

FINPACK

PLAN DESCRIPTION			Base Plan	Alt. 1	Alt. 2	Alt. 3
				Sell Steers	Expand to 65 Cows	Expand to 100 Cows SellHogs
Total crop acres			290	290	290	290
Total labor hours			4,877	4,695	5,245	6,502
Change in farm assets			-	-18,427	8,573	202,073
Change in farm liabilities			-	-18,427	8,573	205,073
Crop Plan	Yield/Acre	Share				
Corn, Feed	130.0 bu.	100 %	58.0	58.0	58.0	53.0
Corn Silage	18.0 ton	100 %	16.0	11.0	13.0	20.0
Feed Oats, with alfalfa	65.0 bu.	100 %	15.0	16.0	16.0	15.0
Hay, Alfalfa	4.0 ton	100 %	61.0	65.0	63.0	62.0
Corn, Feed	130.0 bu.	60 %	70.0	70.0	70.0	70.0
Soybeans	38.0 bu.	60 %	70.0	70.0	70.0	70.0
Livestock Plan	Unit	Sales/Unit				
Dairy	Cow	18750 lb.	55	55	65	100
Hogs, Farrow To Finish	Litter	7.75 head	56	56	56	-
Beef, Finish Yrlg Steers	Head	1150 lb.	40	-	-	-
Corn equivalents (bu.)						
Produced			13,488	13,520	13,520	12,838
Fed			14,280	12,480	13,680	12,000
Balance			-793	1,040	-160	838
Hay equivalents (ton)						
Produced			244	260	252	248
Fed			319	303	358	550
Balance			-75	-43	-106	-302
Silage equivalents (ton)						
Produced			288	198	234	360
Fed			273	193	228	350
Balance			16	6	7	10



PROFITABILITY

		Base Plan	Alt. 1	Alt. 2	Alt. 3
			Sell	Expand to	Expand to
			Steers	65 Cows	100 Cows
					SellHogs
INCOME STATEMENT (Typical Year)					
Corn equivalents	\$ 2.20/bu.	-	2,288	-	1,843
Soybeans	\$ 5.40/bu.	8,618	8,618	8,618	8,618
Milk	\$ 13.00/cwt.	134,063	134,063	158,438	243,750
Raised Hogs	\$ 41.00/cwt.	44,485	44,485	44,485	-
Fin Yrlg Str	\$ 70.00/cwt.	31,878	-	-	-
Cull breeding livestock		10,050	10,050	11,552	15,015
Misc. livestock income		3,094	3,094	3,656	5,625
Other farm income		500	500	500	500
(A) Gross farm income		232,688	203,098	227,249	275,351
Seed		8,599	8,427	8,513	8,561
Fertilizer		8,627	8,504	8,569	8,595
Crop chemicals		6,070	5,920	5,980	6,040
Crop insurance		1,707	1,647	1,671	1,695
Drying fuel		1,400	1,400	1,400	1,330
Crop custom hire		2,996	2,890	2,918	3,232
Feeder livestock purchase		20,020	-	-	-
Purchased Corn	\$ 2.30/bu.	1,823	-	368	-
Purchased Hay	\$ 95.00/ton	7,078	4,038	10,023	28,690
Purchased feed		52,210	50,410	55,910	55,000
Breeding fees		2,090	2,090	2,470	3,800
Veterinary		7,722	7,282	8,382	11,000
Supplies		8,796	8,596	9,996	14,000
Livestock marketing		6,048	5,408	6,208	8,000
Interest		13,747	12,863	14,870	29,195
Fuel & oil		5,000	4,800	5,200	6,000
Repairs		10,200	10,000	11,200	14,000
Hired labor		3,600	3,500	4,000	5,000
Real estate taxes		3,600	3,600	3,800	4,500
Farm insurance		3,400	3,300	3,600	4,200
Utilities		6,300	6,100	6,600	7,000
Dues & professional fees		600	600	600	600
Miscellaneous		500	500	500	500
(B) Total cash farm expense		182,133	151,875	172,777	220,938
(C) Net cash farm income		50,555	51,223	54,471	54,413
Depreciation		20,000	20,000	20,500	25,000
(D) Net farm income		30,555	31,223	33,971	29,413

		Base Plan	Alt. 1	Alt. 2	Alt. 3
			Sell	Expand to	Expand to
			Steers	65 Cows	100 Cows
					SellHogs
PROFITABILITY MEASURES (Market)					
Net farm income	(D)	30,555	31,223	33,971	29,413
Labor & management earnings	(D-E)	8,822	9,491	12,239	7,861
Rate of return on farm assets	(H/I)	2.9 %	3.0 %	3.5 %	3.7 %
Rate of return on farm equity	(J/K)	1.5 %	1.7 %	2.3 %	0.6 %
Rate of return on added investment	(L/M)		- %	47.5 %	6.1 %
Operating profit margin	(H/N)	12.7 %	12.9 %	14.5 %	16.4 %
Asset turnover	(N/I)	23.1 %	23.4 %	24.3 %	22.4 %
(E) Interest on farm net worth	(K*6%)	21,733	21,733	21,733	21,553
(F) Farm interest paid		13,747	12,863	14,870	29,195
(G) Value operators labor & mgt		25,078	24,933	25,547	27,083
(H) Return on farm assets	(D+F-G)	19,224	19,154	23,294	31,525
(I) Total farm assets		654,797	636,370	663,370	856,870
(J) Return on farm equity	(D-G)	5,477	6,291	8,424	2,330
(K) Total farm net worth		362,212	362,212	362,212	359,212
(L) Added return to added investment			-70	4,070	12,301
(M) Added capital invested			-18,427	8,573	202,073
(N) Value of farm production		151,558	148,650	160,948	191,661

LIQUIDITY**CASH FLOW (Typical Year)**

Net cash farm income	(C)	50,555	51,223	54,471	54,413
Nonfarm income	(+)	32,000	32,000	32,000	32,000
Net cash available	(=)	82,555	83,223	86,471	86,413
Family living	(-)	45,000	45,000	45,000	45,000
Income taxes and social security	(-)	13,131	13,372	14,150	12,018
(R) Cash available for principal payments	(=)	24,424	24,852	27,321	29,396
Farm interest paid	(+)	13,747	12,863	14,870	29,195
Cash avail. for principal and interest	(=)	38,172	37,715	42,191	58,590
First Natl - machinery		11,962	11,962	11,962	11,962
John Deere		2,932	2,932	2,932	2,932
1st Ntl cows		3,936	3,936	5,680	5,680
1st Ntl RE		8,596	8,596	8,596	8,596
1st Ntl cows 2		-	-	8,868	18,507
1st Ntl Barn		-	-	-	14,420
Operating loan interest		2,580	1,696	1,745	1,840
(S) Total scheduled principal and interest	(-)	30,006	29,122	39,783	63,937
Cash available after loan payments	(=)	8,166	8,593	2,408	-5,346
Annual capital replacement		16,000	16,000	16,000	20,000
Principal paid on intermediate debts		12,446	12,446	21,100	27,006
(T) Cash required for replacement	(-)	3,554	3,554	-	-
(U) Cash surplus or deficit	(=)	4,611	5,039	2,408	-5,346

	<i>Base Plan</i>	<i>Alt. 1</i>	<i>Alt. 2</i>	<i>Alt. 3</i>
		<i>Sell Steers</i>	<i>Expand to 65 Cows</i>	<i>Expand to 100 Cows SellHogs</i>
SOLVENCY MEASURES				
Current percent in debt	64.4 %	57.2 %	64.8 %	72.9 %
Current & intermediate pct in debt	45.3 %	41.9 %	48.5 %	55.1 %
Long term percent in debt	19.7 %	19.7 %	19.0 %	43.3 %
Nonfarm percent in debt	- %	- %	- %	- %
Total percent in debt	(Y/X) 43.5 %	41.9 %	44.2 %	56.9 %

NET WORTH CHANGE (Typical Year)

Net farm income		30,555	31,223	33,971	29,413
Nonfarm income	(+)	32,000	32,000	32,000	32,000
Family living	(-)	45,000	45,000	45,000	45,000
Income taxes and social security	(-)	13,131	13,372	14,150	12,018
Net worth change per year	(=)	4,424	4,852	6,821	4,396

FINANCIAL STANDARDS MEASURES

Liquidity					
Current ratio		1.55	1.75	1.54	1.37
Working capital		38,774	38,774	31,863	24,563
Solvency					
Farm debt to asset ratio		44.7 %	43.1 %	45.4 %	58.1 %
Farm equity to asset ratio		55.3 %	56.9 %	54.6 %	41.9 %
Farm debt to equity ratio		80.8 %	75.7 %	83.1 %	138.5 %
Profitability					
Rate of return on farm assets		2.9 %	3.0 %	3.5 %	3.7 %
Rate of return on farm equity		1.5 %	1.7 %	2.3 %	0.6 %
Operating profit margin		12.7 %	12.9 %	14.5 %	16.4 %
Net farm income		30,555	31,223	33,971	29,413
Repayment Capacity					
Term debt coverage ratio		129.8 %	131.3 %	106.3 %	91.4 %
Capital replacement margin		8,166	8,593	2,408	-5,346
Efficiency					
Asset turnover		23.1 %	23.4 %	24.3 %	22.4 %
Operating expense ratio		72.4 %	68.4 %	69.5 %	69.6 %
Depreciation expense ratio		8.6 %	9.8 %	9.0 %	9.1 %
Interest expense ratio		5.9 %	6.3 %	6.5 %	10.6 %
Net farm income ratio		13.1 %	15.4 %	14.9 %	10.7 %

		Base Plan	Alt. 1	Alt. 2	Alt. 3
			Sell	Expand to	Expand to
			Steers	65 Cows	100 Cows
CROP AND LIVESTOCK PRODUCTION					Sell Hogs
Corn, Feed	bu.	13,000	13,000	13,000	12,350
Corn Silage	ton	288	198	234	360
Oats, Feed	bu.	975	1,040	1,040	975
Hay, Alfalfa	ton	244	260	252	248
Soybeans	bu.	1,596	1,596	1,596	1,596
Milk	lb.	1,031,250	1,031,250	1,218,750	1,875,000
Raised Hogs	head sold	434	434	434	-
Fin Yrlg Str	head sold	40	-	-	-

SENSITIVITY ANALYSIS

Effect Of A 2 % Decrease In All Enterprises

Net farm income	24,827	26,128	28,336	22,917
Cash surplus or deficit	948	1,780	-1,196	-9,520
Net worth change per year	761	1,593	3,217	222

Effect Of A 10 % Decrease In All Enterprises

Net farm income	1,677	5,459	5,489	-3,580
Cash surplus or deficit	-15,551	-12,372	-16,949	-30,021
Net worth change per year	-15,738	-12,559	-12,535	-20,279

	Base Plan	Alt. 1	Alt. 2	Alt. 3
		Sell	Expand to	Expand to
INVESTMENT DETAIL		Steers	65 Cows	100 Cows
				SellHogs
Capital Purchases				
10 Cows	-	-	15,000	-
Remodel cattle barn	-	-	12,000	-
45 Cows	-	-	-	58,500
Replacements	-	-	-	20,000
Barn addition	-	-	-	135,000
Remodel calf barn	-	-	-	12,000
Total new investments	-	-	27,000	225,500
Capital Sales				
Steers	-	18,427	18,427	18,427
Sows and gilts	-	-	-	2,000
Total capital sales	-	18,427	18,427	20,427
LOAN DETAIL				
Current liabilities				
Original principal balance	51,661	51,661	51,661	51,661
Sale of Steers	-	-18,427	-18,427	-18,427
Sale of Sows and gilts	-	-	-	-2,000
Resulting principal balance	51,661	33,234	33,234	31,234
First Natl - machinery				
Original principal balance	63,910	63,910	63,910	63,910
John Deere				
Original principal balance	7,593	7,593	7,593	7,593
1st Ntl cows				
Original principal balance	16,030	16,030	16,030	16,030
1st Ntl RE				
Original principal balance	70,621	70,621	70,621	70,621
1st Ntl cows 2				
Original principal balance	-	-	-	-
Purchase of 10 Cows	-	-	15,000	-
Purchase of Remodel cattle barn	-	-	12,000	-
Purchase of 45 Cows	-	-	-	58,500
Purchase of Replacements	-	-	-	20,000
Resulting principal balance	-	-	27,000	78,500
1st Ntl Barn				
Original principal balance	-	-	-	-
Purchase of Barn addition	-	-	-	135,000
Purchase of Remodel calf barn	-	-	-	12,000
Resulting principal balance	-	-	-	147,000