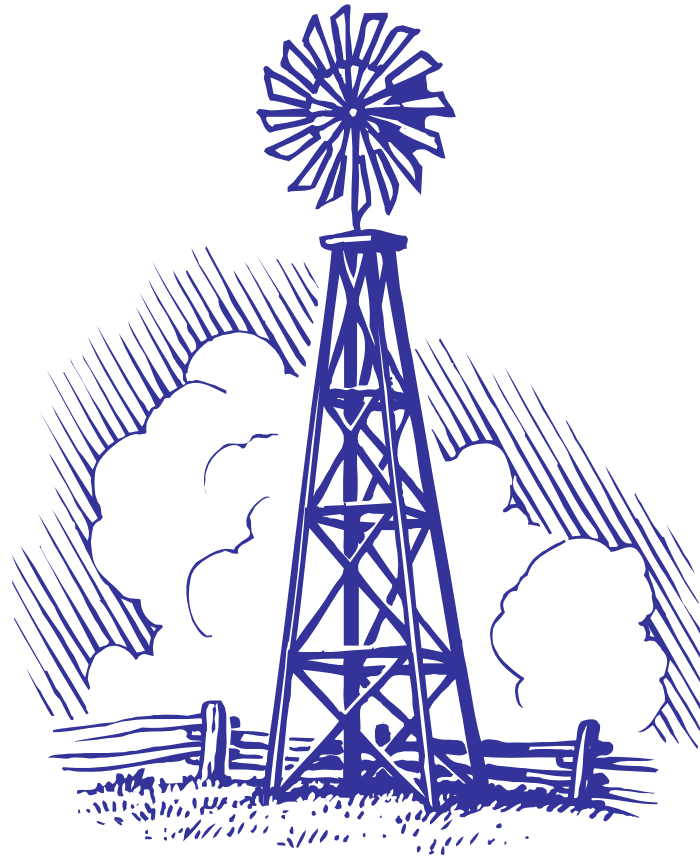


2005 Annual Report

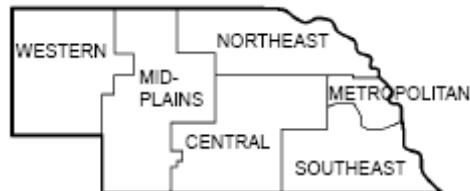
Southeast

Nebraska Farm/Ranch Business Management



UNIVERSITY OF
Nebraska
Lincoln

University of Nebraska
Cooperative Extension



Nebraska Community Colleges

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

Table of Contents

Consultants and Instructors	1
Regional Comments	2
Southeast Region	
Table 1A: Gross Cash Farm Income, 2005	3
Table 1B: Gross Cash Farm Expense, 2005	4
Table 2: Inventory Change, 2005	5
Table 3: Depreciation and other Capital Adjustments, 2005	6
Table 4: Profitability Analysis at Cost Value, 2005	7
Table 5: Profitability Analysis at Market Value, 2005	7
Table 6: Liquidity Analysis, 2005	8
Table 7: Statement of Cash Flows, 2005	9
Table 8: Financial Guidelines Measures, 2005	10
Table 9A: Balance Sheet - Assets at Cost Value, 2005	11
Table 9B: Balance Sheet - Liabilities at Cost Value, 2005	12
Table 10A: Balance Sheet - Assets at Market Value, 2005	13
Table 10B: Balance Sheet - Liabilities at Market Value, 2005	14
Table 11: Household & Personal Expenses, 2005	15
Table 12: Operator Information and Non-Farm Summary, 2005	16
Table 13: Comparison by Age of Operator, 2005	17-18
Table 14: Comparison by Gross Cash Farm Income, 2005	19-20
Table 15: Comparison by Debt to Asset Ratio, 2005	21-22
Table 16: Crop Production, Marketing & Labor Summary, 2005	23
Southeast - Crop Enterprise Reports	
Table 17: Dryland Corn, 2005	24
Table 18: Dryland Corn on All Tenure Types, 2005	25
Table 19: Dryland Soybeans, 2005	26
Table 20: Dryland Soybeans on All Tenure Types, 2005	27
Table 21: Dryland Wheat, 2005	28
Other Regional Averages	
Table 22A: Northeast Nebraska Averages, 2005	29
Table 22B: Northeast Nebraska Averages, 2005 (cont.)	30
Table 23A: South Central Nebraska Averages, 2005	31
Table 23B: South Central Nebraska Averages, 2005 (cont.)	32
Table 24A: Western Nebraska Averages, 2005	33
Table 24B: Western Nebraska Averages, 2005 (cont.)	34
Financial Ratios Guideline Ratios	35

NFBI Contact Information

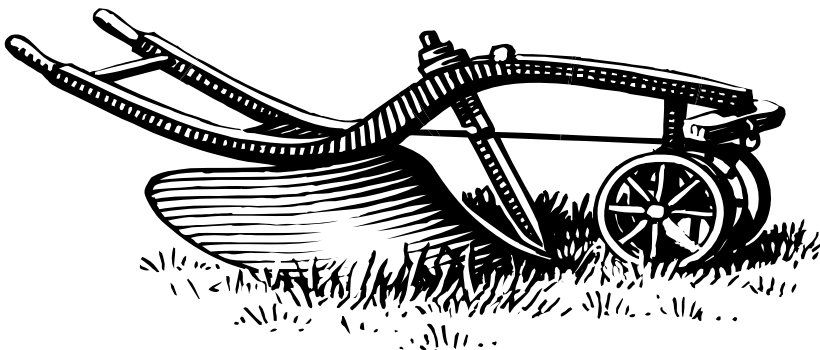
Tina Barrett, Executive Director
Gary Bredensteiner, Farm Financial Consultant
Jim Stewart, Farm Financial Consultant
Anthony Barrett, Farm Financial Consultant
Derrick Leyden, Farm Financial Consultant
Greg Gartrell, Farm Financial Consultant
Carol Talcott, Farm Business Assistant

Email: tina@nfbi.net
Email: gary@nfbi.net
Email: jim@nfbi.net
Email: anthony@nfbi.net
Email: derrick@nfbi.net
Email: greg@nfbi.net

Vicki Kempkes, Clerical Assistant
Kristina Tucker, Clerical Assistant
Nebraska Farm Business, Inc.
3815 Touzalin Avenue, Suite 105
Lincoln, NE 68507
Phone: (402) 464-NFBI (6324)
Fax: (402) 464-6355

Bonita Schuster, Consultant--Beatrice Office
Nebraska Farm Business, Inc.
Gage County Extension Office
1115 West Scott
Beatrice, NE 68310
Phone: (402) 223-1384
Fax: (402) 223-1370

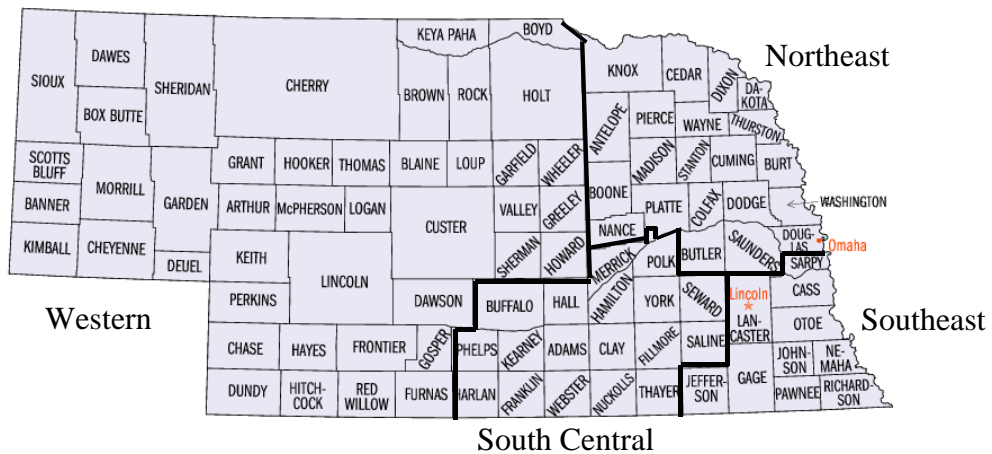
Email: bonita@nfbi.net



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 the average 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.

The four regional books' contents vary from one another. Because of the number of operations, the variety among those operations and whether or not they've chosen to participate in the enterprise analysis program, some regions contain more or less sorts by gross income, debt-to-asset ratio, age of operator, and individual enterprise reports. As much information as possible has been included without compromising the value of the data or the confidentiality of the producers participating. Remember, the Annual Report contains data from the whole state with a larger number of farms and for the reasons above contain the most information we can gather. These regional books contain no state average data. If you would like to order other books, please contact us at (402) 464-6324, or order from our website: www.nfbi.net.

Table 1A: Southeast - Gross Cash Farm Income, 2005

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Crop Income			
Corn	88,924	53,104	128,934
Seed Corn	0	0	0
Soybeans	91,622	54,260	135,206
Wheat	11,208	939	23,443
Hay Crops	7,923	839	20,965
Grain Sorghum	4,897	1,640	11,330
White Corn	0	0	0
Sugar Beets	0	0	0
Great Northern Beans	0	0	0
Miscellaneous Crop Income	176	0	511
Total Crop Income	\$204,750	\$110,782	\$320,389
Livestock and Product Income			
Beef Finishing	0	0	0
Beef Calves	8,703	9,085	11,109
Background Beef	3,136	0	9,124
Farrow-to-Finish, Hogs	16,836	0	39,720
Finish Feeder Pigs	119,027	0	346,260
Dairy, Milk	62,070	0	128,218
Cull Breeding Livestock	9,640	1,791	22,893
Miscellaneous Livestock Income	2,339	5,789	1,106
Total Livestock Income	\$221,751	\$16,665	\$558,430
Other Farm Income			
LDP Payments	13,737	7,127	18,532
Direct and CC Gov't Payments	30,632	19,256	43,418
CRP & Other Gov't Payments	7,688	2,600	17,055
Custom Work	7,112	3,538	14,695
Patronage Dividends, Cash	1,688	856	3,024
Insurance Income	1,040	498	1,796
Cash from Hedging Accounts	1,718	1,136	2,317
Contract Livestock Income	0	0	0
Other Miscellaneous Farm Income	4,571	2,070	8,302
Total Other Farm Income	\$68,186	\$37,081	\$109,139
Gross Cash Farm Income	\$494,687	\$164,528	\$987,958

Table 1B: Southeast - Gross Cash Farm Expenses, 2005

	<u>Average Of All Farms</u>	<u>Average Of Low 33%</u>	<u>Average Of High 33%</u>
Crop Expense			
Seed	27,204	15,437	43,537
Fertilizer	28,601	13,817	49,418
Crop Chemicals	24,308	15,055	36,479
Crop Insurance	6,334	4,969	7,929
Drying Fuel	322	0	300
Irrigation Energy	2,222	1,261	1,883
Irrigation Repairs	732	0	1,880
Crop Marketing	613	32	846
Crop Miscellaneous	7,268	5,505	12,504
CCC Buyback	\$11,514	\$0	\$28,982
Total Crop Expense	\$109,118	\$56,076	\$183,758
Livestock Expense			
Feeder Livestock Purchases	6,442	0	17,921
Purchased Feed	86,247	2,974	226,800
Breeding Fees	1,182	89	1,554
Veterinary	10,619	571	26,591
Livestock Supplies	2,083	89	4,904
Livestock Leases	83	0	0
Grazing Fees	963	300	1,755
Livestock Marketing	1,756	56	2,747
Livestock Custom Hire	1838	34	4994
Livestock Repairs	1578	38	4059
Total Livestock Expense	\$112,791	\$4,151	\$291,325
Other Farm Expense			
Interest	12,804	10,815	12,778
Fuel and Oil	15,678	7,618	25,252
Repairs	28,088	13,114	44,275
Custom Hire	28,862	1,648	77,425
Hired Labor	28,440	1,976	68,073
Land Rent	19,340	16,913	23,093
Machinery and Building Lease	5,309	166	8,610
Real Estate Taxes	8,379	2,635	15,041
Personal Property Taxes	1,723	414	2,509
Farm Insurance	4,710	3,725	6,670
Utilities	5,076	1,890	9,346
Dues and Professional Fees	1,467	1,191	1,890
Hedging Account Deposits	2,451	4,795	1,952
Miscellaneous	4,146	3,003	7,426
Total Other Cash Farm Expense	\$166,473	\$69,903	\$304,340
Total Cash Operating Expense	\$388,382	\$130,130	\$779,423
Summary			
Gross Cash Farm Income (Table 1A)	\$494,687	\$164,528	\$987,958
- Total Cash Operating Expense	\$388,382	\$130,130	\$779,423
= Net Cash Farm Income	\$106,305	\$34,398	\$208,535

Table 2: Southeast - Inventory Changes, 2005

	Average Of Farms	Average Of Low 33%	Average Of High 33%
Net Cash Farm Income	\$106,305	\$34,398	\$208,535
Crops and Feed			
Ending Inventory	144,093	40,771	244,891
Beginning Inventory	141,998	57,495	224,919
Inventory Change	2,095	(16,724)	19,972
Market Livestock			
Ending Inventory	57,729	5,575	157,060
Beginning Inventory	45,892	9,251	119,324
Inventory Change	11,837	(3,676)	37,736
Accounts Receivable & Other Current Assets			
Ending Inventory	8,629	2,063	15,379
Beginning Inventory	4,923	2,305	9,797
Inventory Change	3,706	(242)	5,582
Prepaid Expenses and Supplies			
Ending Inventory	49,601	3,902	121,116
Beginning Inventory	31,096	5,703	64,263
Inventory Change	18,505	(1,801)	56,853
Accounts Payable			
Beginning Inventory	6,739	2,930	5,813
Ending Inventory	13,068	5,261	22,453
Inventory Change	(6,329)	(2,331)	(16,640)
Total Inventory Change	\$29,814	(\$24,774)	\$103,503
Net Accrual Operating Income	\$136,119	\$9,624	\$312,038

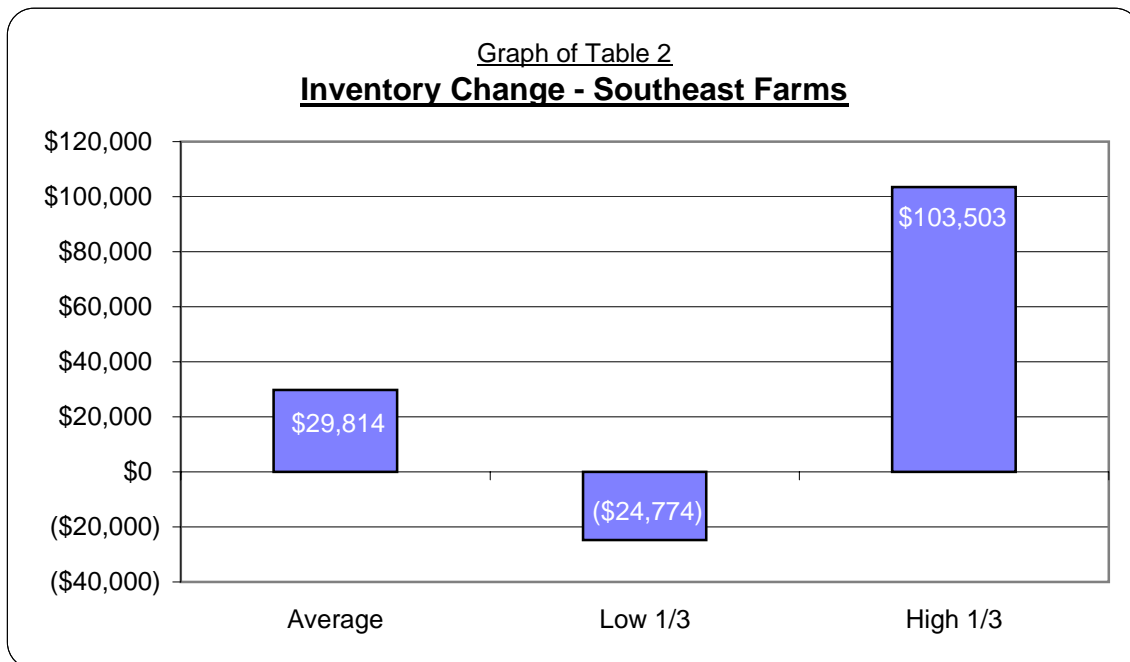


Table 3: Southeast - Depreciation and Other Capital Adjustments, 2005

	Average Of <u>All Farms</u>	Average Of <u>Low 33%</u>	Average Of <u>High 33%</u>
Net Accrual Operating Income	\$136,119	\$9,624	\$312,038
Breeding Livestock			
Ending Inventory	4,372	2,227	8,622
Capital Sales	2,306	6,242	1,033
Beginning Inventory	7,243	5,373	14,175
Capital Purchases	3,579	1,264	7,116
Depreciation & Capital Adjustments	(4,144)	1,832	(11,636)
Machinery and Equipment			
Ending Inventory	124,360	68,239	217,738
Capital Sales	8,371	11,540	12,562
Beginning Inventory	106,066	65,301	177,262
Capital Purchases	57,452	28,125	110,158
Depreciation & Capital Adjustments	(30,787)	(13,647)	(57,120)
Buildings and Improvements			
Ending Inventory	43,278	15,723	90,552
Capital Sales	5,469	0	15,909
Beginning Inventory	50,735	16,652	111,452
Capital Purchases	3,150	0	7,318
Depreciation & Capital Adjustments	(5,138)	(929)	(12,309)
Other Capital Assets			
Ending Inventory	29,374	12,192	55,123
Capital Sales	240	318	232
Beginning Inventory	22,570	9,682	38,146
Capital Purchases	7,877	1,790	21,091
Depreciation & Capital Adjustments	(833)	1,038	(3,882)
Total Depreciation & Capital Adjustments	(\$40,902)	(\$11,706)	(\$84,947)
Net Farm Income	\$95,217	(\$2,082)	\$227,091

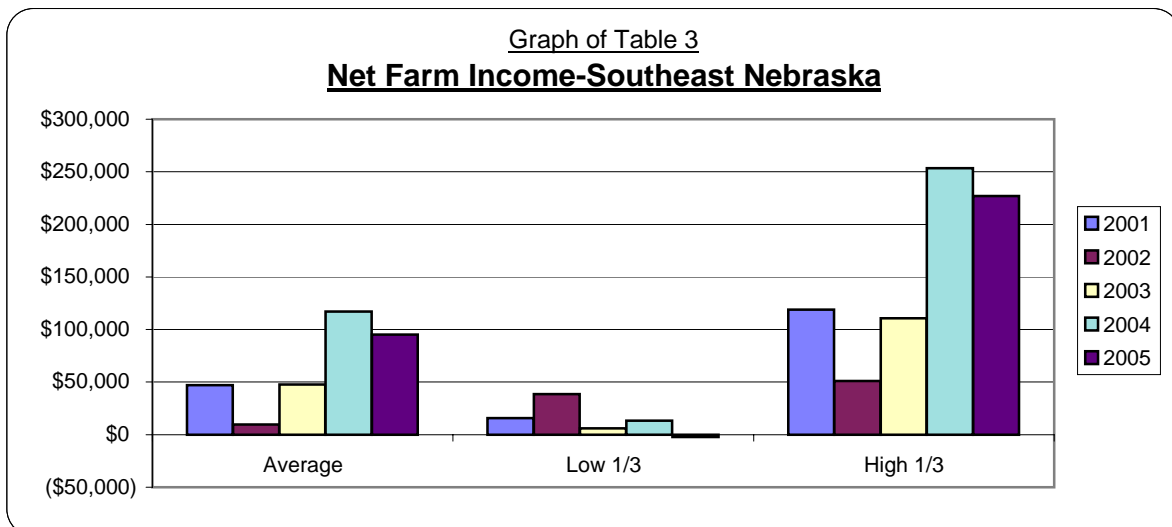


Table 4: Southeast - Profitability Analysis At Cost Value, 2005

	Average Of All Farms	Average Of Low 33 %	Average Of High 33%
Profitability			
Net Farm Income	\$95,212	(\$2,079)	\$227,093
Labor and Mgt. Earnings	\$63,089	(\$11,244)	\$160,571
Rate of Return on Assets	10.0%	-3.1%	14.5%
Rate of Return on Equity	12.4%	-15.7%	17.7%
Operating Profit Margin	19.7%	-7.6%	27.0%
Asset Turnover Rate	50.6%	41.6%	53.8%
Interest on Farm Net Worth	\$32,123	\$9,165	\$66,523
Farm Interest Expense	\$15,475	\$13,234	\$18,035
Operator Labor & Mgt.	\$28,651	\$21,952	\$30,727
Return on Farm Assets	\$82,036	(\$10,798)	\$214,401
Average Farm Assets	\$820,670	\$343,059	\$1,477,186
Return on Farm Equity	\$66,561	(\$24,031)	\$196,366
Average Farm Equity	\$535,380	\$152,752	\$1,108,711
Value of Farm Production	\$415,492	\$142,743	\$794,892

Table 5: Southeast - Profitability Analysis At Market Value, 2005

	Average Of All Farms	Average Of Low 33 %	Average Of High 33 %
Profitability			
Net Farm Income	\$101,128	(\$3,280)	\$237,589
Labor and Mgt. Earnings	\$51,788	(\$18,075)	\$142,178
Rate of Return on Assets	7.9%	-2.7%	11.5%
Rate of Return on Equity	8.8%	-10.2%	13.0%
Operating Profit Margin	21.2%	-8.4%	28.3%
Asset Turnover Rate	37.5%	32.7%	40.6%
Interest on Farm Net Worth	\$49,340	\$14,794	\$95,411
Farm Interest Expense	\$15,475	\$13,234	\$18,035
Operator Labor & Mgt.	\$28,651	\$21,952	\$30,727
Return on Farm Assets	\$87,953	(\$11,999)	\$224,897
Average Farm Assets	\$1,107,621	\$436,880	\$1,958,666
Return on Farm Equity	\$72,477	(\$25,232)	\$206,862
Average Farm Equity	\$822,332	\$246,572	\$1,590,191
Value of Farm Production	\$415,492	\$142,743	\$794,892

Table 6: Southeast - Liquidity Analysis, 2005

		Average of All Farms	Average Of Low 33%	Average Of High 33%
Liquidity (Cash)				
Net Cash Farm Income	(+)	106,302	34,399	208,537
Net Non-Farm Income	(+)	30,818	28,230	33,949
Family Living and Taxes	(-)	59,204	34,758	83,550
Real Estate Principal Payments	(-)	8,639	2,419	9,664
Cash Available for Intern. Debt	(=)	69,277	25,452	149,272
Intermediate Debt		\$60,138	\$58,094	\$99,468
Years to Turnover Intern. Debt		0.9	2.3	0.7
Expense as a % of Income		79%	79%	79%
Interest as a % of Income		3%	7%	1%
Working Capital to Gross Income		35%	5%	41%

Liquidity (Accrual)

Total Accrual Farm Income	(+)	512,325	143,885	1,051,250
Total Accrual Farm Expense	(-)	376,210	134,259	739,209
Net Accrual Operating Income	(=)	136,115	9,626	312,040
Net Non-Farm Income	(+)	30,818	28,230	33,949
Family Living and Taxes	(-)	59,204	34,758	83,550
Real Estate Principle Payments	(-)	8,639	2,419	9,664
Cash & Inventory for Intern. Debt	(=)	99,090	679	252,775
Intermediate Debt		60,138	58,094	99,468
Years to Turnover Intern. Debt		0.6	85.6	0.4
Expense as a % of Income		73%	93%	70%
Interest as a % of Income		3%	9%	2%
Working Capital to Gross Income		34%	6%	39%

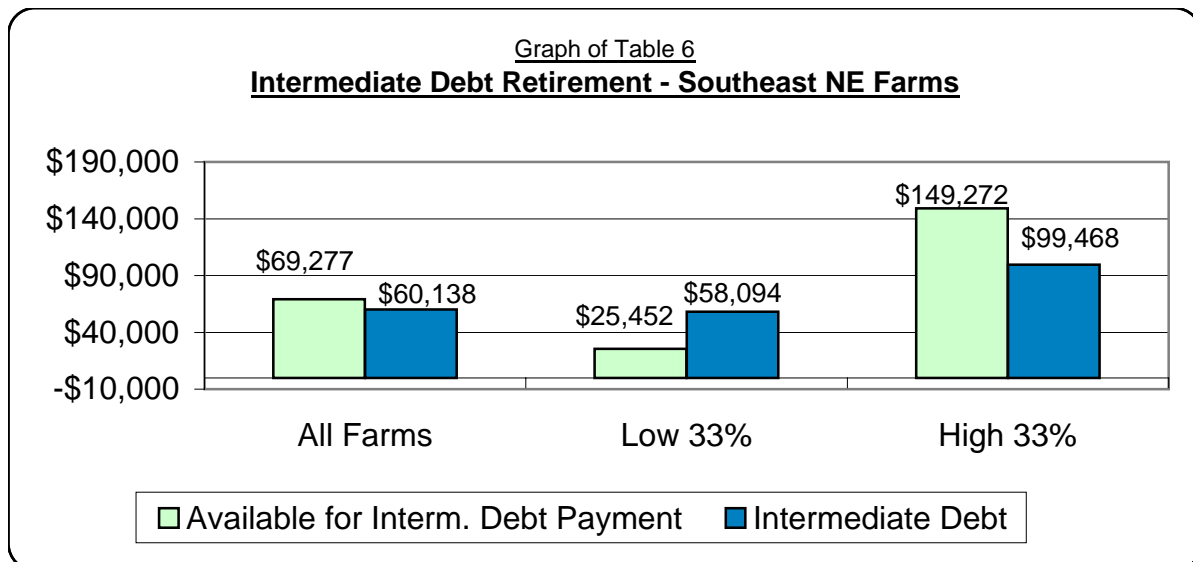


Table 7: Southeast - Statement of Cash Flows, 2005

		Average Of All Farms	Average Of Low 33%	Average Of High 33%
(A) Beginning Cash Balance (Farm & Non-farm)		\$47,997	\$20,555	\$88,790
Cash From Operating Activities				
Gross Cash Farm Income	(+)	494,687	164,527	987,959
Net Non-farm Income	(+)	30,818	28,230	33,949
Total Cash Farm Expense	(-)	388,386	130,128	779,423
Apparent Family Living Expense	(-)	46,293	30,890	62,430
Income and Social Security Tax	(-)	12,911	3,868	21,120
(B) Net Cash From Operating Activities	(-)	\$77,915	\$27,871	\$158,935
Cash From Investing Activities				
Sale of Breeding Livestock	(+)	2,306	6,242	1,033
Sale of Machinery & Equipment	(+)	8,371	11,540	12,562
Sale of Farm Land	(+)	16,955	33,992	18,423
Sale of Farm Buildings	(+)	5,469	0	15,909
Sale of Other Farm Assets	(+)	240	318	232
Sale of Non-farm Assets	(+)	4,093	3,536	7,932
Purchase of Breeding Livestock	(-)	3,579	1,264	7,116
Purchase of Machinery & Equip.	(-)	55,241	28,125	107,850
Purchase of Titled Vehicles	(-)	2,211	0	2,307
Purchase of Farm Land	(-)	26,712	2,046	75,848
Purchase of Farm Buildings	(-)	3,150	0	7,318
Purchase of Other Farm Assets	(-)	7,877	1,790	21,091
Purchase of Non-farm Assets	(-)	14,754	10	33,224
(C) Net Cash From Investing Activities	(-)	(\$76,090)	\$22,393	(\$198,663)
Cash From Financing Activities				
Money Borrowed	(+)	214,964	78,833	411,368
Cash Gifts and Inheritances	(+)	6,140	2,355	10,341
Principal Payments	(-)	226,480	141,466	367,322
Dividends Paid	(-)	0	0	0
Gifts Given	(-)	0	0	0
(D) Net Cash From Financing Activities	(-)	(\$5,376)	(\$60,278)	\$54,387
(E) Net Change In Cash Balance (B+C+D)		(\$3,551)	(\$10,014)	\$14,659
(F) Ending Cash Balance (A-E)		\$44,446	\$10,541	\$103,449

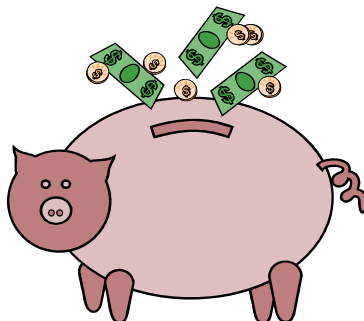


Table 8: Southeast - Financial Guideline Measures, 2005

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Liquidity			
Current Ratio	2.28	1.17	2.62
Working Capital	\$172,611	\$8,506	\$409,053
Solvency (Market)			
Farm Debt to Asset Ratio	25%	40%	20%
Farm Equity to Asset Ratio	75%	60%	80%
Farm Debt to Equity Ratio	34%	65%	26%
Profitability (Cost)			
Rate of Return on Farm Assets	10.0%	-3.1%	14.5%
Rate of Return on Farm Equity	12.4%	-15.7%	17.7%
Operating Profit Margin	19.7%	-7.6%	27.0%
Net Farm Income	\$95,212	(\$2,079)	\$227,093
Repayment Capacity			
Term Debt Coverage Ratio	334%	20%	614%
Capital Replacement Margin	68,589	(13,922)	187,740
Efficiency			
Asset Turnover Rate (Cost)	50.6%	41.6%	53.8%
Operating Expense Ratio	70.4%	84.1%	68.6%
Depreciation Expense Ratio	8.0%	8.1%	8.1%
Interest Expense Ratio	3.0%	9.2%	1.7%
Net Farm Income Ratio	18.6%	-1.4%	21.6%

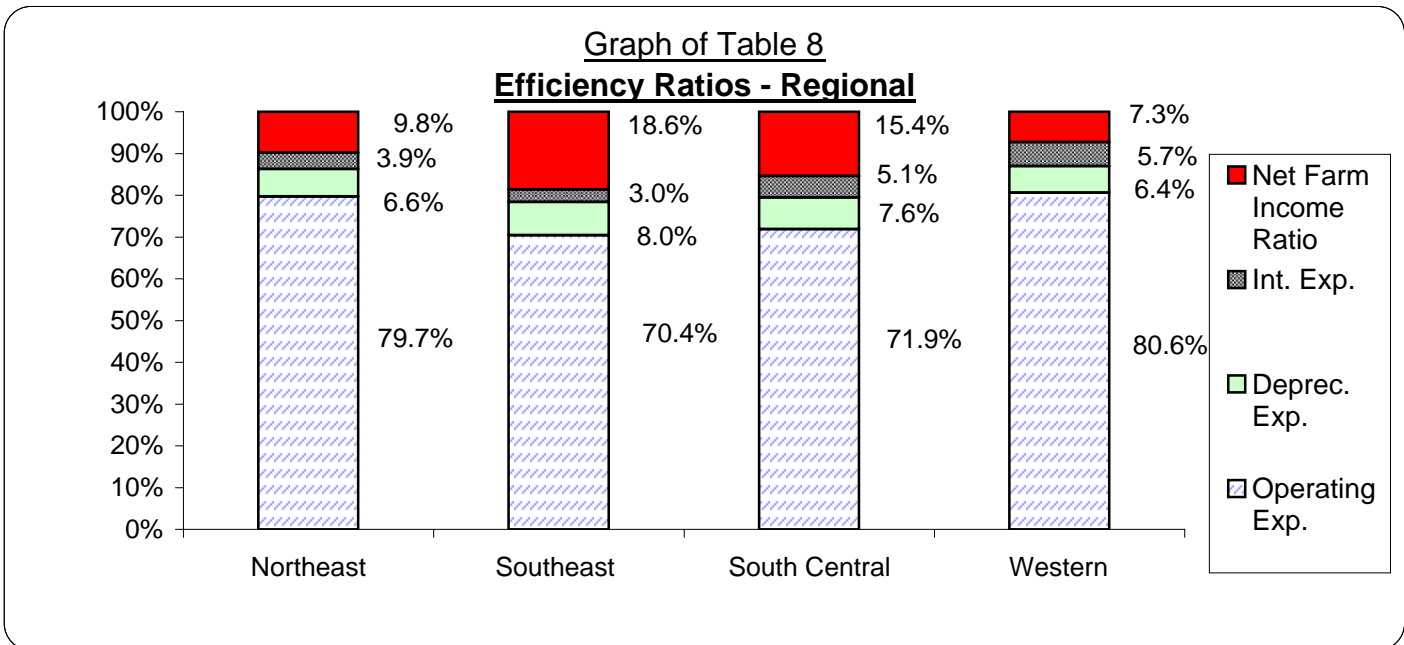


Table 9A: Southeast - Balance Sheet - Assets at Cost Value, 2005

	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	39,312	36,463	18,785	7,723	73,922	92,644
Prepaid Expenses & Supplies	31,096	49,601	5,703	3,902	64,263	121,116
Growing Crops	2,784	3,036	100	418	6,931	7,812
Accounts Receivable	911	4,152	1,411	912	1,340	5,343
Hedging Accounts	995	950	641	674	1,262	1,578
Crops Held for Sale or Feed	137,784	141,340	57,495	40,771	224,009	238,911
Crops Under Government Loan	13,552	13,657	0	0	26,594	37,203
Market Livestock Held for Sale	45,892	57,729	9,251	5,575	119,324	157,060
Other Current Assets	233	491	154	60	264	645
Total Current Farm Assets	\$272,559	\$307,419	\$93,540	\$60,035	\$517,909	\$662,312
Intermediate Farm Assets						
Breeding Livestock	7,243	4,372	5,373	2,227	14,175	8,622
Machinery and Equipment	101,523	119,074	62,708	66,015	171,365	211,378
Titled Vehicles	4,543	5,287	2,593	2,224	5,897	6,360
Other Intermediate Assets	20,042	26,674	5,898	8,103	34,230	50,984
Total Intermediate Farm Assets	\$133,351	\$155,407	\$76,572	\$78,569	\$225,667	\$277,344
Long Term Farm Assets						
Farm Land	340,100	353,506	184,552	152,606	524,973	593,012
Buildings and Improvements	50,735	43,278	16,652	15,723	111,452	90,552
Other Long Term Assets	2,529	2,701	3,784	4,088	3,916	4,140
Total Long Term Farm Assets	\$393,364	\$399,485	\$204,988	\$172,417	\$640,341	\$687,704
Total Farm Assets	\$799,274	\$862,311	\$375,100	\$311,021	\$1,383,917	\$1,627,360
Non-farm Assets	199,802	216,132	141,397	155,437	298,116	321,612
Total Farm & Non-farm Assets	\$999,076	\$1,078,443	\$516,497	\$466,458	\$1,682,033	\$1,948,972

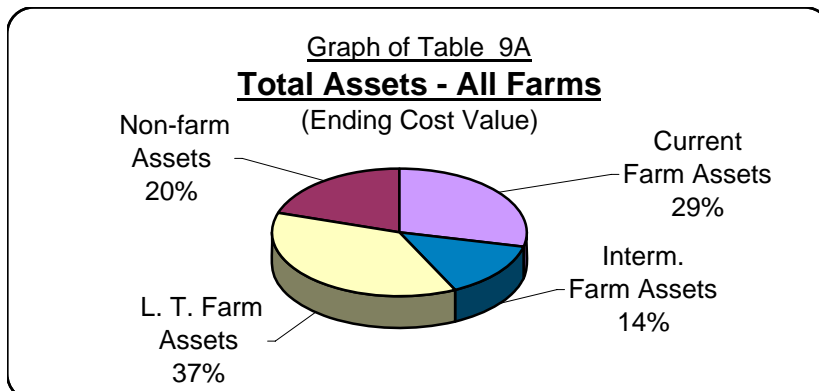


Table 9B: Southeast - Balance Sheet - Liabilities at Cost Value, 2005

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	5,264	7,934	2,842	5,261	3,988	9,246
Accounts Payable	1,474	5,134	88	0	1,825	13,207
Current Notes	70,546	91,017	55,874	33,503	84,731	174,511
Government Crop Loans	13,160	11,506	0	0	25,684	31,222
Principal Due on Term Debt	19,537	19,216	15,793	12,765	24,098	25,074
Total Current Farm Liabilities	\$109,981	\$134,807	\$74,597	\$51,529	\$140,326	\$253,260
Intermediate Farm Liabilities	\$50,460	\$47,276	\$47,095	\$44,886	\$92,895	\$74,205
Long Term Farm Liabilities	\$136,650	\$111,646	\$99,067	\$63,443	\$130,305	\$102,864
Total Farm Liabilities	\$297,091	\$293,729	\$220,759	\$159,858	\$363,526	\$430,329
Non-farm Liabilities	14,025	13,989	15,164	16,508	8,960	8,347
Total Liabilities	\$311,116	\$307,718	\$235,923	\$176,366	\$372,486	\$438,676
Net Worth (Farm & Non-farm)	\$687,960	\$770,725	\$280,574	\$290,092	\$1,309,547	\$1,510,296
Net Worth Change (Cost Value)		\$82,765		\$9,518		\$200,749

Ratio Analysis

Current Farm Liabilities / Assets	40%	44%	80%	86%	27%	38%
Curr. & Interm Farm Liab. / Assets	40%	39%	72%	70%	31%	35%
Long Term Farm Liab. / Assets	35%	28%	48%	37%	20%	15%
Total Liabilities / Assets	31%	29%	46%	38%	22%	23%

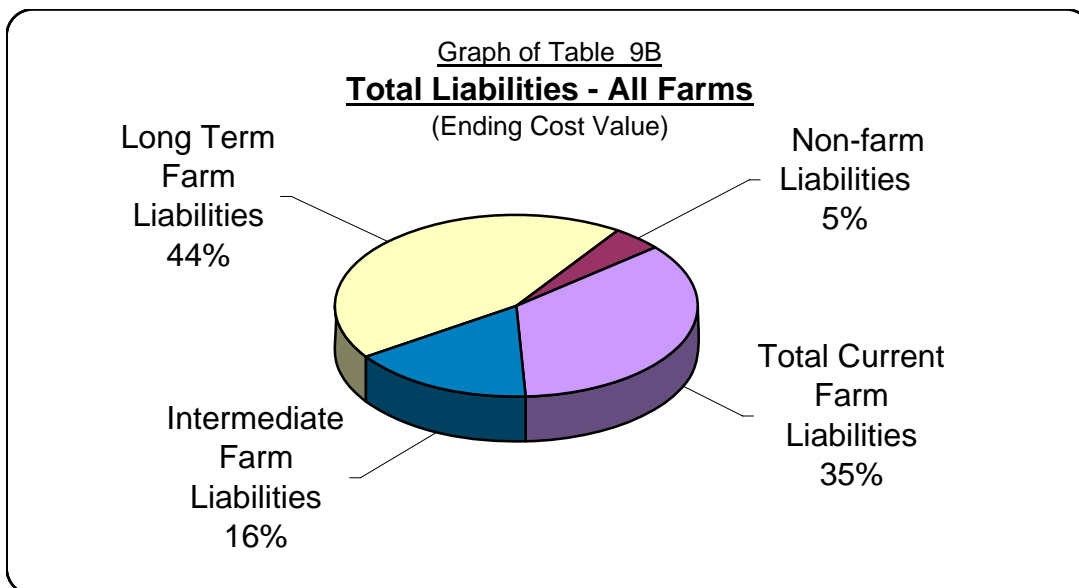


Table 10A: Southeast - Balance Sheet - Assets at Market Value, 2005

	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	39,312	36,463	18,785	7,723	73,922	92,644
Prepaid Expenses & Supplies	31,096	49,601	5,703	3,902	64,263	121,116
Growing Crops	2,784	3,036	100	418	6,931	7,812
Accounts Receivable	911	4,152	1,411	912	1,340	5,343
Hedging Accounts	995	950	641	674	1,262	1,578
Crops Held for Sale or Feed	137,784	141,340	57,495	40,771	224,009	238,911
Crops Under Government Loan	13,552	13,657	0	0	26,594	37,203
Market Livestock Held for Sale	45,892	57,729	9,251	5,575	119,324	157,060
Other Current Assets	233	491	154	60	264	645
Total Current Farm Assets	\$272,559	\$307,419	\$93,540	\$60,035	\$517,909	\$662,312
Intermediate Farm Assets						
Breeding Livestock	54,967	55,540	19,493	14,736	98,975	99,418
Machinery and Equipment	196,191	214,420	107,590	109,140	329,934	370,692
Titled Vehicles	1,799	2,605	5,011	4,673	0	780
Other Intermediate Assets	20,042	26,697	5,898	8,103	34,230	50,984
Total Intermediate Farm Assets	\$272,999	\$299,262	\$137,992	\$136,652	\$463,139	\$521,874
Long Term Farm Assets						
Farm Land	459,443	471,987	216,325	186,270	703,125	766,939
Buildings and Improvements	75,737	70,851	17,880	17,196	172,060	158,823
Other Long Term Assets	2,529	2,701	3,784	4,088	3,916	4,140
Total Long Term Farm Assets	\$537,709	\$545,539	\$237,989	\$207,554	\$879,101	\$929,902
Total Farm Assets	\$1,083,267	\$1,152,220	\$469,521	\$404,241	\$1,860,149	\$2,114,088
Non-farm Assets	216,423	235,431	141,207	155,167	335,970	369,231
Total Farm & Non-farm Assets	\$1,299,690	\$1,387,651	\$610,728	\$559,408	\$2,196,119	\$2,483,319

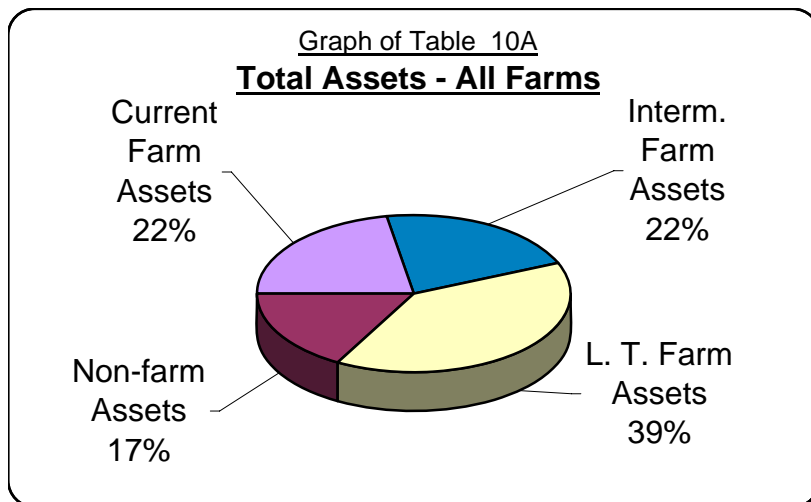


Table 10B: Southeast - Balance Sheet - Liabilities at Market Value, 2005

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	5,264	7,934	2,842	5,261	3,988	9,246
Accounts Payable	1,474	5,134	88	0	1,825	13,207
Current Notes	70,546	91,017	55,874	33,503	84,731	174,511
Government Crop Loans	13,160	11,506	0	0	25,684	31,222
Principal Due on Term Debt	19,537	19,216	15,793	12,765	24,098	25,074
Total Current Farm Liabilities	\$109,981	\$134,807	\$74,597	\$51,529	\$140,326	\$253,260
Intermediate Farm Liabilities	\$50,460	\$47,276	\$47,095	\$44,886	\$92,895	\$74,205
Long Term Farm Liabilities	\$136,649	\$111,646	\$99,068	\$63,443	\$130,305	\$102,864
Total Farm Liabilities	\$297,090	\$293,729	\$220,760	\$159,858	\$363,526	\$430,329
Non-farm Liabilities	14,025	13,989	15,164	16,508	8,960	8,347
Total Deferred Liabilities	N/A	N/A	N/A	N/A	N/A	N/A
Total Farm & Non-farm Liabilities	\$311,115	\$307,718	\$235,924	\$176,366	\$372,486	\$438,676
Net Worth (Farm and Non-farm)	\$988,575	\$1,079,933	\$374,804	\$383,042	\$1,823,633	\$2,044,643
Net Worth Change (Market Value)		\$91,358		\$8,238		\$221,010

Ratio Analysis

Current Farm Liabilities / Assets	40%	44%	80%	86%	27%	38%
Curr. & Interm Farm Liab / Assets	29%	30%	53%	49%	24%	28%
Long Term Farm Liab. / Assets	25%	20%	42%	31%	15%	11%
Total Liabilities / Assets	24%	22%	39%	32%	17%	18%

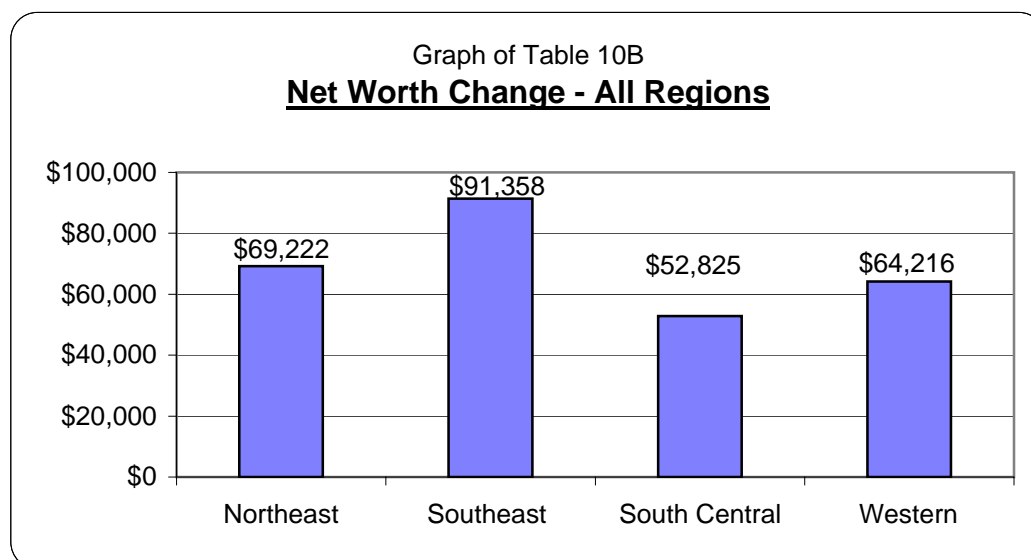


Table 11: Southeast - Household and Personal Expense, 2005

	Average Of <u>All Farms</u>	Average Of <u>Low 33%</u>	Average Of <u>High 33%</u>
Average Family Size	2.6	2.3	3.2
Family Living Expense			
Food and Meals Expense	5,101	5,421	5,825
Medical Care and Health Insurance	6,498	5,851	7,561
Cash Donations	2,481	1,143	3,589
Household Supplies	1,714	1,663	1,805
Clothing	1,492	1,321	1,817
Personal Care	2,410	3,283	2,141
Child / Dependent Care	759	421	1,524
Gifts	7,395	1,816	15,325
Education	1,387	992	2,404
Recreation	1,930	1,875	1,961
Utilities (Household Share)	1,911	2,131	1,905
Non-farm Vehicle Operating Expense	1,575	2,461	514
Household Real Estate Taxes	815	710	1,287
Dwelling Rent	437	874	0
Household Repairs	1,069	812	1,857
Non-farm Interest	896	737	1,477
Disability/ Long Term Care Insurance	87	174	0
Life Insurance Payments	2,311	3,455	1,363
Nonfarm Property Insurance	253	0	707
Miscellaneous	1,841	825	3,340
Total Cash Family Living Expense	\$42,362	\$35,965	\$56,402
Family Living from the Farm	0	0	0
Total Family Living Expense **	\$42,362	\$35,965	\$56,402
Other Non-farm Expense			
Income Taxes	11,841	4,147	24,609
Furnishing & Appliance Purchases	0	0	0
Non-farm Vehicle Purchases	1,618	0	4,531
Non-farm Real Estate Purchases	0	0	0
Other Non-farm Capital Purchases	1,674	0	1,000
Non-farm Savings & Investments	4,712	(5,015)	15,871
Total Other Non-farm Expense	\$19,845	(\$868)	\$46,011
Total Cash Family Living, Investment & Non-farm Capital Purchases	\$62,207	\$35,097	\$102,413

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

Table 12: Southeast - Operator Information and Non-farm Summary, 2005

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Operator Information			
Average Number of Operators	1.1	1.0	1.1
Average Age of Operators	50.9	49.7	52.7
Average Number of Years Farming	29.1	25.5	32.0
Non-farm Income			
Non-farm Wages & Salary	18,847	22,447	15,186
Non-farm Business Income	3,652	612	9,288
Non-farm Rental Income	3,113	750	5,052
Non-farm Interest Income	1,370	225	3,553
Non-farm Cash Dividends	160	513	0
Tax Refunds	339	757	296
Non-taxable Non-farm Income	0	0	0
Gifts and Inheritances	6,140	2,355	10,341
Other Non-farm Income	3,337	2,926	575
Total Non-farm Income	\$36,958	\$30,585	\$44,291
Non-farm Assets (Market Value)			
Checking & Savings	7,982	2,819	10,805
Stocks & Bonds	56,740	49,402	116,769
Other Current Assets	3,349	0	909
Furniture & Appliances	7,409	12,160	6,955
Non-farm Vehicles	7,642	7,375	8,932
Cash Value of Life Ins.	5,858	1,133	6,040
Retirement Accounts	80,841	46,449	131,340
Other Interm. Assets	3,728	0	1,578
Non-farm Real Estate	49,024	28,329	57,148
Other Long Term Assets	12,858	7,500	28,755
Total Non-farm Assets	235,431	155,167	369,231
Non-farm Liabilities			
Accrued Interest	517	1,617	0
Accounts Payable	0	0	0
Current Notes	1,052	3,006	0
Princ Due on Term Debt	545	16	1,051
Total Current Liabilities	2,114	4,638	1,051
Intermediate Liabilities	3,100	1,731	0
Long Term Liabilities	8,774	10,138	7,296
Total Non Farm Liabilities	13,988	16,507	8,347
Nonfarm Net Worth	221,443	138,660	360,884
Nonfarm Debt to Asset Ratio	6%	11%	2%

Table 13: Southeast - Comparison By Age of Operator, 2005

	Average Of <u>All Farms</u>	<u>41-50</u>	<u>51-60</u>
Income Statement			
Crop Income	204,750	252,266	202,420
Livestock Income	221,751	129,272	372,230
Government Payments	52,068	52,365	58,285
Other Farm Income	16,118	28,205	14,098
Gross Cash Farm Income	\$494,687	\$462,108	\$647,033
Direct Crop Expenses	109,189	140,001	106,996
Direct Livestock Expenses	114,039	54,062	203,396
Interest	12,804	13,628	13,604
Land Rent	19,340	27,420	16,206
Other Farm Expenses	133,014	137,272	168,370
Total Cash Farm Expense	\$388,386	\$372,383	\$508,572
Net Cash Farm Income	106,301	89,725	138,461
Inventory Change	29,813	21,977	54,090
Depreciation and Capital Adj.	(40,903)	(42,824)	(48,654)
Net Farm Income	\$95,211	\$68,878	\$143,897
Profitability (Cost Value)			
Labor and Management Earnings	\$63,089	\$35,281	\$106,760
Rate of Return on Assets	10.0%	7.6%	13.0%
Rate of Return on Equity	12.4%	7.7%	18.0%
Operating Profit Margin	19.7%	13.6%	25.5%
Asset Turnover Rate	50.6%	56.0%	50.9%
Profitability (Market Value)			
Labor and Management Earnings	\$51,788	\$23,160	\$90,375
Rate of Return on Assets	7.9%	6.1%	10.2%
Rate of Return on Equity	8.8%	5.7%	12.6%
Operating Profit Margin	21.2%	17.0%	25.3%
Asset Turnover Rate	37.5%	35.7%	40.3%
Liquidity			
Term Debt Coverage Ratio	333.8%	221.8%	465.8%
Expense as a Percent of Income	73.4%	76.9%	71.4%
Interest as a Percent of Income	3.0%	3.5%	2.3%



Table 13: Southeast - Comparison By Age of Operator, 2005 (cont.)

	Average For <u>All Farms</u>	<u>41-50</u>	<u>51-60</u>
Solvency (Cost Value)			
Ending Farm Assets	862,308	857,951	1,038,554
Ending Farm Liabilities	293,728	278,320	362,135
Ending Total Assets	1,078,440	1,087,933	1,217,843
Ending Total Liabilities	307,717	300,790	364,082
Ending Net Worth	770,723	787,143	853,761
Net Worth Change	82,765	48,392	126,646
Ending Farm Debt to Asset Ratio	34%	32%	35%
Beg Total Debt to Asset Ratio	31%	26%	33%
End Total Debt to Asset Ratio	29%	28%	30%
Solvency (Market Value)			
Ending Farm Assets	1,152,218	1,313,031	1,295,103
Ending Farm Liabilities	293,728	278,320	362,135
Ending Total Assets	1,387,648	1,568,889	1,496,668
Ending Total Liabilities	307,717	300,790	364,082
Ending Net Worth	1,079,931	1,268,099	1,132,586
Net Worth Change	91,358	69,968	126,598
Ending Farm Debt to Asset Ratio	25%	21%	28%
Beg Total Debt to Asset Ratio	24%	18%	26%
End Total Debt to Asset Ratio	22%	19%	24%
Non-farm Information			
Farms Reporting Living Expenses	18	6	7
Total Family Living Expense	40,282	46,499	36,482
Total Living, Invest, & Capital Purch	61,507	75,324	62,083
Net Non-farm Income	30,818	31,607	25,738
Crop Acres			
Total Acres Owned	398	421	411
Total Crop Acres	1,038	1,123	1,152
Total Crop Acres Owned	326	459	300
Total Crop Acres Cash Rented	212	203	240
Total Crop Acres Share Rented	500	461	611

**Graph of Table 13
Debt To Asset Ratio**

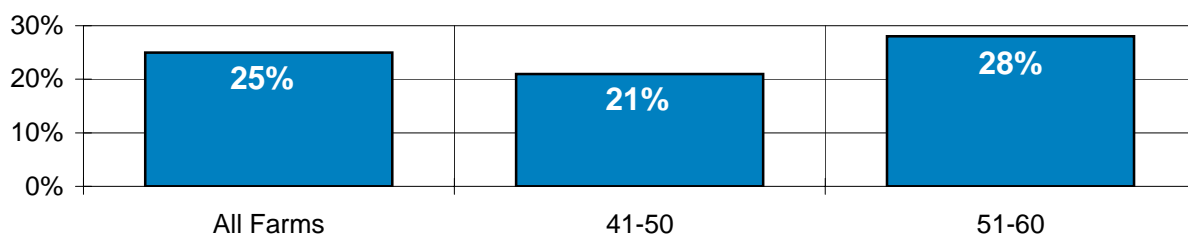


Table 14: Southeast - Gross Farm Income, 2005

	Average Of <u>All Farms</u>	<u>\$100,001</u> <u>\$250,000</u>	<u>\$250,001</u> <u>\$500,000</u>
Income Statement			
Gross Cash Farm Income	494,687	181,664	368,868
Total Cash Farm Expense	388,386	136,350	253,532
Net Cash Farm Income	106,301	45,314	115,336
Inventory Change	29,813	2,138	(7,065)
Depreciation and Capital Adj.	(40,903)	(17,936)	(28,432)
Net Farm Income	\$95,211	\$29,516	\$79,839
Profitability (Cost Value)			
Labor and Management Earnings	\$63,089	\$19,281	\$35,778
Rate of Return on Assets	10.0%	4.3%	6.6%
Rate of Return on Equity	12.4%	2.8%	6.9%
Operating Profit Margin	19.7%	7.4%	17.9%
Asset Turnover Rate	50.6%	58.6%	36.6%
Profitability (Market Value)			
Labor and Management Earnings	\$51,788	\$16,256	\$9,188
Rate of Return on Assets	7.9%	4.0%	4.5%
Rate of Return on Equity	8.8%	3.0%	4.3%
Operating Profit Margin	21.2%	9.4%	17.5%
Asset Turnover Rate	37.5%	42.7%	25.8%
Liquidity			
Term Debt Coverage Ratio	333.8%	222.4%	218.8%
Expense as a Percent of Income	73.4%	74.3%	70.6%
Interest as a Percent of Income	3.0%	4.3%	4.0%

**Graph of Table 14
Gross Cash Farm Income - By Region**

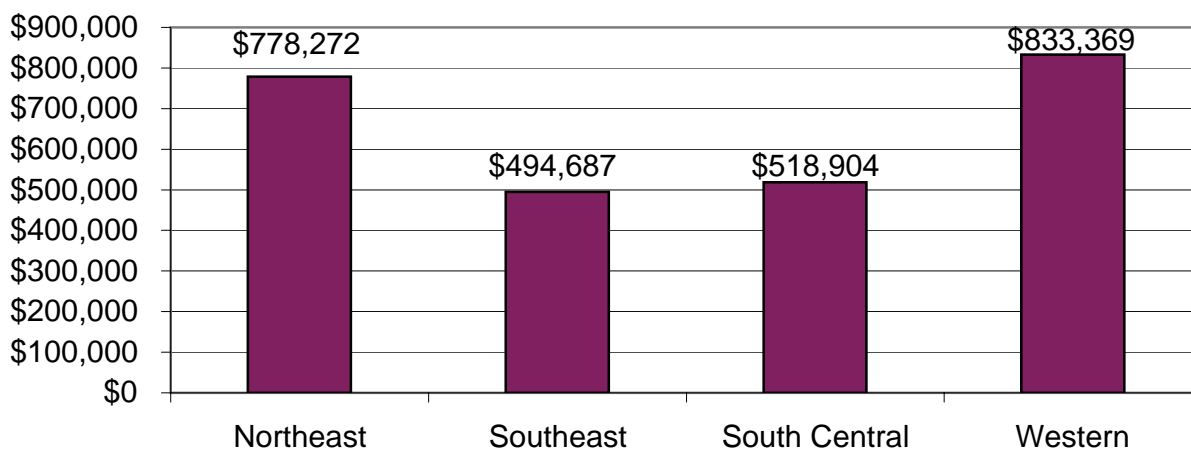


Table 14: Southeast - Gross Farm Income, 2005 (cont.)

	Average Of <u>All Farms</u>	\$100,001 <u>\$250,000</u>	\$250,001 <u>\$500,000</u>
Solvency (Cost Value)			
Ending Farm Assets	862,308	294,124	1,011,821
Ending Farm Liabilities	293,728	119,872	247,087
Ending Total Assets	1,078,440	441,055	1,327,188
Ending Total Liabilities	307,717	148,801	247,087
Ending Net Worth	770,723	292,254	1,080,100
Net Worth Change	\$82,765	\$24,607	\$79,271
Ending Farm Debt to Asset Ratio	34%	41%	24%
Beg Total Debt to Asset Ratio	31%	37%	23%
End Total Debt to Asset Ratio	29%	34%	19%
Solvency (Market Value)			
Ending Farm Assets	1,152,218	405,888	1,432,331
Ending Farm Liabilities	293,728	119,872	247,087
Ending Total Assets	1,387,648	558,873	1,775,999
Ending Total Liabilities	307,717	148,801	247,087
Ending Net Worth	1,079,931	410,071	1,528,911
Net Worth Change	91,358	25,920	86,119
Ending Farm Debt to Asset Ratio	25%	30%	17%
Beg Total Debt to Asset Ratio	24%	29%	17%
End Total Debt to Asset Ratio	22%	27%	14%
Non-farm Information			
Farms Reporting Living Expenses	18	7	4
Total Family Living Expense	40,282	28,362	N/A
Total Living, Invest, & Capital Purch	61,507	36,786	N/A
Net Non-farm Income	30,818	23,351	37,016
Crop Acres			
Total Acres Owned	398	191	504
Total Crop Acres	1038	650	1,120
Total Crop Acres Owned	326	99	402
Total Crop Acres Cash Rented	212	156	342
Total Crop Acres Share Rented	500	395	376

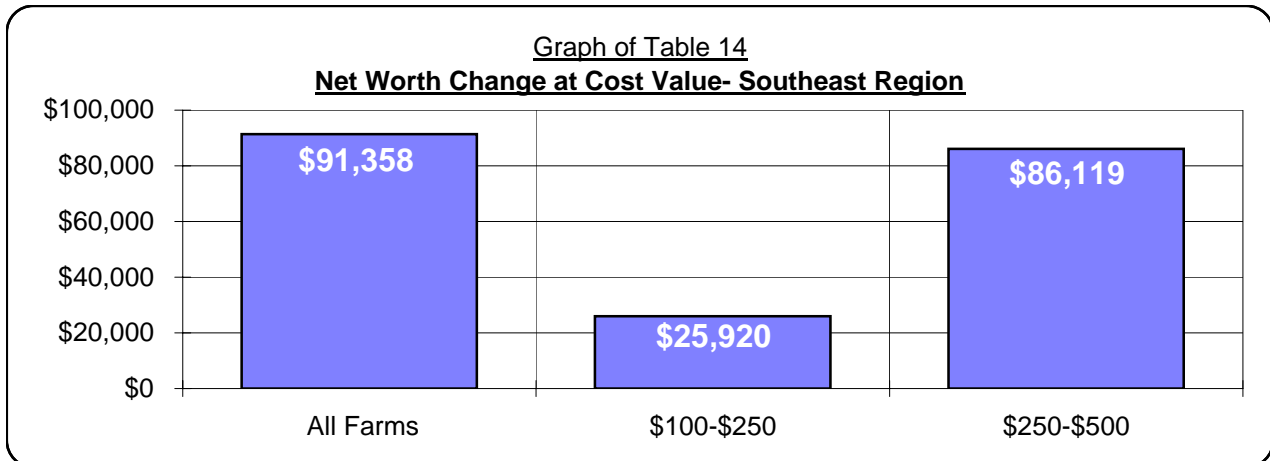


Table 15: Southeast - Debt to Asset Ratio, 2005

	Average Of All Farms	Less than 20%	20% - 40%	60% - 80%
Income Statement				
Gross Cash Farm Income	494,687	362,958	829,106	260,142
Total Cash Farm Expense	388,386	250,196	678,856	208,854
Net Cash Farm Income	106,302	112,762	150,250	51,289
Inventory Change	29,813	3,900	71,148	16,237
Depreciation and Capital Adj.	(40,903)	(32,610)	(64,717)	(14,786)
Net Farm Income	\$95,212	\$84,052	\$156,681	\$52,740
Profitability (Cost Value)				
Labor and Management Earnings	\$63,089	\$40,262	\$123,700	\$47,982
Rate of Return on Assets	10.0%	7.5%	14.7%	7.4%
Rate of Return on Equity	12.4%	7.8%	23.8%	15.2%
Operating Profit Margin	19.7%	18.3%	26.3%	13.9%
Asset Turnover Rate	50.6%	41.0%	56.0%	53.0%
Profitability (Market Value)				
Labor and Management Earnings	\$51,788	\$19,865	\$126,597	\$33,128
Rate of Return on Assets	7.9%	5.3%	12.8%	4.8%
Rate of Return on Equity	8.8%	5.3%	17.4%	2.9%
Operating Profit Margin	21.2%	17.8%	30.3%	12.1%
Asset Turnover Rate	37.5%	29.7%	42.3%	40.1%
Liquidity				
Term Debt Coverage Ratio	333.8%	667.9%	388.1%	131.6%
Expense as a Percent of Income	73.4%	68.5%	74.0%	75.4%
Interest as a Percent of Income	3.0%	1.0%	2.3%	9.3%

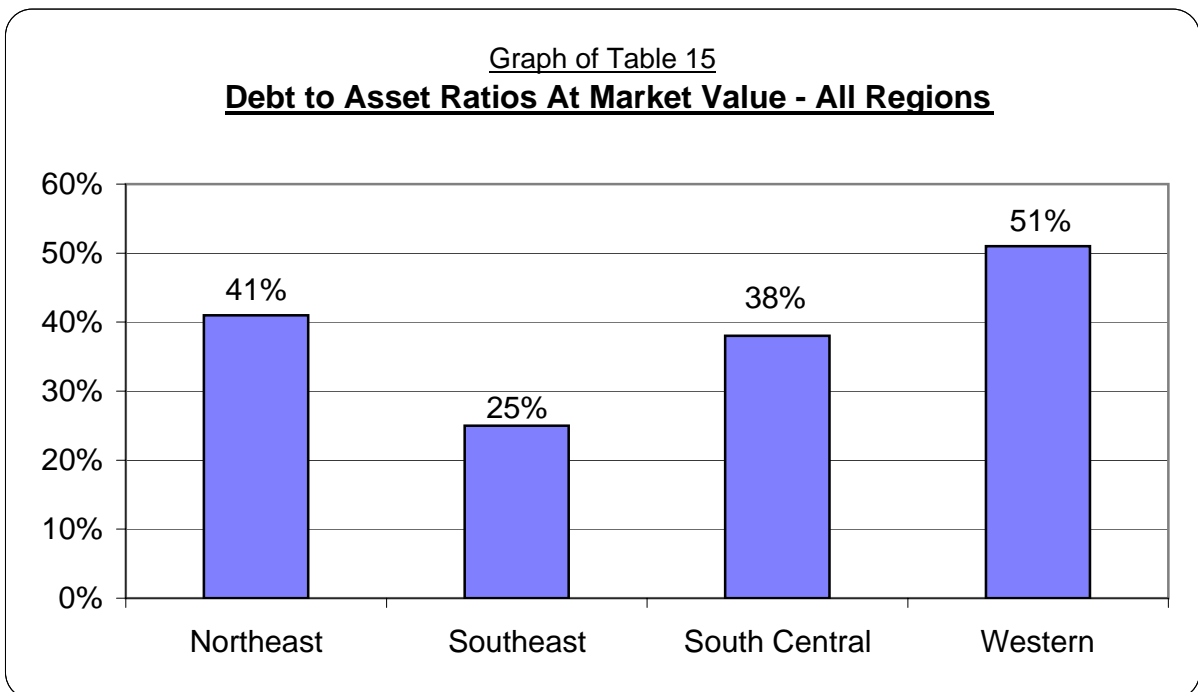


Table 15: Southeast - Debt to Asset Ratio, 2005 (cont.)

	Average Of All Farms	Less than 20%	20% - 40%	60%-80%
Solvency (Cost Value)				
Ending Farm Assets	862,308	833,173	1,069,202	512,013
Ending Farm Liabilities	293,728	73,999	453,933	429,603
Ending Total Assets	1,078,440	1,163,741	1,192,835	573,199
Ending Total Liabilities	307,717	73,999	458,141	490,861
Ending Net Worth	770,723	1,089,742	734,694	82,339
Net Worth Change	82,765	84,682	139,542	10,390
Ending Farm Debt to Asset Ratio	34%	9%	42%	84%
Beg Total Debt to Asset Ratio	31%	9%	45%	87%
End Total Debt to Asset Ratio	29%	6%	38%	86%
Solvency (Market Value)				
Ending Farm Assets	1,152,218	1,140,364	1,411,201	674,488
Ending Farm Liabilities	293,728	73,999	453,933	429,603
Ending Total Assets	1,387,648	1,492,510	1,566,296	735,346
Ending Total Liabilities	307,717	73,999	458,141	490,861
Ending Net Worth	1,079,931	1,418,510	1,108,155	244,485
Net Worth Change	91,358	85,877	166,642	5,402
Ending Farm Debt to Asset Ratio	25%	6%	32%	64%
Beg Total Debt to Asset Ratio	24%	7%	34%	68%
End Total Debt to Asset Ratio	22%	5%	29%	67%
Non-farm Information				
Farms Reporting Living Expenses	18	8	6	2
Total Family Living Expense	40,282	44,454	34,926	N/A
Total Living, Invest, & Capital Purch	61,507	67,775	60,070	N/A
Net Non-farm Income	30,818	35,792	23,389	32,206
Crop Acres				
Total Acres Owned	398	443	401	289
Total Crop Acres	1038	922	1,026	1,111
Total Crop Acres Owned	326	312	272	247
Total Crop Acres Cash Rented	212	205	195	272
Total Crop Acres Share Rented	500	405	559	591

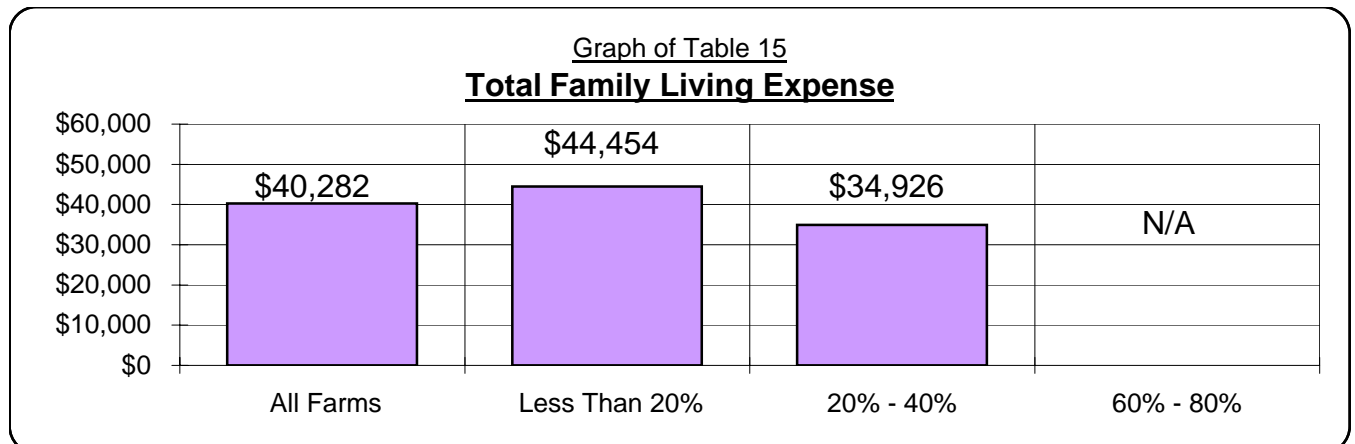


Table 16: Southeast - Crop Production, Marketing & Labor Summary, 2005

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Acreage Summary			
Acres Owned	398	152	664
Crop Acres	1,038	599	1,584
Crop Acres Owned	326	81	608
Crop Acres Cash Rented	212	235	207
Crop Acres Share Rented	500	284	769
Pasture Acres	43	34	66
% Crop Acres Owned	31.41%	13.52%	38.38%
Average Price Received in Dollars (Cash Sales Only)			
Corn per bu.	1.98	1.81	2.05
Soybeans per bu.	5.50	5.21	5.71
Sorghum, Grain per bu.	1.76	N/A	N/A
Wheat, Winter per bu.	3.42	N/A	3.55
Hay, Alfalfa per ton	113.96		121.84
Average Yield Per Acre			
Corn, Dryland (bu.)	119.06	102.08	133.01
Soybeans, Dryland (bu.)	44.39	42.74	52.55
Alfalfa Hay (ton)	4.21	N/A	N/A
Winter Wheat (bu.)	57.40	N/A	N/A
Labor Analysis			
Total Unpaid Labor Hours*	2,120	1,773	2,862
Total Hired Labor Hours	1,568	139	2,929
Total Labor Hours per Farm	3,688	1,912	5,791
Value of Farm Production / Hour	\$112.65	\$74.67	\$137.27
Net Farm Income / Unpaid Hour	\$44.90	\$11.93	\$79.35

* Based on 2080 Hrs. Annually Per Full Time Operator

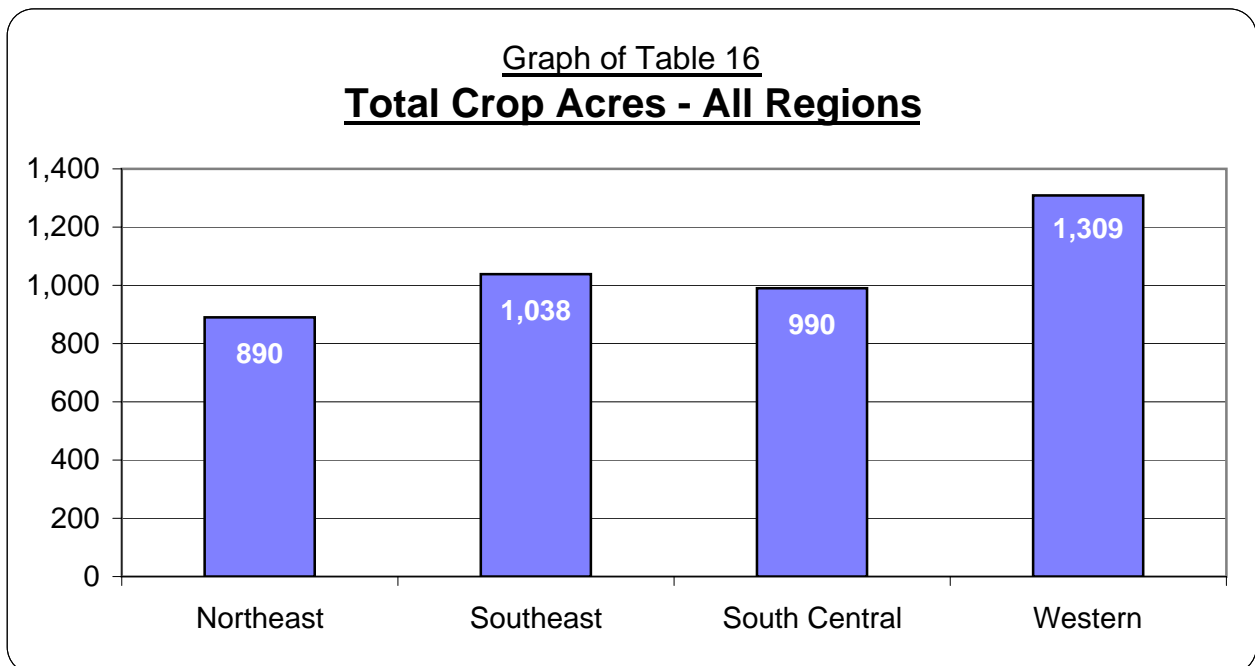


Table 17: Southeast - Dryland Corn, 2005*

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Number of Fields	95	19	43
Number of Farms	16	5	6
Acres	83.34	70.76	82.41
Bushel Yield per Acre	119.06	102.08	133.01
Operator's Share of the Yield %	72.53	86.80	68.71
Value per Bushel at Harvest	\$1.85	\$1.90	\$1.83
Total Product Return	159.76	168.35	167.25
Miscellaneous Income	10.77	0.00	18.09
Gross Return	\$170.53	\$168.35	\$185.34
Direct Expenses			
Seed	29.59	26.53	29.45
Fertilizer	28.61	31.99	28.33
Crop Chemicals	21.70	27.73	23.17
Crop Insurance	7.36	8.09	5.72
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	30.15	52.37	19.68
Building Repairs	0.60	2.05	0.53
Hired Labor	12.53	22.82	14.80
Utilities	2.54	2.46	1.77
Miscellaneous	4.68	0.64	2.70
Land Rent	17.73	19.85	18.95
Operating Interest	5.14	3.90	2.00
Total Direct Expenses	160.63	198.43	147.10
Return Over Direct Expenses	\$9.90	(\$30.08)	\$38.24
Allocated Expenses			
Machinery & Building Depreciation	21.07	22.48	17.43
Real Estate & Personal Property Taxes	5.68	16.62	3.93
Farm Insurance	3.77	4.83	2.69
Interest	4.37	13.30	2.13
Total Allocated Expenses	\$34.89	\$57.23	\$26.18
Total Listed Expenses	\$195.52	\$255.66	\$173.28
Net Return	(\$24.99)	(\$87.31)	\$12.06
Supplementary Management Information			
Total Direct Expense Per Bushel	1.86	2.30	1.61
Total Listed Expense Per Bushel	2.26	2.89	1.90
Net Return Per Bushel	(\$0.41)	(\$0.99)	(\$0.07)
Labor & Management Charge Per Acre	21.79	21.33	13.51
Net Return Over Labor & Management	(\$46.78)	(\$108.71)	(\$1.45)
Machinery Cost Per Acre	51.50	69.60	37.62
Estimated Labor Hours Per Acre	2.21	2.58	1.96

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

Table 18: Southeast - Dryland Corn on All Tenure Types, 2005

	Owned Land	Cash Rented Land	Share Rented Land
Number of Fields	17	22	56
Number of Farms	10	10	13
Acres	71.26	77.09	89.47
Bushel Yield per Acre	108.10	113.37	123.63
Operator's Share of the Yield %	100.00	100	58.19
Value per Bushel at Harvest	\$1.86	\$1.83	1.85
Total Product Return	201.07	207.47	133.09
Miscellaneous Income	13.79	19.30	7.15
Gross Return	\$214.86	\$226.77	\$140.24
Direct Expenses			
Seed	26.40	32.35	29.43
Fertilizer	37.96	35.53	24.01
Crop Chemicals	29.92	30.45	16.74
Crop Insurance	8.56	10.40	6.04
Drying Fuel	0.00	0.00	0.00
Irrigation Energy	0.00	0.00	0.00
Irrigation Repairs	1.01	0.00	0.00
Operating Power & Crop Machinery	44.89	32.24	25.86
Building Repairs	2.16	1.05	0.00
Hired Labor	20.74	9.36	11.62
Utilities	4.30	2.42	2.16
Miscellaneous	6.23	3.82	4.43
Land Rent	0.00	82.77	0.00
Operating Interest	2.51	5.40	5.69
Total Direct Expenses	184.68	245.79	125.98
Return Over Direct Expenses	\$30.18	(\$19.02)	\$14.26
Allocated Expenses			
Machinery & Building Depreciation	22.52	18.10	21.72
Real Estate & Personal Property Taxes	27.05	1.80	1.83
Farm Insurance	4.77	4.06	3.43
Interest	18.92	0.91	2.03
Total Allocated Expenses	\$73.26	\$24.87	\$29.01
Total Listed Expenses	\$257.94	\$270.66	\$154.99
Net Return	(\$43.08)	(\$43.89)	(\$14.75)
Supplementary Management Information			
Total Direct Expense Per Bushel	1.71	2.17	1.75
Total Listed Expense Per Bushel	2.39	2.39	2.15
Net Return Per Bushel	(\$0.53)	(\$0.56)	(\$0.30)
Labor & Management Charge Per Acre	19.85	22.36	22.06
Net Return Over Labor & Management	(\$45.05)	(\$108.71)	(\$1.84)
Machinery Costs Per Acre	65.65	49.12	48.89
Estimated Labor Hours Per Acre	2.27	2.19	2.20

Table 19: Southeast - Dryland Soybeans, 2005*

	Average Of <u>All Farms</u>	Average Of <u>Low 33%</u>	Average Of <u>High 33%</u>
Number of Fields	89	18	21
Number of Farms	16	5	6
Acres	74.06	69.49	76.62
Bushel Yield per Acre	44.39	42.74	52.55
Operator's Share of the Yield %	75.98	76.94	82.72
Value per Bushel at Harvest	\$5.73	\$5.63	\$5.74
Total Product Return	193.26	185.14	249.51
Miscellaneous Income	0.00	0.00	0.00
Gross Return	\$193.26	\$185.02	\$249.51
Direct Expenses			
Seed	32.24	25.05	27.57
Fertilizer	5.15	11.08	2.80
Crop Chemicals	15.38	15.66	11.74
Crop Insurance	5.76	6.64	5.00
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	26.06	28.63	28.61
Building Repairs	0.57	0.89	0.97
Hired Labor	9.55	6.63	8.93
Utilities	2.03	3.50	2.85
Miscellaneous	4.30	7.41	6.35
Land Rent	22.76	23.55	25.83
Operating Interest	4.57	5.55	1.42
Total Direct Expenses	\$128.37	\$134.59	\$122.07
Return Over Direct Expenses	\$64.89	\$50.43	\$127.44
Allocated Expenses			
Machinery & Building Depreciation	17.10	26.28	16.67
Real Estate & Personal Property Taxes	4.92	6.11	8.59
Farm Insurance	3.07	4.55	4.01
Interest	3.87	9.15	4.67
Total Allocated Expenses	\$28.96	\$46.09	\$33.94
Total Listed Expenses	\$157.33	\$180.68	\$156.01
Net Return	\$35.93	\$4.33	\$93.50
Supplementary Management Information			
Total Direct Expense Per Bushel	3.81	3.63	2.81
Total Listed Expense Per Bushel	4.66	5.49	3.59
Net Return Per Bushel	\$1.07	\$0.14	\$2.15
Labor & Management Charge Per Acre	18.54	21.30	15.64
Net Return Over Labor & Management	\$17.39	(\$16.97)	\$77.86
Machinery Costs Per Acre	43.29	56.13	45.88
Estimated Labor Hours Per Acre	1.83	1.87	1.53

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

Table 20: Southeast - Dryland Soybeans on All Tenure Types, 2005

	Owned Land	Cash Rented Land	Share Rented Land
Number of Fields	14	27	48
Number of Farms	10	11	11
Acres	63.97	66.08	81.50
Bushel Yield per Acre	46.33	43.44	44.38
Operator's Share of the Yield %	100.00	100.00	59.52
Value per Bushel at Harvest	\$5.78	\$5.71	\$5.73
Total Product Return	267.79	248.04	151.36
Miscellaneous Income	0.00	0.00	0.00
Gross Return	\$267.79	\$248.04	\$151.36
Direct Expenses			
Seed	27.38	33.01	33.00
Fertilizer	2.36	8.71	4.17
Crop Chemicals	15.05	20.37	13.18
Crop Insurance	6.56	7.96	4.57
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	36.28	26.84	23.50
Building Repairs	1.33	0.88	0.00
Hired Labor	14.54	9.69	8.34
Utilities	3.74	1.85	1.73
Miscellaneous	9.70	3.44	3.58
Land Rent	0.00	84.10	0.00
Operating Interest	2.55	3.89	5.34
Total Direct Expenses	119.49	200.74	97.41
Return Over Direct Expenses	\$148.30	\$47.30	\$53.95
Allocated Expenses			
Machinery & Building Depreciation	21.96	14.26	17.28
Real Estate & Personal Property Taxes	26.52	1.46	1.55
Farm Insurance	4.05	3.09	2.83
Interest	19.49	1.09	1.56
Total Allocated Expenses	\$72.02	\$19.90	\$23.22
Total Listed Expenses	\$191.51	\$220.64	\$120.63
Net Return	\$76.28	\$27.40	\$30.73
Supplementary Management Information			
Total Direct Expense Per Bushel	2.58	4.62	3.69
Total Listed Expense Per Bushel	4.13	5.08	4.57
Net Return Per Bushel	\$1.65	\$0.63	\$1.16
Labor & Management Charge Per Acre	18.05	16.12	19.76
Net Return Over Labor & Management	\$58.23	\$11.28	\$10.97
Machinery Costs Per Acre	57.49	40.38	41.36
Estimated Labor Hours Per Acre	1.81	1.75	1.87

Table 21: Southeast - Dryland Wheat, 2005*

	Average Of All Farms
Number of Fields	17
Number of Farms	8
Acres	68.88
Bushel Yield per Acre	57.40
Operator's Share of the Yield %	82.29
Value per Bushel at Harvest	\$3.35
Total Product Return	158.24
Miscellaneous Income	2.51
Gross Return	\$160.75
Direct Expenses	
Seed	4.13
Fertilizer	25.36
Crop Chemicals	13.04
Crop Insurance	3.28
Drying Fuel	0.00
Irrigation Energy	0.00
Irrigation Repairs	0.00
Operating Power & Crop Machinery	27.50
Building Repairs	0.56
Hired Labor	6.81
Utilities	2.31
Miscellaneous	5.00
Land Rent	18.32
Operating Interest	1.26
Total Direct Expenses	\$107.57
Return Over Direct Expenses	\$53.18
Allocated Expenses	
Machinery & Building Depreciation	17.21
Real Estate & Personal Property Taxes	7.67
Farm Insurance	2.58
Interest	2.54
Total Allocated Expenses	\$30.00
Total Listed Expenses	\$137.57
Net Return	\$23.18
Supplementary Management Information	
Total Direct Expense Per Bushel	2.28
Total Listed Expense Per Bushel	2.91
Net Return Per Bushel	\$0.44
Labor & Management Charge Per Acre	12.90
Net Return Over Labor & Management	\$10.28
Machinery Costs Per Acre	\$43.30
Estimated Labor Hours Per Acre	1.31

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

Table 22A: Northeast Nebraska Averages, 2005

	Northeast Average of All Farms	Average of Low 33%	Average of High 33%
Cash Farm Income			
Total Crop Income	181,975	100,666	221,419
Total Livestock Income	474,779	85,955	937,186
Total Other Farm Income	121,518	53,578	132,812
Gross Cash Farm Income	\$778,272	\$240,199	\$1,291,417
Cash Farm Expense			
Total Crop Expense	110,310	72,085	152,964
Total Livestock Expense	299,387	29,664	629,297
Total Other Farm Expense	255,497	90,942	371,250
Gross Cash Farm Expense	\$665,194	\$192,691	\$1,153,511
Net Cash Farm Income	\$113,078	\$47,508	\$137,906
Total Inventory Change	\$17,473	(\$20,165)	\$87,943
Total Depreciation & Capital Adjustments	(\$52,580)	(\$27,085)	(\$69,141)
Net Farm Income	\$77,971	\$258	\$156,708
Non-Farm Income	\$16,069	\$26,076	\$5,395
Balance Sheet at Market			
Current Farm Assets	442,114	102,445	785,393
Intermediate Farm Assets	383,175	151,898	599,110
Long Term Farm Assets	579,275	270,304	868,690
Non Farm Assets	169,385	217,905	168,325
Total Assets	\$1,573,949	\$742,552	\$2,421,518
Current Farm Liabilities	257,810	87,669	393,831
Intermediate Farm Liabilities	87,668	70,477	69,831
Long Term Liabilities	231,201	104,147	394,224
Non Farm Liabilities	4,485	7,762	2,288
Total Liabilities	\$581,164	\$270,055	\$860,174
Net Worth	\$992,785	\$472,497	\$1,561,344
Net Worth Change (Market Value)	\$69,222	\$4,098	\$113,585

Graph of Table 23A
Northeast NE Net Farm Income

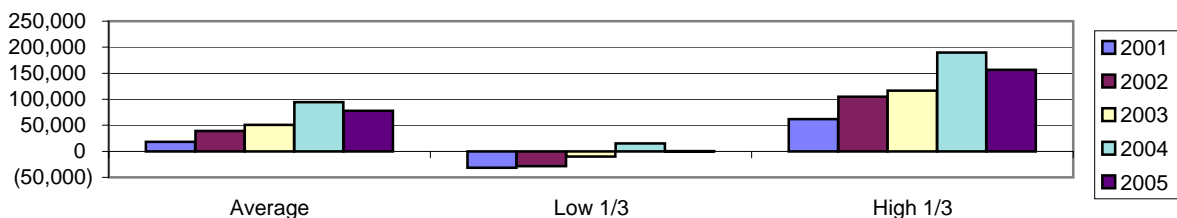


Table 22B: Northeast Nebraska Averages, 2005 (cont.)

	Northeast Average of <u>All Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
Financial Guidelines			
Current Ratio	1.71	1.17	1.99
Working Capital	\$184,305	\$14,777	\$391,563
Debt to Asset Ratio (Market)	41%	50%	38%
Equity to Asset Ratio (Market)	59%	50%	62%
Debt to Equity Ratio (Market)	70%	100%	61%
Rate of Return on Assets (Cost)	7.7%	-2.3%	9.3%
Rate of Return on Equity (Cost)	10.6%	-41.7%	13.5%
Operating Profit Margin (Cost)	13.5%	-3.8%	17.0%
Net Farm Income (Cost)	\$77,971	\$258	\$156,708
Asset Turnover Rate (Cost)	56.8%	59.4%	54.7%
Operating Expense Ratio	79.7%	79.5%	80.5%
Depreciation Expense Ratio	6.6%	12.2%	5.0%
Interest Expense Ratio	3.9%	8.2%	3.0%
Net Farm Income Ratio	9.8%	0.1%	11.4%
Operator Information			
Average Number of Operators	1.3	1.0	1.8
Average Age of Operators	51.0	49.2	50.8
Average Number of Years Farming	27.4	25.7	27.5
Acreage Summary			
Total acres owned	297	143	403
Total crop acres	890	448	1,143
Crop acres owned	248	94	352
Crop acres cash rented	364	214	574
Crop acres share rented	278	141	216
Average Price Received in Dollars (Cash Sales Only)			
Corn, per bu.	\$2.00	\$1.80	\$2.06
Soybeans, per bu.	\$5.65	\$5.55	\$5.66
Alfalfa Hay, per ton	\$56.92	N/A	N/A
Average Yield Per Acre			
Corn, Irrigated (bu.)	185.24	N/A	171.55
Corn, Dryland (bu.)	130.57	117.33	144.43
Soybeans, Irrigated (bu.)	54.40	N/A	N/A
Soybeans, Dryland (bu.)	43.56	N/A	N/A
Alfalfa Hay (ton)	5.71	N/A	N/A

Table 23A: South Central Nebraska Averages, 2005

	South Central Average of <u>All Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
Cash Farm Income			
Total Crop Income	294,992	154,773	521,400
Total Livestock Income	90,392	39,551	63,176
Total Other Farm Income	133,520	60,396	192,014
Gross Cash Farm Income	\$518,904	\$254,720	\$776,590
Cash Farm Expense			
Total Crop Expense	156,809	100,750	261,090
Total Livestock Expense	70,245	27,204	18,005
Total Other Farm Expense	185,020	122,255	267,813
Gross Cash Farm Expense	\$412,074	\$250,209	\$546,908
Net Cash Farm Income	\$106,830	\$4,511	\$229,682
Total Inventory Change	\$18,379	\$13,890	\$26,587
Total Depreciation & Capital Adjustments	(\$41,348)	(\$24,971)	(\$68,526)
Net Farm Income	\$83,861	(\$6,570)	\$187,743
Non-Farm Income	\$18,050	\$11,662	\$29,992
Balance Sheet at Market			
Current Farm Assets	295,074	165,649	467,912
Intermediate Farm Assets	336,706	224,884	522,356
Long Term Farm Assets	658,562	569,248	1,115,687
Non Farm Assets	221,482	66,296	438,435
Total Assets	\$1,511,824	\$1,026,077	\$2,544,390
Current Farm Liabilities	190,909	153,526	292,916
Intermediate Farm Liabilities	98,415	48,500	171,594
Long Term Liabilities	204,083	206,113	311,097
Non Farm Liabilities	17,842	11,070	29,592
Total Liabilities	\$511,249	\$419,209	\$805,199
Net Worth	\$1,000,575	\$606,868	\$1,739,191
Net Worth Change (Market Value)	\$52,825	(\$6,207)	\$127,157

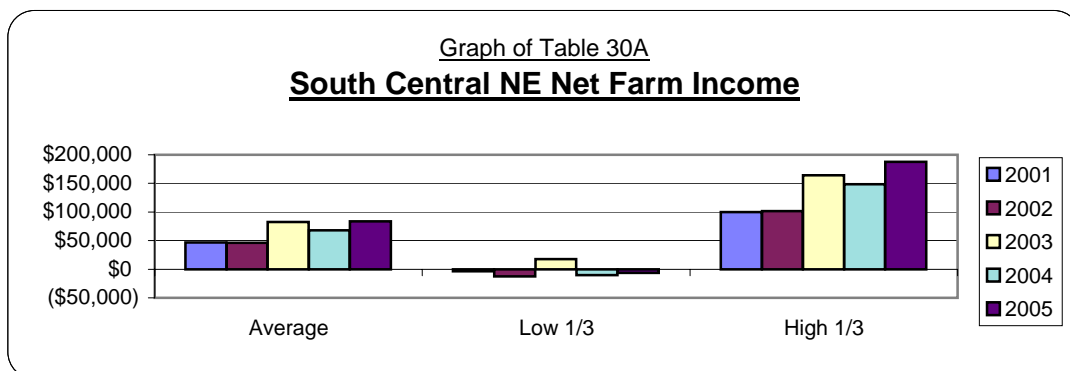


Table 23B: South Central Nebraska Averages, 2005 (cont.)

	South Central Average of All Farms	Average of Low 33%	Average of High 33%
Financial Guidelines			
Current Ratio	1.55	1.08	1.60
Working Capital	\$104,164	\$12,121	\$174,996
Debt to Asset Ratio (Market)	38%	43%	37%
Equity to Asset Ratio (Market)	62%	57%	63%
Debt to Equity Ratio (Market)	62%	74%	58%
Rate of Return on Assets (Cost)	8.8%	-1.4%	12.6%
Rate of Return on Equity (Cost)	11.4%	-12.1%	18.4%
Operating Profit Margin (Cost)	17.1%	-3.8%	24.5%
Net Farm Income (Cost)	\$83,858	(\$6,569)	\$187,741
Asset Turnover Rate (Cost)	51.2%	38.3%	51.1%
Operating Expense Ratio	71.9%	84.4%	63.3%
Depreciation Expense Ratio	7.6%	9.1%	8.5%
Interest Expense Ratio	5.1%	8.9%	5.0%
Net Farm Income Ratio	15.4%	-2.4%	23.2%
Operator Information			
Average Number of Operators	1.2	1.3	1.3
Average Age of Operators	46.1	47.7	47.1
Average Number of Years Farming	23.6	24.6	27.2
Acreage Summary			
Total acres owned	399	369	646
Total crop acres	990	551	1,710
Crop acres owned	338	289	568
Crop acres cash rented	295	198	321
Crop acres share rented	358	64	821
Total pasture acres	1	4	N/A
Average Price Received in Dollars (Cash Sales Only)			
Corn, per bu.	\$1.87	\$1.83	\$1.92
Soybeans, per bu.	\$5.60	\$5.66	\$5.69
Grain Sorghum, per bu.	\$1.60	N/A	\$1.56
Seed Corn, per bu.	\$3.19	N/A	\$3.58
Wheat, Winter, per bu.	\$3.06	N/A	N/A
Average Yield Per Acre			
Corn, Irrigated (bu.)	203.42	198.85	201.12
Corn, Dryland (bu.)	93.87	83.31	102.02
Seed Corn, Irrigated (Paid Yield) (bu.)	249.82	N/A	N/A
Soybeans, Irrigated (bu.)	65.34	60.66	62.89
Soybeans, Dryland (bu.)	39.40	35.59	44.15
Grain Sorghum, Dryland (bu.)	81.43	N/A	N/A
Wheat, Winter per bu	42.34	N/A	N/A

Table 24A: Western Nebraska Averages, 2005

	Western Average of <u>All Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
Cash Farm Income			
Total Crop Income	235,346	297,754	153,620
Total Livestock Income	380,333	126,421	688,128
Total Other Farm Income	217,690	214,363	264,110
Gross Cash Farm Income	\$833,369	\$638,538	\$1,105,858
Cash Farm Expense			
Total Crop Expense	210,016	258,111	182,261
Total Livestock Expense	228,721	92,833	451,131
Total Other Farm Expense	372,313	363,156	389,465
Gross Cash Farm Expense	\$811,050	\$714,100	\$1,022,857
Net Cash Farm Income	\$22,319	(\$75,562)	\$83,001
Total Inventory Change	\$105,205	\$74,492	\$180,754
Total Depreciation & Capital Adjustments	(\$59,431)	(\$41,820)	(\$81,291)
Net Farm Income	\$68,093	(\$42,890)	\$182,464
Non-Farm Income	\$14,048	\$36,889	\$5,248
Balance Sheet at Market			
Current Farm Assets	610,714	534,941	859,577
Intermediate Farm Assets	476,052	363,459	571,847
Long Term Farm Assets	797,640	768,648	793,089
Non Farm Assets	83,956	75,751	111,637
Total Assets	\$1,968,362	\$1,742,799	\$2,336,150
Current Farm Liabilities	461,397	421,945	698,269
Intermediate Farm Liabilities	166,456	58,321	200,273
Long Term Liabilities	331,855	327,815	395,026
Non Farm Liabilities	3,029	798	0
Total Liabilities	\$962,737	\$808,879	\$1,293,568
Net Worth	\$1,005,625	\$933,920	\$1,042,582
Net Worth Change (Market Value)	\$64,216	(\$33,683)	\$149,051

Graph of Table 24A
Western NE Net Farm Income

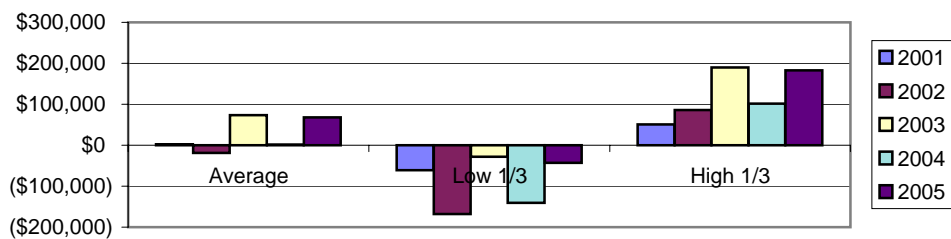


Table 24B: Western Nebraska Averages, 2005 (cont.)

	Western Average of All Farms	Average of Low 33%	Average of High 33%
Financial Guidelines			
Current Ratio	1.32	1.27	1.23
Working Capital	\$149,318	\$112,996	\$161,307
Debt to Asset Ratio (Market)	51%	48%	58%
Equity to Asset Ratio (Market)	49%	52%	42%
Debt to Equity Ratio (Market)	104%	94%	139%
Rate of Return on Assets (Cost)	6.9%	-3.2%	13.3%
Rate of Return on Equity (Cost)	8.7%	-17.6%	33.5%
Operating Profit Margin (Cost)	13.0%	-5.7%	26.5%
Net Farm Income (Cost)	\$68,095	(\$42,889)	\$182,465
Asset Turnover Rate (Cost)	53.0%	55.0%	50.1%
Operating Expense Ratio	80.6%	94.9%	73.5%
Depreciation Expense Ratio	6.4%	5.9%	6.4%
Interest Expense Ratio	5.7%	5.3%	5.6%
Net Farm Income Ratio	7.3%	-6.0%	14.5%
Operator Information			
Average Number of Operators	1.2	1.2	1.2
Average Age of Operators	55.1	56.2	57.5
Average Number of Years Farming	32.9	30.8	37
Acreage Summary			
Total acres owned	2,779	1,428	3,310
Total crop acres	1,309	1,513	1,638
Crop acres owned	560	570	740
Crop acres cash rented	337	591	248
Crop acres share rented	412	351	650
Total pasture acres	58	13	N/A
Average Price Received in Dollars (Cash Sales Only)			
Corn, per bu.	\$2.13	N/A	N/A
Wheat, Winter per bu.	\$3.03	N/A	N/A
Average Yield Per Acre			
Wheat, Winter (bu.)	59.75	N/A	N/A

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.

University of Nebraska Cooperative Extension
educational programs abide with the non-discrimination policies
of the University of Nebraska-Lincoln and the
United States Department of Agriculture