

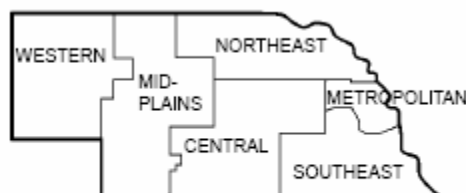
2006 Annual Report

Top Efficient Farms



UNIVERSITY OF
Nebraska
Lincoln

University of Nebraska
Cooperative Extension



Nebraska Community Colleges

In cooperation with Nebraska Farm Business, Inc.
and Nebraskaland Farm & Ranch Management

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Introduction

In 2004, we modified a study of farms in Nebraska that started as an effort to answer if a small farm could really survive in today's economy. We found that not only could a small farm survive, it could also out perform the average's profitability. Knowing that efficiency wasn't only attainable by small operations, we expanded that study to include any size operation that was consistently efficient.

To select these "efficient" farms, we gathered all the operations that attained a Net Farm Income Ratio of greater than 20% for a three year period. The Net Farm Income Ratio shows what percent of gross income is retained as net income or how many cents of each dollar brought in that is kept.

Here are a few observations about the data for these efficient farms:

1. Due to the calculation of the Net Farm Income Ratio, there is not a large representation of livestock operations, especially those in a purchased feeder operation. This does not mean that you can not be efficient if you are a livestock operation, but that we were unable to make equivalent numerical comparisons with those operations.
2. The farms are spread across the state and are consistent with the versatility of all the farms included.
3. Starting in 2005, we added enterprise information to look more closely at just how these farms maintain the efficiency level. This per acre information is much easier to compare "apples to apples"
4. One difference that has been obvious from the beginning is the amount of debt carried by these operations. This difference is another one highlighted by the enterprise analysis.

We hope you find value in this study and can use the information presented to help your operation or ones that you work with. These farms are showing that bigger is not always better and that a very good income can be made from much less work and management.

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Table 1: Top Efficient - Summary Information, 2006

Farm Income		
Gross Cash Farm Income		\$451,035
Inventory Change - Income Items		74,518
Gross Revenue		\$525,553
Cash Farm Operating Expenses		\$307,225
Interest Expense		12,890
Depreciation		40,134
Inventory Change - Expense Items		543
Total Farm Expense		\$360,792
Net Accrual Farm Income		\$164,761

Net Worth Change		
Net Farm Income	(+)	\$164,761
Nonfarm Income	(+)	32,732
Family Living/Owner Withdrawals	(-)	43,347
Income & Social Security Tax	(-)	40,001
Market Value Adjustment	(+)	-\$48,959
Earned Net Worth Change	(=)	\$163,104
Ending Net Worth *		\$1,667,323

*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	3.15	3.63
Working Capital	\$211,193	\$285,884
<u>Solvency (Market)</u>		
Debt to Asset Ratio	17%	19%
Debt to Equity Ratio	21%	24%
<u>Profitability (Market)</u>		
Rate of Return on Assets		14.2%
Rate of Return on Equity		16.6%
Operating Profit Margin		29.0%
<u>Efficiency</u>		
Asset Turnover Rate (Cost)		48.8%
Operating Expense Ratio		58.3%
Depreciation Ratio		7.6%
Interest Expense Ratio		2.7%
Net Farm Income Ratio		31.4%

Term Debt Coverage

Balance Available for Term Debt	147,990
Average Intermediate Debt	52,661
Term Debt Coverage	870%

Table 2A: Gross Cash Farm Income, 2006

	Average Of 19 Farms	Average Of Low 33%	Average Of High 33%
Crop Income			
Corn	147,495	129,237	142,739
Seed Corn	79,510	125,960	82,078
Soybeans	118,587	114,795	117,867
Wheat	6,142	786	11,420
Hay Crops	1,638	0	1,800
Grain Sorghum	0	0	0
White Corn	0	0	0
Sugar Beets	0	0	0
Great Northern Beans	0	0	0
Miscellaneous Crop Income	4,913	0	0
Total Crop Income	\$358,285	\$370,778	\$355,904
Livestock and Product Income			
Beef Finishing	0	0	0
Beef Calves	12,293	20,114	6,541
Background Beef	1,417	0	3,846
Farrow-to-Finish, Hogs	6,330	20,044	0
Finish Feeder Pigs	0	0	0
Dairy, Milk	0	0	0
Cull Breeding Livestock	9,677	6,651	1,024
Contract Livestock Income	0	0	0
Miscellaneous Livestock Income	0	0	0
Total Livestock Income	\$29,717	\$46,809	\$11,411
Other Farm Income			
LDP Payments	1,191	986	609
Direct & CC Gov't Payments	38,587	28,622	46,584
CRP & Other Gov't Payments	3,874	6,814	3,294
Custom Work	3,718	4,662	3,922
Patronage Dividends, Cash	2,021	1,337	1,504
Insurance Income	4,315	3,268	1,943
Cash from Hedging Accounts	2,891	0	2,143
Other Miscellaneous Farm Income	6,436	2,596	12,162
Total Other Farm Income	\$63,033	\$48,285	\$72,161
Gross Cash Farm Income	\$451,035	\$465,872	\$439,476

Table 2B: Gross Cash Farm Expenses, 2006

	Average Of <u>19 Farms</u>	Average Of <u>Low 33%</u>	Average Of <u>High 33%</u>
Crop Expense			
Seed	37,035	29,095	43,170
Fertilizer	26,602	22,692	27,338
Crop Chemicals	22,111	27,502	18,450
Crop Custom Hire	14,269	26,810	10,832
Crop Insurance	7,511	8,122	6,599
Drying Fuel	20,980	16,834	41,879
Irrigation Energy	16,363	17,806	10,213
Irrigation Repairs	5,960	16,549	629
Crop Marketing	14,494	317	11,323
Crop Miscellaneous	2,536	2,405	3,137
Total Crop Expense	\$167,861	\$168,132	\$173,570
Livestock Expense			
Feeder Livestock Purchases	1,641	0	2,919
Purchased Feed	4,375	8,415	1,045
Breeding Fees	720	2,170	0
Veterinary	1,251	3,325	256
Livestock Custom Hire	836	0	0
Livestock Supplies	344	850	204
Livestock Leases	0	0	0
Grazing Fees	1,582	2,262	1,257
Livestock Marketing	245	103	132
Total Livestock Expense	\$10,994	\$17,125	\$5,813
Other Farm Expense			
Interest	12,890	11,812	5,084
Fuel and Oil	22,749	17,204	20,633
Repairs	27,720	20,402	26,957
Custom Hire	2,226	427	4,323
Hired Labor	11,846	16,667	6,511
Land Rent	29,026	48,689	24,704
Machinery and Building Lease	812	1,758	512
Real Estate Taxes	12,510	8,491	16,374
Personal Property Taxes	1,515	1,238	1,581
Farm Insurance	5,363	2,684	5,250
Utilities	4,015	4,610	3,829
Dues and Professional Fees	2,832	3,455	1,866
Hedging Account Deposits	4,134	2,633	1,974
Miscellaneous	3,622	4,431	4,428
Total Other Cash Farm Expense	\$141,260	\$144,501	\$124,026
Total Cash Operating Expense	\$320,115	\$329,758	\$303,409
Summary			
Gross Cash Farm Income (Table 2)	\$451,035	\$465,872	\$439,476
- Total Cash Operating Expense	\$320,115	\$329,758	\$303,409
Net Cash Farm Income	\$130,920	\$136,114	\$136,067

Table 3: Top Efficient - Inventory Changes, 2006

	<u>Average Of 19 Farms</u>	<u>Average Of Low 33%</u>	<u>Average Of High 33%</u>
Net Cash Farm Income	\$130,920	\$136,114	\$136,067
Crops and Feed			
Ending Inventory	290,516	217,421	354,295
Beginning Inventory	223,592	189,531	249,064
Inventory Change	66,924	27,890	105,231
Market Livestock			
Ending Inventory	12,698	17,672	8,307
Beginning Inventory	12,920	23,655	7,903
Inventory Change	-222	-5,983	404
Accounts Receivable & Other Current Assets			
Ending Inventory	17,174	17,019	23,772
Beginning Inventory	9,358	10,628	11,152
Inventory Change	7,816	6,391	12,620
Prepaid Expenses and Supplies			
Ending Inventory	18,413	14,116	25,403
Beginning Inventory	17,609	19,424	17,684
Inventory Change	804	-5,308	7,719
Accounts Payable			
Beginning Inventory	27,952	35,223	34,129
Ending Inventory	29,299	54,380	19,114
Inventory Change	-1,347	-19,157	15,015
Total Inventory Change	\$73,975	\$3,833	\$140,989
Net Accrual Operating Income	\$204,895	\$139,947	\$277,056

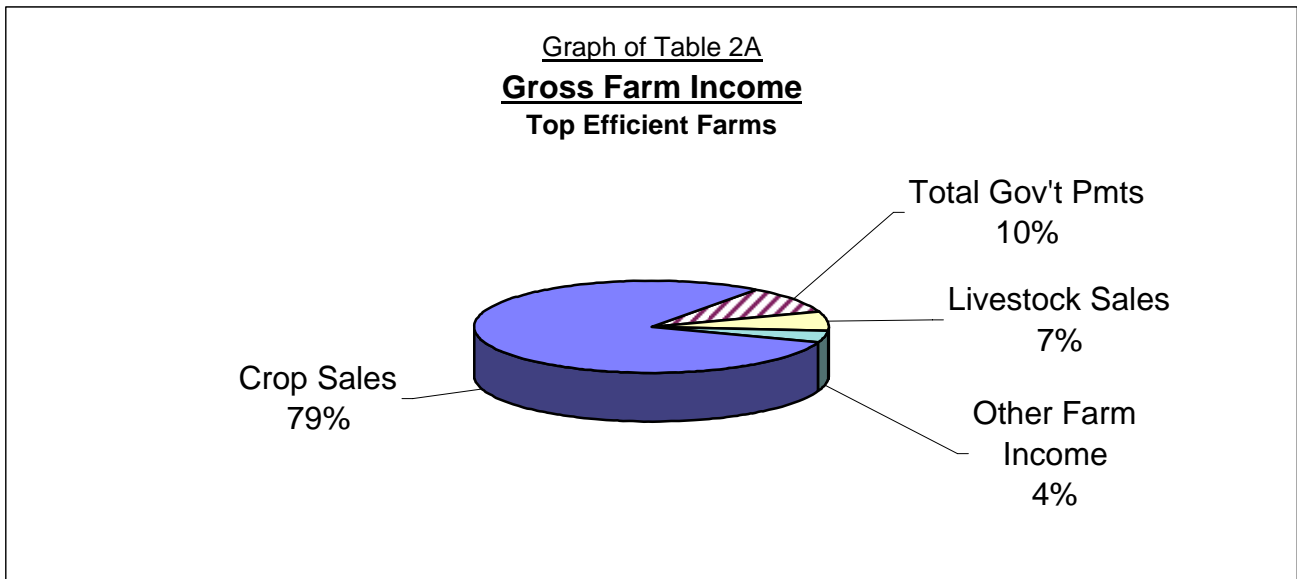


Table 4: Top Efficient - Depreciation and Other Capital Adjustments, 2006

	Average Of 19 Farms	Average Of Low 33%	Average Of High 33%
Net Accrual Operating Income	\$204,895	\$139,947	\$277,056
Breeding Livestock			
Ending Inventory	8,326	22,135	247
Capital Sales	2,320	7,347	0
Beginning Inventory	9,220	26,652	0
Capital Purchases	6,092	14,715	911
Depreciation & Capital Adjustments	-4,666	-11,885	-664
Machinery and Equipment			
Ending Inventory	114,223	110,167	89,091
Capital Sales	1,161	0	2,571
Beginning Inventory	111,690	110,165	88,037
Capital Purchases	36,949	33,327	35,898
Depreciation & Capital Adjustments	-33,255	-33,325	-32,273
Buildings and Improvements			
Ending Inventory	32,236	28,384	34,351
Capital Sales	0	0	0
Beginning Inventory	32,948	31,183	36,784
Capital Purchases	2,663	0	1,086
Depreciation & Capital Adjustments	-3,375	-2,799	-3,519
Other Capital Assets			
Ending Inventory	27,227	11,506	30,309
Capital Sales	9,421	18,167	10,000
Beginning Inventory	24,998	12,943	25,404
Capital Purchases	10,488	20,826	10,473
Depreciation & Capital Adjustments	1,162	-4,096	4,432
Total Depreciation & Capital Adjustments	-\$40,134	-\$52,105	-\$32,024
Net Farm Income	\$164,761	\$87,842	\$245,032

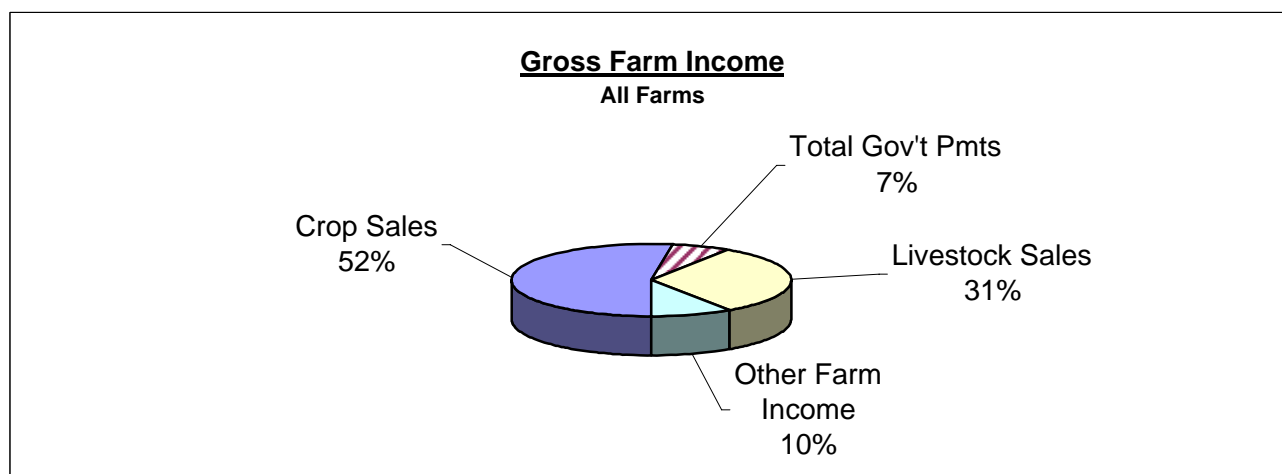


Table 5: Top Efficient - Profitability Analysis At Cost Value, 2006

	Average Of 19 Farms	Average Of Low 33 %	Average Of High 33%
Profitability (Valued at Cost)			
Net Farm Income	\$164,761	\$87,842	\$245,032
Labor and Mgt. Earnings	\$116,090	\$51,685	\$180,429
Rate of Return on Assets	14.2%	8.6%	18.3%
Rate of Return on Equity	16.6%	10.3%	19.7%
Operating Profit Margin	29.0%	15.6%	39.4%
Asset Turnover Rate	48.8%	55.0%	46.5%
Interest on Farm Net Worth	\$48,673	\$36,158	\$64,603
Farm Interest Expense	\$14,362	\$12,192	\$5,341
Operator Labor & Mgt.	\$29,789	\$26,000	\$32,571
Return on Farm Assets	\$149,337	\$74,034	\$217,802
Average Farm Assets	\$1,054,119	\$861,268	\$1,188,736
Return on Farm Equity	\$134,974	\$61,843	\$212,460
Average Farm Equity	\$811,221	\$602,626	\$1,076,710
Value of Farm Production	\$514,872	\$473,868	\$553,104

Table 6: Top Efficient - Profitability Analysis At Market Value, 2006

	Average Of 19 Farms	Average Of Low 33 %	Average Of High 33 %
Profitability (Valued at Market)			
Net Farm Income	\$169,986	\$99,643	\$250,065
Labor and Mgt. Earnings	\$104,027	\$52,560	\$160,403
Rate of Return on Assets	11.5%	8.2%	13.9%
Rate of Return on Equity	12.8%	9.4%	14.6%
Operating Profit Margin	30.0%	18.1%	40.3%
Asset Turnover Rate	38.4%	45.4%	34.4%
Interest on Farm Net Worth	\$65,959	\$47,083	\$89,662
Farm Interest Expense	\$14,362	\$12,192	\$5,341
Operator Labor & Mgt.	\$29,789	\$26,000	\$32,571
Return on Farm Assets	\$154,559	\$85,835	\$222,835
Average Farm Assets	\$1,342,211	\$1,043,357	\$1,606,394
Return on Farm Equity	\$140,197	\$73,643	\$217,493
Average Farm Equity	\$1,099,314	\$784,715	\$1,494,368
Value of Farm Production	\$514,872	\$473,868	\$553,104

Table 7: Top Efficient - Liquidity Analysis, 2006

		Average of 19 Farms	Average Of Low 33%	Average Of High 33%
Liquidity (Cash)				
Net Cash Farm Income	(+)	130,920	136,114	136,067
Net Non-Farm Income	(+)	32,732	27,863	51,866
Family Living and Taxes	(-)	83,349	108,867	80,634
Real Estate Principal Payments	(-)	6,291	5,560	1,549
Cash Available for Interm. Debt	(=)	74,012	49,550	105,750
Average Intermediate Debt		\$52,661	\$39,172	\$42,078
Years to Turnover Interm. Debt		0.7	0.8	0.4
Expense as a % of Income		71%	71%	69%
Interest as a % of Income		3%	3%	1%
Working Capital to Gross Income		63%	43%	97%

Liquidity (Accrual)

Total Accrual Farm Income	(+)	525,555	494,168	557,732
Total Accrual Farm Expense	(-)	320,657	354,220	280,676
Net Accrual Operating Income	(=)	204,898	139,948	277,056
Net Non-Farm Income	(+)	32,732	27,863	51,866
Family Living and Taxes	(-)	83,349	108,867	80,634
Real Estate Principle Payments	(-)	6,291	5,560	1,549
Cash & Inventory for Interm. Debt	(=)	\$147,990	\$53,384	\$246,739
Average Intermediate Debt		\$52,661	\$39,172	\$42,078
Years to Turnover Interm. Debt		0.4	0.7	0.2
Expense as a % of Income		61%	72%	50%
Interest as a % of Income		3%	2%	1%
Working Capital to Gross Income		54%	40%	77%

** Income insufficient to meet debt servicing requirements.

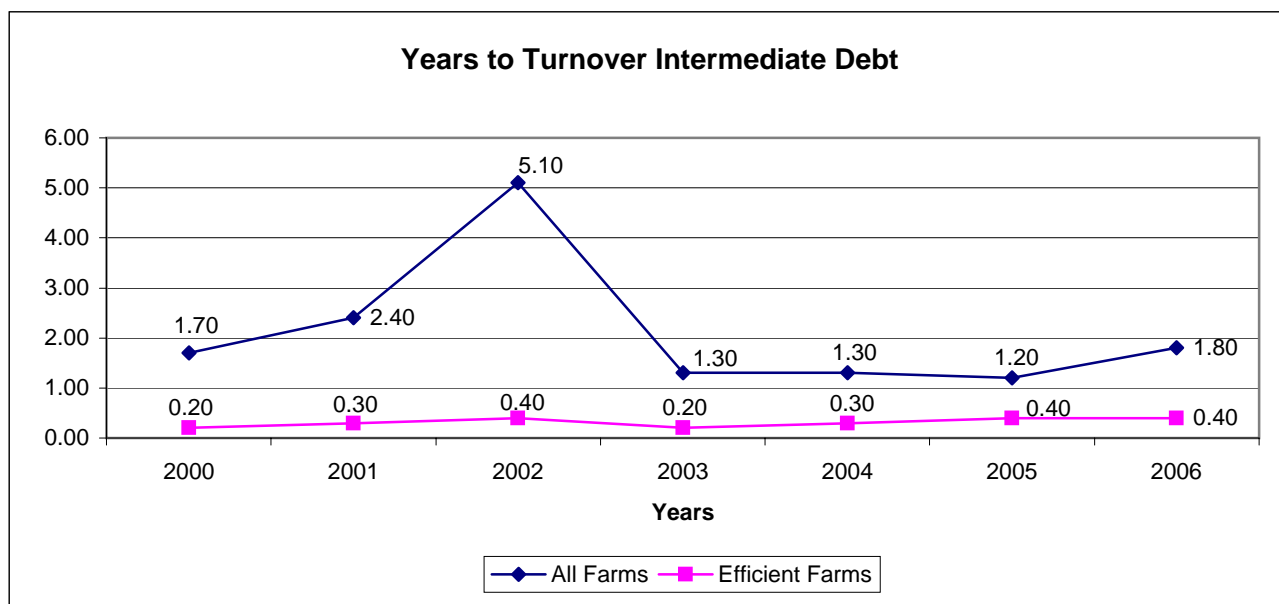


Table 8A: Balance Sheet - Assets at Cost Value, 2006

	Average Of 19 Farms		Average of Low 33%		Average of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Assets						
Cash and Checking Accounts	42,027	48,607	584	17,912	92,095	85,324
Prepaid Expenses & Supplies	17,609	18,413	19,424	14,116	17,684	25,403
Growing Crops	484	527	0	0	717	1,113
Accounts Receivable	5,555	10,482	5,014	6,825	8,919	21,686
Hedging Accounts	2,734	5,674	4,947	9,527	781	374
Crops Held for Sale or Feed	220,511	285,542	189,531	216,286	244,859	350,091
Crops Under Government Loan	6,800	12,244	0	9,657	8,409	6,223
Market Livestock Held for Sale	12,920	12,698	23,655	17,672	7,903	8,307
Other Current Assets	584	491	667	667	736	600
Total Current Farm Assets	\$309,224	\$394,678	\$243,822	\$292,662	\$382,103	\$499,121
Intermediate Farm Assets						
Breeding Livestock	9,220	8,326	26,652	22,135	0	247
Machinery and Equipment	111,690	114,223	110,165	110,167	88,037	89,091
Other Intermediate Assets	24,504	26,733	12,943	11,506	25,404	30,309
Total Intermediate Farm Assets	\$145,414	\$149,282	\$149,760	\$143,808	\$113,441	\$119,647
Long Term Farm Assets						
Farm Land	494,660	562,896	400,339	441,102	572,378	634,278
Buildings and Improvements	32,948	32,236	31,183	28,384	36,784	34,351
Other Long Term Assets	493	493	0	0	0	0
Total Long Term Farm Assets	\$528,101	\$595,625	\$431,522	\$469,486	\$609,162	\$668,629
Total Farm Assets	\$982,739	\$1,139,585	\$825,104	\$905,956	\$1,104,706	\$1,287,397
Non-farm Assets	452,512	501,025	425,131	502,047	596,378	650,608
Total Farm & Non-farm Assets	\$1,435,251	\$1,640,610	\$1,250,235	\$1,408,003	\$1,701,084	\$1,938,005



Table 8B: Balance Sheet - Liabilities at Cost Value, 2006

	Average Of 19 Farms		Average Of Low 33%		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	5,394	6,915	1,940	2,424	2,608	2,865
Accounts Payable	22,533	22,410	33,231	52,009	31,521	16,249
Current Notes	47,868	50,739	17,021	15,146	20,689	38,964
Government Crop Loans	6,282	9,912	0	8,417	8,409	6,223
Principal Due on Term Debt	15,954	18,817	12,926	15,574	6,200	6,469
Total Current Farm Liabilities	\$98,031	\$108,793	\$65,118	\$93,570	\$69,427	\$70,770
Intermediate Farm Liabilities	\$36,971	\$45,487	\$29,094	\$32,887	\$39,892	\$34,677
Long Term Farm Liabilities	\$86,144	\$124,456	\$132,902	\$172,236	\$12,736	\$11,182
Total Farm Liabilities	\$221,146	\$278,736	\$227,114	\$298,693	\$122,055	\$116,629
Non-Farm Liabilities	17,936	14,452	0	0	17,764	16,482
Total Deferred Liabilities	N/A	N/A	N/A	N/A	N/A	N/A
Total Farm & Non-Farm Liabilities	\$239,082	\$293,188	\$227,114	\$298,693	\$139,819	\$133,111
Net Worth (Farm and Non-Farm)	\$1,196,169	\$1,347,422	\$1,023,121	\$1,109,310	\$1,561,265	\$1,804,894
Net Worth Change (Cost Value)	\$151,253		\$86,189		\$243,629	

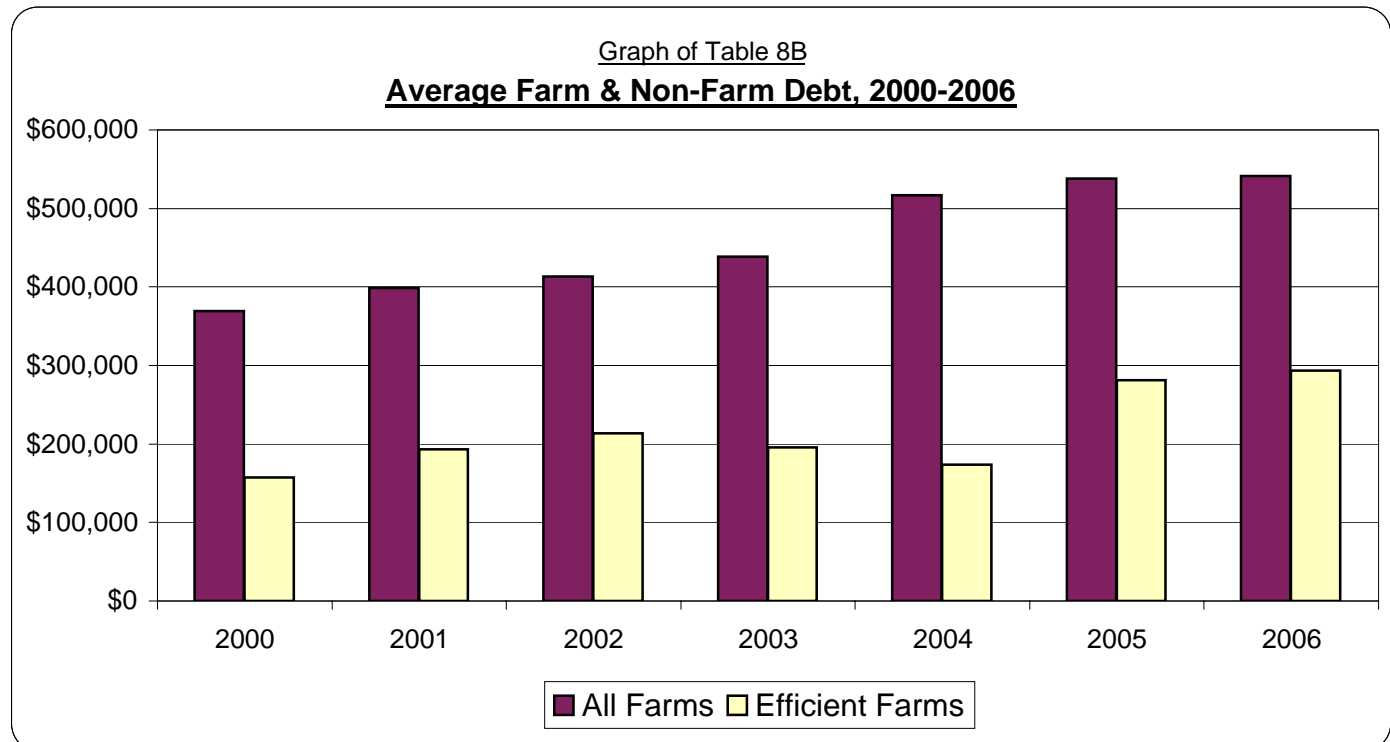


Table 9A: Balance Sheet - Assets at Market Value, 2006

	Average Of 19 Farms		Average Of Low 33%		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Assets						
Cash and Checking Balance	42,027	48,607	584	17,912	92,095	85,324
Prepaid Expenses & Supplies	17,609	18,413	19,424	14,116	17,684	25,403
Growing Crops	484	527	0	0	717	1,113
Accounts Receivable	5,555	10,482	5,014	6,825	8,919	21,686
Hedging Accounts	2,734	5,674	4,947	9,527	781	374
Crops Held for Sale or Feed	220,511	285,542	189,531	216,286	244,859	350,091
Crops Under Government Loan	6,800	12,244	0	9,657	8,409	6,223
Market Livestock Held for Sale	12,920	12,698	23,655	17,672	7,903	8,307
Other Current Assets	584	491	667	667	736	600
Total Current Farm Assets	\$309,224	\$394,678	\$243,822	\$292,662	\$382,103	\$499,121
Intermediate Farm Assets						
Breeding Livestock	20,319	17,658	32,630	32,139	6,286	6,586
Machinery and Equipment	250,452	255,941	216,313	223,587	240,806	246,917
Other Intermediate Assets	24,504	26,739	12,942	11,506	25,404	30,326
Total Intermediate Farm Assets	\$295,275	\$300,338	\$261,885	\$267,232	\$272,496	\$283,829
Long Term Farm Assets						
Farm Land	595,476	667,744	429,794	470,557	787,146	849,274
Buildings and Improvements	67,752	67,036	65,792	63,494	78,103	75,349
Other Long Term Assets	493	493	0	0	0	0
Total Long Term Farm Assets	\$663,721	\$735,273	\$495,586	\$534,051	\$865,249	\$924,623
Total Farm Assets	\$1,268,220	\$1,430,289	\$1,001,293	\$1,093,945	\$1,519,848	\$1,707,573
Non-farm Assets	475,081	530,222	434,481	538,042	634,787	688,115
Total Farm & Non-farm Assets	\$1,743,301	\$1,960,511	\$1,435,774	\$1,631,987	\$2,154,635	\$2,395,688



Table 9B: Balance Sheet - Liabilities at Market Value, 2006

	Average Of 19 Farms		Average Of Low 33%		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	5,394	6,915	1,940	2,424	2,608	2,865
Accounts Payable	22,533	22,410	33,231	52,009	31,521	16,249
Current Notes	47,868	50,739	17,021	15,146	20,689	38,964
Government Crop Loans	6,282	9,912	0	8,417	8,409	6,223
Principal Due on Term Debt	15,954	18,817	12,926	15,574	6,200	6,469
Total Current Farm Liabilities	\$98,031	\$108,793	\$65,118	\$93,570	\$69,427	\$70,770
Intermediate Farm Liabilities	\$36,971	\$45,487	\$29,094	\$32,887	\$39,892	\$34,677
Long Term Farm Liabilities	\$86,144	\$124,456	\$132,902	\$172,236	\$12,736	\$11,182
Total Farm Liabilities	\$221,146	\$278,736	\$227,114	\$298,693	\$122,055	\$116,629
Non-farm Liabilities	17,936	14,452	0	0	17,764	16,482
Total Deferred Liabilities	N/A	N/A	N/A	N/A	N/A	N/A
Total Farm & Non-farm Liabilities	239,082	293,188	227,114	298,693	139,819	133,111
Net Worth (Farm and Non-farm)	\$1,504,219	\$1,667,323	\$1,208,660	\$1,333,294	\$2,014,816	\$2,262,577
Net Worth Change (Market Value)		\$163,104		\$124,634		\$247,761

**Graph of Table 9B
Net Worth Trend - Top Efficiency Farms
(At Market Value)**

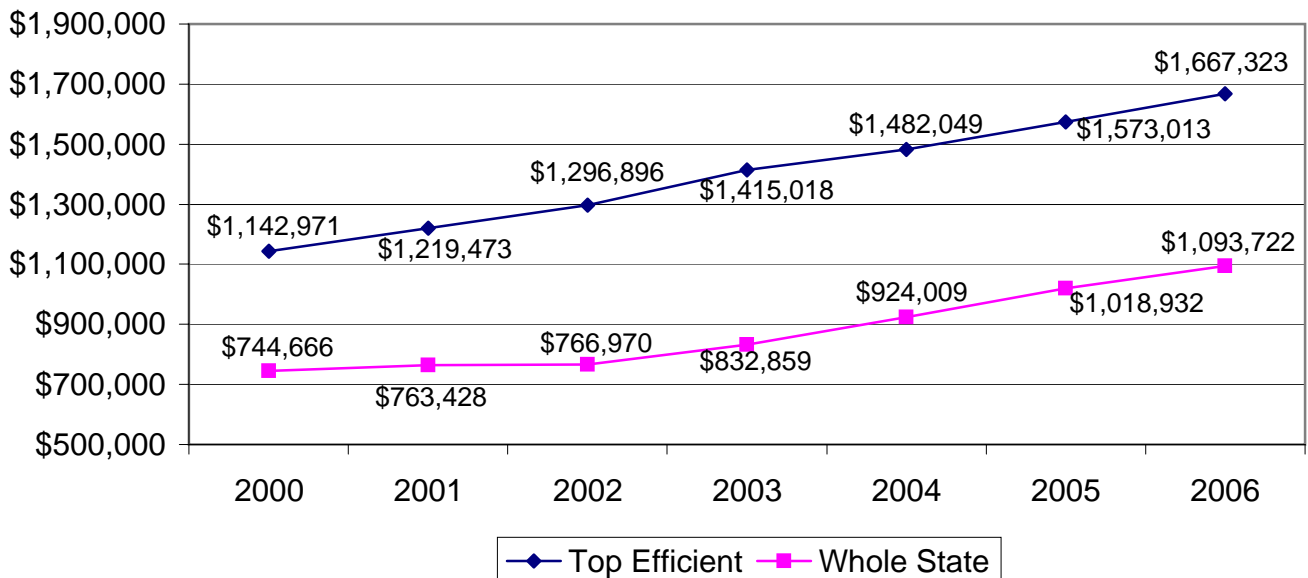


Table 10: Statement of Cash Flows, 2006

		Average Of 19 Farms	Average Of Low 33%	Average Of High 33%
(A) Beginning Cash Balance (Farm & Non-Farm)		\$115,742	\$121,470	\$169,026
Cash From Operating Activities				
Gross Cash Farm Income	(+)	451,035	465,872	439,476
Net Non-Farm Income	(+)	32,732	27,863	51,866
Total Cash Farm Expense	(-)	320,115	329,758	303,409
Apparent Family Living Expense	(-)	43,347	37,072	47,855
Income and Social Security Tax	(-)	40,001	71,795	32,779
(B) Net Cash From Operating Activities	(=)	\$80,304	\$55,110	\$107,299
Cash From Investing Activities				
Sale of Breeding Livestock	(+)	2,320	7,347	0
Sale of Machinery & Equipment	(+)	1,161	0	2,571
Sale of Farm Land	(+)	0	0	0
Sale of Farm Buildings	(+)	0	0	0
Sale of Other Farm Assets	(+)	9,421	18,167	10,000
Sale of Non-Farm Assets	(+)	53,582	61,299	63,885
Purchase of Breeding Livestock	(-)	6,092	14,715	911
Purchase of Machinery & Equip.	(-)	36,949	33,327	35,898
Purchase of Titled Vehicles	(-)	0	0	0
Purchase of Farm Land	(-)	68,236	40,763	61,900
Purchase of Farm Buildings	(-)	2,663	0	1,086
Purchase of Other Farm Assets	(-)	10,488	20,826	10,473
Purchase of Non-Farm Assets	(-)	57,242	60,779	74,232
(C) Net Cash From Investing Activities	(=)	-\$115,186	-\$83,597	-\$108,044
Cash From Financing Activities				
Money Borrowed	(+)	176,805	113,919	74,529
Cash Gifts and Inheritances	(+)	135	428	0
Principal Payments	(-)	127,477	70,017	64,021
Dividends Paid	(-)	0	0	0
Gifts Given	(-)	0	0	0
(D) Net Cash From Financing Activities	(=)	\$49,463	\$44,330	\$10,508
(E) Net Change in Cash Balance (B+C+D)		\$14,581	\$15,843	\$9,763
(F) Ending Cash Balance (Farm & Non-Farm) (A-E)		\$130,323	\$137,313	\$178,789



Table 11: Financial Guidelines, 2006

	Average of 19 Farms	Average of Low 33%	Average of High 33%	Guideline or Range		
				Green	Yellow	Red
<u>Liquidity</u>						
1) Current Ratio	3.63	3.13	7.05	> 1.5	1.0-1.5	< 1.0
2) Working Capital	\$285,884	\$199,091	\$428,350	-	Positive	-
<u>Solvency</u>						
3) Debt to Asset Ratio (Market)	19%	27%	7%	< .30	.30-.60	> .60
4) Equity to Asset Ratio (Market)	81%	73%	93%	> .70	.40-.70	<.40
5) Debt to Equity Ratio (Market)	24%	38%	7%	< .50	.50-1.50	> 1.5
<u>Profitability</u>						
6) Rate of Return on Assets (Cost)	14.2%	8.6%	18.3%	> 6%	3-6%	< 3%
7) Rate of Return on Equity (Cost)	16.6%	10.3%	19.7%	> 6%	3-6%	< 3%
8) Operating Profit Margin (Cost)	29.0%	15.6%	39.4%	>15%	5-15%	< 5%
9) Net Farm Income (Cost)	\$164,761	\$87,842	\$245,032	>\$45,000	-	-
<u>Efficiency</u>						
10) Asset Turnover Rate (Cost)	48.8%	55.0%	46.5%	>25%	15-25%	<15%
11) Operating Expense Ratio	58.3%	69.2%	49.4%	< 55%	55-70%	>70%
12) Depreciation Expense Ratio	7.6%	10.5%	5.7%	< 10%	10-15%	>15%
13) Interest Expense Ratio	2.7%	2.5%	1.0%	< 10%	10-15%	>15%
14) Net Farm Income Ratio	31.4%	17.8%	43.9%	>20%	10-20%	< 10%

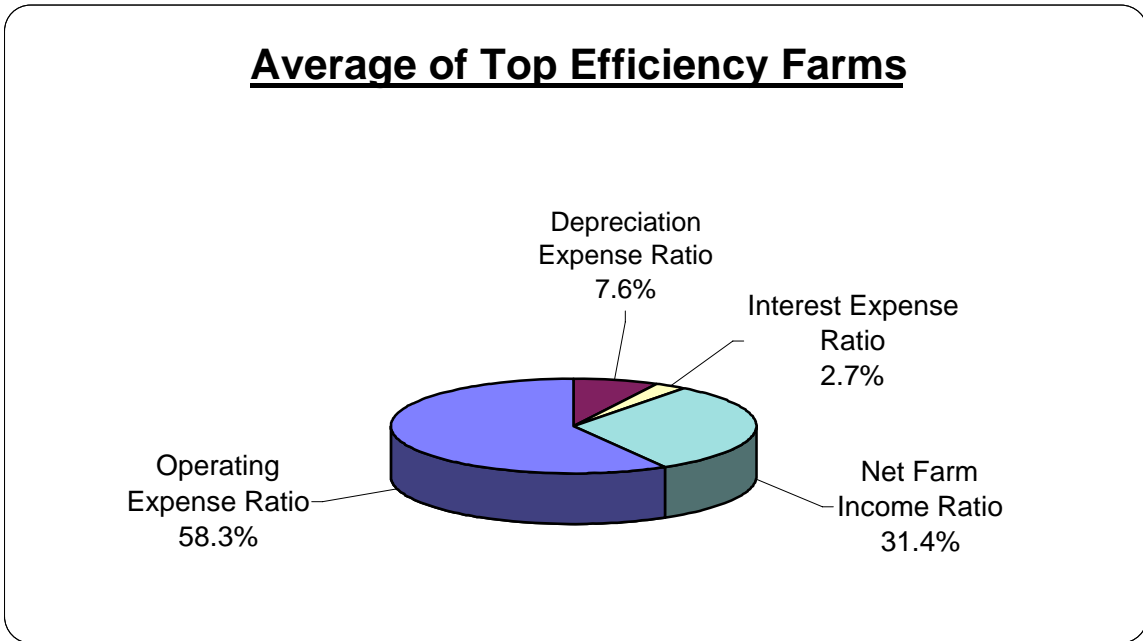


Table 12: Top Efficient - Crop Production, Marketing & Labor Summary, 2006

	Average Of 19 Farms	Average Of Low 33%	Average Of High 33%
Acreage Summary			
Acres Owned	496	541	488
Crop Acres	1,128	989	1,161
Crop Acres Owned	310	261	320
Crop Acres Cash Rented	278	377	319
Crop Acres Share Rented	541	352	521
Pasture Acres	0	0	0
% Crop Acres Owned	27.48%	26.39%	27.56%
Average Price Received in Dollars (Cash Sales Only)			
Corn per bu.	\$2.19	\$2.27	\$2.13
Corn, Seed per bu.	N/A	N/A	N/A
Soybeans per bu.	\$5.52	\$5.68	\$5.51
Wheat, Winter per bu.	\$4.45	N/A	N/A
Average Yield Per Acre			
Corn, Dryland (bu.)	122.84	133.74	134.13
Corn, Irrigated (bu.)	191.11	N/A	N/A
Corn, Seed, Irrigated (bu.)	N/A	N/A	N/A
Soybeans, Dryland (bu.)	49.66	50.52	53.68
Soybeans, Irrigated (bu.)	61.52	N/A	N/A
Wheat, Dryland (bu.)	60.03	N/A	60.73
Labor Analysis			
Total Unpaid Labor Hours	2,300	2,080	2,380
Total Hired Labor Hours	596	1,008	249
Total Labor Hours per Farm	2,896	3,088	2,629
Value of Farm Production / Hour	\$177.82	\$153.48	\$210.42
Net Farm Income / Unpaid Hour*	\$71.64	\$42.23	\$102.95

* Based on 2080 Hrs. Annually Per Full Time Operator

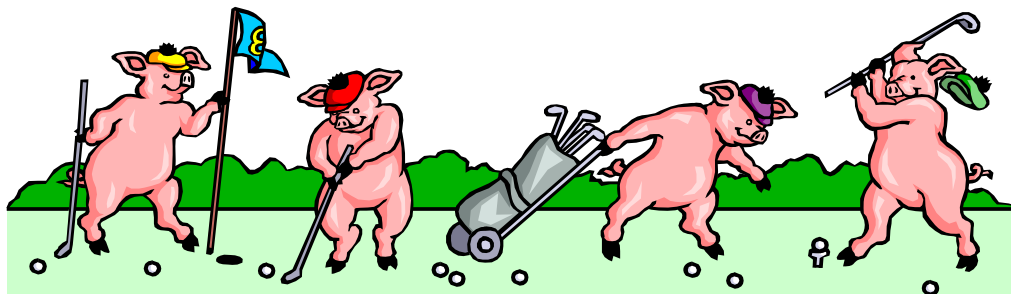


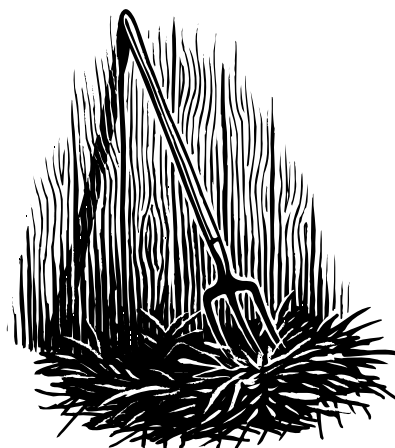
Table 13: Top Efficient - Operator Information and Non-Farm Summary, 2006

	Average Of 19 Farms	Average Of Low 33%	Average Of High 33%
Operator Information			
Average Number of Operators	1.1	1.1	1.0
Average Age of Operators	50.6	41.7	51.1
Average Number of Years Farming	29.1	20.7	28.3
Non-Farm Income			
Non-Farm Wages & Salary	12,058	9,594	17,235
Non-Farm Business Income	77	-60	328
Non-Farm Rental Income	3,807	2,700	7,064
Non-Farm Interest Income	5,276	1,835	10,543
Non-Farm Cash Dividends	1,993	2,248	3,338
Tax Refunds	283	857	32
Non-taxable Non-Farm Income	0	0	0
Other Non-Farm Income	9,240	10,689	13,325
Gifts and Inheritances	135	428	0
Total Non-Farm Income	\$32,869	\$28,291	\$51,865
Non-Farm Assets (Market Value)			
Checking & Savings	81,718	119,403	93,465
Stocks & Bonds	127,878	212,580	78,662
Other Current Assets	119,859	107,587	220,925
Furniture & Appliances	1,124	0	3,050
Non-Farm Vehicles	9,693	7,683	12,111
Cash Value of Life Ins.	4,300	0	8,518
Retirement Accounts	77,462	61,635	108,451
Other Interm. Assets	26,173	0	57,710
Non-Farm Real Estate	75,690	29,153	88,056
Other Long Term Assets	6,325	0	17,167
Total Non-Farm Assets	\$530,222	\$538,041	\$688,115
Non-Farm Liabilities			
Accrued Interest	316	0	256
Accounts Payable	0	0	0
Current Notes	0	0	0
Princ Due on Term Debt	1,122	0	1,302
Total Current Liabilities	1,438	0	1,558
Intermediate Liabilities	3,673	0	0
Long Term Liabilities	9,341	0	14,925
Total Non-Farm Liabilities	\$14,452	\$0	\$16,483
Non-Farm Net Worth	\$515,770	\$538,041	\$671,632
Non-Farm Debt to Asset Ratio	3%	0%	2%

Crop Enterprise Reports

The following pages contain detailed crop enterprise data. In each report, the first column is an average of the efficient farms for which we have enterprise data, the second is the average of all the farms across the state that we work with, and the third column is the percentage difference between the efficient and all farms. These percentages will not equal the total as the percentage is calculated separately for each expense line. We have included all the enterprises that at least five of the efficient farms participated in and these may vary from year-to-year. This is done both to maintain accuracy as well as the confidentiality of the participants.

As in the Annual Report, individual crop data that is reported on the following tables provides separate detail for “Owned Land,” “Cash Rented Land” and “Crop Share Land.” There are also several “All Tenure Types” averages. These averages combine all the “Owned Land,” “Cash Rented Land” and “Crop Share Land” into one report. Note that an opportunity charge for owner’s equity is not shown here. This is important to keep that in mind when comparing returns for owned vs. rented land. Also, “Share Rented Land” includes many different share rent agreements and reports only the operator’s share of cost and returns, divided by total acres. Therefore, Total Costs and Returns per Crop Share Acre will appear low when compared to Owned or Cash Rented Land.



“Value per Unit” represents the average marketing price received or contracted for. “Direct Expenses” are out of pocket costs allocated by the producer from inventories and/or purchases. “Allocated Expenses” are expenses allocated by the computer using the same formula for each producer.

Table 14: Irrigated Corn on All Tenure Types, 2006 *

	Average of Efficient Farms	Average Of All Farms	Difference
Number of Fields	35	151	
Number of Farms	10	46	
Acres	117.41	117.31	
Bushel Yield per Acre	191.11	193.27	-2.16
Operator's Share of the Yield %	72.02%	82.00%	-10%
Value per Bushel at Harvest	\$2.80	\$2.92	-\$0.12
Total Product Return	\$385.38	\$462.77	-\$77.38
Miscellaneous Income	0.08	1.63	-1.55
Gross Return	\$385.46	\$464.40	-\$78.93
Direct Expenses			
Seed	33.31	43.71	-10.40
Fertilizer	43.22	53.75	-10.53
Crop Chemicals	17.33	24.60	-7.27
Crop Insurance	7.45	10.26	-2.81
Drying Fuel	0.94	1.17	-0.23
Irrigation Energy	27.47	27.66	-0.19
Irrigation Repairs	2.83	5.28	-2.45
Operating Power & Crop Machinery	49.95	54.23	-4.28
Building Repairs	0.47	1.15	-0.68
Hired Labor	13.71	10.84	2.87
Utilities	2.91	3.67	-0.76
Miscellaneous	8.27	11.25	-2.98
Land Rent	27.29	40.81	-13.52
Operating Interest	9.37	10.87	-1.50
Total Direct Expenses	\$244.52	\$299.25	-\$54.73
Return Over Direct Expenses	\$140.94	\$165.15	-\$24.20
Allocated Expenses			
Machinery & Building Depreciation	33.12	38.03	-4.91
Real Estate & Personal Property Taxes	5.51	8.68	-3.17
Farm Insurance	5.18	5.34	-0.16
Interest	10.74	13.76	-3.02
Total Allocated Expenses	\$54.55	\$65.81	-\$11.26
Total Listed Expenses	\$299.07	\$365.06	-\$65.99
Net Return	\$86.39	\$99.34	-\$12.94
Supplementary Management Information			
Total Direct Expense Per Bushel	1.78	1.89	-0.11
Total Listed Expense Per Bushel	2.17	2.30	-0.13
Net Return Per Bushel	\$0.63	\$0.62	\$0.01
Government Payments	28.72	34.21	-5.49
Labor & Management Charge Per Acre	24.12	25.31	-1.19
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$90.99	\$108.24	-\$17.24
Machinery Cost per Acre	\$86.17	\$94.80	-\$8.63
Estimated Labor Hours Per Acre	2.57	2.41	0.16

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

Table 15: Irrigated Corn on Owned Land, 2006

	<u>Average of Efficient Farms</u>	<u>Average Of All Farms</u>	<u>Difference</u>
Number of Fields	10	36	
Number of Farms	6	27	
Acres	62.21	112.37	
Bushel Yield per Acre	182.81	191.85	-9.04
Operator's Share of the Yield %	100.00%	100.00%	0.00
Value per Bushel at Harvest	\$2.80	\$2.97	-\$0.17
Total Product Return	\$511.87	\$569.79	-\$57.93
Miscellaneous Income	0.33	3.67	-3.34
Gross Return	\$512.20	\$573.46	-\$61.27
Direct Expenses			
Seed	38.60	46.03	-7.43
Fertilizer	63.93	68.88	-4.95
Crop Chemicals	18.56	27.04	-8.48
Crop Insurance	8.56	12.50	-3.94
Drying Fuel	0.66	1.37	-0.71
Irrigation Energy	21.35	33.33	-11.98
Irrigation Repairs	1.18	6.09	-4.91
Operating Power & Crop Machinery	47.13	53.69	-6.56
Building Repairs	1.47	2.31	-0.84
Hired Labor	14.70	10.93	3.77
Utilities	3.50	5.35	-1.85
Miscellaneous	9.08	12.73	-3.65
Land Rent	0.00	0.00	0.00
Operating Interest	5.22	12.87	-7.65
Total Direct Expenses	\$233.94	\$293.12	-\$59.18
Return Over Direct Expenses	\$278.26	\$280.34	-\$2.09
Allocated Expenses			
Machinery & Building Depreciation	35.30	37.84	(2.54)
Real Estate & Personal Property Taxes	30.92	33.35	(2.43)
Farm Insurance	4.45	7.17	(2.72)
Interest	43.48	36.63	6.85
Total Allocated Expenses	\$114.15	\$114.99	-\$0.84
Total Listed Expenses	\$348.09	\$408.11	-\$60.02
Net Return	\$164.11	\$165.35	-\$1.25
Supplementary Management Information			
Total Direct Expense Per Bushel	1.28	1.53	-0.25
Total Listed Expense Per Bushel	1.90	2.13	-0.22
Net Return Per Bushel	\$0.90	\$0.84	\$0.05
Government Payments	36.80	42.18	-5.38
Labor & Management Charge Per Acre	26.88	29.21	-2.33
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$174.03	\$178.32	-\$4.30
Machinery Cost per Acre	\$82.45	\$90.98	-\$8.53
Estimated Labor Hours Per Acre	2.38	2.62	-0.24

Table 16: Irrigated Corn on Cash Rented Land, 2006

	Average of Efficient Farms	Average Of All Farms	Difference
Number of Fields	5	51	
Number of Farms	5	24	
Acres	190.59	127.07	63.52
Bushel Yield per Acre	186.10	193.98	-7.88
Operator's Share of the Yield %	100.00%	100.00%	0.00
Value per Bushel at Harvest	\$2.70	\$2.92	-\$0.22
Total Product Return	\$502.47	\$566.42	-\$63.95
Miscellaneous Income	0.00	3.32	-3.32
Gross Return	\$502.47	\$569.74	-\$67.27
Direct Expenses			
Seed	43.32	53.20	-9.88
Fertilizer	57.27	61.07	-3.80
Crop Chemicals	22.21	31.65	-9.44
Crop Insurance	12.73	13.19	-0.46
Drying Fuel	0.57	1.18	-0.61
Irrigation Energy	24.53	27.65	-3.12
Irrigation Repairs	6.42	6.89	-0.47
Operating Power & Crop Machinery	47.15	57.10	-9.95
Building Repairs	0.00	1.13	-1.13
Hired Labor	18.88	11.58	7.30
Utilities	2.15	2.76	-0.61
Miscellaneous	9.54	13.08	-3.54
Land Rent	117.67	111.56	6.11
Operating Interest	4.97	9.18	-4.21
Total Direct Expenses	\$367.41	\$401.22	-\$33.81
Return Over Direct Expenses	\$135.06	\$168.52	-\$33.46
Allocated Expenses			
Machinery & Building Depreciation	38.78	41.64	-2.86
Real Estate & Personal Property Taxes	1.25	1.45	-0.20
Farm Insurance	4.28	4.28	0.00
Interest	4.94	7.53	-2.59
Total Allocated Expenses	\$49.25	\$54.90	-\$5.65
Total Listed Expenses	\$416.66	\$456.12	-\$39.46
Net Return	\$85.81	\$113.62	-\$27.81
Supplementary Management Information			
Total Direct Expense Per Bushel	1.97	2.07	-0.09
Total Listed Expense Per Bushel	2.24	2.35	-0.11
Net Return Per Bushel	\$0.46	\$0.57	-\$0.11
Government Payments	\$41.49	\$40.98	\$0.51
Labor & Management Charge Per Acre	23.14	23.60	-0.46
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$104.16	\$131.00	-\$26.84
Machinery Cost Per Acre	\$90.19	\$102.17	-\$11.98
Estimated Labor Hours Per Acre	2.95	2.23	0.72

Table 17: Irrigated Corn on Share Rented Land, 2006

	<u>Average of Efficient Farms</u>	<u>Average Of All Farms</u>	<u>Difference</u>
Number of Fields	20	64	
Number of Farms	9	33	
Acres	126.72	112.31	14.41
Bushel Yield per Acre	195.04	193.42	1.62
Operator's Share of the Yield %	55.55%	55.67%	0.00
Value per Bushel at Harvest	\$2.87	\$2.88	-\$0.01
Total Product Return	\$310.95	\$310.11	\$0.84
Miscellaneous Income	0.04	-1.03	1.07
Gross Return	\$310.99	\$309.08	\$1.91
Direct Expenses			
Seed	28.24	33.84	-5.60
Fertilizer	32.86	38.65	-5.79
Crop Chemicals	15.19	16.87	-1.68
Crop Insurance	5.19	6.37	-1.18
Drying Fuel	1.15	1.06	0.09
Irrigation Energy	30.07	24.49	5.58
Irrigation Repairs	1.88	3.37	-1.49
Operating Power & Crop Machinery	52.04	51.76	0.28
Building Repairs	0.35	0.51	-0.16
Hired Labor	11.52	10.11	1.41
Utilities	2.94	3.54	-0.60
Miscellaneous	7.40	8.99	-1.59
Land Rent	0.00	0.00	0.00
Operating Interest	12.04	11.26	0.78
Total Direct Expenses	\$200.87	\$210.82	-\$9.95
Return Over Direct Expenses	\$110.12	\$98.26	\$11.86
Allocated Expenses			
Machinery & Building Depreciation	30.46	34.89	-4.43
Real Estate & Personal Property Taxes	0.87	1.32	-0.45
Farm Insurance	5.69	5.26	0.43
Interest	4.88	6.50	-1.62
Total Allocated Expenses	\$41.90	\$47.97	-\$6.07
Total Listed Expenses	\$242.77	\$258.79	-\$16.02
Net Return	\$68.22	\$50.29	\$17.93
Supplementary Management Information			
Total Direct Expense Per Bushel	1.85	1.96	-0.10
Total Listed Expense Per Bushel	2.24	2.40	-0.16
Net Return Per Bushel	\$0.63	\$0.48	\$0.15
Government Payments	21.94	23.63	-1.69
Labor & Management Charge Per Acre	23.81	24.65	-0.84
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$66.35	\$49.27	\$17.08
Machinery Cost Per Acre	\$85.57	\$90.31	-\$4.74
Estimated Labor Hours Per Acre	2.48	2.44	0.04

Table 18: Dryland Corn on All Tenure Types, 2006*

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	36	190	
Number of Farms	13	53	
Acres	95.16	76.01	
Bushel Yield per Acre	122.84	116.39	6.45
Operator's Share of the Yield %	80.65%	79.81%	0.84%
Value per Bushel at Harvest	\$2.79	\$3.09	-\$0.30
Total Product Return	\$276.41	\$287.03	-\$10.63
Miscellaneous Income	0.30	3.26	-2.96
Gross Return	\$276.71	\$290.29	-\$13.59
Direct Expenses			
Seed	32.93	33.96	-1.03
Fertilizer	41.16	36.93	4.23
Crop Chemicals	19.69	20.99	-1.30
Crop Insurance	5.41	8.06	-2.65
Drying Fuel	1.31	0.74	0.57
Irrigation Energy	0.00	0.00	0.00
Irrigation Repairs	0.00	0.00	0.00
Operating Power & Crop Machinery	45.60	39.96	5.64
Building Repairs	2.03	1.22	0.81
Hired Labor	9.15	11.20	-2.05
Utilities	3.15	3.25	-0.10
Miscellaneous	8.31	7.29	1.02
Land Rent	36.73	29.95	6.78
Operating Interest	4.31	6.41	-2.10
Total Direct Expenses	\$209.78	\$199.96	\$9.82
Return Over Direct Expenses	\$66.93	\$90.33	-\$23.41
Allocated Expenses			
Machinery & Building Depreciation	31.85	29.56	2.29
Real Estate & Personal Property Taxes	5.00	6.63	-1.63
Farm Insurance	5.17	4.52	0.65
Interest	2.13	6.72	-4.59
Total Allocated Expenses	\$44.15	\$47.43	-\$3.28
Total Listed Expenses	\$253.93	\$247.39	\$6.54
Net Return	\$22.78	\$42.90	-\$20.13
Supplementary Management Information			
Total Direct Expense Per Bushel	2.12	2.15	-0.04
Total Listed Expense Per Bushel	2.56	2.66	-0.10
Net Return Per Bushel	\$0.23	\$0.43	-\$0.20
Government Payments	30.39	25.88	4.51
Labor & Management Charge Per Acre	28.11	25.87	2.24
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$25.06	\$42.91	-\$17.86
Machinery Cost Per Acre	\$75.78	\$69.21	\$6.57
Estimated Labor Hours Per Acre	2.32	2.49	-0.17

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

Table 19: Dryland Corn on Owned Land, 2006

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	5	32	
Number of Farms	5	25	
Acres	90.98	95.00	
Bushel Yield per Acre	120.27	100.86	19.41
Operator's Share of the Yield %	100.00%	100.00%	0.00%
Value per Bushel at Harvest	\$2.89	\$3.15	-\$0.26
Total Product Return	\$347.58	\$317.71	\$29.87
Miscellaneous Income	0.65	15.26	-14.61
Gross Return	\$348.23	\$332.97	\$15.26
Direct Expenses			
Seed	33.45	32.21	1.24
Fertilizer	39.15	41.85	-2.70
Crop Chemicals	19.97	26.66	-6.69
Crop Insurance	4.43	10.38	-5.95
Drying Fuel	1.63	0.51	1.12
Irrigation Energy	0.00	0.00	0.00
Irrigation Repairs	0.00	0.00	0.00
Operating Power & Crop Machinery	43.44	45.40	-1.96
Building Repairs	3.14	1.92	1.22
Hired Labor	3.71	10.76	-7.05
Utilities	3.05	3.63	-0.58
Miscellaneous	7.06	7.56	-0.50
Land Rent	0.00	0.00	0.00
Operating Interest	1.40	5.97	-4.57
Total Direct Expenses	\$160.43	\$186.85	-\$26.42
Return Over Direct Expenses	\$187.80	\$146.12	\$41.68
Allocated Expenses			
Machinery & Building Depreciation	40.66	29.52	11.14
Real Estate & Personal Property Taxes	33.92	26.18	7.74
Farm Insurance	4.26	4.69	-0.43
Interest	4.34	21.86	-17.52
Total Allocated Expenses	\$83.18	\$82.25	\$0.93
Total Listed Expenses	\$243.61	\$269.10	-\$25.49
Net Return	\$104.62	\$63.87	\$40.75
Supplementary Management Information			
Total Direct Expense Per Bushel	1.33	1.85	-0.52
Total Listed Expense Per Bushel	2.03	2.67	-0.64
Net Return Per Bushel	\$0.86	\$0.48	\$0.38
Government Payments	31.83	28.44	3.39
Labor & Management Charge Per Acre	20.30	24.12	-3.82
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$116.15	\$68.19	\$47.96
Machinery Cost Per Acre	\$78.65	\$74.45	\$4.20
Estimated Labor Hours Per Acre	1.61	2.41	-0.80

Table 20: Dryland Corn on Cash Rented Land, 2006

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	12	64	
Number of Farms	7	32	
Acres	110.22	70.75	
Bushel Yield per Acre	130.60	124.51	6.09
Operator's Share of the Yield %	100.00%	100.00%	0.00%
Value per Bushel at Harvest	\$2.78	\$3.02	-\$0.24
Total Product Return	\$363.07	\$376.02	-\$12.95
Miscellaneous Income	0.43	0.87	-0.44
Gross Return	\$363.50	\$376.89	-\$13.39
Direct Expenses			
Seed	36.94	39.46	-2.52
Fertilizer	57.42	51.60	5.82
Crop Chemicals	23.57	25.97	-2.40
Crop Insurance	8.31	10.25	-1.94
Drying Fuel	1.00	0.97	0.03
Irrigation Energy	0.00	0.00	0.00
Irrigation Repairs	0.00	0.00	0.00
Operating Power & Crop Machinery	45.72	42.03	3.69
Building Repairs	2.51	1.50	1.01
Hired Labor	13.02	11.72	1.30
Utilities	3.35	3.62	-0.27
Miscellaneous	10.57	8.26	2.31
Land Rent	95.12	95.53	-0.41
Operating Interest	4.44	5.89	-1.45
Total Direct Expenses	\$301.97	\$296.80	\$5.17
Return Over Direct Expenses	\$61.53	\$80.09	-\$18.56
Allocated Expenses			
Machinery & Building Depreciation	29.77	31.04	-1.27
Real Estate & Personal Property Taxes	0.29	1.09	-0.80
Farm Insurance	5.37	5.02	0.35
Interest	1.62	2.76	-1.14
Total Allocated Expenses	\$37.05	\$39.91	-\$2.86
Total Listed Expenses	\$339.02	\$336.71	\$2.31
Net Return	\$24.48	\$40.18	-\$15.70
Supplementary Management Information			
Total Direct Expense Per Bushel	2.31	2.38	-0.07
Total Listed Expense Per Bushel	2.60	2.70	-0.11
Net Return Per Bushel	\$0.18	\$0.32	-\$0.13
Government Payments	39.66	34.75	4.91
Labor & Management Charge Per Acre	32.41	27.19	5.22
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$31.73	\$47.74	-\$16.01
Machinery Cost Per Acre	\$74.49	\$72.02	\$2.47
Estimated Labor Hours Per Acre	2.70	2.57	0.13

Table 21: Dryland Corn on Share Rented Land, 2006

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	19	94	
Number of Farms	12	41	
Acres	86.74	73.14	13.60
Bushel Yield per Acre	117.33	117.90	-0.57
Operator's Share of the Yield %	57.89%	58.13%	-0.24%
Value per Bushel at Harvest	\$2.77	\$3.13	-\$0.36
Total Product Return	\$188.14	\$214.52	-\$26.37
Miscellaneous Income	0.10	-0.48	0.58
Gross Return	\$188.24	\$214.04	-\$25.79
Direct Expenses			
Seed	29.57	31.11	-1.54
Fertilizer	28.67	25.09	3.58
Crop Chemicals	16.50	15.20	1.30
Crop Insurance	3.35	5.59	-2.24
Drying Fuel	1.47	0.68	0.79
Irrigation Energy	0.00	0.00	0.00
Irrigation Repairs	0.00	0.00	0.00
Operating Power & Crop Machinery	45.89	36.21	9.68
Building Repairs	1.34	0.86	0.48
Hired Labor	7.54	11.05	-3.51
Utilities	3.01	2.85	0.16
Miscellaneous	7.06	6.43	0.63
Land Rent	0.00	0.00	0.00
Operating Interest	5.02	6.94	-1.92
Total Direct Expenses	\$149.42	\$142.01	\$7.41
Return Over Direct Expenses	\$38.82	\$72.03	-\$33.20
Allocated Expenses			
Machinery & Building Depreciation	31.10	28.61	2.49
Real Estate & Personal Property Taxes	0.80	1.64	-0.84
Farm Insurance	5.26	4.11	1.15
Interest	1.93	2.64	-0.71
Total Allocated Expenses	\$39.09	\$37.00	\$2.09
Total Listed Expenses	\$188.51	\$179.01	\$9.50
Net Return	-\$0.27	\$35.03	-\$35.29
Supplementary Management Information			
Total Direct Expense Per Bushel	2.20	2.07	0.13
Total Listed Expense Per Bushel	2.78	2.61	0.16
Net Return Per Bushel	-\$0.01	\$0.52	-\$0.52
Government Payments	22.56	18.90	3.66
Labor & Management Charge Per Acre	26.82	25.77	1.05
Net Return Inc'l Gov't Pmts and Labor & Mgmt	-\$4.53	\$28.16	-\$32.68
Machinery Cost Per Acre	\$76.02	\$65.04	\$10.98
Estimated Labor Hours Per Acre	2.20	2.47	-0.27

Table 22: Irrigated Soybeans on All Tenure Types, 2006*

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	36	125	
Number of Farms	10	42	
Acres	106.53	112.87	
Bushel Yield per Acre	61.52	60.99	0.53
Operator's Share of the Yield %	78.55%	82.66%	-4.11%
Value per Bushel at Harvest	\$5.99	\$6.13	-\$0.14
Total Product Return	\$289.46	\$309.04	-\$19.58
Miscellaneous Income	0.70	1.47	-0.77
Gross Return	\$290.16	\$310.51	-\$20.35
Direct Expenses			
Seed	32.85	33.13	-0.28
Fertilizer	2.39	3.51	-1.12
Crop Chemicals	15.46	18.83	-3.37
Crop Insurance	7.29	7.28	0.01
Drying Fuel	0.00	0.00	0.00
Irrigation Energy	23.23	23.10	0.13
Irrigation Repairs	3.07	5.45	-2.38
Operating Power & Crop Machinery	42.55	43.31	-0.76
Building Repairs	0.77	1.14	-0.37
Hired Labor	11.09	11.66	-0.57
Utilities	2.11	3.44	-1.33
Miscellaneous	7.05	9.25	-2.20
Land Rent	30.07	45.30	-15.23
Operating Interest	7.72	7.43	0.29
Total Direct Expenses	\$185.65	\$212.83	-\$27.18
Return Over Direct Expenses	\$104.51	\$97.68	\$6.83
Allocated Expenses			
Machinery & Building Depreciation	27.52	31.79	-4.27
Real Estate & Personal Property Taxes	11.84	8.90	2.94
Farm Insurance	4.31	4.61	-0.30
Interest	18.79	12.88	5.91
Total Allocated Expenses	\$62.46	\$58.18	\$4.28
Total Listed Expenses	\$248.11	\$271.01	-\$22.90
Net Return	\$42.05	\$39.50	\$2.55
Supplementary Management Information			
Total Direct Expense Per Bushel	3.84	4.22	-0.38
Total Listed Expense Per Bushel	5.13	5.38	-0.24
Net Return Per Bushel	\$0.86	\$0.75	\$0.10
Government Payments	30.28	33.68	-3.40
Labor & Management Charge Per Acre	19.04	23.02	-3.98
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$53.29	\$50.16	\$3.13
Machinery Cost Per Acre	\$72.26	\$74.20	-\$1.94
Estimated Labor Hours Per Acre	2.10	2.20	-0.10

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

Table 23: Irrigated Soybeans on Owned Land, 2006

	Average of Efficient Farms	Average Of All Farms	Difference
Number of Fields	12	32	
Number of Farms	9	25	
Acres	95.48	100.67	
Bushel Yield per Acre	59.05	58.26	0.79
Operator's Share of the Yield %	100.00%	100.00%	0.00%
Value per Bushel at Harvest	\$5.93	\$6.01	-\$0.08
Total Product Return	\$350.17	\$350.14	\$0.02
Miscellaneous Income	1.56	7.27	-5.71
Gross Return	\$351.73	\$357.41	-\$5.69
Direct Expenses			
Seed	36.38	34.91	1.47
Fertilizer	1.41	4.99	-3.58
Crop Chemicals	16.21	20.00	-3.79
Crop Insurance	8.60	8.10	0.50
Drying Fuel	0.00	0.00	0.00
Irrigation Energy	24.73	26.78	-2.05
Irrigation Repairs	1.26	4.03	-2.77
Operating Power & Crop Machinery	42.03	44.66	-2.63
Building Repairs	1.74	2.41	-0.67
Hired Labor	8.40	8.60	-0.20
Utilities	2.75	4.76	-2.01
Miscellaneous	7.10	8.79	-1.69
Land Rent	0.00	0.00	0.00
Operating Interest	5.91	8.97	-3.06
Total Direct Expenses	\$156.52	\$177.00	-\$20.48
Return Over Direct Expenses	\$195.21	\$180.41	\$14.79
Allocated Expenses			
Machinery & Building Depreciation	28.25	33.65	-5.40
Real Estate & Personal Property Taxes	37.77	33.92	3.85
Farm Insurance	3.96	6.13	-2.17
Interest	53.54	44.90	8.64
Total Allocated Expenses	\$123.52	\$118.60	\$4.92
Total Listed Expenses	\$280.04	\$295.60	-\$15.56
Net Return	\$71.69	\$61.81	\$9.87
Supplementary Management Information			
Total Direct Expense Per Bushel	2.65	3.04	-0.39
Total Listed Expense Per Bushel	4.74	5.07	-0.33
Net Return Per Bushel	\$1.19	\$0.94	\$0.25
Government Payments	37.29	40.18	-2.89
Labor & Management Charge Per Acre	19.49	27.02	-7.53
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$89.49	\$74.97	\$14.51
Machinery Cost Per Acre	\$71.13	\$75.42	-\$4.29
Estimated Labor Hours Per Acre	1.87	2.48	-0.61

Table 24: Irrigated Soybeans on Cash Rented Land, 2006

	Average of Efficient Farms	Average Of All Farms	Difference
Number of Fields	5	37	
Number of Farms	5	23	
Acres	182.94	140.78	
Bushel Yield per Acre	62.43	62.31	0.12
Operator's Share of the Yield %	100.00%	100.00%	0.00%
Value per Bushel at Harvest	\$6.08	\$6.19	-\$0.11
Total Product Return	\$379.57	\$385.70	-\$6.12
Miscellaneous Income	0.43	1.26	-0.83
Gross Return	\$380.00	\$386.96	-\$6.95
Direct Expenses			
Seed	42.60	35.52	7.08
Fertilizer	0.84	2.71	-1.87
Crop Chemicals	22.20	22.20	0.00
Crop Insurance	9.98	8.99	0.99
Drying Fuel	0.00	0.00	0.00
Irrigation Energy	26.43	23.44	2.99
Irrigation Repairs	7.66	8.00	-0.34
Operating Power & Crop Machinery	39.79	45.71	-5.92
Building Repairs	0.00	0.86	-0.86
Hired Labor	18.31	15.28	3.03
Utilities	1.79	2.69	-0.90
Miscellaneous	6.55	9.32	-2.77
Land Rent	126.06	122.71	3.35
Operating Interest	8.50	6.71	1.79
Total Direct Expenses	\$310.71	\$304.14	\$6.57
Return Over Direct Expenses	\$69.29	\$82.82	-\$13.52
Allocated Expenses			
Machinery & Building Depreciation	29.30	32.62	-3.32
Real Estate & Personal Property Taxes	0.48	1.73	-1.25
Farm Insurance	4.12	4.04	0.08
Interest	3.44	2.69	0.75
Total Allocated Expenses	\$37.34	\$41.08	-\$3.74
Total Listed Expenses	\$348.05	\$345.22	\$2.83
Net Return	\$31.95	\$41.74	-\$9.78
Supplementary Management Information			
Total Direct Expense Per Bushel	4.98	4.88	0.10
Total Listed Expense Per Bushel	5.58	5.54	0.03
Net Return Per Bushel	\$0.50	\$0.65	-\$0.14
Government Payments	36.26	39.66	-3.4
Labor & Management Charge Per Acre	14.53	21.60	-7.07
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$53.68	\$59.80	-\$6.11
Machinery Cost Per Acre	\$71.30	\$76.08	-\$4.78
Estimated Labor Hours Per Acre	2.22	2.12	0.10

Table 25: Irrigated Soybeans on Share Rented Land, 2006

	Average of <u>Efficient Farms</u>	Average Of <u>All Farms</u>	<u>Difference</u>
Number of Fields	19	56	
Number of Farms	9	29	
Acres	93.39	101.40	
Bushel Yield per Acre	62.65	61.33	1.32
Operator's Share of the Yield %	54.47%	57.16%	-2.69%
Value per Bushel at Harvest	\$5.97	\$6.15	-\$0.18
Total Product Return	\$203.73	\$215.60	-\$11.87
Miscellaneous Income	0.29	-1.63	1.92
Gross Return	\$204.02	\$213.97	-\$9.95
Direct Expenses			
Seed	25.54	29.93	-4.39
Fertilizer	3.81	3.41	0.40
Crop Chemicals	11.49	15.08	-3.59
Crop Insurance	5.06	5.24	-0.18
Drying Fuel	0.00	0.00	0.00
Irrigation Energy	20.62	20.69	-0.07
Irrigation Repairs	1.86	3.91	-2.05
Operating Power & Crop Machinery	44.88	40.38	4.50
Building Repairs	0.53	0.68	-0.15
Hired Labor	9.10	10.08	-0.98
Utilities	2.30	3.36	-1.06
Miscellaneous	6.27	9.47	-3.20
Land Rent	0.00	0.00	0.00
Operating Interest	8.50	7.21	1.29
Total Direct Expenses	\$139.96	\$149.44	-\$9.48
Return Over Direct Expenses	\$64.06	\$64.53	-\$0.47
Allocated Expenses			
Machinery & Building Depreciation	26.14	29.96	-3.82
Real Estate & Personal Property Taxes	0.95	1.27	-0.32
Farm Insurance	4.63	4.27	0.36
Interest	4.26	4.07	0.19
Total Allocated Expenses	\$35.98	\$39.57	-\$3.59
Total Listed Expenses	\$175.94	\$189.01	-\$13.07
Net Return	\$28.08	\$24.96	\$3.12
Supplementary Management Information			
Total Direct Expense Per Bushel	4.10	4.26	-0.16
Total Listed Expense Per Bushel	5.16	5.39	-0.24
Net Return Per Bushel	\$0.81	\$0.76	\$0.06
Government Payments	22.68	24.50	-1.82
Labor & Management Charge Per Acre	21.07	22.05	-0.98
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$29.69	\$27.41	\$2.28
Machinery Cost Per Acre	\$73.49	\$71.77	\$1.72
Estimated Labor Hours Per Acre	2.19	2.11	0.08

Table 26: Dryland Soybeans on All Tenure Types, 2006

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	42	201	
Number of Farms	13	54	
Acres	90.56	71.65	
Bushel Yield per Acre	49.66	48.25	1.41
Operator's Share of the Yield %	75.41%	79.10%	-3.69%
Value per Bushel at Harvest	\$5.93	\$6.07	-\$0.14
Total Product Return	\$222.07	\$231.67	-\$9.60
Miscellaneous Income	0.61	0.65	-0.04
Gross Return	\$222.68	\$232.32	-\$9.64
Direct Expenses			
Seed	28.00	29.47	-1.47
Fertilizer	1.75	3.41	-1.66
Crop Chemicals	13.19	16.52	-3.33
Crop Insurance	4.74	6.31	-1.57
Drying Fuel	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	41.18	32.96	8.22
Building Repairs	1.37	0.84	0.53
Hired Labor	8.24	9.41	-1.17
Utilities	2.81	2.54	0.27
Miscellaneous	6.14	5.10	1.04
Land Rent	21.65	29.23	-7.58
Operating Interest	3.67	5.30	-1.63
Total Direct Expenses	\$132.74	\$141.09	-\$8.35
Return Over Direct Expenses	\$89.94	\$91.23	-\$1.29
Allocated Expenses			
Machinery & Building Depreciation	27.92	24.82	3.10
Real Estate & Personal Property Taxes	5.95	5.71	0.24
Farm Insurance	4.48	3.85	0.63
Interest	2.56	4.27	-1.71
Total Allocated Expenses	\$40.91	\$38.65	\$2.26
Total Listed Expenses	\$173.65	\$179.74	-\$6.09
Net Return	\$49.03	\$52.58	-\$3.55
Supplementary Management Information			
Total Direct Expense Per Bushel	3.54	3.70	-0.15
Total Listed Expense Per Bushel	4.64	4.71	-0.07
Net Return Per Bushel	\$1.29	\$1.36	-\$0.07
Government Payments	29.18	24.88	4.30
Labor & Management Charge Per Acre	24.86	23.28	1.58
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$53.35	\$54.18	-\$0.83
Machinery Cost Per Acre	\$67.77	\$57.98	\$9.79
Estimated Labor Hours Per Acre	2.08	2.22	-0.14

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

Table 27: Dryland Soybeans on Owned Land, 2006

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	6	38	
Number of Farms	6	27	
Acres	119.40	65.15	
Bushel Yield per Acre	50.47	47.87	2.60
Operator's Share of the Yield %	100.00%	100.00%	0.00%
Value per Bushel at Harvest	\$5.83	\$6.03	-\$0.20
Total Product Return	\$294.24	\$288.66	\$5.58
Miscellaneous Income	1.88	2.25	-0.37
Gross Return	\$296.12	\$290.91	\$5.21
Direct Expenses			
Seed	24.64	30.99	-6.35
Fertilizer	3.66	3.78	-0.12
Crop Chemicals	11.96	19.04	-7.08
Crop Insurance	4.35	6.65	-2.30
Drying Fuel	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	36.75	40.17	-3.42
Building Repairs	2.42	1.84	0.58
Hired Labor	1.69	10.08	-8.39
Utilities	3.00	3.51	-0.51
Miscellaneous	4.35	6.53	-2.18
Land Rent	0.00	0.00	0.00
Operating Interest	1.49	4.93	-3.44
Total Direct Expenses	\$94.31	\$127.52	-\$33.21
Return Over Direct Expenses	\$201.81	\$163.39	\$38.42
Allocated Expenses			
Machinery & Building Depreciation	27.63	27.47	0.16
Real Estate & Personal Property Taxes	28.78	27.12	1.66
Farm Insurance	4.01	4.68	-0.67
Interest	6.10	14.22	-8.12
Total Allocated Expenses	\$66.52	\$73.49	-\$6.97
Total Listed Expenses	\$160.83	\$201.01	-\$40.18
Net Return	\$135.29	\$89.90	\$45.39
Supplementary Management Information			
Total Direct Expense Per Bushel	1.87	2.66	-0.80
Total Listed Expense Per Bushel	3.19	4.20	-1.01
Net Return Per Bushel	\$2.64	\$1.83	\$0.81
Government Payments	\$36.02	\$29.17	\$6.85
Labor & Management Charge Per Acre	24.34	26.99	-2.65
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$146.97	\$92.08	\$54.89
Machinery Cost Per Acre	\$60.90	\$66.59	-\$5.69
Estimated Labor Hours Per Acre	1.96	2.52	-0.56

Table 28: Dryland Soybeans on Cash Rented Land, 2006

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	10	63	
Number of Farms	6	34	
Acres	86.91	72.88	14.03
Bushel Yield per Acre	47.82	49.93	-2.11
Operator's Share of the Yield %	100.00%	100.00%	0.00%
Value per Bushel at Harvest	\$5.99	\$6.08	-\$0.09
Total Product Return	\$286.44	\$303.57	-\$17.13
Miscellaneous Income	0.30	0.38	-0.08
Gross Return	\$286.74	\$303.95	-\$17.21
Direct Expenses			
Seed	37.83	33.92	3.91
Fertilizer	1.12	4.66	-3.54
Crop Chemicals	22.38	22.24	0.14
Crop Insurance	8.37	8.91	-0.54
Drying Fuel	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	41.43	34.22	7.21
Building Repairs	1.15	0.77	0.38
Hired Labor	13.45	9.34	4.11
Utilities	2.57	2.48	0.09
Miscellaneous	10.67	5.69	4.98
Land Rent	94.75	91.68	3.07
Operating Interest	5.54	4.47	1.07
Total Direct Expenses	\$239.26	\$218.38	\$20.88
Return Over Direct Expenses	\$47.48	\$85.57	-\$38.09
Allocated Expenses			
Machinery & Building Depreciation	24.33	24.78	-0.45
Real Estate & Personal Property Taxes	0.00	1.10	-1.10
Farm Insurance	5.07	4.11	0.96
Interest	2.00	2.26	-0.26
Total Allocated Expenses	\$31.40	\$32.25	-\$0.85
Total Listed Expenses	\$270.66	\$250.63	\$20.03
Net Return	\$16.08	\$53.32	-\$37.24
Supplementary Management Information			
Total Direct Expense Per Bushel	5.00	4.37	0.63
Total Listed Expense Per Bushel	5.66	5.02	0.64
Net Return Per Bushel	\$0.33	\$1.06	-\$0.73
Government Payments	\$42.52	\$31.47	\$11.05
Labor & Management Charge Per Acre	28.19	23.02	5.17
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$30.41	\$61.77	-\$31.36
Machinery Cost Per Acre	\$66.70	\$59.05	\$7.65
Estimated Labor Hours Per Acre	2.46	2.23	0.23

Table 29: Dryland Soybeans on Share Rented Land, 2006

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	26	100	
Number of Farms	12	35	
Acres	85.30	73.35	
Bushel Yield per Acre	50.13	47.33	2.80
Operator's Share of the Yield %	58.22%	58.16%	0.06%
Value per Bushel at Harvest	\$5.94	\$6.09	-\$0.15
Total Product Return	\$173.36	\$167.64	\$5.72
Miscellaneous Income	0.32	0.28	0.04
Gross Return	\$173.68	\$167.92	\$5.76
Direct Expenses			
Seed	25.24	26.17	-0.93
Fertilizer	1.38	2.51	-1.13
Crop Chemicals	9.98	12.09	-2.11
Crop Insurance	3.44	4.56	-1.12
Drying Fuel	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	42.08	29.76	12.32
Building Repairs	1.12	0.54	0.58
Hired Labor	8.32	9.23	-0.91
Utilities	2.61	2.26	0.35
Miscellaneous	5.66	4.25	1.41
Land Rent	0.00	0.00	0.00
Operating Interest	3.63	5.95	-2.32
Total Direct Expenses	\$103.46	\$97.32	\$6.14
Return Over Direct Expenses	\$70.22	\$70.60	-\$0.38
Allocated Expenses			
Machinery & Building Depreciation	29.43	23.96	5.47
Real Estate & Personal Property Taxes	0.84	1.37	-0.53
Farm Insurance	4.41	3.40	1.01
Interest	1.63	2.18	-0.55
Total Allocated Expenses	\$36.31	\$30.91	\$5.40
Total Listed Expenses	\$139.77	\$128.23	\$11.54
Net Return	\$33.91	\$39.69	-\$5.78
Supplementary Management Information			
Total Direct Expense Per Bushel	3.54	3.54	0.01
Total Listed Expense Per Bushel	4.79	4.66	0.13
Net Return Per Bushel	\$1.15	\$1.43	-\$0.28
Government Payments	21.73	19.30	2.43
Labor & Management Charge Per Acre	23.72	22.18	1.54
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$31.92	\$36.81	-\$4.89
Machinery Cost Per Acre	\$70.41	\$54.41	\$16.00
Estimated Labor Hours Per Acre	1.97	2.11	-0.14

Table 30: Dryland Wheat on All Tenure Types, 2006 *

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	13	39	
Number of Farms	5	21	
Acres	51.40	68.78	
Bushel Yield per Acre	60.03	51.69	8.34
Operator's Share of the Yield %	65.26%	84.33%	-19.07%
Value per Bushel at Harvest	\$4.46	\$4.52	-\$0.06
Total Product Return	\$174.72	\$197.03	-\$22.30
Miscellaneous Income	0.00	5.00	-5.00
Gross Return	\$174.72	\$202.03	-\$27.30
Direct Expenses			
Seed	5.52	10.35	-4.83
Fertilizer	26.54	21.75	4.79
Crop Chemicals	8.01	14.05	-6.04
Crop Insurance	2.09	5.79	-3.70
Drying Fuel	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	22.67	22.40	0.27
Building Repairs	0.00	0.42	-0.42
Hired Labor	4.99	6.77	-1.78
Utilities	1.46	2.25	-0.79
Miscellaneous	2.09	2.93	-0.84
Land Rent	4.64	15.43	-10.79
Operating Interest	1.86	1.39	0.47
Total Direct Expenses	\$79.87	\$103.53	-\$23.66
Return Over Direct Expenses	\$94.85	\$98.50	-\$3.64
Allocated Expenses			
Machinery & Building Depreciation	15.20	18.35	-3.15
Real Estate & Personal Property Taxes	3.99	6.16	-2.17
Farm Insurance	2.72	2.48	0.24
Interest	1.26	7.56	-6.30
Total Allocated Expenses	\$23.17	\$34.55	-\$11.38
Total Listed Expenses	\$103.04	\$138.08	-\$35.04
Net Return	\$71.68	\$63.95	\$7.74
Supplementary Management Information			
Total Direct Expense Per Bushel	2.04	2.38	-0.34
Total Listed Expense Per Bushel	2.63	3.17	-0.54
Net Return Per Bushel	\$1.83	\$1.35	\$0.48
Government Payments	23.88	25.27	-1.39
Labor & Management Charge Per Acre	13.70	13.99	-0.29
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$81.86	\$75.23	\$6.64
Machinery Cost Per Acre	\$37.99	\$40.43	-\$2.44
Estimated Labor Hours Per Acre	1.18	1.27	-0.09

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

Table 31: Dryland Wheat on Share Rented Land, 2006

	Average Of Efficient Farms	Average Of All Farms	Difference
Number of Fields	8	16	
Number of Farms	5	12	
Acres	66.56	61.64	4.92
Bushel Yield per Acre	60.34	52.68	7.66
Operator's Share of the Yield %	56.63%	58.17%	-1.54%
Value per Bushel at Harvest	\$4.46	\$4.48	-\$0.02
Total Product Return	\$152.40	\$137.28	\$15.12
Miscellaneous Income	0.00	7.48	-7.48
Gross Return	\$152.40	\$144.76	\$7.64
Direct Expenses			
Seed	5.29	8.15	-2.86
Fertilizer	23.29	21.46	1.83
Crop Chemicals	7.14	9.69	-2.55
Crop Insurance	2.09	3.49	-1.40
Drying Fuel	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	22.05	22.20	-0.15
Building Repairs	0.00	0.62	-0.62
Hired Labor	5.47	6.89	-1.42
Utilities	1.34	1.94	-0.60
Miscellaneous	2.03	2.57	-0.54
Land Rent	0.00	0.00	0.00
Operating Interest	2.23	1.56	0.67
Total Direct Expenses	\$70.93	\$78.57	-\$7.64
Return Over Direct Expenses	\$81.47	\$66.19	\$15.28
Allocated Expenses			
Machinery & Building Depreciation	14.57	19.33	-4.76
Real Estate & Personal Property Taxes	0.37	0.57	-0.20
Farm Insurance	2.47	2.40	0.07
Interest	1.34	1.29	0.05
Total Allocated Expenses	\$18.75	\$23.59	-\$4.84
Total Listed Expenses	\$89.68	\$102.16	-\$12.48
Net Return	\$62.72	\$42.60	\$20.12
Supplementary Management Information			
Total Direct Expense Per Bushel	2.08	2.56	-0.49
Total Listed Expense Per Bushel	2.62	3.33	-0.71
Net Return Per Bushel	\$1.84	\$1.15	\$0.69
Government Payments	19.65	19.38	0.27
Labor & Management Charge Per Acre	12.54	11.30	1.24
Net Return Inc'l Gov't Pmts and Labor & Mgmt	\$69.83	\$50.68	\$19.15
Machinery Cost Per Acre	\$36.87	\$41.46	-\$4.59
Estimated Labor Hours Per Acre	1.10	1.10	0.00

Table 32: Gross Farm Income Trend, 2000-2006

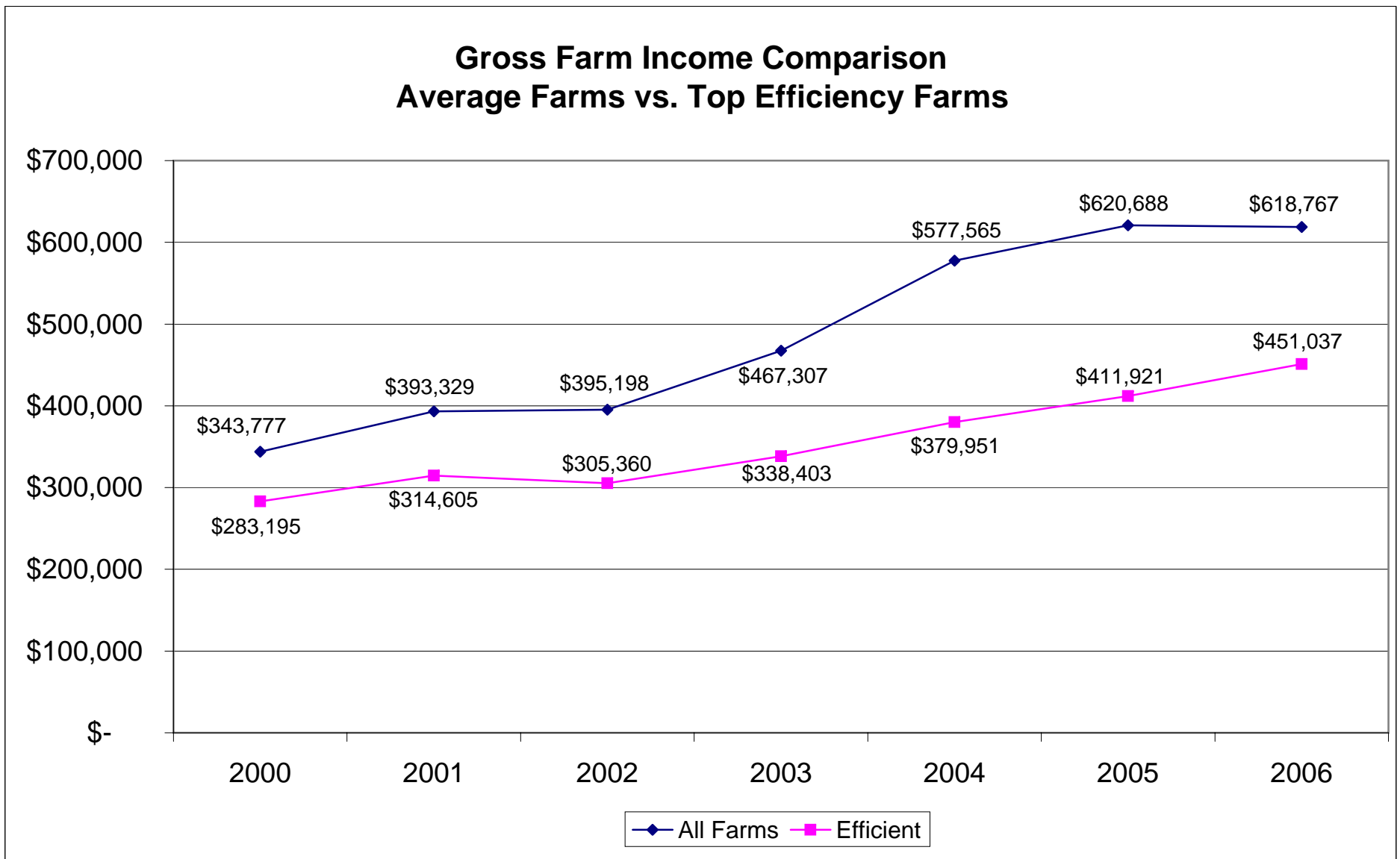


Table 33: Net Farm Income Trend, 2000-2006

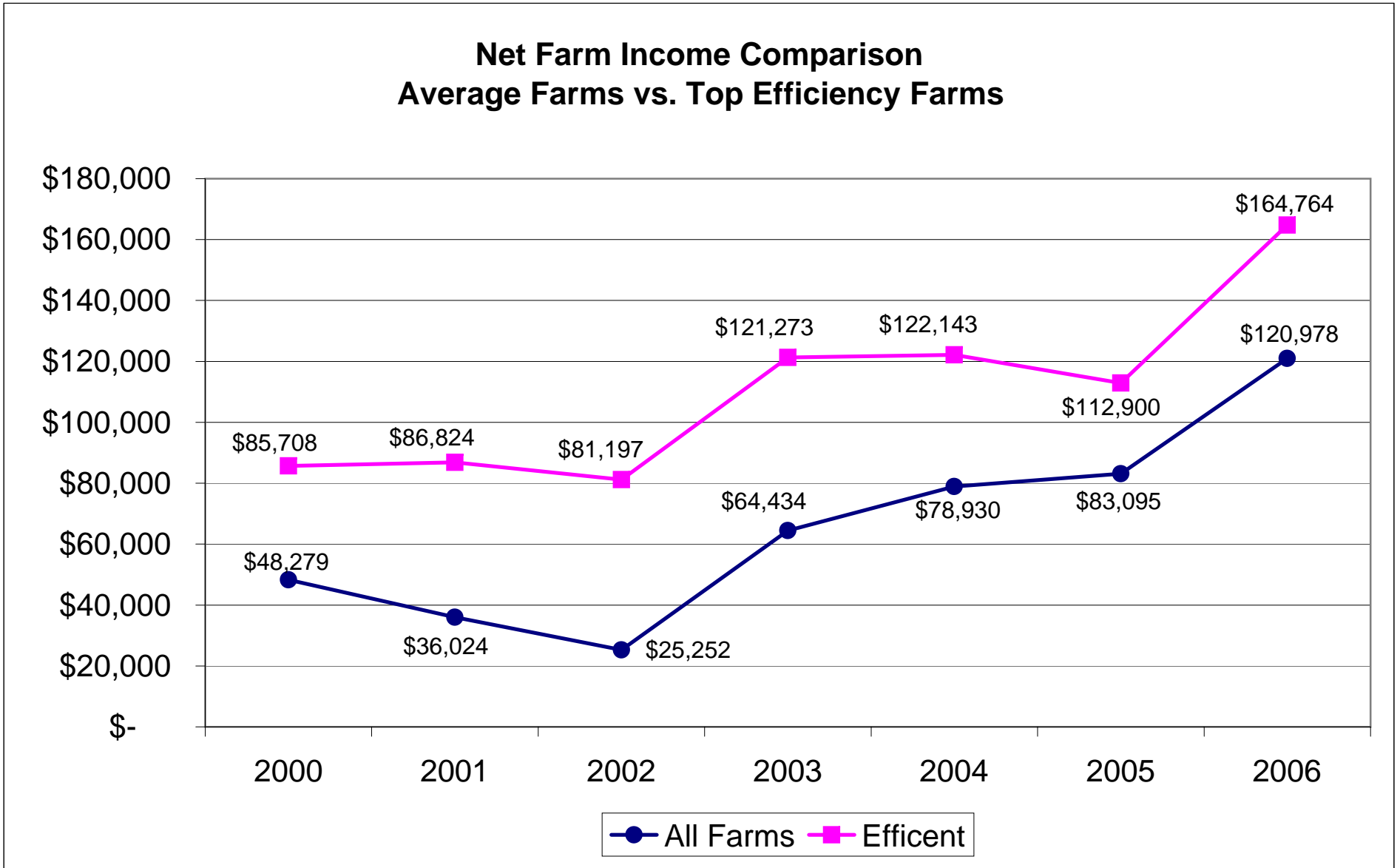


Table 34: Net Farm Income as a % of Gross Trend, 2000-2006

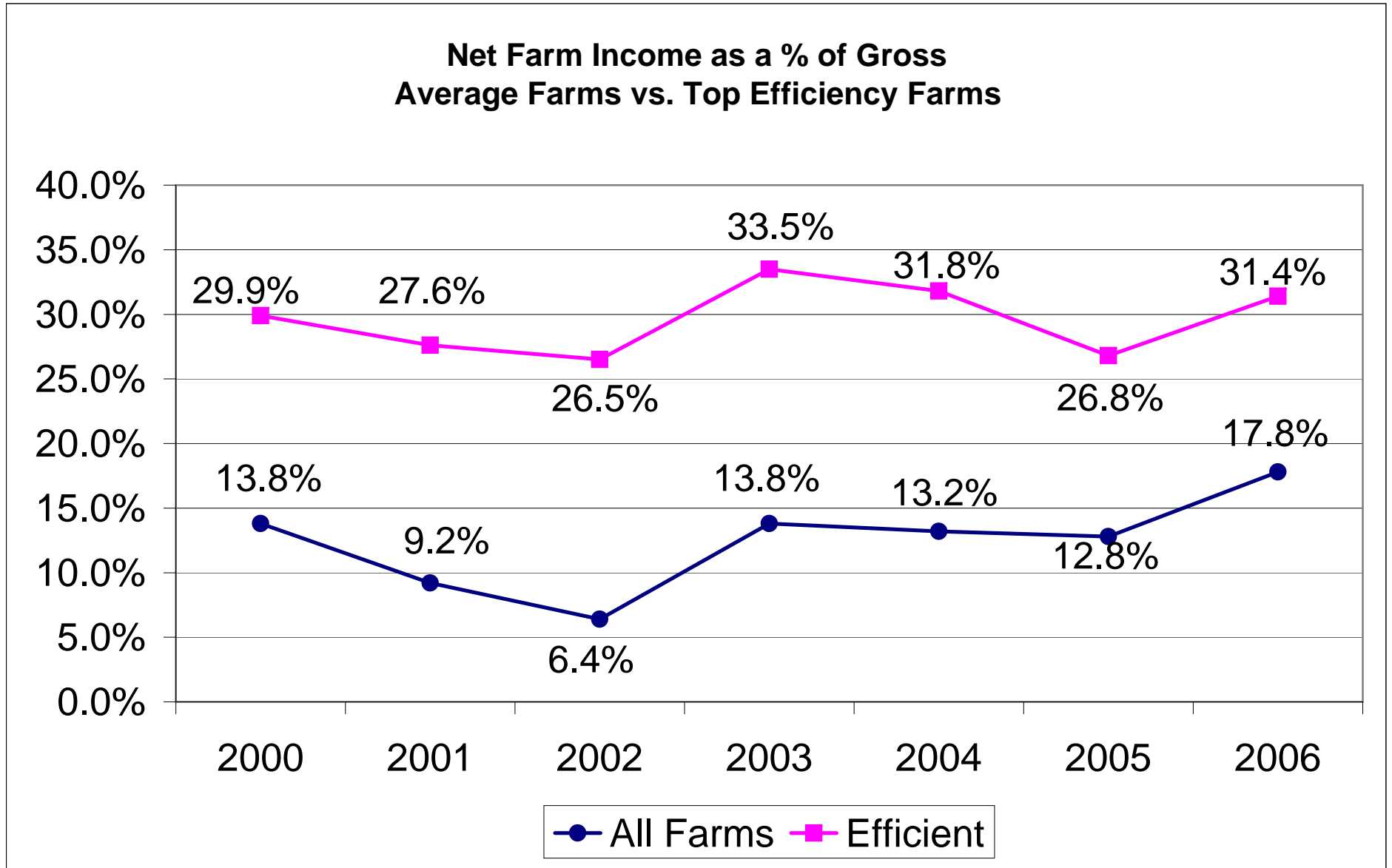


Table 35: Operating Expense Ratio Trend, 2000-2006

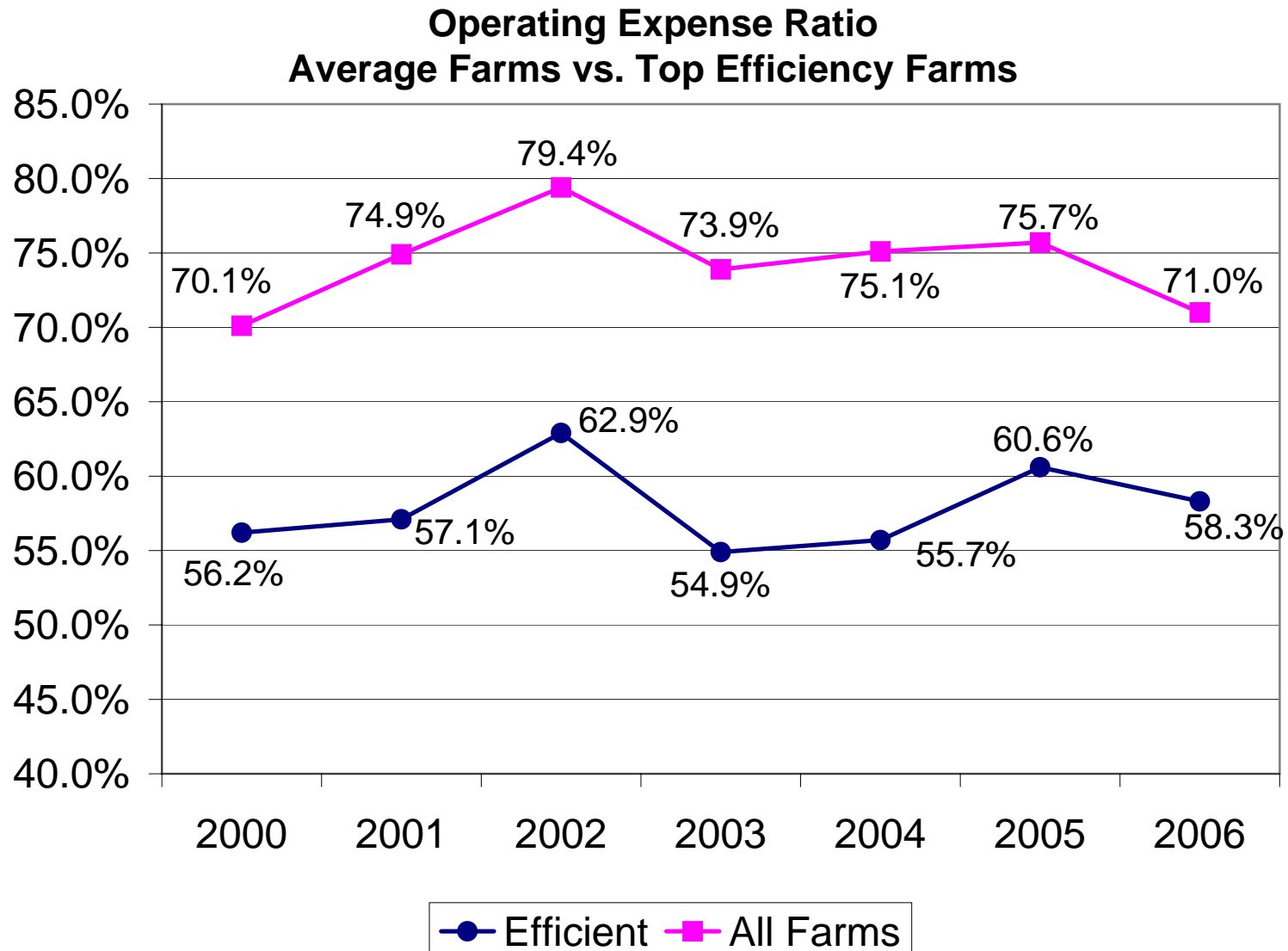


Table 36: Interest Expense Ratio Trend, 2000-2006

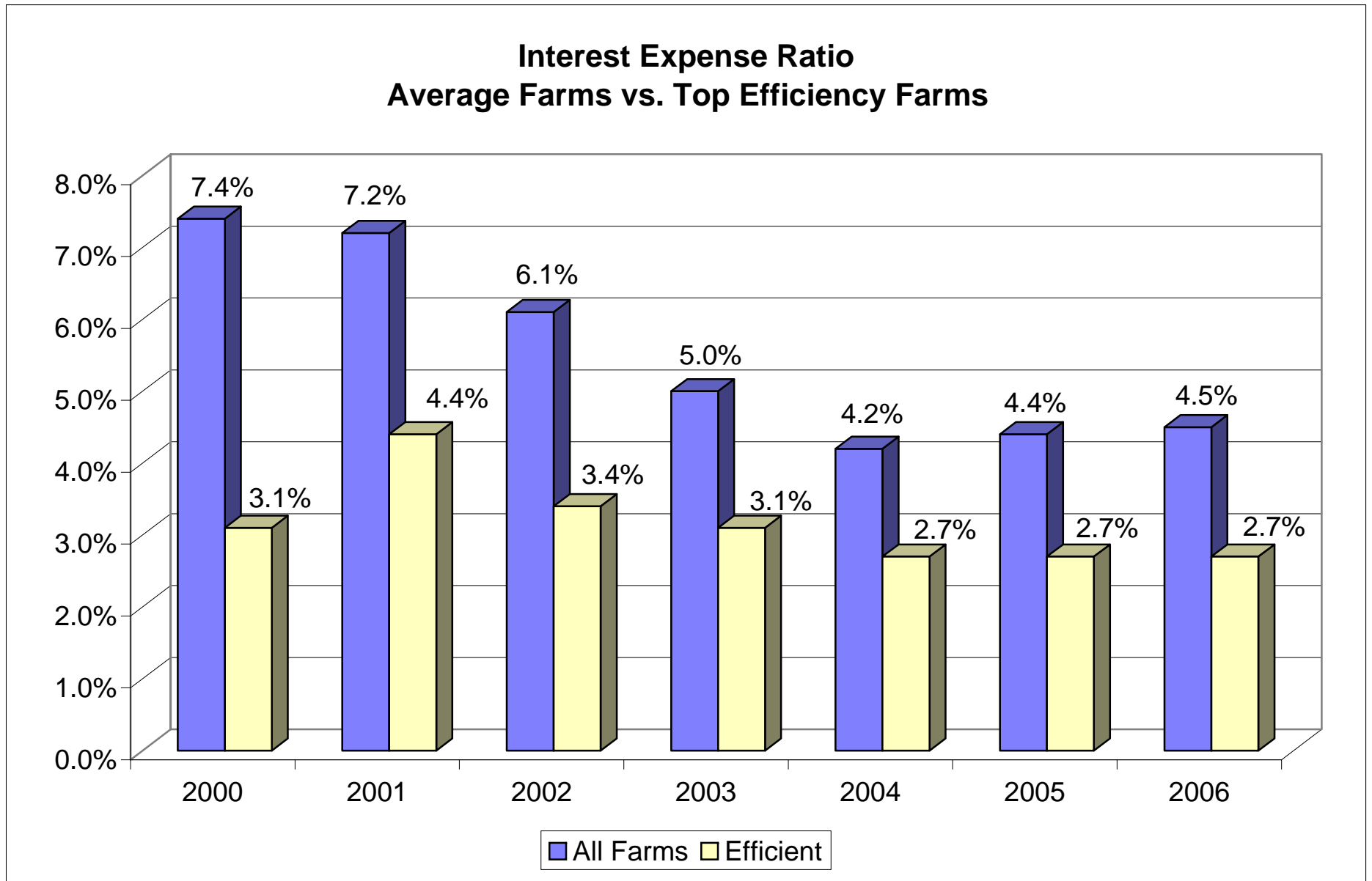


Table 37: Family Living Expense Trend, 2000-2006

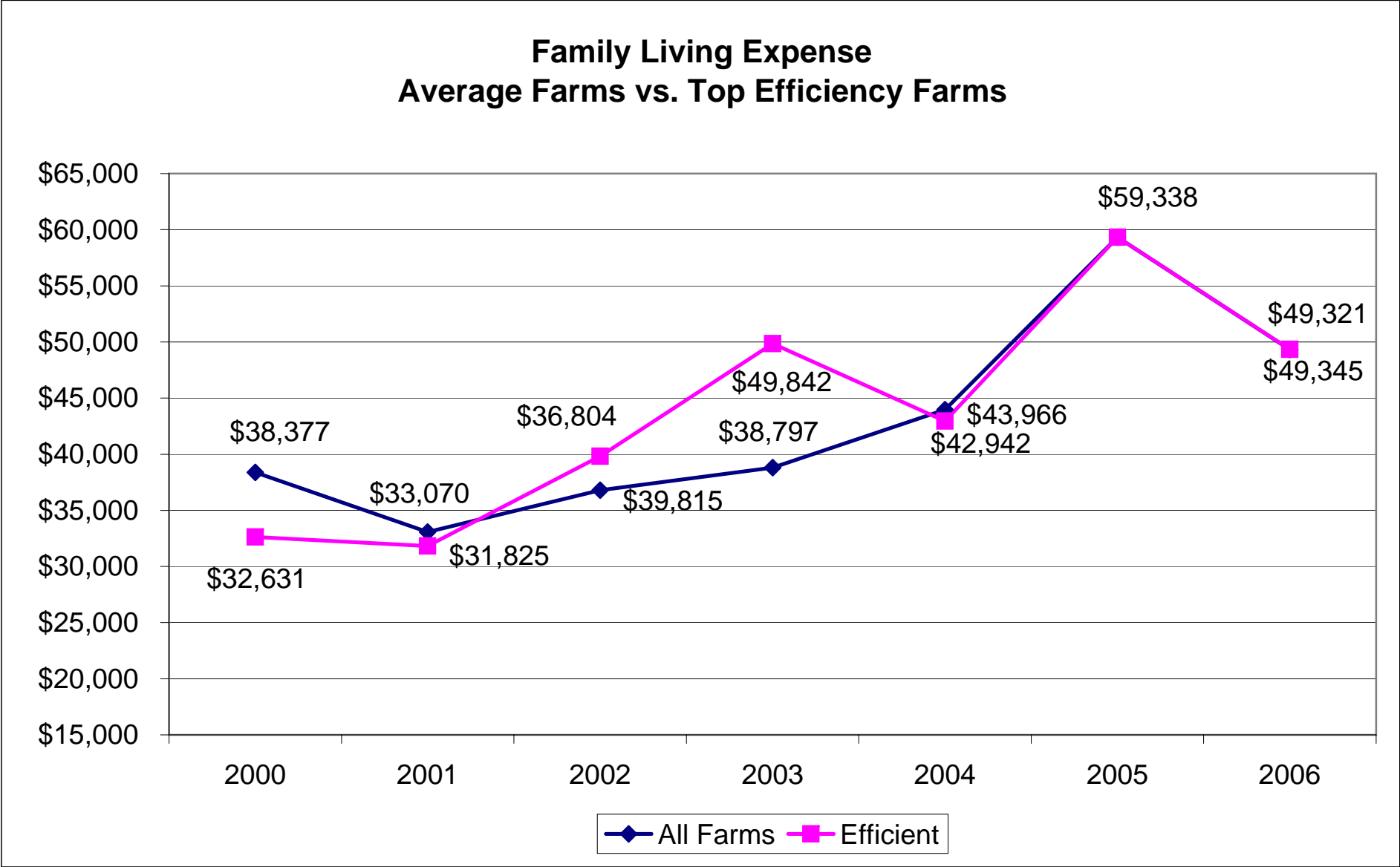


Table 38: Net Worth Trend, 2000-2006

**Net Worth Comparison
Average Farms vs. Top Efficiency Farms**

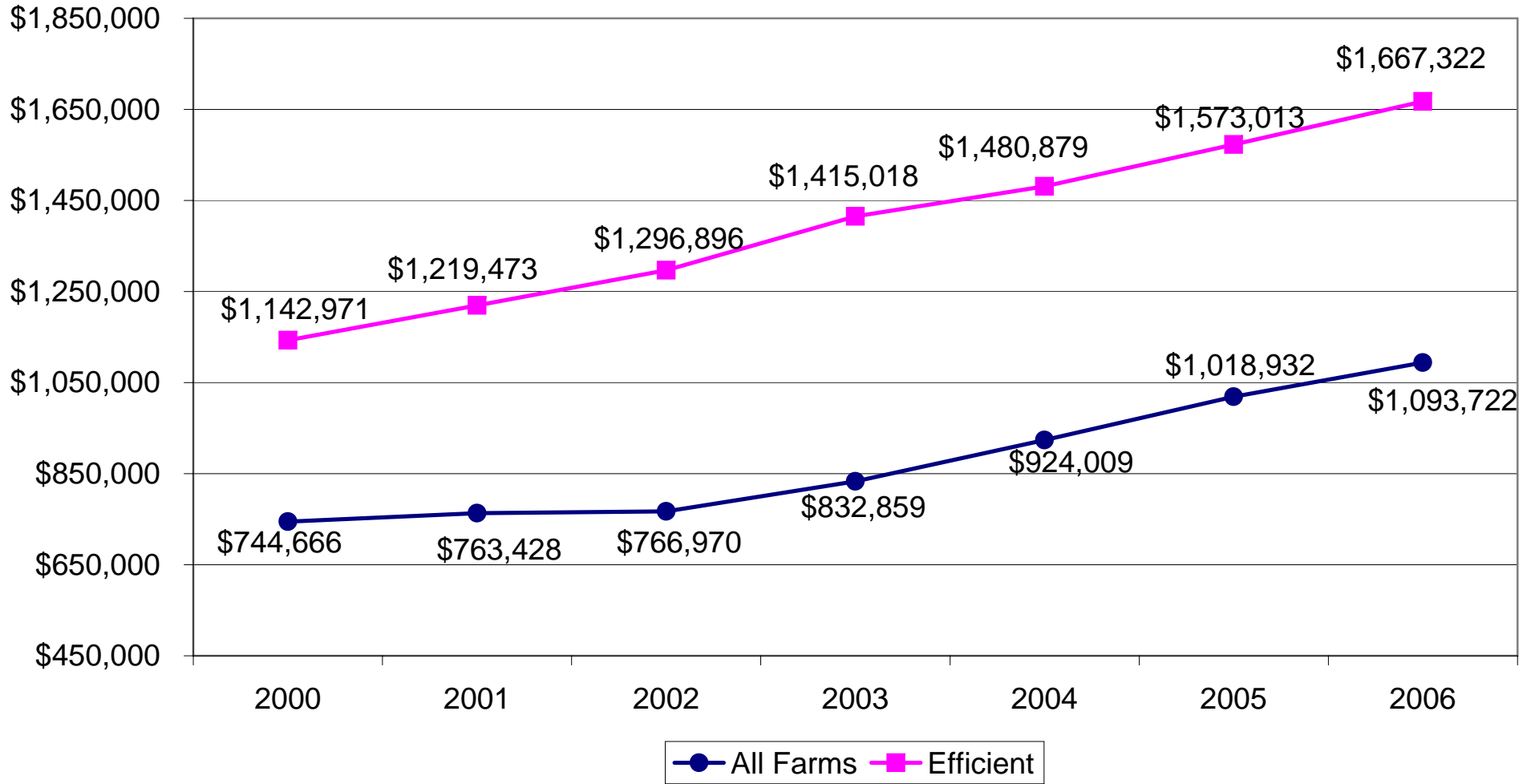


Table 39: Corn Price Received Trend, 2000-2006

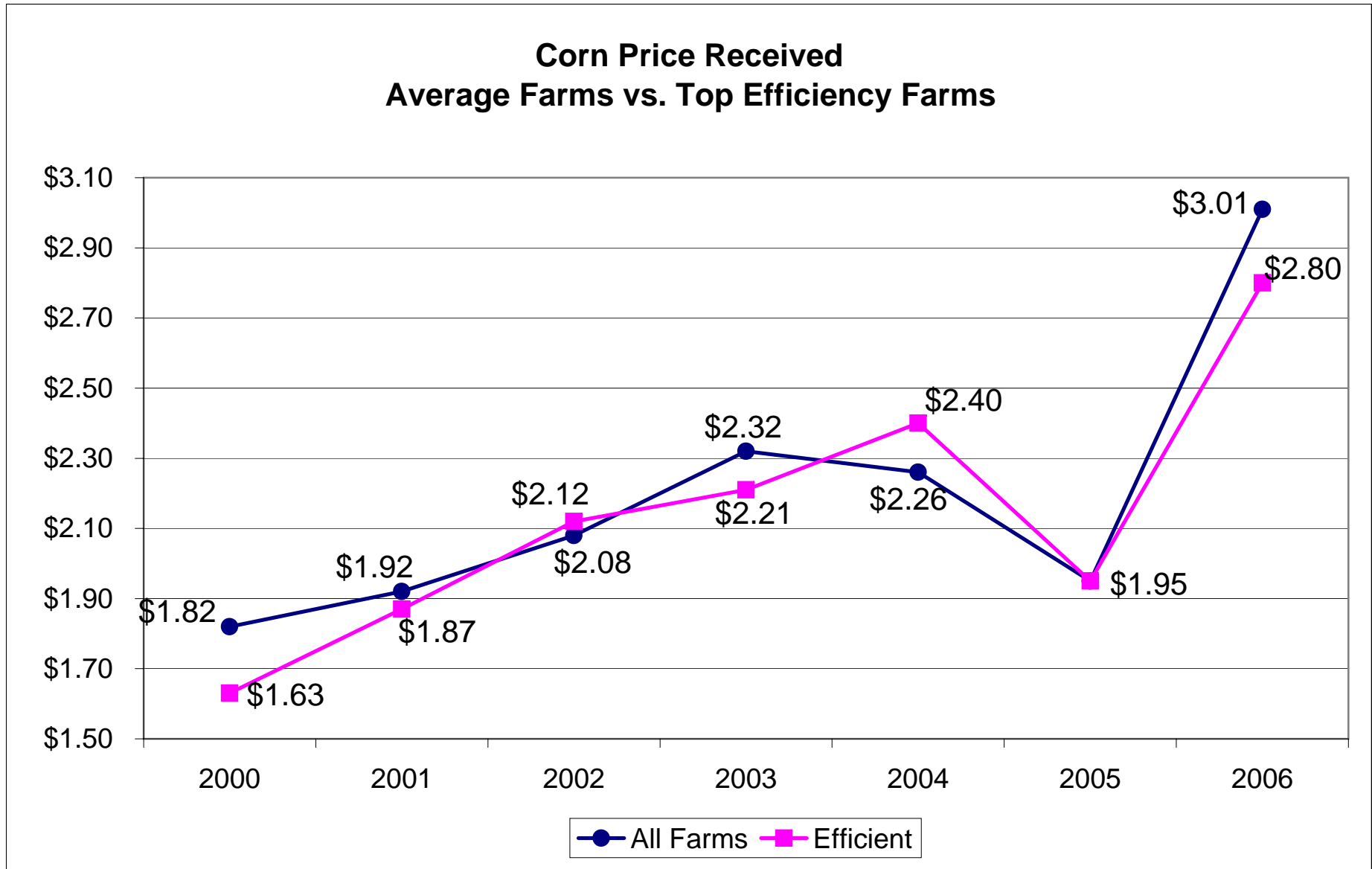
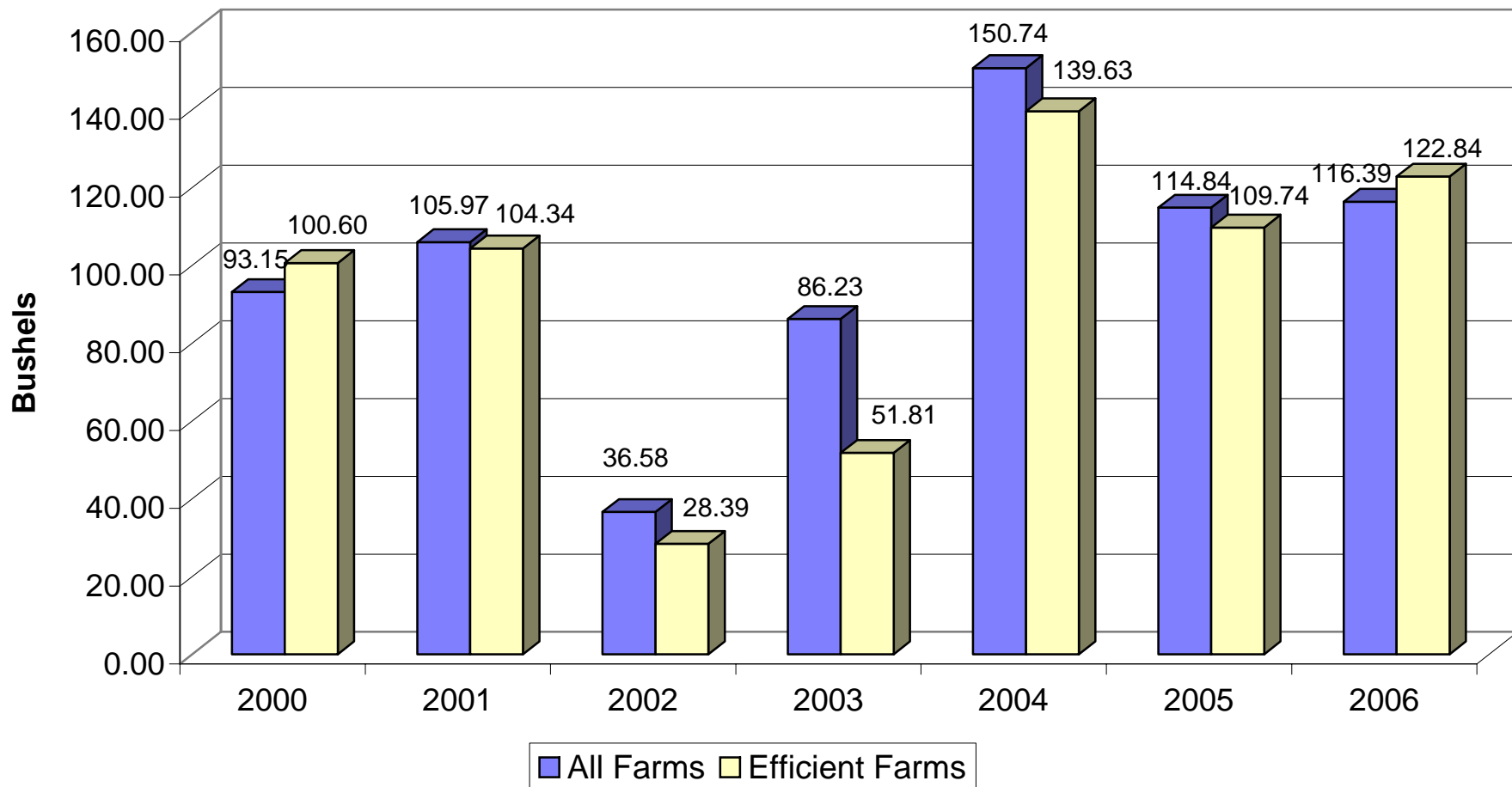


Table 40: Yield Comparison, 2000-2006

**Dryland Corn Yield Comparison
Average Farms vs. Top Efficient Farms**



Financial Guideline Ratios

Current Ratio: shows the value of current assets relative to current liabilities. It is an indicator of the liquidity of the business. It measures the extent to which current farm assets, if liquidated, would cover current farm liabilities.

Working Capital: is another measure of liquidity. It approximates the operating capital available from within the business. It is calculated by subtracting current farm liabilities from current farm assets.

Farm Debt to Asset Ratio: measures the total financial solvency position of the farm or ranch by comparing the total liabilities with the total assets. It measures the portion of the farm assets that have debt against them. A higher ratio is generally considered an indicator of greater financial risk and lower borrowing capacity.

Farm Equity to Asset Ratio: measures farm equity or net worth relative to the value of farm assets. It measures the proportion of the farm assets financed by the owner's equity as opposed to debt. It is the opposite of the debt to asset ratio.

Farm Debt to Equity Ratio: measures farm debt relative to farm equity. It is calculated by dividing the Total Farm Liabilities by the Total Farm Net Worth. It measures the borrowed capital being employed for every dollar of equity capital.

Rate of Return on Farm Assets: can be thought of as the average interest rate earned on all investments in the farm business. For market value assets, this can be looked at as the "opportunity cost" versus alternate investments. For cost value assets, this more closely represents the actual return on the average dollar invested.

Rate of Return on Farm Equity: represents the interest rate being earned on your farm net worth. For market value assets, this return can be compared to returns available if the assets were liquidated and invested in alternative investments. For cost value assets, this more closely represents the actual return retained in the business.

Operating Profit Margin: is a measure of the operating efficiency of the business. It is calculated as: Return to Farm Assets divided by Value of Farm Production. If expenses are held in line relative to the value of output produced, the farm will have a healthy profit margin. Low prices, high operating expenses or inefficient production may cause a low profit margin.

Net Farm Income: represents the returns to labor, management, and equity capital invested in the business. Net farm income is the reward for investing unpaid family labor, management, and farm net worth in the farm business instead of elsewhere.

Term Debt Coverage Ratio: measures whether the business generated enough cash to cover term debt payments. It is calculated by dividing the funds generated by the business for debt repayment. A ratio less than 100 percent indicates that the business did not generate sufficient cash to meet scheduled payments in the past year. A ratio greater than 100 indicates the business generated enough cash to pay all term debt payments.

Capital Replacement Margin: is the amount of money remaining after all operating expenses, taxes, family living costs, and scheduled debt payments have been made. It is the cash generated by the farm business that is available for financing capital replacement such as machinery and equipment.

Asset Turnover Rate: is a measure of efficiency in using capital. It is calculated as the Value of Farm Production divided by Total Farm Assets. If your farm business generated a high level of production given your level of capital investment, your asset turnover rate will be strong.

Operating Expense Ratio: Subtracting Farm Interest Expense from Total Farm Operating Expense and dividing by Gross Farm Income calculates the operating expense ratio. This ratio indicates the percent of the gross farm income that was used to pay operating expenses.

Depreciation Expense Ratio: The depreciation expense ratio is calculated by dividing Depreciation by Gross Farm Income. This ratio indicates the percent of the gross farm income that was used to cover depreciation and other capital adjustments.

Interest Expense Ratio: Dividing Farm Interest Expense by Gross Farm Income calculates the interest expense ratio. This ratio indicates the percent of the gross farm income used for farm interest expenses.

Net Farm Income Ratio: The net farm income ratio is calculated by dividing Net Farm Income by Gross Farm Income. This ratio indicates the percent of the gross farm income that remained after all expenses.

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