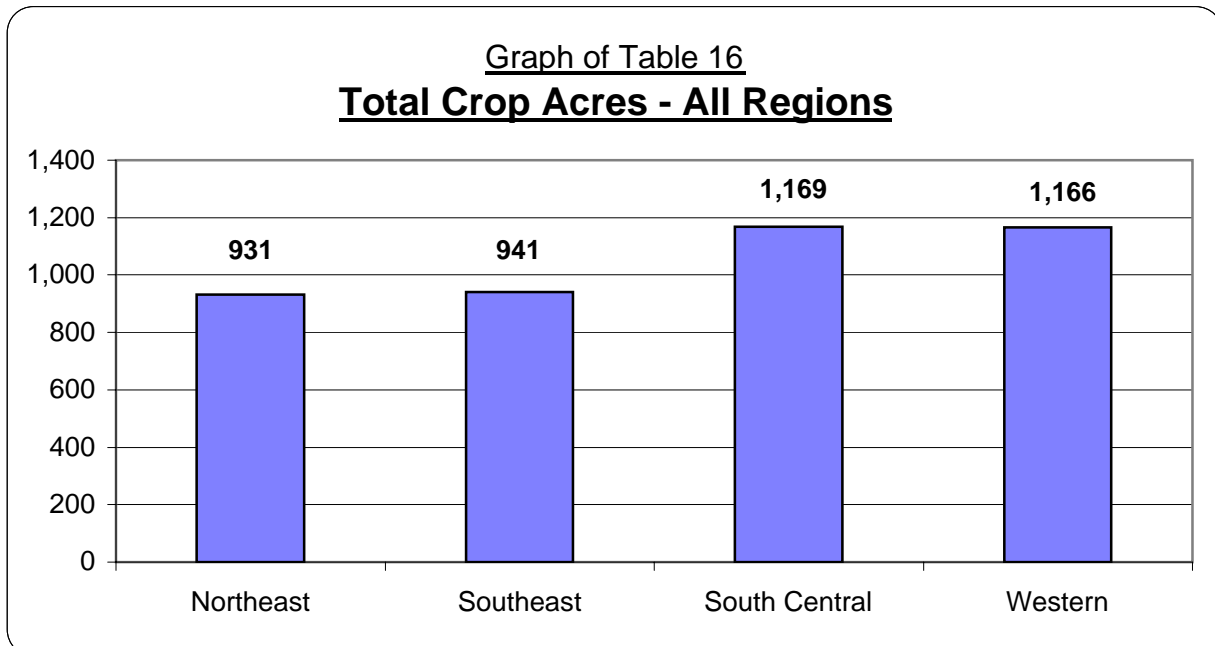


Table 17: Southeast - Irrigated Corn, 2008

	Average Of All Farms*	Owned Land	Share Rent
Number of Fields	22	5	15
Number of Farms	9	5	7
Acres	97.24	108.22	98.00
Bushel Yield per Acre	180.95	169.92	183.67
Operator's Share of the Yield %	66.60%	100.00%	52.11%
Value per Bushel at Harvest	\$4.00	\$3.92	\$4.04
Total Product Return	\$482.05	\$666.09	\$386.67
Hedging Gain/Loss	0.29	1.13	0.00
Crop Insurance	0.00	0.00	0.00
Other Crop Income	2.78	10.35	0.24
Gross Return	\$485.12	\$677.57	\$386.91
Direct Expenses			
Seed	47.97	66.59	40.09
Fertilizer	53.24	81.55	40.90
Crop Chemicals	24.03	35.35	18.75
Crop Insurance	12.19	18.86	9.96
Drying & Storage	1.37	1.63	0.65
Irrigation Energy	30.05	32.12	25.32
Irrigation Repairs	1.33	3.59	0.61
Operating Power & Crop Machinery	68.70	72.65	67.44
Building Repairs	0.27	0.16	0.39
Hired Labor	18.44	26.45	15.39
Utilities	3.75	5.18	3.27
Miscellaneous	5.38	7.16	4.83
Land Rent	6.31	0.00	0.00
Operating Interest	4.80	4.78	4.95
Total Direct Expenses	\$277.83	\$356.07	\$232.55
Return Over Direct Expenses	\$207.29	\$321.50	\$154.36
Allocated Expenses			
Machinery & Building Depreciation	44.52	57.54	41.30
Real Estate & Personal Property Taxes	10.39	35.36	2.03
Farm Insurance	5.39	9.31	4.07
Interest	6.43	18.19	2.54
Total Allocated Expenses	\$66.73	\$120.40	\$49.94
Total Listed Expenses	\$344.56	\$476.47	\$282.49
Net Return	\$140.56	\$201.10	\$104.42
Supplementary Management Information			
Total Direct Expense Per Bushel	2.31	2.10	2.43
Total Listed Expense Per Bushel	2.86	2.80	2.95
Net Return Per Bushel	\$1.14	\$1.12	\$1.09
Government Payments	6.43	5.82	6.46
Labor & Management Charge Per Acre	35.06	35.72	35.49
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$111.93	\$171.20	\$75.39
Machinery Cost Per Acre	\$110.96	\$128.06	\$106.21
Estimated Labor Hours Per Acre	3.87	4.15	3.83

* Includes an average of crops grown on Owned, Cash Rented, and Share Rented Land

Table 18: Southeast - Dryland Corn, 2008*

	Average Of <u>All Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
Number of Fields	89	29	26
Number of Farms	20	6	7
Acres	86.12	77.50	96.00
Bushel Yield per Acre	138.42	104.44	170.89
Operator's Share of the Yield %	78.17%	69.59%	82.91%
Value per Bushel at Harvest	\$3.87	\$3.78	\$4.03
Total Product Return	\$418.75	\$274.73	\$570.99
Hedging Gain/Loss	0.98	0.00	0.00
Crop Insurance	1.27	4.22	0.00
Other Crop Income	1.03	0.48	2.20
Gross Return	\$422.03	\$279.43	\$573.19
Direct Expenses			
Seed	44.53	45.51	48.95
Fertilizer	46.65	39.35	54.50
Crop Chemicals	25.20	20.66	24.40
Crop Insurance	14.52	17.38	8.85
Drying & Storage	0.34	0.33	0.74
Irrigation Energy	0.94	0.00	2.74
Irrigation Repairs	0.20	0.00	0.57
Operating Power & Crop Machinery	62.91	70.99	49.98
Building Repairs	1.03	0.15	1.31
Hired Labor	10.13	21.40	8.05
Utilities	2.94	2.55	2.77
Miscellaneous	5.88	6.21	4.54
Land Rent	23.62	18.93	37.43
Operating Interest	5.61	10.95	1.09
Total Direct Expenses	\$244.50	\$254.41	\$245.92
Return Over Direct Expenses	\$177.53	\$25.02	\$327.27
Allocated Expenses			
Machinery & Building Depreciation	38.07	33.02	37.47
Real Estate & Personal Property Taxes	11.08	6.52	10.35
Farm Insurance	5.64	5.98	5.94
Interest	9.36	6.34	18.13
Total Allocated Expenses	\$64.15	\$51.86	\$71.89
Total Listed Expenses	\$308.65	\$306.27	\$317.81
Net Return	\$113.38	-\$26.84	\$255.38
Supplementary Management Information			
Total Direct Expense Per Bushel	2.26	3.50	1.74
Total Listed Expense Per Bushel	2.85	4.21	2.24
Net Return Per Bushel	\$1.02	-\$0.43	\$1.79
Government Payments	7.01	3.03	9.99
Labor & Management Charge Per Acre	32.53	18.40	18.09
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$87.86	-\$42.21	\$247.28
Machinery Cost Per Acre	\$103.00	\$108.37	\$89.09
Estimated Labor Hours Per Acre	2.63	3.61	1.74

* Includes an average of crops grown on Owned, Cash Rented, and Share Rented Land

Table 19: Southeast - Dryland Corn Owned & Cash Rent, 2008

	Owned Land	Cash Rent
Number of Fields	12	25
Number of Farms	12	10
Acres	149.01	73.12
Bushel Yield per Acre	148.23	139.91
Operator's Share of the Yield %	100.00%	100.00%
Value per Bushel at Harvest	\$3.94	\$3.84
Total Product Return	584.03	537.25
Hedging Gain/Loss	2.04	0.60
Crop Insurance	2.70	2.70
Other Crop Income	2.22	0.41
Gross Return	\$590.99	\$540.96
Direct Expenses		
Seed	49.61	48.31
Fertilizer	60.68	58.39
Crop Chemicals	33.98	30.17
Crop Insurance	15.15	20.43
Drying & Storage	0.57	1.58
Operating Power & Crop Machinery	71.79	62.24
Building Repairs	1.15	0.99
Hired Labor	7.69	7.87
Utilities	3.98	2.71
Miscellaneous	8.01	5.32
Land Rent	0.00	99.03
Operating Interest	2.87	6.54
Total Direct Expenses	\$255.48	\$343.58
Return Over Direct Expenses	\$335.51	\$197.38
Allocated Expenses		
Machinery & Building Depreciation	42.33	34.79
Real Estate & Personal Property Taxes	36.20	3.31
Farm Insurance	5.86	6.28
Interest	28.56	4.12
Total Allocated Expenses	\$112.95	\$48.50
Total Listed Expenses	\$368.43	\$392.08
Net Return	\$222.56	\$148.88
Supplementary Management Information		
Total Direct Expense Per Bushel	1.72	2.46
Total Listed Expense Per Bushel	2.49	2.80
Net Return Per Bushel	\$1.45	\$1.04
Government Payments	11.97	8.05
Labor & Management Charge Per Acre	29.45	36.79
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$205.08	\$120.14
Machinery Cost Per Acre	\$111.99	\$100.48
Estimated Labor Hours Per Acre	2.54	2.67

Table 20: Southeast - Dryland Corn Share Rent, 2008

	Average Of <u>All Farms</u>	Average Of <u>Low 33%</u>	Average Of <u>High 33%</u>
Number of Fields	48	20	11
Number of Farms	17	5	6
Acres	73.89	68.00	77.94
Bushel Yield per Acre	139.72	124.16	168.52
Operator's Share of the Yield %	57.31%	54.49%	58.73%
Value per Bushel at Harvest	\$3.86	\$3.75	\$4.06
Total Product Return	309.08	253.71	401.83
Hedging Gain/Loss	0.78	2.05	0.00
Crop Insurance	0.00	0.00	0.00
Other Crop Income	0.89	0.36	0.00
Gross Return	\$310.75	\$256.12	\$401.83
Direct Expenses			
Seed	41.64	44.07	45.09
Fertilizer	36.05	34.39	42.94
Crop Chemicals	19.73	18.77	22.00
Crop Insurance	11.10	11.60	4.52
Drying & Storage	0.00	0.00	0.00
Operating Power & Crop Machinery	60.04	71.46	48.39
Building Repairs	1.08	0.55	1.78
Hired Labor	9.97	17.69	1.65
Utilities	2.63	2.53	2.14
Miscellaneous	5.27	6.46	3.32
Operating Interest	5.86	8.25	1.51
Total Direct Expenses	\$193.37	\$215.77	\$173.34
Return Over Direct Expenses	\$117.38	\$40.35	\$228.49
Allocated Expenses			
Machinery & Building Depreciation	38.41	44.06	31.63
Real Estate & Personal Property Taxes	3.65	3.46	2.77
Farm Insurance	5.40	6.94	6.39
Interest	3.04	4.70	3.60
Total Allocated Expenses	\$50.50	\$59.16	\$44.39
Total Listed Expenses	\$243.87	\$274.93	\$217.73
Net Return	\$66.88	-\$18.81	\$184.10
Supplementary Management Information			
Total Direct Expense Per Bushel	2.41	3.19	1.75
Total Listed Expense Per Bushel	3.05	4.06	2.20
Net Return Per Bushel	\$0.81	-\$0.31	\$1.86
Government Payments	4.96	2.87	10.16
Labor & Management Charge Per Acre	35.44	18.84	19.41
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$36.40	-\$34.78	\$174.85
Machinery Cost Per Acre	\$99.08	\$118.42	\$83.05
Estimated Labor Hours Per Acre	2.55	3.10	1.60

Table 21: Southeast - Irrigated Soybeans, 2008*

	Average Of All Farms*
Number of Fields	14
Number of Farms	7
Acres	78.89
Bushel Yield per Acre	54.87
Operator's Share of the Yield %	66.16%
Value per Bushel at Harvest	\$9.29
Total Product Return	337.25
Hedging Gain/Loss	0.00
Crop Insurance	1.02
Other Crop Income	0.91
Gross Return	\$339.18
Direct Expenses	
Seed	43.25
Fertilizer	4.26
Crop Chemicals	17.24
Crop Insurance	13.50
Drying Fuel & Storage	0.00
Irrigation Energy	27.79
Operating Power & Crop Machinery	55.80
Building Repairs	0.44
Hired Labor	15.41
Utilities	3.56
Miscellaneous	4.40
Land Rent	21.34
Operating Interest	2.74
Total Direct Expenses	\$209.73
Return Over Direct Expenses	\$129.45
Allocated Expenses	
Machinery & Building Depreciation	40.33
Real Estate & Personal Property Taxes	8.00
Farm Insurance	4.87
Interest	4.82
Total Allocated Expenses	\$58.02
Total Listed Expenses	\$267.75
Net Return	\$71.43
Supplementary Management Information	
Total Direct Expense Per Bushel	5.78
Total Listed Expense Per Bushel	7.38
Net Return Per Bushel	\$1.91
Government Payments	4.77
Labor & Management Charge Per Acre	28.32
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$47.88
Machinery Cost Per Acre	\$92.86
Estimated Labor Hours Per Acre	3.08

* Includes an average of crops grown on Owned, Cash Rented, and Share Rented Land

Table 22: Southeast - Dryland Soybeans, 2008*

	Average Of All Farms*	Average Of Low 33%	Average Of High 33%
Number of Fields	97	54	22
Number of Farms	18	5	7
Acres	85.09	71.41	118.90
Bushel Yield per Acre	39.69	33.97	45.87
Operator's Share of the Yield %	76.47%	77.01%	78.24%
Value per Bushel at Harvest	\$9.54	\$9.05	\$10.13
Total Product Return	289.55	236.75	363.55
Hedging Gain/Loss	0.94	0.00	0.00
Crop Insurance	4.05	2.77	4.66
Other Crop Income	0.91	0.49	1.64
Gross Return	\$295.45	\$240.01	\$369.85
Direct Expenses			
Seed	34.94	34.38	33.22
Fertilizer	13.56	23.16	0.00
Crop Chemicals	20.75	21.79	16.87
Crop Insurance	12.32	16.00	8.20
Drying & Storage	0.00	0.00	0.00
Irrigation Energy	0.00	0.00	0.00
Irrigation Repairs	0.00	0.00	0.00
Operating Power & Crop Machinery	53.81	63.89	46.48
Building Repairs	0.82	0.01	1.90
Hired Labor	7.46	11.89	3.35
Utilities	2.58	2.89	2.42
Miscellaneous	5.09	5.31	3.75
Land Rent	29.97	32.63	29.40
Operating Interest	4.71	7.74	1.71
Total Direct Expenses	\$186.01	\$219.69	\$147.30
Return Over Direct Expenses	\$109.44	\$20.32	\$222.55
Allocated Expenses			
Machinery & Building Depreciation	30.42	23.94	35.07
Real Estate & Personal Property Taxes	8.31	7.88	10.46
Farm Insurance	4.69	3.64	5.39
Interest	5.42	6.65	5.18
Total Allocated Expenses	\$48.84	\$42.11	\$56.10
Total Listed Expenses	\$234.85	\$261.80	\$203.40
Net Return	\$60.60	-\$21.79	\$166.45
Supplementary Management Information			
Total Direct Expense Per Bushel	6.13	8.40	4.10
Total Listed Expense Per Bushel	7.74	10.01	5.67
Net Return Per Bushel	\$1.80	-\$0.96	\$4.46
Government Payments	7.64	3.59	12.48
Labor & Management Charge Per Acre	29.11	37.15	20.76
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$39.13	-\$55.35	\$158.17
Machinery Costs Per Acre	\$85.43	\$89.82	\$82.06
Estimated Labor Hours Per Acre	2.2	2.57	1.71

* Includes an average of crops grown on Owned, Cash Rented, and Share Rented Land

Table 23: Southeast - Dryland Soybeans- Owned Land 2008

	Average of All Farms
Number of Fields	12
Number of Farms	11
Acres	104.71
Bushel Yield per Acre	39.20
Operator's Share of the Yield %	100.00%
Value per Bushel at Harvest	\$9.93
Total Product Return	389.26
Hedging Gain/Loss	2.12
Crop Insurance	10.05
Other Crop Income	1.88
Gross Return	\$403.31
Direct Expenses	
Seed	39.06
Fertilizer	24.39
Crop Chemicals	32.13
Crop Insurance	17.20
Drying & Storage	0.38
Operating Power & Crop Machinery	62.00
Building Repairs	1.55
Hired Labor	4.73
Utilities	3.66
Miscellaneous	8.03
Land Rent	0.00
Operating Interest	3.44
Total Direct Expenses	\$196.57
Return Over Direct Expenses	\$206.74
Allocated Expenses	
Machinery & Building Depreciation	35.07
Real Estate & Personal Property Taxes	34.08
Farm Insurance	5.22
Interest	21.42
Total Allocated Expenses	\$95.79
Total Listed Expenses	\$292.36
Net Return	\$110.95
Supplementary Management Information	
Total Direct Expense Per Bushel	5.01
Total Listed Expense Per Bushel	7.46
Net Return Per Bushel	\$2.47
Government Payments	14.22
Labor & Management Charge Per Acre	28.84
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$96.33
Machinery Costs Per Acre	\$96.81
Estimated Labor Hours Per Acre	2.41

Table 24: Southeast - Dryland Soybeans-Cash Rent, 2008

	Average Of All Farms	Average Of High 33%
Number of Fields	31	10
Number of Farms	13	5
Acres	75.82	71.38
Bushel Yield per Acre	39.77	43.99
Operator's Share of the Yield %	100.00%	100.00%
Value per Bushel at Harvest	\$9.41	\$9.81
Total Product Return	374.24	431.54
Hedging Gain/Loss	1.46	0.00
Crop Insurance	4.22	5.05
Other Crop Income	0.38	0.41
Gross Return	\$380.30	\$437.00
Direct Expenses		
Seed	39.96	35.50
Fertilizer	19.92	0.00
Crop Chemicals	26.62	20.89
Crop Insurance	17.10	10.17
Drying Fuel & Storage	0.28	0.92
Irrigation Energy	0.00	0.00
Irrigation Repairs	0.00	0.00
Operating Power & Crop Machinery	55.14	48.06
Building Repairs	0.57	1.32
Hired Labor	8.47	3.70
Utilities	2.45	1.88
Miscellaneous	4.62	2.57
Land Rent	105.23	100.09
Operating Interest	5.12	2.47
Total Direct Expenses	\$285.48	\$227.57
Return Over Direct Expenses	\$94.82	\$209.43
Allocated Expenses		
Machinery & Building Depreciation	28.62	25.03
Real Estate & Personal Property Taxes	2.60	2.02
Farm Insurance	4.69	6.38
Interest	2.83	2.85
Total Allocated Expenses	\$38.74	\$36.28
Total Listed Expenses	\$324.22	\$263.85
Net Return	\$56.08	\$173.15
Supplementary Management Information		
Total Direct Expense Per Bushel	7.18	5.17
Total Listed Expense Per Bushel	8.15	6.00
Net Return Per Bushel	\$1.26	\$3.81
Government Payments	9.64	15.23
Labor & Management Charge Per Acre	26.83	22.73
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$38.89	\$165.65
Machinery Costs Per Acre	\$85.67	\$75.66
Estimated Labor Hours Per Acre	2.21	1.84

Table 25: Southeast - Dryland Soybeans-Share Rent, 2008

	Average Of All Farms	Average Of High 33%
Number of Fields	51	7
Number of Farms	15	6
Acres	89.70	176.08
Bushel Yield per Acre	39.71	47.92
Operator's Share of the Yield %	57.56%	60.03%
Value per Bushel at Harvest	\$9.48	\$10.13
Total Product Return	216.69	291.40
Hedging Gain/Loss	0.37	0.00
Crop Insurance	2.30	0.00
Other Crop Income	0.52	0.00
Gross Return	\$219.88	\$291.40
Direct Expenses		
Seed	31.08	28.52
Fertilizer	7.00	0.00
Crop Chemicals	14.44	14.51
Crop Insurance	8.40	2.61
Drying & Storage	0.00	0.00
Irrigation Energy	0.00	0.00
Irrigation Repairs	0.00	0.00
Operating Power & Crop Machinery	50.46	44.45
Building Repairs	0.73	1.83
Hired Labor	7.77	0.54
Utilities	2.28	2.14
Miscellaneous	4.27	2.52
Land Rent	0.00	0.00
Operating Interest	4.78	0.78
Total Direct Expenses	\$131.21	\$97.90
Return Over Direct Expenses	\$88.67	\$193.50
Allocated Expenses		
Machinery & Building Depreciation	29.79	34.32
Real Estate & Personal Property Taxes	3.02	3.31
Farm Insurance	4.44	5.00
Interest	2.20	1.66
Total Allocated Expenses	\$39.45	\$44.29
Total Listed Expenses	\$170.66	\$142.19
Net Return	\$49.22	\$149.21
Supplementary Management Information		
Total Direct Expense Per Bushel	5.74	3.40
Total Listed Expense Per Bushel	7.47	4.94
Net Return Per Bushel	\$2.01	\$5.19
Government Payments	4.86	10.84
Labor & Management Charge Per Acre	30.21	18.15
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$23.87	\$141.90
Machinery Costs Per Acre	\$81.40	\$79.99
Estimated Labor Hours Per Acre	2.13	1.37

Table 26: Southeast - Wheat, 2008*

	Average of All Farms
Number of Fields	21
Number of Farms	10
Acres	60.98
Bushel Yield per Acre	46.64
Operator's Share of the Yield %	78.63%
Value per Bushel at Harvest	\$5.97
Total Product Return	218.94
Hedging Gain/Loss	0.00
Crop Insurance	1.32
Other Crop Income	18.32
Gross Return	\$238.58
Direct Expenses	
Seed	16.53
Fertilizer	44.83
Crop Chemicals	24.86
Crop Insurance	7.27
Drying & Storage	0.00
Irrigation Energy	0.00
Irrigation Repairs	0.00
Operating Power & Crop Machinery	36.90
Building Repairs	0.17
Hired Labor	5.17
Utilities	2.02
Miscellaneous	4.94
Land Rent	17.18
Operating Interest	1.38
Total Direct Expenses	\$161.25
Return Over Direct Expenses	\$77.33
Allocated Expenses	
Machinery & Building Depreciation	19.46
Real Estate & Personal Property Taxes	9.94
Farm Insurance	3.26
Interest	12.42
Total Allocated Expenses	\$45.08
Total Listed Expenses	\$206.33
Net Return	\$32.25
Supplementary Management Information	
Total Direct Expense Per Bushel	4.40
Total Listed Expense Per Bushel	5.63
Net Return Per Bushel	\$0.34
Government Payments	10.50
Labor & Management Charge Per Acre	14.99
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$27.76
Machinery Costs Per Acre	\$54.86
Estimated Labor Hours Per Acre	1.39

* Includes an average of crops grown on Owned, Cash Rented, and Share Rented Land

Table 27: Southeast - Wheat Owned, Cash, & Share Rent, 2008

	Owned <u>Land</u>	Cash <u>Rent</u>	Share <u>Rent</u>
Number of Fields	5	5	10
Number of Farms	5	5	7
Acres	72.46	43.83	62.04
Bushel Yield per Acre	53.01	33.37	47.42
Operator's Share of the Yield %	100.00%	100.00%	56.62%
Value per Bushel at Harvest	\$5.74	\$5.93	\$6.31
Total Product Return	304.28	197.88	169.42
Hedging Gain/Loss	0.00	0.00	0.00
Crop Insurance	0.39	7.04	0.00
Other Crop Income	23.90	11.34	19.84
Gross Return	\$328.57	\$216.26	\$189.26
Direct Expenses			
Seed	27.62	13.85	12.39
Fertilizer	66.51	39.47	36.76
Crop Chemicals	43.06	17.37	16.78
Crop Insurance	11.71	6.55	4.65
Drying & Storage	0.00	0.00	0.00
Irrigation Energy	0.00	0.00	0.00
Irrigation Repairs	0.00	0.00	0.00
Operating Power & Crop Machinery	50.28	36.32	27.21
Building Repairs	0.25	0.10	0.17
Hired Labor	5.10	4.78	5.53
Utilities	3.25	1.64	1.46
Miscellaneous	7.41	3.36	3.10
Land Rent	0.00	100.39	0.00
Operating Interest	0.92	1.37	0.99
Total Direct Expenses	\$216.11	\$225.20	\$109.04
Return Over Direct Expenses	\$112.46	-\$8.94	\$80.22
Allocated Expenses			
Machinery & Building Depreciation	20.10	14.38	20.52
Real Estate & Personal Property Taxes	26.54	0.91	1.29
Farm Insurance	3.66	3.44	3.10
Interest	6.16	0.42	1.51
Total Allocated Expenses	\$56.46	\$19.15	\$26.42
Total Listed Expenses	\$272.57	\$244.35	\$135.46
Net Return	\$56.00	-\$28.09	\$53.80
Supplementary Management Information			
Total Direct Expense Per Bushel	4.08	6.75	4.06
Total Listed Expense Per Bushel	5.14	7.32	5.05
Net Return Per Bushel	\$0.60	-\$1.39	\$1.26
Government Payments	11.23	15.58	7.44
Labor & Management Charge Per Acre	15.93	17.70	11.73
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$51.30	-\$30.21	\$49.51
Machinery Costs Per Acre	\$67.76	\$50.56	\$46.22
Estimated Labor Hours Per Acre	1.32	1.70	1.22

Table 28: Southeast - Alfalfa, 2008

	Average Of All Farms
Number of Fields	5
Number of Farms	5
Acres	19.32
Yield per Acre (Ton)	4.98
Operator's Share of the Yield %	100.00%
Value per Ton at Harvest	\$79.17
Total Product Return	394.27
Hedging Gain/Loss	0.00
Crop Insurance	4.72
Other Crop Income	0.00
Gross Return	\$398.99
Direct Expenses	
Seed	19.71
Fertilizer	33.86
Crop Chemicals	22.07
Crop Insurance	0.00
Drying & Storage	9.53
Operating Power & Crop Machinery	84.58
Building Repairs	0.22
Hired Labor	6.18
Utilities	2.67
Miscellaneous	11.25
Land Rent	58.39
Operating Interest	8.62
Total Direct Expenses	\$257.08
Return Over Direct Expenses	\$141.91
Allocated Expenses	
Machinery & Building Depreciation	24.25
Real Estate & Personal Property Taxes	7.58
Farm Insurance	14.24
Interest	18.68
Total Allocated Expenses	\$64.75
Total Listed Expenses	\$321.83
Net Return	\$77.16
Supplementary Management Information	
Total Direct Expense Per Acre	51.62
Total Listed Expense Per Acre	64.62
Net Return Per Bushel	\$14.55
Government Payments	6.21
Labor & Management Charge Per Acre	40.09
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$43.28
Machinery Cost Per Acre	\$109.36
Estimated Labor Hours Per Acre	4.78

Table 29A: Northeast Nebraska Averages, 2008

	Average of <u>All Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
Cash Farm Income			
Total Crop Income	459,601	385,347	657,088
Total Livestock Income	221,474	171,444	345,198
Total Other Farm Income	52,048	38,294	75,120
Gross Cash Farm Income	\$733,123	\$595,085	\$1,077,406
Cash Farm Expense			
Total Crop Expense	192,702	150,945	291,377
Total Livestock Expense	149,455	137,709	229,399
Total Other Farm Expense	214,645	166,478	332,687
Gross Cash Farm Expense	\$556,802	\$455,132	\$853,463
Net Cash Farm Income	\$176,321	\$139,953	\$223,943
Total Inventory Change	\$14,546	-\$125,840	\$135,661
Total Depreciation & Capital Adjustments	-\$51,531	-\$37,336	-\$73,069
Net Farm Income From Operations	\$139,336	-\$23,223	\$286,535
Gain or Loss on Capital Sales	\$3,067	\$5,421	\$1,265
Net Farm Income	\$142,403	-\$17,802	\$287,800
Personal Income	\$24,557	\$38,588	\$12,693
Balance Sheet at Market			
Current Farm Assets	594,783	405,368	881,457
Intermediate Farm Assets	402,895	334,842	514,410
Long Term Farm Assets	517,535	250,353	769,998
Non-Farm Assets	218,871	305,367	211,768
Total Assets	\$1,734,084	\$1,295,930	\$2,377,633
Current Farm Liabilities	174,205	164,814	182,517
Intermediate Farm Liabilities	108,531	63,774	153,500
Long Term Liabilities	147,126	56,172	270,429
Non-Farm Liabilities	22,354	56,689	4,313
Total Liabilities	\$452,216	\$341,449	\$610,759
Net Worth	\$1,281,868	\$954,481	\$1,766,874
Net Worth Change (Market Value)	\$94,519	-\$41,617	\$210,994

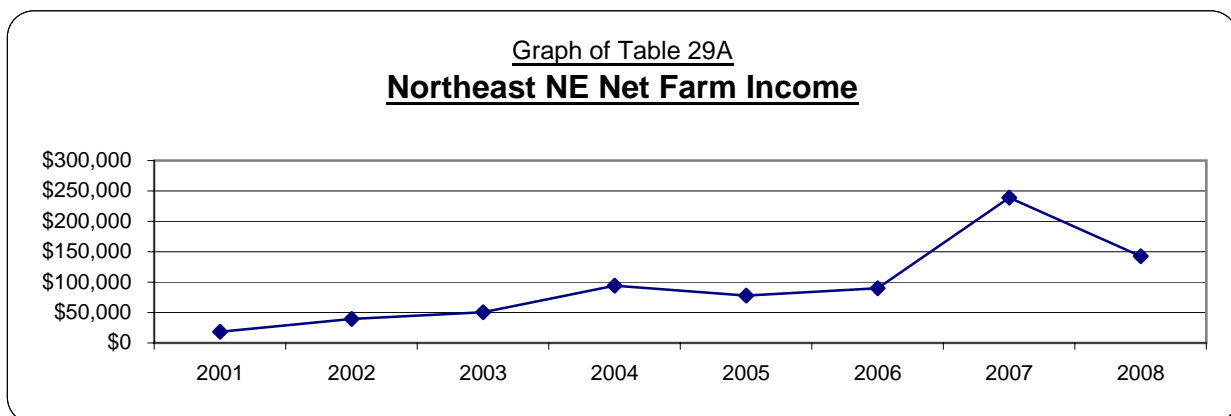


Table 29B: Northeast Nebraska Averages, 2008 (cont.)

	Average of All Farms	Average of Low 33%	Average of High 33%
Financial Guidelines			
Current Ratio	3.52	2.46	4.83
Working Capital	\$420,551	\$240,553	\$698,939
Working Capital to Gross Income	56.9%	52.1%	58.5%
Farm Debt to Asset Ratio (Market)	25%	29%	28%
Farm Equity to Asset Ratio (Market)	75%	71%	72%
Farm Debt to Equity Ratio (Market)	34%	40%	39%
Rate of Return on Farm Assets (Cost)	10.1%	-4.8%	18.2%
Rate of Return on Farm Equity (Cost)	11.9%	-11.9%	25.2%
Operating Profit Margin (Cost)	20.5%	-10.8%	28.5%
Net Farm Income (Cost)	\$142,402	-\$17,808	\$287,797
EBIDTA	\$214,107	\$36,596	\$390,126
Asset Turnover Rate (Cost)	49.0%	44.2%	63.8%
Operating Expense Ratio	71.0%	92.1%	67.4%
Depreciation Expense Ratio	7.0%	8.1%	6.1%
Interest Expense Ratio	2.8%	4.6%	2.1%
Net Farm Income Ratio	19.3%	-3.9%	24.1%
Capital Debt Repayment Capacity	\$143,319	-\$1,269	\$281,218
Capital Debt Repayment Margin	\$123,574	-\$16,945	\$253,360
Replacement Margin	\$105,920	-\$31,343	\$232,057
Term Debt Coverage Ratio	7.26	-0.08	10.09
Replacement Coverage Ratio	3.83	-0.04	5.72
Operator Information			
Average Number of Operators	1.2	1.0	1.4
Average Age of Operators	53.1	57.9	51.7
Average Number of Years Farming	30.3	31.6	30.2
Acreage Summary			
Total Acres Owned	381	251	477
Total Crop Acres	931	720	1,224
Crop Acres Owned	242	132	265
Crop Acres Cash Rented	463	375	769
Crop Acres Share Rented	227	213	190
Average Price Received In Dollars (Cash Sales Only)			
Corn, per bu.	\$4.53	\$4.57	\$4.52
Soybeans, per bu.	\$10.29	\$10.90	\$10.08
Alfafla Hay, per ton.	\$90.17	N/A	N/A
Winter Wheat, per bu.	\$7.46	N/A	N/A
Average Yield Per Acre			
Corn, Dryland (bu.)	135.96	139.46	150.78
Soybean, Dryland (bu.)	38.18	37.25	46.97
Alfafla Hay, Dryland (ton)	4.71	N/A	N/A
Grass Hay, Dryland (ton)	2.44	N/A	N/A

Table 30A: South Central Nebraska Averages, 2008

	Average of All Farms	Average of Low 33%	Average of High 33%
Cash Farm Income			
Total Crop Income	660,845	341,032	1,078,853
Total Livestock Income	41,792	102,983	20,294
Total Other Farm Income	117,896	164,059	148,618
Gross Cash Farm Income	\$820,533	\$608,074	\$1,247,765
Cash Farm Expense			
Total Crop Expense	258,906	143,839	390,311
Total Livestock Expense	68,066	163,412	35,167
Total Other Farm Expense	248,743	160,847	392,883
Gross Cash Farm Expense	\$575,715	\$468,098	\$818,361
Net Cash Farm Income	\$244,818	\$139,976	\$429,404
Total Inventory Change	150,010	-43,801	336,584
Total Depreciation & Capital Adjustments	-64,493	-36,179	-99,256
Net Farm Income From Operations	\$330,335	\$59,996	\$666,732
Gain or Loss on Capital Sales	1,132	223	2,357
Net Farm Income	\$331,467	\$60,219	\$669,089
Personal Income	\$49,914	\$13,035	\$79,686
Balance Sheet at Market			
Current Farm Assets	631,707	307,981	1,099,422
Intermediate Farm Assets	443,679	324,225	698,181
Long Term Farm Assets	856,760	496,000	1,415,934
Non-Farm Assets	302,993	219,553	468,299
Total Assets	\$2,235,139	\$1,347,759	\$3,681,836
Current Farm Liabilities	217,325	144,851	350,847
Intermediate Farm Liabilities	100,161	57,736	172,731
Long Term Liabilities	301,826	172,238	492,829
Non-Farm Liabilities	37,360	37,922	50,318
Total Liabilities	\$656,672	\$412,747	\$1,066,725
Net Worth	\$1,578,467	\$935,012	\$2,615,111
Net Worth Change (Market Value)	\$250,488	\$9,323	\$572,780

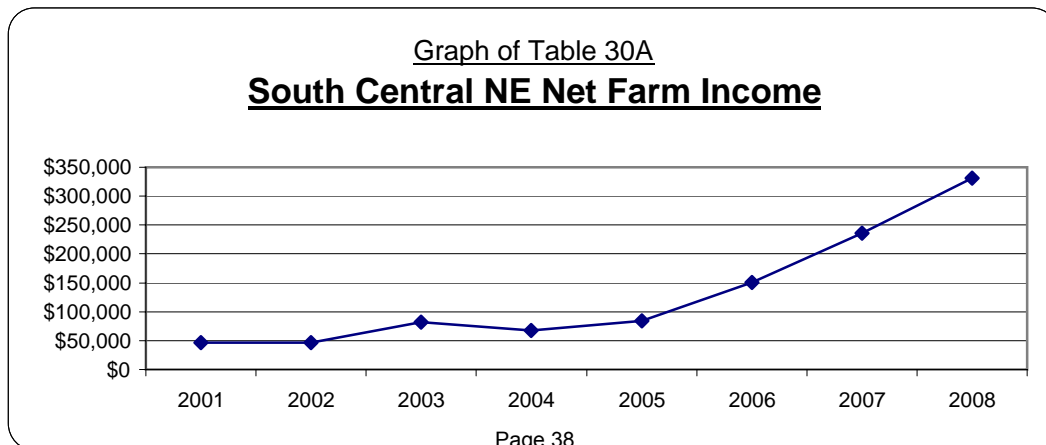


Table 30B: South Central Nebraska Averages, 2008 (cont.)

	Average of <u>All Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
Financial Guidelines			
Current Ratio	2.91	2.13	3.13
Working Capital	\$414,381	\$163,130	\$748,575
Working Capital to Gross Income	43.4%	29.2%	48.0%
Farm Debt to Asset Ratio (Market)	32%	33%	32%
Farm Equity to Asset Ratio (Market)	68%	67%	68%
Farm Debt to Equity Ratio (Market)	47%	50%	46%
Rate of Return on Farm Assets (Cost)	23.1%	6.1%	28.2%
Rate of Return on Farm Equity (Cost)	34.6%	4.7%	43.2%
Operating Profit Margin (Cost)	36.9%	12.4%	44.6%
Net Farm Income (Cost)	\$331,467	\$60,219	\$669,089
EBIDTA	\$432,480	\$124,960	\$823,088
Asset Turnover Rate (Cost)	62.6%	48.8%	63.2%
Operating Expense Ratio	54.7%	77.6%	47.2%
Depreciation Expense Ratio	6.8%	6.5%	6.4%
Interest Expense Ratio	4.0%	5.2%	3.8%
Net Farm Income Ratio	34.7%	10.8%	42.9%
Capital Debt Repayment Capacity	\$346,726	\$43,898	\$704,864
Capital Debt Repayment Margin	\$290,972	\$19,091	\$591,140
Replacement Margin	\$276,794	\$2,694	\$575,022
Term Debt Coverage Ratio	6.22	1.77	6.20
Replacement Coverage Ratio	4.96	1.07	5.43
Operator Information			
Average Number of Operators	1.2	1.2	1.3
Average Age of Operators	49.2	54.5	49.4
Average Number of Years Farming	26.6	30.1	28.4
Acreage Summary			
Total Acres Owned	441	282	713
Total Crop Acres	1,169	549	1,977
Crop Acres Owned	363	221	606
Crop Acres Cash Rented	343	182	478
Total pasture acres	464	147	893
Average Price Received In Dollars (Cash Sales Only)			
Corn, per bu.	\$4.23	\$3.97	\$4.33
Soybeans, per bu.	\$10.27	\$9.46	\$10.55
Grain Sorghum, per bu.	\$3.77	N/A	N/A
Seed Corn, per bu.	\$5.67	N/A	\$5.40
Winter Wheat, per bu.	\$5.60	N/A	N/A
Average Yield Per Acre			
Corn, Irrigated (bu.)	200.39	203.75	202.43
Corn, Dryland (bu.)	143.18	108.07	151.48
Seed Corn, Irrigated (Paid Yield) (bu.)	244.60	N/A	258.20
Soybeans, Irrigated (bu.)	61.60	61.49	61.82
Soybeans, Dryland (bu.)	49.64	43.71	51.36

Table 31A: Western Nebraska Averages, 2008

	Average of All Farms
Cash Farm Income	
Total Crop Income	496,168
Total Livestock Income	471,635
Total Other Farm Income	176,604
Gross Cash Farm Income	\$1,144,407
Cash Farm Expense	
Total Crop Expense	362,631
Total Livestock Expense	290,742
Total Other Farm Expense	334,882
Gross Cash Farm Expense	\$988,255
Net Cash Farm Income	\$156,152
Total Inventory Change	\$18,931
Total Depreciation & Capital Adjustments	-\$68,535
Net Farm Income From Operations	\$106,548
Gain or Loss on Capital Sales	\$6,265
Net Farm Income	\$112,813
Personal Income	\$30,533
Balance Sheet at Market	
Current Farm Assets	891,667
Intermediate Farm Assets	774,473
Long Term Farm Assets	1,387,200
Non-Farm Assets	162,124
Total Assets	<u>\$3,215,464</u>
Current Farm Liabilities	923,238
Intermediate Farm Liabilities	136,674
Long Term Liabilities	345,819
Non-Farm Liabilities	0
Total Liabilities	<u>\$1,405,731</u>
Net Worth	\$1,809,733
Net Worth Change (Market Value)	\$100,936

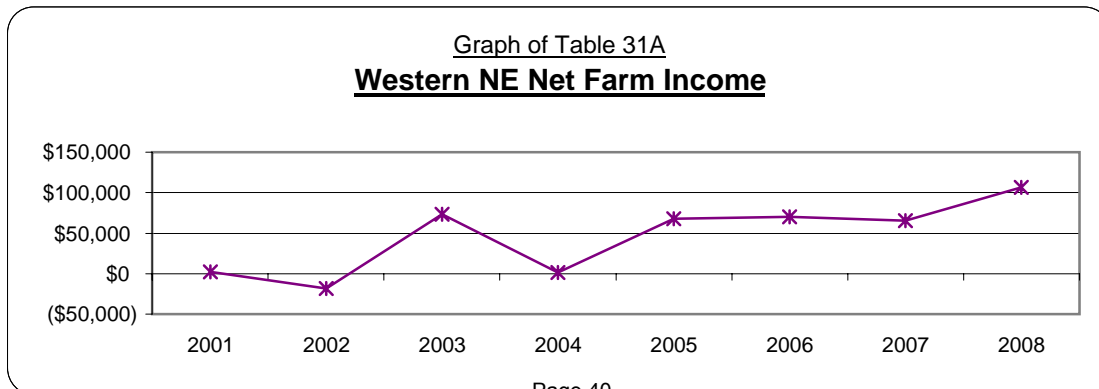


Table 31B: Western Nebraska Averages, 2008 (cont.)

	Average of <u>All Farms</u>
Financial Guidelines	
Current Ratio	0.97
Working Capital	-\$31,569
Working Capital to Gross Income	-2.70%
Farm Debt to Asset Ratio (Market)	46%
Farm Equity to Asset Ratio (Market)	54%
Farm Debt to Equity Ratio (Market)	85%
Rate of Return on Farm Assets (Cost)	8.2%
Rate of Return on Farm Equity (Cost)	10.2%
Operating Profit Margin (Cost)	18.0%
Net Farm Income (Cost)	\$112,816
EBIDTA	\$262,745
Asset Turnover Rate (Cost)	45.4%
Operating Expense Ratio	77.5%
Depreciation Expense Ratio	5.9%
Interest Expense Ratio	6.7%
Net Farm Income Ratio	9.7%
Capital Debt Repayment Capacity	\$176,263
Capital Debt Repayment Margin	\$98,049
Replacement Margin	\$86,336
Term Debt Coverage Ratio	2.25
Replacement Coverage Ratio	1.96
Operator Information	
Average Number of Operators	1.0
Average Age of Operators	52.8
Average Number of Years Farming	30.2
Acreage Summary	
Total Acres Owned	2,878
Total Crop Acres	1,166
Crop Acres Owned	566
Crop Acres Cash Rented	212
Crop Acres Share Rented	388
Average Price Received In Dollars (Cash Sales Only)	
Corn, per bu.	\$4.46
Winter Wheat, per bu.	\$6.98
Average Yield Per Acre	
Corn (bu.)	99.60
Winter Wheat (bu.)	37.11

Farm Financial Ratios and Guidelines

Liquidity

Is the ability of your farm business to meet the financial obligations as they come due - to generate enough cash to pay your family living expenses and taxes, and make debt payments on time.

Current Ratio

Measures the extent to which current farm assets, if sold tomorrow, would pay off current farm liabilities.

Total Current Farm Assets
/ Total Current Farm Liabilities

Working Capital

Tells us the operating capital available in the short term from within the business.

Total Current Farm Assets
- Total Current Farm Liabilities

Working Capital to Gross Revenues

Measures operating capital available against the size of the business.

Working Capital
/ Gross Farm Income

Solvency

Is the ability of your business to pay all its debts if it were sold tomorrow. Solvency is important in evaluating the financial risk and borrowing capacity of the business.

Farm Debt-to-Asset Ratio

Is the bank's share of the business. It compares total farm debt to total farm assets. A higher ratio is an indicator of greater financial risk and lower borrowing capacity

Total Farm Liabilities
/ Total Farm Assets

Farm Equity-to-Asset Ratio

Is your share of the business. It compares farm equity to total farm assets. If you add the debt-to-asset ratio and the equity-to-asset ratio, you must get 100%

Total Farm Net Worth
/ Total Farm Assets

Farm Debt-to-Equity Ratio

Compares the bank's ownership to your ownership. It also indicates how much the owners have leveraged (i.e., multiplied) their equity in the business.

Total Farm Liabilities
/ Total Farm Equity

Profitability

Is the difference between the value of goods produced and the cost of the resources used in their production.

Net Farm Income

Represents return to your labor, your management and your equity that you have invested in the business. It is the reward for investing your unpaid family labor, management and money in the business instead of elsewhere. Anything left in the business, i.e., not taken out for family living and taxes, will increase your farm net worth.

Gross Cash Farm Income
- Total Cash Farm Expenses
+ / - Inventory changes
- Depreciation

Rate of Return on Farm Assets

Can be thought of as the average interest rates being earned on all (yours and creditors') investments in the farm. Unpaid labor and management are assigned a return before return on farm assets is calculated.

Net Farm Income
+ Farm Interest
- Value of Operator Labor & Mgt
= Return on Farm Assets
/ Average Farm Assets

Rate of Return on Farm Equity

Represents the interest rate being earned by your investment in the farm. This return can be compared to returns available if your equity were invested somewhere else, such as a certificate of deposit.

Net Farm Income
- Value of Operator Labor & Mgt
= Return on Farm Equity
/ Average Farm Net Worth

Operating Profit Margin

Shows the operating efficiency of the business. If expenses are low relative to the value of farm production, the business will have a healthy operating profit margin. A low profit margin can be caused by low product prices, high operating expenses, or inefficient production.

Return on Farm Assets
/ Value of Farm Production

Value of Farm Production =
Gross Cash Farm Income
+/- Inventory Changes
- Feeder Livestock Purchased
- Purchased Feed

EBITDA

Earnings **B**efore **I**nterest, **T**axes, **D**epreciation, and **A**mortization.
Measures earnings available for debt repayment.

Net Farm Income
+ Interest Expense
+ Depreciation & Amortization

Repayment Capacity

Shows the borrower's (i.e., your) ability to repay term debts on time. It includes non-farm income and so it is not a measure of business performance alone.

Capital Debt Repayment Capacity

Measures the amount generated from farm and non-farm sources, to cover debt repayment and capital replacement.

Net Farm Income
+ Depreciation
+ Net Non-Farm Income
- Family Living & Income Taxes
+ Interest Expense on Term Loans

Capital Debt Repayment Margin

Is the Amount of money remaining after all operating expenses, taxes, family living costs, and scheduled debt payments have been made. It's really the money left, after paying all bills, that is available for purchasing or financing new machinery, equipment, land or livestock.

Capital Debt Repayment Capacity
- Scheduled principle & interest on term loans *

Replacement Margin

The amount of income remaining after paying principle and interest on term loans and unfunded (cash) capital purchases.

Capital Debt Repayment Capacity
- Unfunded (Cash) Capital Replacement Allowance

Term-Debt Coverage Ratio

Tells whether your business produced enough income to cover all intermediate and long-term debt payments. A ratio of less than 1.0 indicates that the business had to liquidate inventories, run up open accounts, borrow money, or sell assets to make scheduled payments.

Capital Debt Repayment Capacity
/ Scheduled principle & Interest on Term Loans *

Replacement Margin Coverage Ratio

A Ratio Under 1.0 indicates that you did not generate enough income to cover term debt payments and unfunded capital purchases.

Capital Debt Repayment Capacity
/ (Scheduled principle & Interest on Term Loans *
+ Unfunded Capital Replacement Allowance)

Financial Efficiency

Shows how effectively your business uses assets to generate income. Past performance of the business could well indicate potential future accomplishments. It also answers the questions:

- ⇒ Are you using every available asset to its fullest potential?
- ⇒ What are the effects of production, purchasing, pricing, financing and marketing decisions on gross income?

Asset-Turnover Rate

Measures efficiency in using capital. You could think of it as capital productivity. Generating a high level of production with a low level of capital investment will give a high asset-turnover rate. If, on the other hand, the turnover is low you will want to explore methods to use the capital invested much more efficiently or sell some low-return investments. (It could mean getting rid of that swamp and ledge on the Back 40 an getting something that produces income.)

Value of Farm Production
/ Average Farm Assets

The last four ratios show how Gross Farm Income is used. The sum of the four equal 100% (of Gross Farm Income).

Operating Expense Ratio

Shows the proportion of farm income that is used to pay operating expenses, not including principle or interest.

Total Farm Operating Expenses excluding Interest & Depreciation
/ Gross Farm Income

Depreciation Expense Ratio

Indicates how fast the business wears out capital. It tells what proportion of farm income is needed to maintain the capital used by the business.

Depreciation
/ Gross Farm Income

Interest Expense Ratio

Shows how much of gross income is used to pay for interest on borrowed capital

Farm Interest
/ Gross Farm Income

Net Farm Income Ratio

Compares profit to gross farm income. It shows how much is left after all farm expenses, except for unpaid labor and management, are paid

Net Farm Income
/ Gross Farm Income

* Includes payments on capital leases