

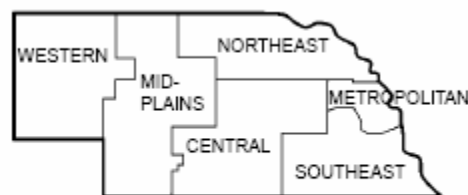
2006 Annual Report

Southeast Region



UNIVERSITY OF
Nebraska
Lincoln

University of Nebraska
Cooperative Extension



Nebraska Community Colleges

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

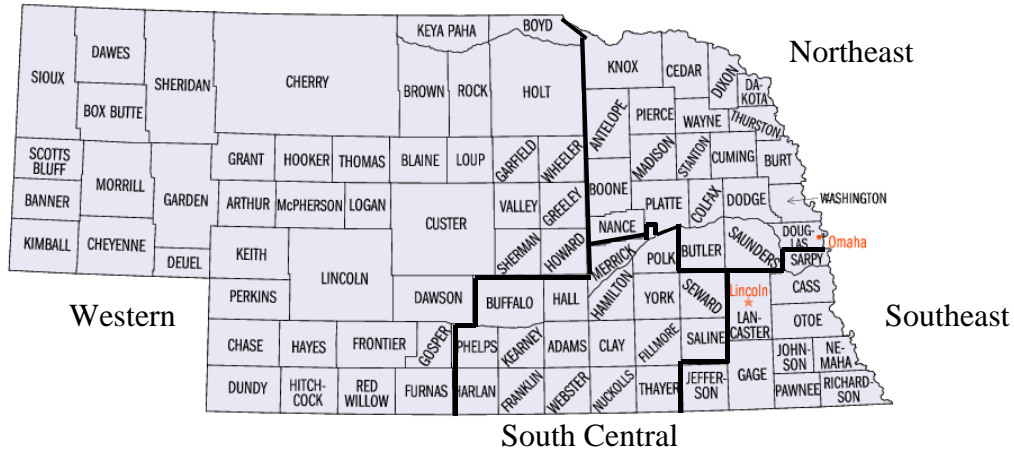
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Regional Comments

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

The counties are split into the following four regions:



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

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Table 1: Southeast - Summary Information, 2006

Farm Income

Gross Cash Farm Income	\$515,689
Inventory Change - Income Items	43,591
Gross Revenue	\$559,280
Cash Farm Operating Expenses	\$378,873
Interest Expense	16,523
Depreciation	45,526
Inventory Change - Expense Items	-10,463
Total Farm Expense	\$430,459

Net Accrual Farm Income

\$128,821

Net Worth Change

Net Farm Income	(+) \$128,821
Non-Farm Income	(+) 32,597
Family Living/Owner Withdrawals	(-) 46,673
Income & Social Security Tax	(-) 16,426
Market Value Adjustment	(+) \$36,594

Earned Net Worth Change

(=) \$134,913

Ending Net Worth *

\$1,205,992

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

Farm Financial Standards Measures

<u>Liquidity</u>	<u>Beginning</u>	<u>Ending</u>
Current Ratio	1.99	2.63
Working Capital	\$146,376	\$202,877
<u>Solvency (Market)</u>		
Debt to Asset Ratio	28%	25%
Debt to Equity Ratio	38%	33%
<u>Profitability (Cost)</u>		
Rate of Return on Assets		13.2%
Rate of Return on Equity		17.3%
Operating Profit Margin		24.5%
<u>Efficiency</u>		
Asset Turnover Rate (Cost)		53.9%
Operating Expense Ratio		65.9%
Depreciation Ratio		8.1%
Interest Expense Ratio		2.9%
Net Farm Income Ratio		23.0%

Term Debt Coverage

Balance Available for Term Debt	134,863
Average Intermediate Debt	64,963
Term Debt Coverage	474%

Table 2A: Southeast - Gross Cash Farm Income, 2006

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Crop Income			
Corn	123,609	64,506	189,198
Seed Corn	0	0	0
Soybeans	102,148	72,939	162,043
Wheat	16,347	11,123	27,749
Hay Crops	12,399	38	32,647
Grain Sorghum	3,621	1,077	6,876
White Corn	0	0	0
Sugar Beets	0	0	0
Great Northern Beans	0	0	0
Miscellaneous Crop Income	24	0	16
Total Crop Income	\$258,148	\$149,683	\$418,529
Livestock and Product Income			
Beef Finishing	516	0	1,281
Beef Calves	10,905	1,683	16,614
Background Beef	0	0	0
Farrow-to-Finish, Hogs	3,880	12,027	0
Finish Feeder Pigs	125,735	0	354,343
Dairy, Milk	53,099	0	0
Cull Breeding Livestock	13,591	2,702	25,125
Miscellaneous Livestock Income	1,880	5,078	0
Total Livestock Income	\$209,606	\$21,490	\$397,363
Other Farm Income			
LDP Payments	2,126	436	3,361
Direct and CC Gov't Payments	24,031	14,541	38,220
CRP & Other Gov't Payments	4,762	807	6,841
Custom Work	5,394	2,732	6,299
Patronage Dividends, Cash	1,627	747	2,127
Insurance Income	4,942	2,352	9,363
Cash from Hedging Accounts	147	56	0
Contract Livestock Income	0	0	0
Other Miscellaneous Farm Income	4,906	2,182	5,455
Total Other Farm Income	\$47,935	\$23,853	\$71,666
Gross Cash Farm Income	\$515,689	\$195,026	\$887,558

Table 2B: Southeast - Gross Cash Farm Expenses, 2006

	<u>Average Of All Farms</u>	<u>Average Of Low 33%</u>	<u>Average Of High 33%</u>
Crop Expense			
Seed	38,274	27,040	58,255
Fertilizer	24,777	12,742	39,130
Crop Chemicals	24,592	19,530	34,826
Crop Insurance	7,913	4,558	12,761
Drying Fuel	153	0	321
Irrigation Energy	2,616	963	2,632
Irrigation Repairs	1,435	466	2,438
Crop Marketing	601	152	577
Crop Miscellaneous	6,508	3,220	11,475
CCC Buyback	3,033	0	8,544
Total Crop Expense	\$109,902	\$68,671	\$170,959
Livestock Expense			
Feeder Livestock Purchases	8,324	293	22,343
Purchased Feed	80,400	5,563	179,028
Breeding Fees	3,320	1,357	6,427
Veterinary	8,027	1,957	12,555
Livestock Supplies	2,764	563	723
Livestock Leases	0	0	0
Grazing Fees	595	390	1,118
Livestock Marketing	1,777	16	2,667
Livestock Custom Hire	21,518	450	50,790
Livestock Repairs	1,582	655	824
Total Livestock Expense	\$128,307	\$11,244	\$276,475
Other Farm Expense			
Interest	16,523	14,996	16,524
Fuel and Oil	18,551	9,267	27,108
Repairs	29,608	15,301	46,180
Custom Hire	4,620	119	10,328
Hired Labor	29,847	2,655	49,747
Land Rent	26,211	22,906	37,274
Machinery and Building Lease	4,025	773	2,890
Real Estate Taxes	8,924	3,224	14,034
Personal Property Taxes	1,824	1,371	2,569
Farm Insurance	4,935	2,297	7,244
Utilities	5,122	2,221	6,989
Dues and Professional Fees	1,506	1,222	1,645
Hedging Account Deposits	1,571	940	2,509
Miscellaneous	3,920	958	7,315
Total Other Cash Farm Expense	\$157,187	\$78,250	\$232,356
Total Cash Operating Expense	\$395,396	\$158,165	\$679,790
Summary			
Gross Cash Farm Income (Table 1A)	\$515,689	\$195,026	\$887,558
- Total Cash Operating Expense	\$395,396	\$158,165	\$679,790
= Net Cash Farm Income	\$120,293	\$36,861	\$207,768

Table 3: Southeast - Inventory Changes, 2006

	Average Of Farms	Average Of Low 33%	Average Of High 33%
Net Cash Farm Income	\$120,293	\$36,861	\$207,768
Crops and Feed			
Ending Inventory	178,971	72,266	309,297
Beginning Inventory	136,667	59,579	226,664
Inventory Change	42,304	12,687	82,633
Market Livestock			
Ending Inventory	53,763	5,535	138,253
Beginning Inventory	55,951	6,157	142,454
Inventory Change	-2,188	-622	-4,201
Accounts Receivable & Other Current Assets			
Ending Inventory	13,013	7,063	24,498
Beginning Inventory	9,538	5,609	17,214
Inventory Change	3,475	1,454	7,284
Prepaid Expenses and Supplies			
Ending Inventory	57,180	7,900	134,163
Beginning Inventory	49,592	7,549	111,220
Inventory Change	7,588	351	22,943
Accounts Payable			
Beginning Inventory	13,518	4,252	24,302
Ending Inventory	10,643	4,133	15,853
Inventory Change	2,875	119	8,449
Total Inventory Change	\$54,054	\$13,989	\$117,108
Net Accrual Operating Income	\$174,347	\$50,850	\$324,876

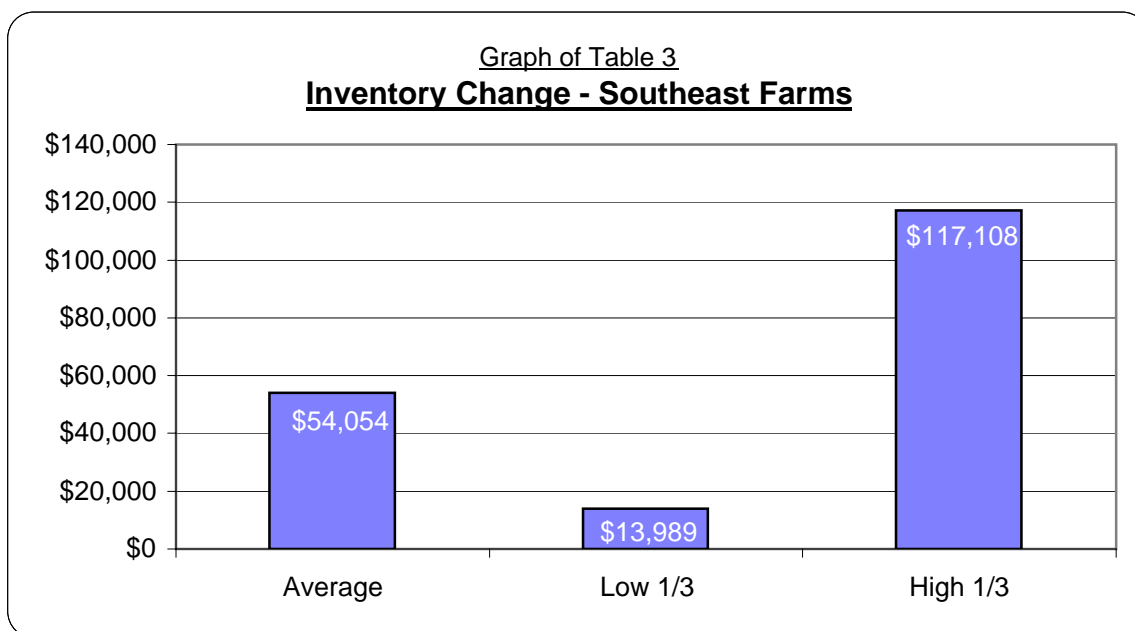


Table 4: Southeast - Depreciation and Other Capital Adjustments, 2006

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Net Accrual Operating Income	\$174,347	\$50,850	\$324,876
Breeding Livestock			
Ending Inventory	3,132	4,381	4,823
Capital Sales	51	0	143
Beginning Inventory	4,183	3,811	8,265
Capital Purchases	1,690	2,810	2,111
Depreciation & Capital Adjustments	-2,690	-2,240	-5,410
Machinery and Equipment			
Ending Inventory	132,571	64,613	246,029
Capital Sales	7,290	2,492	11,718
Beginning Inventory	129,641	65,033	228,003
Capital Purchases	46,980	15,353	88,940
Depreciation & Capital Adjustments	-36,760	-13,281	-59,196
Buildings and Improvements			
Ending Inventory	47,008	19,885	79,214
Capital Sales	0	0	0
Beginning Inventory	42,908	19,811	72,888
Capital Purchases	9,416	1,389	15,385
Depreciation & Capital Adjustments	-5,316	-1,315	-9,059
Other Capital Assets			
Ending Inventory	32,553	10,287	49,019
Capital Sales	527	1,600	0
Beginning Inventory	29,587	7,231	45,057
Capital Purchases	4,253	4,442	6,909
Depreciation & Capital Adjustments	-760	214	-2,947
Total Depreciation & Capital Adjustments	-\$45,526	-\$16,622	-\$76,612
Net Farm Income	\$128,821	\$34,228	\$248,264

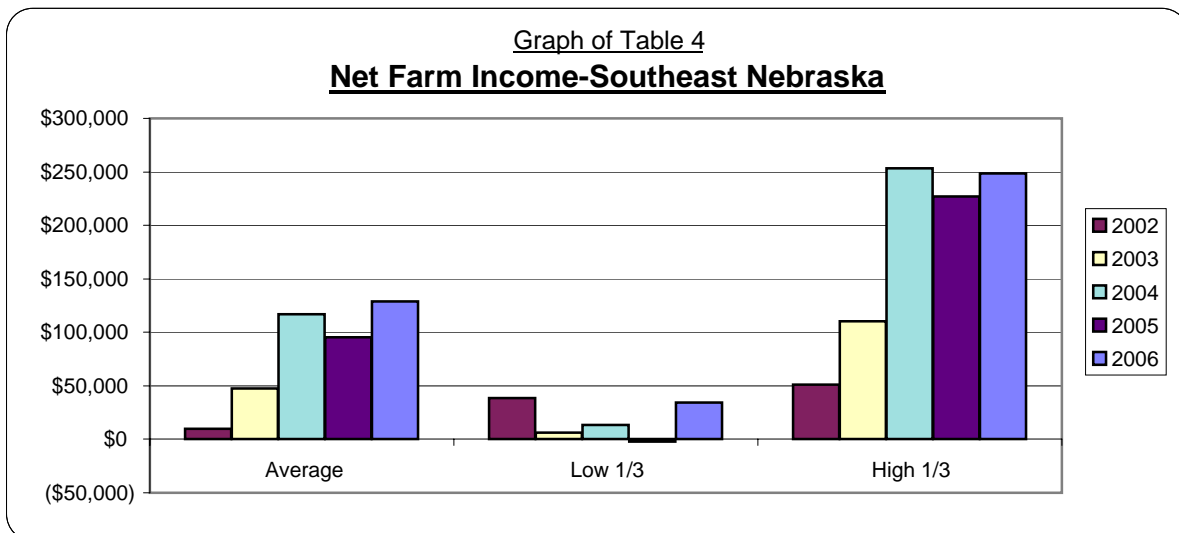


Table 5: Southeast - Profitability Analysis At Cost Value, 2006

	Average Of All Farms	Average Of Low 33 %	Average Of High 33%
Profitability			
Net Farm Income	\$128,821	\$34,228	\$248,264
Labor and Mgt. Earnings	\$94,650	\$24,848	\$180,561
Rate of Return on Assets	13.2%	4.7%	15.5%
Rate of Return on Equity	17.3%	1.1%	19.7%
Operating Profit Margin	24.5%	8.1%	31.3%
Asset Turnover Rate	53.9%	58.8%	49.5%
Interest on Farm Net Worth	\$34,169	\$9,378	\$67,701
Farm Interest Expense	\$16,191	\$14,440	\$17,471
Operator Labor & Mgt.	\$30,301	\$32,503	\$26,000
Return on Farm Assets	\$114,710	\$16,163	\$239,733
Average Farm Assets	\$868,249	\$340,622	\$1,548,681
Return on Farm Equity	\$98,519	\$1,723	\$222,261
Average Farm Equity	\$569,491	\$156,295	\$1,128,345
Value of Farm Production	\$467,864	\$200,445	\$766,494

Table 6: Southeast - Profitability Analysis At Market Value, 2006

	Average Of All Farms	Average Of Low 33 %	Average Of High 33 %
Profitability			
Net Farm Income	\$143,297	\$51,033	\$256,996
Labor and Mgt. Earnings	\$91,141	\$35,542	\$165,259
Rate of Return on Assets	11.1%	7.5%	12.7%
Rate of Return on Equity	13.0%	7.2%	15.1%
Operating Profit Margin	27.6%	16.4%	32.4%
Asset Turnover Rate	40.1%	45.3%	39.3%
Interest on Farm Net Worth	\$52,156	\$15,491	\$91,737
Farm Interest Expense	\$16,191	\$14,440	\$17,471
Operator Labor & Mgt.	\$30,301	\$32,503	\$26,000
Return on Farm Assets	\$129,188	\$32,971	\$248,467
Average Farm Assets	\$1,168,026	\$442,517	\$1,949,282
Return on Farm Equity	\$112,996	\$18,530	\$230,996
Average Farm Equity	\$869,268	\$258,190	\$1,528,946
Value of Farm Production	\$467,864	\$200,445	\$766,494

Table 7: Southeast - Liquidity Analysis, 2006

		Average of <u>All Farms</u>	Average Of <u>Low 33%</u>	Average Of <u>High 33%</u>
Liquidity (Cash)				
Net Cash Farm Income	(+)	120,292	36,862	207,767
Net Non-Farm Income	(+)	32,597	31,367	38,762
Family Living and Taxes	(-)	63,100	39,570	86,041
Real Estate Principle Payments	(-)	8,979	4,931	10,262
Cash Available for Intern. Debt	(=)	80,810	23,728	150,226
Intermediate Debt		\$64,963	\$33,313	\$104,761
Years to Turnover Intern. Debt		0.8	1.4	0.7
Expense as a % of Income		77%	81%	77%
Interest as a % of Income		3%	8%	2%
Working Capital to Gross Income		39%	22%	48%

Liquidity (Accrual)				
Total Accrual Farm Income	(+)	559,278	208,542	973,275
Total Accrual Farm Expense	(-)	384,932	157,693	648,400
Net Accrual Operating Income	(=)	174,345	50,849	324,875
Net Non-Farm Income	(+)	32,597	31,367	38,762
Family Living and Taxes	(-)	63,100	39,570	86,041
Real Estate Principle Payments	(-)	8,979	4,931	10,262
Cash & Inventory for Intern. Debt	(=)	\$134,863	\$37,715	\$267,334
Intermediate Debt		\$64,963	\$33,313	\$104,761
Years to Turnover Intern. Debt		0.05	0.9	0.4
Expense as a % of Income		69%	76%	67%
Interest as a % of Income		3%	7%	2%
Working Capital to Gross Income		36%	21%	44%

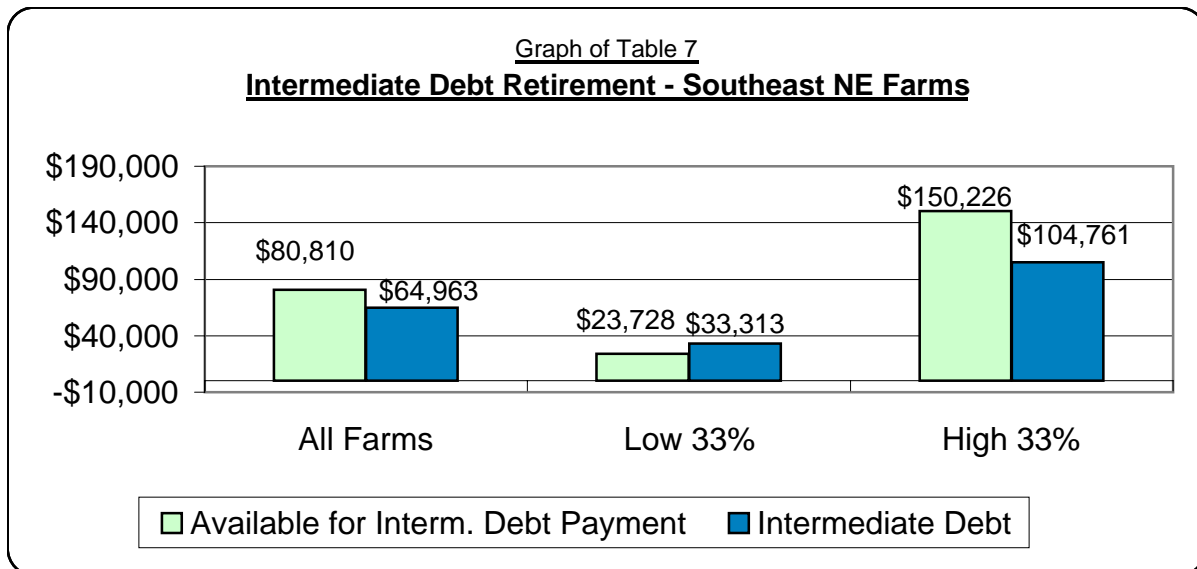


Table 8A: Southeast - Balance Sheet - Assets at Cost Value, 2006

	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	31,912	12,461	12,048	5,467	74,729	20,435
Prepaid Expenses & Supplies	49,592	57,180	7,549	7,900	111,220	134,163
Growing Crops	3,254	3,740	706	1,422	8,070	8,789
Accounts Receivable	4,438	7,340	3,920	4,800	5,774	12,669
Hedging Accounts	1,242	1,316	524	361	2,452	2,284
Crops Held for Sale or Feed	133,826	169,640	59,579	70,275	220,683	291,809
Crops Under Government Loan	14,098	21,409	548	4,587	37,203	44,912
Market Livestock Held for Sale	55,951	53,763	6,157	5,535	142,454	138,253
Other Current Assets	603	617	460	480	918	757
Total Current Farm Assets	\$294,916	\$327,466	\$91,491	\$100,827	\$603,503	\$654,071
Intermediate Farm Assets						
Breeding Livestock	4,183	3,132	3,811	4,381	8,265	4,823
Machinery and Equipment	124,184	127,737	62,830	61,060	221,350	241,025
Titled Vehicles	5,457	4,835	2,203	3,553	6,654	5,003
Other Intermediate Assets	26,010	27,466	6,517	5,219	36,099	39,798
Total Intermediate Farm Assets	\$159,834	\$163,170	\$75,361	\$74,213	\$272,368	\$290,649
Long Term Farm Assets						
Farm Land	342,551	373,317	154,011	143,012	540,390	624,747
Buildings and Improvements	42,908	47,008	19,811	19,885	72,888	79,214
Other Long Term Assets	3,577	5,087	714	5,068	8,958	9,221
Total Long Term Farm Assets	\$389,036	\$425,412	\$174,536	\$167,965	\$622,236	\$713,182
Total Farm Assets	\$843,786	\$916,048	\$341,388	\$343,005	\$1,498,107	\$1,657,902
Non-Farm Assets	243,069	287,698	87,056	97,421	406,719	516,965
Total Farm & Non-Farm Assets	\$1,086,855	\$1,203,746	\$428,444	\$440,426	\$1,904,826	\$2,174,867

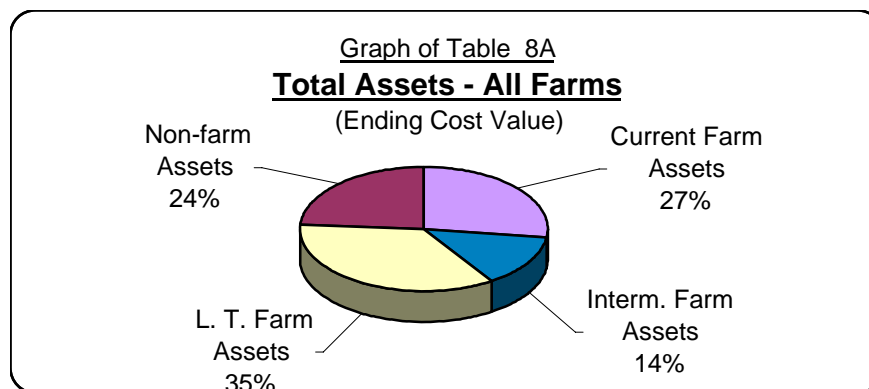


Table 8B: Southeast - Balance Sheet - Liabilities at Cost Value, 2006

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	8,179	7,925	3,481	2,940	10,989	12,148
Accounts Payable	5,300	2,758	764	1,201	13,207	3,810
Current Notes	103,239	77,041	42,545	40,758	212,868	148,334
Government Crop Loans	11,877	12,700	548	2,581	31,222	27,213
Principle Due on Term Debt	19,945	24,165	9,951	9,476	30,827	36,939
Total Current Farm Liabilities	\$148,540	\$124,589	\$57,289	\$56,956	\$299,113	\$228,444
Intermediate Farm Liabilities	\$49,504	\$55,101	\$28,445	\$28,029	\$69,012	\$95,314
Long Term Farm Liabilities	\$116,829	\$126,289	\$111,026	\$90,055	\$79,862	\$127,572
Total Farm Liabilities	\$314,873	\$305,979	\$196,760	\$175,040	\$447,987	\$451,330
Non-Farm Liabilities	13,223	26,425	18,426	17,764	19,454	57,568
Total Liabilities	\$328,096	\$332,404	\$215,186	\$192,804	\$467,441	\$508,898
Net Worth (Farm & Non-Farm)	\$758,759	\$871,342	\$213,258	\$247,622	\$1,437,385	\$1,665,969
Net Worth Change (Cost Value)		\$112,583		\$34,364		\$228,584

Ratio Analysis

Current Farm Liabilities / Assets	50%	38%	63%	56%	50%	35%
Curr. & Interm Farm Liab. / Assets	44%	37%	51%	49%	42%	34%
Long Term Farm Liab. / Assets	30%	30%	64%	54%	13%	18%
Total Liabilities / Assets	30%	28%	50%	44%	25%	23%

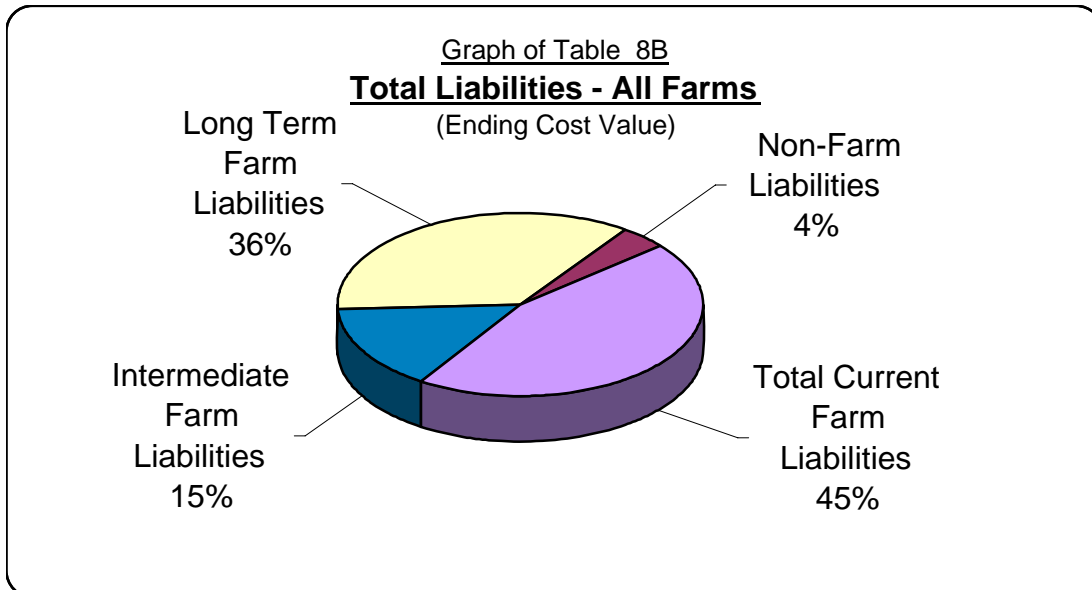


Table 9A: Southeast - Balance Sheet - Assets at Market Value, 2006

	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	31,912	12,461	12,048	5,467	74,729	20,435
Prepaid Expenses & Supplies	49,592	57,180	7,549	7,900	111,220	134,163
Growing Crops	3,254	3,740	706	1,422	8,070	8,789
Accounts Receivable	4,438	7,340	3,920	4,800	5,774	12,669
Hedging Accounts	1,242	1,316	524	361	2,452	2,284
Crops Held for Sale or Feed	133,826	169,640	59,579	70,275	220,683	291,809
Crops Under Government Loan	14,098	21,409	548	4,587	37,203	44,912
Market Livestock Held for Sale	55,951	53,763	6,157	5,535	142,454	138,253
Other Current Assets	603	617	460	480	918	757
Total Current Farm Assets	\$294,916	\$327,466	\$91,491	\$100,827	\$603,503	\$654,071
Intermediate Farm Assets						
Breeding Livestock	55,609	51,548	15,761	14,420	54,718	44,955
Machinery and Equipment	222,031	233,531	95,311	94,471	361,072	392,027
Titled Vehicles	2,689	3,060	2,815	4,619	2,744	2,377
Other Intermediate Assets	26,034	27,498	6,517	5,219	36,099	39,798
Total Intermediate Farm Assets	\$306,363	\$315,637	\$120,404	\$118,729	\$454,633	\$479,157
Long Term Farm Assets						
Farm Land	460,836	497,733	197,925	200,359	702,994	787,089
Buildings and Improvements	69,827	75,105	24,345	24,508	121,981	131,061
Other Long Term Assets	4,383	7,123	714	8,880	11,230	11,494
Total Long Term Farm Assets	\$535,046	\$579,961	\$222,984	\$233,747	\$836,205	\$929,644
Total Farm Assets	\$1,136,325	\$1,223,064	\$434,879	\$453,303	\$1,894,341	\$2,062,872
Non-Farm Assets	262,850	315,332	86,586	98,553	454,339	580,845
Total Farm & Non-Farm Assets	\$1,399,175	\$1,538,396	\$521,465	\$551,856	\$2,348,680	\$2,643,717

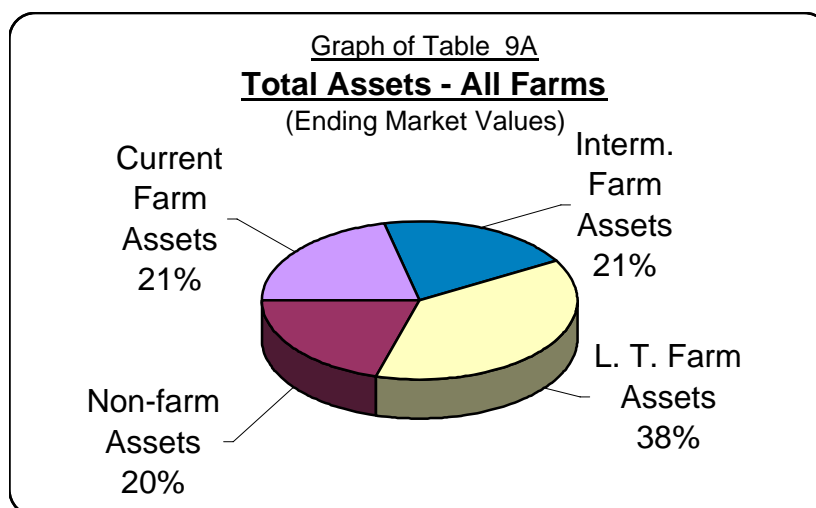


Table 9B: Southeast - Balance Sheet - Liabilities at Market Value, 2006

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	8,179	7,925	3,481	2,940	10,989	12,148
Accounts Payable	5,300	2,758	764	1,201	13,207	3,810
Current Notes	103,239	77,041	42,545	40,758	212,868	148,334
Government Crop Loans	11,877	12,700	548	2,581	31,222	27,213
Principal Due on Term Debt	19,945	24,165	9,951	9,476	30,827	36,939
Total Current Farm Liabilities	\$148,540	\$124,589	\$57,288	\$56,956	\$299,113	\$228,444
Intermediate Farm Liabilities	\$49,504	\$55,101	\$28,445	\$28,029	\$69,012	\$95,314
Long Term Farm Liabilities	\$116,829	\$126,289	\$111,026	\$90,055	\$79,862	\$127,572
Total Farm Liabilities	\$314,873	\$305,979	\$196,759	\$175,040	\$447,987	\$451,330
Non-farm Liabilities	13,223	26,425	18,426	17,764	19,454	57,568
Total Deferred Liabilities	N/A	N/A	N/A	N/A	N/A	N/A
Total Farm & Non-farm Liabilities	\$328,096	\$332,404	\$215,185	\$192,804	\$467,441	\$508,898
Net Worth (Farm and Non-farm)	\$1,071,079	\$1,205,992	\$306,280	\$359,052	\$1,881,239	\$2,134,819
Net Worth Change (Market Value)		\$134,913		\$52,772		\$253,580

Ratio Analysis

Current Farm Liabilities / Assets	50%	38%	63%	56%	50%	35%
Curr. & Interm Farm Liab / Assets	33%	28%	40%	39%	35%	29%
Long Term Farm Liab. / Assets	22%	22%	50%	39%	10%	14%
Total Liabilities / Assets	23%	22%	41%	35%	20%	19%

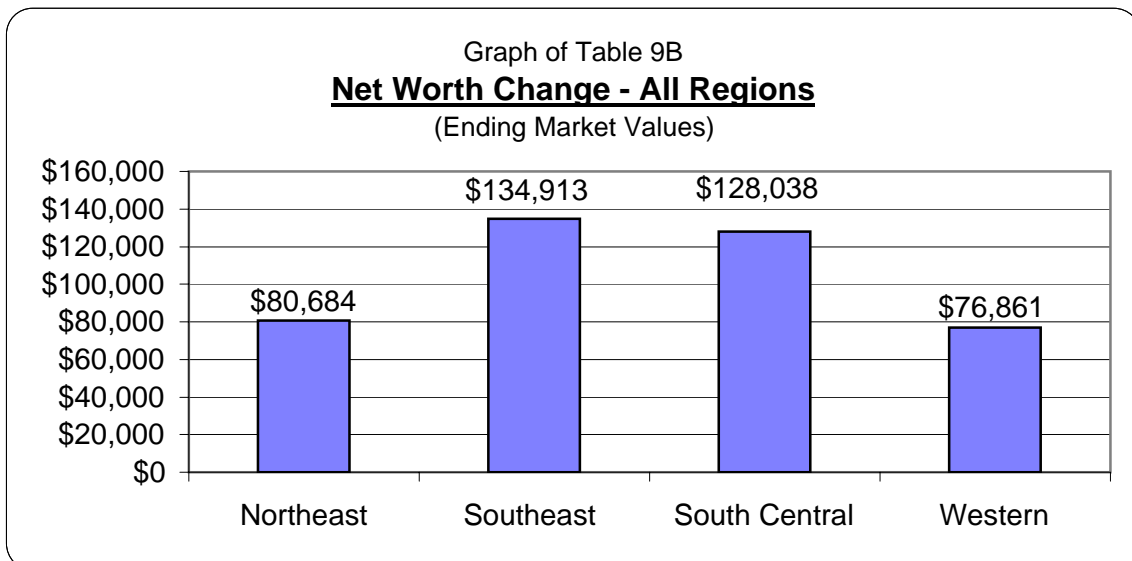


Table 12: Southeast - Household and Personal Expense, 2006

	Average Of All Farms	Average Of High 33%
Average Family Size	2.9	3.0
Family Living Expense		
Food and Meals Expense	5,727	6,510
Medical Care and Health Insurance	5,658	6,673
Cash Donations	3,342	1,345
Household Supplies	2,712	2,263
Clothing	1,140	1,220
Personal Care	2,641	3,111
Child / Dependent Care	498	845
Gifts	4,969	9,743
Education	918	1,242
Recreation	2,562	4,797
Utilities (Household Share)	1,695	1,999
Non-Farm Vehicle Operating Expense	1,930	1,261
Household Real Estate Taxes	179	-51
Dwelling Rent	400	0
Household Repairs	3,853	8,201
Non-Farm Interest	1,547	3,779
Disability/ Long Term Care Insurance	197	0
Life Insurance Payments	2,745	4,737
Non-Farm Property Insurance	165	324
Miscellaneous	3,490	2,345
Total Cash Family Living Expense	\$46,368	\$60,344
Family Living from the Farm	0	0
Total Family Living Expense **	\$46,368	\$60,344
Other Non-Farm Expense		
Income Taxes	18,813	32,624
Furnishing & Appliance Purchases	-27	0
Non-Farm Vehicle Purchases	1,577	0
Non-Farm Real Estate Purchases	27,913	69,783
Other Non-Farm Capital Purchases	7,152	14,417
Non-Farm Savings & Investments	19,264	58,025
Total Other Non-Farm Expense	\$74,692	\$174,849
Total Cash Family Living, Investment & Non-Farm Capital Purchases	\$121,060	\$235,193

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

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

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Operator Information			
Average Number of Operators	1.1	1.2	1.0
Average Age of Operators	51.4	47.2	52.6
Average Number of Years Farming	29.6	24.1	32.5
Non-Farm Income			
Non-Farm Wages & Salary	18,388	22,372	18,116
Non-Farm Business Income	4,538	2,209	10,587
Non-Farm Rental Income	3,179	1,085	4,284
Non-Farm Interest Income	1,479	342	3,382
Non-Farm Cash Dividends	65	0	182
Tax Refunds	341	1,057	0
Non-Taxable Non-Farm Income	0	0	0
Gifts and Inheritances	728	25	909
Other Non-Farm Income	4,606	4,303	2,212
Total Non-Farm Income	\$33,324	\$31,393	\$39,672
Non-farm Assets (Market Value)			
Checking & Savings	6,266	4,585	10,825
Stocks & Bonds	67,795	3,346	183,791
Other Current Assets	16,318	590	35,961
Furniture & Appliances	7,539	5,335	9,577
Non-Farm Vehicles	8,576	1,603	14,475
Cash Value of Life Ins.	5,601	936	4,350
Retirement Accounts	93,750	52,559	146,879
Other Interm. Assets	6,910	0	9,405
Non-Farm Real Estate	73,993	22,100	136,828
Other Long Term Assets	28,586	7,500	28,755
Total Non-Farm Assets	\$315,334	\$98,554	\$580,846
Non-Farm Liabilities			
Accrued Interest	333	37	903
Accounts Payable	0	0	0
Current Notes	178	400	0
Princ Due on Term Debt	1,316	486	3,267
Total Current Liabilities	1,826	923	4,171
Intermediate Liabilities	3,580	8,049	2,155
Long Term Liabilities	21,019	8,792	51,242
Total Non-Farm Liabilities	\$26,425	\$17,764	\$57,568
Non-Farm Net Worth (Assets-Liab)	\$288,909	\$80,790	\$523,278
Non-Farm Debt to Asset Ratio	8%	18%	10%

Table 14: Southeast - Comparison By Age of Operator, 2006

	Average Of <u>All Farms</u>	<u>41-50</u>	<u>51-60</u>	<u>Over 60</u>
Income Statement				
Crop Income	258,148	374,098	229,182	263,469
Livestock Income	209,606	120,734	174,090	501,451
Government Payments	30,919	30,363	30,411	32,299
Other Farm Income	17,016	20,735	15,570	18,842
Gross Cash Farm Income	\$515,689	\$545,930	\$449,253	\$816,061
Direct Crop Expenses	115087	136762	121443	102,377
Direct Livestock Expenses	128307	57255	77422	374,098
Interest	16523	19018	14467	20,715
Land Rent	26211	36279	22485	19,825
Other Farm Expenses	109268	164730	98998	119,685
Total Cash Farm Expense	\$395,396	\$414,044	\$334,815	\$636,700
Net Cash Farm Income	120,293	131,886	114,438	179,361
Inventory Change	54,053	67,499	37,993	78,145
Depreciation and Capital Adj.	-45,526	-64,343	-38,581	-59,550
Net Farm Income	\$128,820	\$135,042	\$113,850	\$197,956
Profitability (Cost Value)				
Labor and Management Earnings	\$94,650	\$88,870	\$83,545	\$146,549
Rate of Return on Assets	13.2%	12.2%	13.0%	13.3%
Rate of Return on Equity	17.3%	14.2%	16.5%	18.6%
Operating Profit Margin	24.5%	22.6%	22.8%	30.3%
Asset Turnover Rate	53.9%	54.1%	56.8%	44.0%
Profitability (Market Value)				
Labor and Management Earnings	\$91,141	\$61,525	\$78,390	\$163,269
Rate of Return on Assets	11.1%	8.3%	10.7%	13.2%
Rate of Return on Equity	13.0%	8.5%	12.4%	17.2%
Operating Profit Margin	27.6%	24.4%	25.1%	35.7%
Asset Turnover Rate	40.1%	34.0%	42.7%	37.0%
Liquidity				
Term Debt Coverage Ratio	473.9%	352.2%	559.9%	555.6%
Expense as a Percent of Income	68.8%	67.5%	68.4%	70.0%
Interest as a Percent of Income	2.9%	3.4%	2.9%	2.9%



Table 14: Southeast - Comparison By Age of Operator, 2006 (cont.)

	Average For <u>All Farms</u>	<u>41-50</u>	<u>51-60</u>	<u>Over 60</u>
Solvency (Cost Value)				
Ending Farm Assets	916,047	1,181,803	755,328	1,426,563
Ending Farm Liabilities	305,978	356,935	219,410	512,029
Ending Total Assets	1,203,745	1,606,499	1,005,783	1,760,258
Ending Total Liabilities	332,403	371,181	227,870	575,054
Ending Net Worth	871,342	1,235,318	777,913	1,185,204
Net Worth Change	112,583	137,522	104,094	147,246
Ending Farm Debt to Asset Ratio	33%	30%	29%	36%
Beg Total Debt to Asset Ratio	30%	24%	30%	30%
End Total Debt to Asset Ratio	28%	23%	23%	33%
Solvency (Market Value)				
Ending Farm Assets	1,223,063	1,816,419	1,010,365	1,693,040
Ending Farm Liabilities	305,978	356,935	219,410	512,029
Ending Total Assets	1,538,395	2,279,918	1,304,160	2,034,938
Ending Total Liabilities	332,403	371,181	227,870	575,054
Ending Net Worth	1,205,992	1,908,737	1,076,290	1,459,884
Net Worth Change	134,914	142,955	131,986	184,453
Ending Farm Debt to Asset Ratio	25%	20%	22%	30%
Beg Total Debt to Asset Ratio	23%	17%	23%	26%
End Total Debt to Asset Ratio	22%	16%	17%	28%
Non-Farm Information				
Farms Reporting Living Expenses	16	3	6	4
Total Family Living Expense	44,155	N/A	35,209	N/A
Total Living, Invest, & Capital Purch	114,494	N/A	97,461	N/A
Net Non-Farm Income	32,597	39,874	33,455	20,910
Crop Acres				
Total Acres Owned	371	494	273	667
Total Crop Acres	1,029	1,265	986	1,069
Total Crop Acres Owned	264	346	226	408
Total Crop Acres Cash Rented	266	355	210	207
Total Crop Acres Share Rented	498	564	550	454

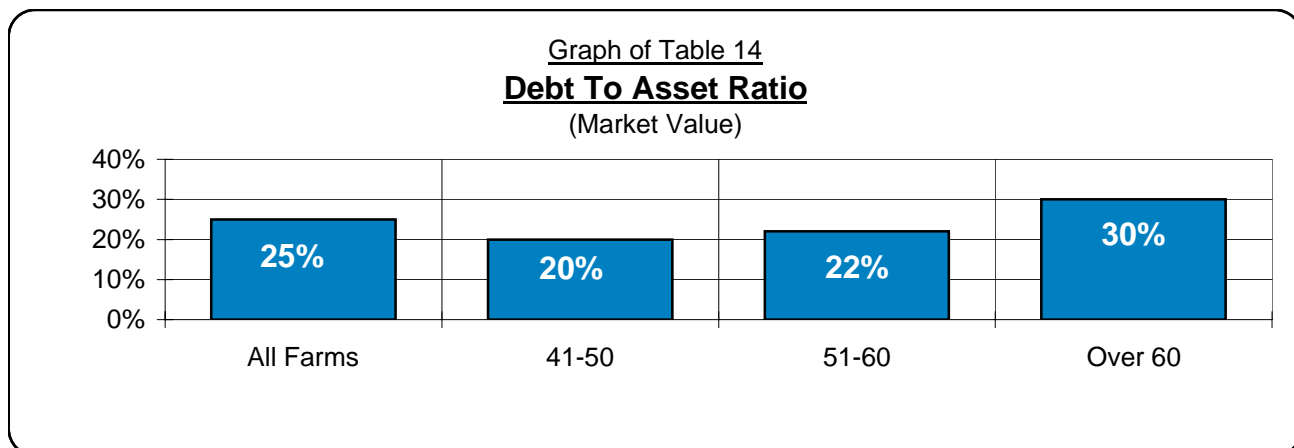


Table 15: Southeast - Comparison by Gross Cash Farm Income, 2006

	Average Of <u>All Farms</u>	<u>\$100,001 to</u> <u>\$250,000</u>	<u>\$250,001 to</u> <u>\$500,000</u>	<u>\$500,001 to</u> <u>\$1,000,000</u>
Income Statement				
Gross Cash Farm Income	515,687	185,455	375,171	648,600
Total Cash Farm Expense	395,395	134,741	257,977	538,605
Net Cash Farm Income	120,292	50,714	117,194	109,995
Inventory Change	54,053	41,406	44,754	46,634
Depreciation and Capital Adj.	-45,526	-16,087	-43,210	-34,711
Net Farm Income	\$128,819	\$76,033	\$118,738	\$121,918

Profitability (Cost Value)

Labor and Management Earnings	\$94,650	\$64,935	\$69,473	\$104,609
Rate of Return on Assets	13.2%	18.2%	10.2%	12.9%
Rate of Return on Equity	17.3%	27.8%	10.9%	24.5%
Operating Profit Margin	24.5%	27.0%	25.1%	16.6%
Asset Turnover Rate	53.9%	67.4%	40.8%	78.0%

Profitability (Market Value)

Labor and Management Earnings	\$91,141	\$49,754	\$53,528	\$78,213
Rate of Return on Assets	11.1%	11.4%	7.9%	8.8%
Rate of Return on Equity	13.0%	14.2%	8.0%	10.5%
Operating Profit Margin	27.6%	23.4%	26.9%	15.3%
Asset Turnover Rate	40.1%	48.6%	29.2%	57.3%

Liquidity

Term Debt Coverage Ratio	473.9%	466.1%	607.4%	319.5%
Expense as a Percent of Income	68.8%	58.5%	60.1%	77.5%
Interest as a Percent of Income	2.9%	3.0%	2.3%	5.5%

**Graph of Table 15
Gross Cash Farm Income - By Region**



Table 15: Southeast - Comparison by Gross Cash Farm Income, 2006 (cont.)

	Average Of <u>All Farms</u>	\$100,001 to <u>\$250,000</u>	\$250,001 to <u>\$500,000</u>	\$500,001 to <u>\$1,000,000</u>
Solvency (Cost Value)				
Ending Farm Assets	916,047	335,513	1,008,662	843,600
Ending Farm Liabilities	305,978	125,416	141,735	532,070
Ending Total Assets	1,203,745	530,208	1,402,276	1,102,536
Ending Total Liabilities	332,403	157,918	145,868	532,070
Ending Net Worth	871,342	372,290	1,256,407	570,466
Net Worth Change	\$112,583	\$63,207	\$115,373	\$113,947
Ending Farm Debt to Asset Ratio	33%	37%	14%	63%
Beg Total Debt to Asset Ratio	30%	36%	12%	56%
End Total Debt to Asset Ratio	28%	30%	10%	48%
Solvency (Market Value)				
Ending Farm Assets	1,223,063	454,330	1,396,634	1,143,591
Ending Farm Liabilities	305,978	125,416	141,735	532,070
Ending Total Assets	1,538,395	667,631	1,814,992	1,483,148
Ending Total Liabilities	332,403	157,918	145,868	532,070
Ending Net Worth	1,205,992	509,713	1,669,124	951,078
Net Worth Change	134,914	66,407	118,937	140,442
Ending Farm Debt to Asset Ratio	25%	28%	10%	47%
Beg Total Debt to Asset Ratio	23%	29%	9%	42%
End Total Debt to Asset Ratio	22%	24%	8%	36%
Non-Farm Information				
Farms Reporting Living Expenses	16	5	4	1
Total Family Living Expense	44,155	42,295	N/A	N/A
Total Living, Invest, & Capital Purch	114,494	52,405	N/A	N/A
Net Non-Farm Income	32,597	28,474	38,522	46,436
Crop Acres				
Total Acres Owned	371	186	441	273
Total Crop Acres	1029	685	974	1,924
Total Crop Acres Owned	264	95	302	287
Total Crop Acres Cash Rented	266	143	248	678
Total Crop Acres Share Rented	498	447	423	960

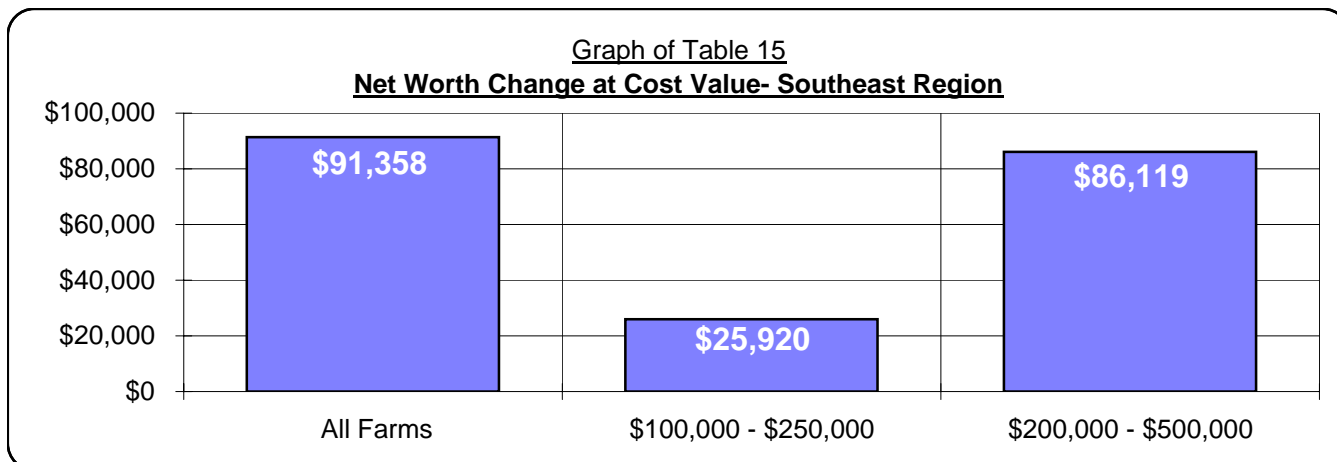


Table 16: Southeast - Debt to Asset Ratio, 2006

	<u>Average Of All Farms</u>	<u>Less than 20%</u>	<u>20% - 40%</u>
Income Statement			
Gross Cash Farm Income	515,687	374,707	832,807
Total Cash Farm Expense	395,395	266,291	672,656
Net Cash Farm Income	120,292	108,417	160,151
Inventory Change	54,053	55,778	79,089
Depreciation and Capital Adj.	-45,526	-39,975	-70,321
Net Farm Income	\$128,819	\$124,220	\$168,919
Profitability (Cost Value)			
Labor and Management Earnings	\$94,650	\$78,109	\$135,987
Rate of Return on Assets	13.2%	11.7%	15.8%
Rate of Return on Equity	17.3%	12.8%	25.9%
Operating Profit Margin	24.5%	26.9%	25.1%
Asset Turnover Rate	53.9%	43.5%	62.8%
Profitability (Market Value)			
Labor and Management Earnings	\$91,141	\$60,070	\$158,856
Rate of Return on Assets	11.1%	8.7%	14.8%
Rate of Return on Equity	13.0%	9.2%	20.3%
Operating Profit Margin	27.6%	26.9%	31.9%
Asset Turnover Rate	40.1%	32.4%	46.3%
Liquidity			
Term Debt Coverage Ratio	473.9%	970.3%	363.2%
Expense as a Percent of Income	68.8%	60.5%	73.4%
Interest as a Percent of Income	2.9%	1.3%	2.8%

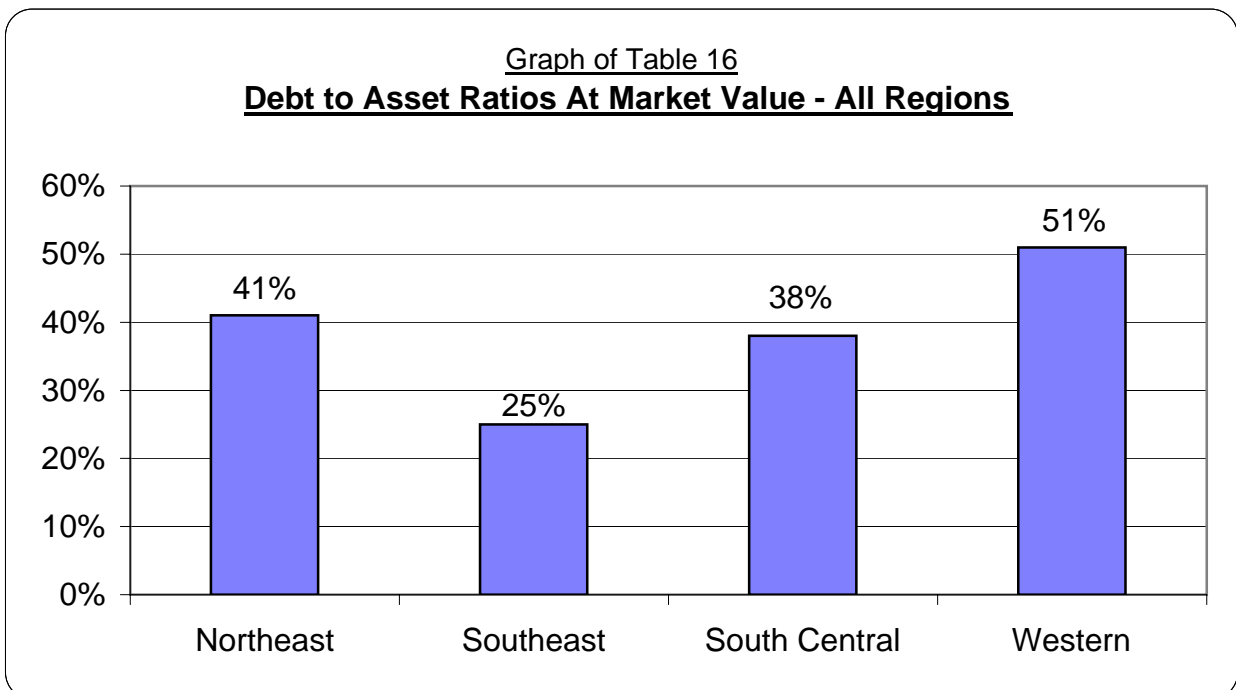


Table 16: Southeast - Debt to Asset Ratio, 2006 (cont.)

	<u>Average Of All Farms</u>	<u>Less than 20%</u>	<u>20% - 40%</u>
Solvency (Cost Value)			
Ending Farm Assets	916,047	909,633	1,173,570
Ending Farm Liabilities	305,978	99,788	576,422
Ending Total Assets	1,203,745	1,354,554	1,358,669
Ending Total Liabilities	332,403	102,268	626,196
Ending Net Worth	871,342	1,252,286	732,474
Net Worth Change	112,583	137,300	109,170
Ending Farm Debt to Asset Ratio	33%	11%	49%
Beg Total Debt to Asset Ratio	30%	11%	46%
End Total Debt to Asset Ratio	28%	8%	46%

Solvency (Market Value)			
Ending Farm Assets	1,223,063	1,212,797	1,573,821
Ending Farm Liabilities	305,978	99,788	576,422
Ending Total Assets	1,538,395	1,706,515	1,770,261
Ending Total Liabilities	332,403	102,268	626,196
Ending Net Worth	1,205,992	1,604,247	1,144,065
Net Worth Change	134,914	149,341	159,894
Ending Farm Debt to Asset Ratio	25%	8%	37%
Beg Total Debt to Asset Ratio	23%	9%	35%
End Total Debt to Asset Ratio	22%	6%	35%

Non-farm Information			
Farms Reporting Living Expenses	16	9	6
Total Family Living Expense	44,155	36,639	55,331
Total Living, Invest, & Capital Purch	144,494	90,298	182,069
Net Non-farm Income	32,597	39,246	21,979

Crop Acres			
Total Acres Owned	371	364	459
Total Crop Acres	1029	1,094	985
Total Crop Acres Owned	264	254	304
Total Crop Acres Cash Rented	266	266	288
Total Crop Acres Share Rented	498	574	393

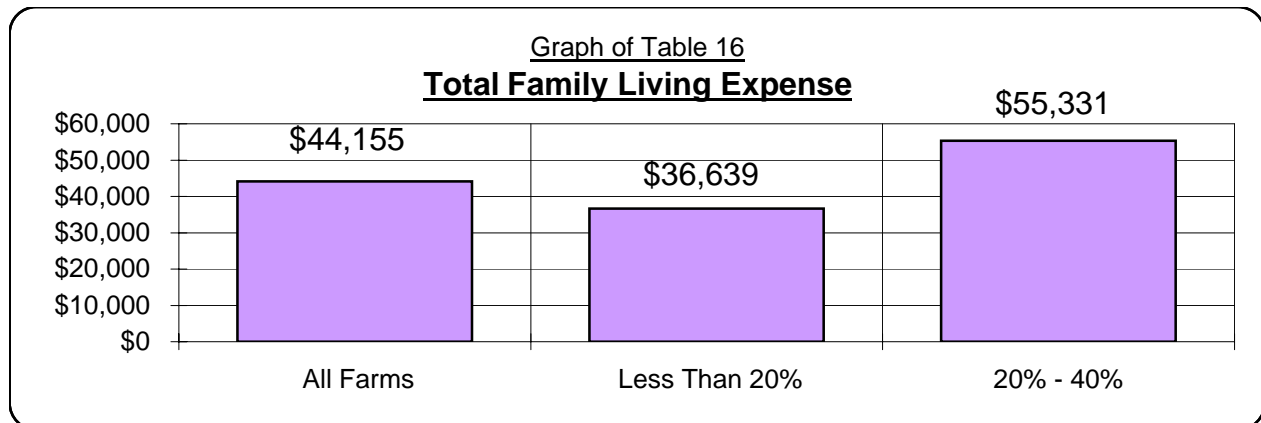


Table 17: Southeast - Crop Production, Marketing & Labor Summary, 2006

	Average Of <u>All Farms</u>	Average Of <u>Low 33%</u>	Average Of <u>High 33%</u>
Acreage Summary			
Acres Owned	371	137	587
Crop Acres	1,029	535	1,697
Crop Acres Owned	264	73	412
Crop Acres Cash Rented	266	174	450
Crop Acres Share Rented	498	289	835
Pasture Acres	28	17	48
% Crop Acres Owned	25.66%	13.64%	24.28%
Average Price Received in Dollars (Cash Sales Only)			
Corn per bu.	\$2.12	\$2.41	\$2.13
Soybeans per bu.	\$5.55	\$5.68	\$5.50
Sorghum, Grain per bu.	N/A	N/A	N/A
Wheat, Winter per bu.	\$4.01	N/A	\$3.74
Hay, Alfalfa per ton	\$30.17	N/A	N/A
Average Yield Per Acre			
Corn, Dryland (bu.)	121.22	115.23	123.78
Soybeans, Dryland (bu.)	49.11	47.36	47.89
Alfalfa Hay (ton)	3.35	\$2.44	N/A
Winter Wheat (bu.)	60.48	\$56.14	\$61.38
Labor Analysis			
Total Unpaid Labor Hours*	2,295	1,904	2,067
Total Hired Labor Hours	1,761	275	3,212
Total Labor Hours per Farm	4,056	2,180	5,279
Value of Farm Production / Hour	\$115.34	\$91.96	\$145.18
Net Farm Income / Unpaid Hour	\$56.13	\$17.97	\$120.09

* Based on 2080 Hrs. Annually Per Full Time Operator

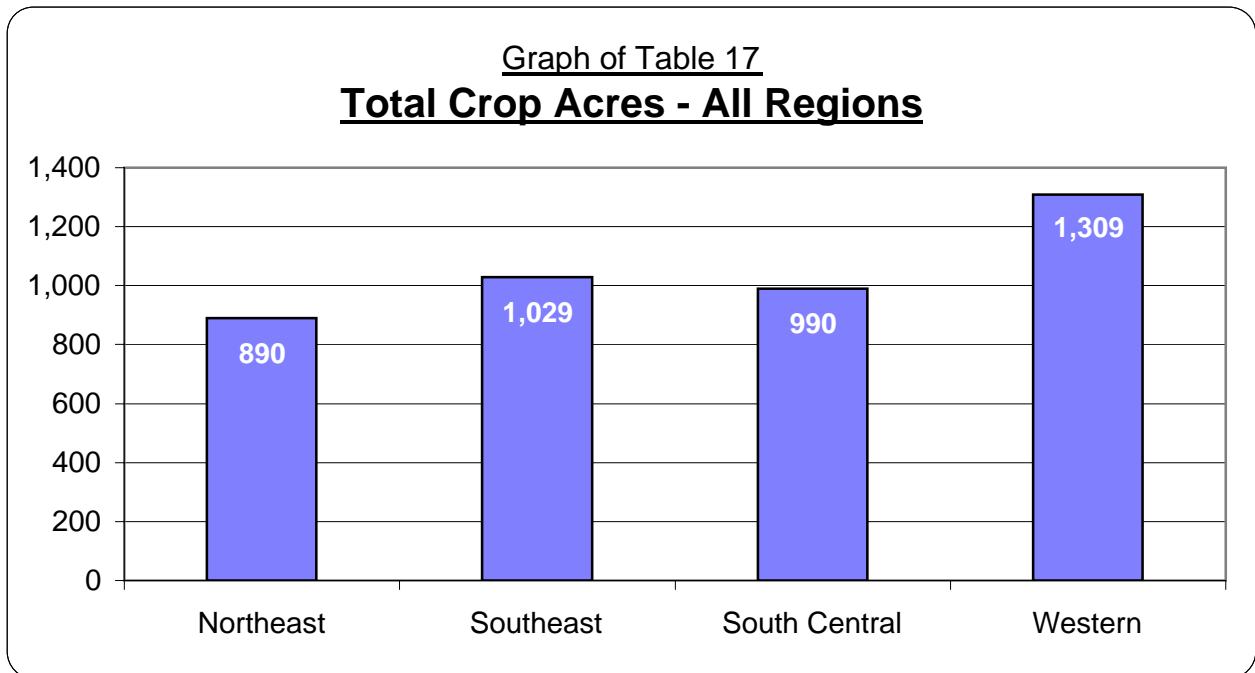


Table 18: Southeast - Irrigated Corn, 2006

	Average Of All Farms*	Owned Land	Share Rent
Number of Fields	22	6	11
Number of Farms	9	5	6
Acres	95.03	116.38	107.32
Bushel Yield per Acre	181.30	174.73	184.36
Operator's Share of the Yield %	72.55%	100.00%	52.20%
Value per Bushel at Harvest	\$3.16	\$3.31	\$3.06
Total Product Return	415.64	578.36	294.48
Miscellaneous Income			
Gross Return	\$415.64	\$578.36	\$294.48
Direct Expenses			
Seed	34.25	36.46	30.69
Fertilizer	41.30	50.09	32.17
Crop Chemicals	16.81	19.49	13.66
Crop Insurance	7.02	10.14	4.79
Drying Fuel	0.00	0.00	0.00
Irrigation Energy	19.80	23.57	15.84
Irrigation Repairs	1.19	0.90	1.26
Operating Power & Crop Machinery	42.72	43.95	41.70
Building Repairs	0.85	0.00	1.20
Hired Labor	20.45	22.75	18.98
Utilities	3.83	4.93	3.39
Miscellaneous	4.72	5.09	4.92
Land Rent	9.84	0.00	0.00
Operating Interest	3.08	5.14	2.08
Total Direct Expenses	\$205.86	\$222.51	\$170.68
Return Over Direct Expenses	\$209.78	\$355.85	\$123.80
Allocated Expenses			
Machinery & Building Depreciation	28.09	31.45	27.09
Real Estate & Personal Property Taxes	13.40	36.67	1.73
Farm Insurance	4.04	6.53	2.84
Interest	11.46	30.50	1.98
Total Allocated Expenses	\$56.99	\$105.15	\$33.64
Total Listed Expenses	\$262.85	\$327.66	\$204.32
Net Return	\$152.79	\$250.70	\$90.16
Supplementary Management Information			
Total Direct Expense Per Bushel	1.57	1.27	1.77
Total Listed Expense Per Bushel	2.00	1.88	2.12
Net Return Per Bushel	\$1.16	\$1.43	\$0.94
Government Payments	25.09	34.19	18.04
Labor & Management Charge Per Acre	32.52	32.63	32.16
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$145.36	\$252.26	\$76.04
Machinery Cost Per Acre	\$72.50	\$81.19	\$68.72
Estimated Labor Hours Per Acre	3.51	3.12	3.60

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

Table 19: Southeast - Dryland Corn, 2006*

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Number of Fields	91	14	37
Number of Farms	19	6	7
Acres	83.01	82.96	78.18
Bushel Yield per Acre	121.22	109.01	129.42
Operator's Share of the Yield %	74.94%	70.61%	71.76%
Value per Bushel at Harvest	\$3.18	\$2.92	\$3.39
Total Product Return	288.88	224.76	314.84
Miscellaneous Income	-0.26	0.01	
Gross Return	\$288.62	\$224.77	\$314.84
Direct Expenses			
Seed	32.88	26.60	35.24
Fertilizer	30.97	28.47	26.15
Crop Chemicals	18.61	15.64	15.50
Crop Insurance	7.39	5.68	8.75
Drying Fuel	0.51	0.71	0.00
Operating Power & Crop Machinery	31.20	57.41	0.00
Building Repairs	0.66	0.37	0.09
Hired Labor	12.91	6.92	3.99
Utilities	2.24	1.81	2.36
Miscellaneous	5.34	7.83	7.44
Land Rent	17.71	8.26	15.50
Operating Interest	6.32	8.64	10.38
Total Direct Expenses	\$166.74	\$168.34	\$125.40
Return Over Direct Expenses	\$121.88	\$56.43	\$189.44
Allocated Expenses			
Machinery & Building Depreciation	29.36	42.30	23.45
Real Estate & Personal Property Taxes	7.44	8.50	4.85
Farm Insurance	3.59	3.71	4.05
Interest	5.35	6.91	5.64
Total Allocated Expenses	\$45.74	\$61.42	\$37.99
Total Listed Expenses	\$212.48	\$229.76	\$163.39
Net Return	\$76.14	-\$4.99	\$151.45
Supplementary Management Information			
Total Direct Expense Per Bushel	1.84	2.19	1.35
Total Listed Expense Per Bushel	2.34	2.98	1.76
Net Return Per Bushel	\$0.84	-\$0.06	\$1.63
Government Payments	22.15	16.13	24.86
Labor & Management Charge Per Acre	24.22	24.90	38.15
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$74.07	-\$13.76	\$138.16
Machinery Cost Per Acre	\$60.58	\$100.28	\$55.67
Estimated Labor Hours Per Acre	2.44	2.34	1.96

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

Table 20: Southeast - Dryland Corn Owned & Cash Rent, 2006

	Owned Land	Cash Rent
Number of Fields	13	24
Number of Farms	10	10
Acres	103.06	67.26
Bushel Yield per Acre	123.26	122.17
Operator's Share of the Yield %	100.00%	100.00%
Value per Bushel at Harvest	\$3.13	\$3.17
Total Product Return	385.80	387.28
Miscellaneous Income	-0.59	-0.41
Gross Return	\$385.21	\$386.87
Direct Expenses		
Seed	32.52	37.66
Fertilizer	41.43	45.10
Crop Chemicals	23.34	25.14
Crop Insurance	8.66	10.47
Drying Fuel	0.85	0.42
Operating Power & Crop Machinery	39.81	29.23
Building Repairs	1.37	0.89
Hired Labor	17.74	11.93
Utilities	3.20	1.36
Miscellaneous	5.67	4.27
Land Rent	0.00	82.86
Operating Interest	3.81	6.75
Total Direct Expenses	\$178.40	\$256.08
Return Over Direct Expenses	\$206.81	\$130.79
Allocated Expenses		
Machinery & Building Depreciation	39.62	26.33
Real Estate & Personal Property Taxes	33.36	1.65
Farm Insurance	4.21	3.66
Interest	21.46	1.80
Total Allocated Expenses	\$98.65	\$33.44
Total Listed Expenses	\$277.05	\$289.52
Net Return	\$108.16	\$97.35
Supplementary Management Information		
Total Direct Expense Per Bushel	1.45	2.10
Total Listed Expense Per Bushel	2.25	2.37
Net Return Per Bushel	\$0.88	\$0.80
Government Payments	27.72	30.03
Labor & Management Charge Per Acre	19.68	25.57
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$116.20	\$101.81
Machinery Cost Per Acre	\$77.75	\$54.74
Estimated Labor Hours Per Acre	2.36	2.41

Table 21: Southeast - Dryland Corn Share Rent, 2006

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Number of Fields	54	7	20
Number of Farms	16	5	6
Acres	85.18	94.62	86.81
Bushel Yield per Acre	120.30	108.50	130.88
Operator's Share of the Yield %	58.53%	54.98%	58.00%
Value per Bushel at Harvest	\$3.21	\$2.78	\$3.42
Total Product Return	226.02	165.84	259.61
Miscellaneous Income			
Gross Return	\$226.02	\$165.84	\$259.61
Direct Expenses			
Seed	31.30	22.12	36.13
Fertilizer	22.97	20.54	18.48
Crop Chemicals	14.94	13.03	11.45
Crop Insurance	5.94	4.95	7.74
Drying Fuel	0.44	0.54	0.00
Operating Power & Crop Machinery	29.53	56.60	28.34
Building Repairs	0.37	0.27	0.04
Hired Labor	11.85	7.60	3.35
Utilities	2.03	1.72	2.25
Miscellaneous	5.78	7.52	9.56
Operating Interest	6.90	5.22	11.05
Total Direct Expenses	\$132.05	\$140.11	\$128.39
Return Over Direct Expenses	\$93.97	\$25.73	\$131.22
Allocated Expenses			
Machinery & Building Depreciation	27.43	45.62	20.51
Real Estate & Personal Property Taxes	1.92	2.44	2.12
Farm Insurance	3.39	3.34	3.64
Interest	1.90	3.16	2.47
Total Allocated Expenses	\$34.64	\$54.56	\$28.74
Total Listed Expenses	\$166.69	\$194.67	\$157.13
Net Return	\$59.33	-\$28.83	\$102.48
Supplementary Management Information			
Total Direct Expense Per Bushel	1.88	2.35	1.69
Total Listed Expense Per Bushel	2.37	3.26	2.07
Net Return Per Bushel	\$0.84	-\$0.48	\$1.35
Government Payments	17.77	11.88	19.34
Labor & Management Charge Per Acre	25.07	24.35	40.70
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$52.03	-\$41.30	\$81.12
Machinery Cost Per Acre	\$57.63	\$102.68	\$51.34
Estimated Labor Hours Per Acre	2.47	2.30	2.02

Table 22: Southeast - Irrigated Soybeans, 2006*

	Average Of All Farms*	Owned Land	Share Rent
Number of Fields	18	6	9
Number of Farms	9	5	5
Acres	87.89	89.70	96.40
Bushel Yield per Acre	54.50	53.10	54.83
Operator's Share of the Yield %	74.06%	100.00%	52.98%
Value per Bushel at Harvest	\$6.13	\$6.16	\$6.16
Total Product Return	247.42	327.10	178.94
Miscellaneous Income	0.03	0.10	0.00
Gross Return	\$247.45	\$327.20	\$178.94
Direct Expenses			
Seed	35.06	40.56	29.34
Fertilizer	2.46	0.88	3.09
Crop Chemicals	13.69	17.53	10.14
Crop Insurance	6.36	9.75	4.32
Drying Fuel	0.00	0.00	0.00
Irrigation Energy	14.92	13.89	13.07
Operating Power & Crop Machinery	33.87	31.94	32.67
Building Repairs	0.65	0.00	0.94
Hired Labor	16.47	17.66	16.16
Utilities	3.64	3.94	3.78
Miscellaneous	4.36	3.28	5.27
Land Rent	12.69	0.00	0.00
Operating Interest	2.73	5.28	1.46
Total Direct Expenses	\$146.90	\$144.71	\$120.24
Return Over Direct Expenses	\$100.55	\$182.49	\$58.70
Allocated Expenses			
Machinery & Building Depreciation	24.81	17.26	30.44
Real Estate & Personal Property Taxes	11.49	31.06	1.39
Farm Insurance	3.74	5.77	2.86
Interest	13.15	35.73	1.54
Total Allocated Expenses	\$53.19	\$89.82	\$36.23
Total Listed Expenses	\$200.09	\$234.53	\$156.47
Net Return	\$47.36	\$92.67	\$22.47
Supplementary Management Information			
Total Direct Expense Per Bushel	3.64	2.73	4.14
Total Listed Expense Per Bushel	4.96	4.42	5.39
Net Return Per Bushel	\$1.17	\$1.74	\$0.77
Government Payments	24.99	31.44	18.85
Labor & Management Charge Per Acre	26.32	33.46	20.13
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$46.03	\$90.65	\$21.19
Machinery Cost Per Acre	\$59.29	\$54.04	\$61.71
Estimated Labor Hours Per Acre	2.80	3.10	2.42

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

Table 23: Southeast - Dryland Soybeans, 2006*

	Average Of All Farms*	Average Of Low 33%	Average Of High 33%
Number of Fields	109	52	22
Number of Farms	19	6	7
Acres	87.56	59.36	120.71
Bushel Yield per Acre	49.11	42.68	51.11
Operator's Share of the Yield %	76.35%	73.24%	78.85%
Value per Bushel at Harvest	\$6.10	\$6.10	\$6.16
Total Product Return	228.72	190.68	248.25
Miscellaneous Income	-0.38	0.00	0.00
Gross Return	\$228.34	\$190.68	\$248.25
Direct Expenses			
Seed	28.23	29.25	23.73
Fertilizer	3.98	7.01	0.18
Crop Chemicals	15.51	16.83	15.47
Crop Insurance	5.72	6.48	5.63
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	27.15	18.84	26.70
Building Repairs	0.47	0.36	0.20
Hired Labor	10.14	19.30	5.61
Utilities	2.02	1.88	2.51
Miscellaneous	3.16	1.99	3.00
Land Rent	23.26	21.70	21.66
Operating Interest	5.02	3.10	3.89
Total Direct Expenses	\$124.66	\$126.74	\$108.58
Return Over Direct Expenses	\$103.68	\$63.94	\$139.67
Allocated Expenses			
Machinery & Building Depreciation	24.33	19.93	15.92
Real Estate & Personal Property Taxes	5.38	3.26	7.07
Farm Insurance	3.15	2.08	4.06
Interest	3.12	3.62	3.67
Total Allocated Expenses	\$35.98	\$28.89	\$30.72
Total Listed Expenses	\$160.64	\$155.63	\$139.30
Net Return	\$67.70	\$35.05	\$108.95
Supplementary Management Information			
Total Direct Expense Per Bushel	3.32	4.05	2.69
Total Listed Expense Per Bushel	4.28	4.98	3.46
Net Return Per Bushel	\$1.82	\$1.12	\$2.70
Government Payments	22.45	19.97	27.31
Labor & Management Charge Per Acre	20.43	12.03	17.78
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$69.72	\$42.99	\$118.48
Machinery Costs Per Acre	\$51.71	\$39.75	\$43.48
Estimated Labor Hours Per Acre	2.03	2.57	1.65

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

Table 24: Southeast - Dryland Soybeans- Owned Land, 2006

Number of Fields	18
Number of Farms	11
Acres	75.92
Bushel Yield per Acre	50.99
Operator's Share of the Yield %	100.00%
Value per Bushel at Harvest	\$6.08
Total Product Return	310.02
Miscellaneous Income	-1.47
Gross Return	\$308.55
Direct Expenses	
Seed	31.22
Fertilizer	4.41
Crop Chemicals	20.71
Crop Insurance	5.74
Drying Fuel	0.00
Operating Power & Crop Machinery	34.70
Building Repairs	1.37
Hired Labor	12.31
Utilities	2.99
Miscellaneous	4.03
Land Rent	0.00
Operating Interest	3.00
Total Direct Expenses	\$120.48
Return Over Direct Expenses	\$188.07
Allocated Expenses	
Machinery & Building Depreciation	29.37
Real Estate & Personal Property Taxes	28.63
Farm Insurance	4.09
Interest	11.61
Total Allocated Expenses	\$73.70
Total Listed Expenses	\$194.18
Net Return	\$114.37
Supplementary Management Information	
Total Direct Expense Per Bushel	2.36
Total Listed Expense Per Bushel	3.81
Net Return Per Bushel	\$2.27
Government Payments	29.43
Labor & Management Charge Per Acre	17.95
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$125.85
Machinery Costs Per Acre	\$62.84
Estimated Labor Hours Per Acre	1.98

Table 25: Southeast - Dryland Soybeans-Cash Rent, 2006

	Average Of All Farms	Average Of High 33%
Number of Fields	30	14
Number of Farms	13	5
Acres	87.04	71.46
Bushel Yield per Acre	51.29	54.20
Operator's Share of the Yield %	100.00%	100.00%
Value per Bushel at Harvest	\$6.07	\$6.17
Total Product Return	311.33	334.41
Miscellaneous Income	-0.43	0.00
Gross Return	\$310.90	\$334.41
Direct Expenses		
Seed	33.13	33.90
Fertilizer	5.97	5.73
Crop Chemicals	21.29	14.65
Crop Insurance	8.59	9.72
Drying Fuel	0.00	0.00
Irrigation Energy	0.00	0.00
Irrigation Repairs	0.00	0.00
Operating Power & Crop Machinery	27.18	21.55
Building Repairs	0.58	0.09
Hired Labor	8.62	3.57
Utilities	1.84	1.67
Miscellaneous	3.13	3.82
Land Rent	85.01	82.84
Operating Interest	4.70	8.12
Total Direct Expenses	\$200.04	\$185.66
Return Over Direct Expenses	\$110.86	\$148.75
Allocated Expenses		
Machinery & Building Depreciation	23.92	21.15
Real Estate & Personal Property Taxes	1.42	1.31
Farm Insurance	3.18	3.63
Interest	1.89	2.00
Total Allocated Expenses	\$30.41	\$28.09
Total Listed Expenses	\$230.45	\$213.75
Net Return	\$80.45	\$120.66
Supplementary Management Information		
Total Direct Expense Per Bushel	3.90	3.43
Total Listed Expense Per Bushel	4.49	3.94
Net Return Per Bushel	\$1.58	\$2.23
Government Payments	27.91	33.62
Labor & Management Charge Per Acre	20.16	30.05
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$88.20	\$124.23
Machinery Costs Per Acre	\$51.52	\$44.13
Estimated Labor Hours Per Acre	1.98	1.75

Table 26: Southeast - Dryland Soybeans-Share Rent, 2006

	Average Of All Farms	Average Of High 33%
Number of Fields	61	12
Number of Farms	15	6
Acres	91.24	141.99
Bushel Yield per Acre	47.63	50.78
Operator's Share of the Yield %	58.19%	59.13%
Value per Bushel at Harvest	\$6.13	\$6.21
Total Product Return	169.90	186.46
Miscellaneous Income	-0.08	0.00
Gross Return	\$169.82	\$186.46
Direct Expenses		
Seed	25.20	20.96
Fertilizer	2.95	0.31
Crop Chemicals	11.53	15.57
Crop Insurance	4.37	4.21
Drying Fuel	0.00	0.00
Irrigation Energy	0.00	0.00
Irrigation Repairs	0.00	0.00
Operating Power & Crop Machinery	25.29	27.96
Building Repairs	0.20	0.15
Hired Labor	10.31	3.70
Utilities	1.88	2.77
Miscellaneous	2.95	4.72
Land Rent	0.00	0.00
Operating Interest	5.66	4.57
Total Direct Expenses	\$90.34	\$84.92
Return Over Direct Expenses	\$79.48	\$101.54
Allocated Expenses		
Machinery & Building Depreciation	23.29	19.03
Real Estate & Personal Property Taxes	1.53	0.51
Farm Insurance	2.91	3.77
Interest	1.62	1.86
Total Allocated Expenses	\$29.35	\$25.17
Total Listed Expenses	\$119.69	\$110.09
Net Return	\$50.13	\$76.37
Supplementary Management Information		
Total Direct Expense Per Bushel	3.26	2.83
Total Listed Expense Per Bushel	4.32	3.67
Net Return Per Bushel	\$1.81	\$2.54
Government Payments	18.17	21.42
Labor & Management Charge Per Acre	21.17	19.23
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$47.13	\$78.56
Machinery Costs Per Acre	\$49.06	\$48.57
Estimated Labor Hours Per Acre	2.07	1.64

Table 27: Southeast - Wheat, 2006*

	Average of All Farms
Number of Fields	22
Number of Farms	10
Acres	68.64
Bushel Yield per Acre	60.48
Operator's Share of the Yield %	79.82%
Value per Bushel at Harvest	\$4.48
Total Product Return	216.27
Miscellaneous Income	1.13
Gross Return	\$217.40
Direct Expenses	
Seed	9.93
Fertilizer	27.22
Crop Chemicals	12.67
Crop Insurance	4.16
Drying Fuel	0.00
Irrigation Energy	0.00
Irrigation Repairs	0.00
Operating Power & Crop Machinery	22.52
Building Repairs	0.51
Hired Labor	6.41
Utilities	2.15
Miscellaneous	2.49
Land Rent	20.17
Operating Interest	1.34
Total Direct Expenses	\$109.57
Return Over Direct Expenses	\$107.83
Allocated Expenses	
Machinery & Building Depreciation	23.21
Real Estate & Personal Property Taxes	6.18
Farm Insurance	2.70
Interest	6.55
Total Allocated Expenses	\$38.64
Total Listed Expenses	\$148.21
Net Return	\$69.19
Supplementary Management Information	
Total Direct Expense Per Bushel	2.27
Total Listed Expense Per Bushel	3.07
Net Return Per Bushel	\$1.41
Government Payments	26.38
Labor & Management Charge Per Acre	13.70
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$81.87
Machinery Costs Per Acre	\$45.44
Estimated Labor Hours Per Acre	1.23

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

Table 28: Southeast - Wheat Owned, Cash, & Share Rent, 2006

	Owned <u>Land</u>	Cash <u>Rent</u>	Share <u>Rent</u>
Number of Fields	6	6	10
Number of Farms	6	6	7
Acres	69.13	63.40	71.49
Bushel Yield per Acre	60.95	58.08	61.50
Operator's Share of the Yield %	100.00%	100.00%	58.07%
Value per Bushel at Harvest	\$4.46	\$4.50	\$4.49
Total Product Return	271.84	261.36	160.35
Miscellaneous Income	0.00	4.47	0.00
Gross Return	\$271.84	\$265.83	\$160.35
Direct Expenses			
Seed	11.13	15.17	6.45
Fertilizer	35.34	23.21	24.65
Crop Chemicals	13.89	18.18	9.03
Crop Insurance	5.89	5.15	2.63
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	22.03	26.42	20.74
Building Repairs	0.24	0.79	0.53
Hired Labor	7.59	3.34	7.36
Utilities	2.54	2.04	1.98
Miscellaneous	2.65	3.47	1.87
Land Rent	0.00	80.09	0.00
Operating Interest	2.20	1.86	0.56
Total Direct Expenses	\$103.50	\$179.72	\$75.80
Return Over Direct Expenses	\$168.34	\$86.11	\$84.55
Allocated Expenses			
Machinery & Building Depreciation	26.19	24.59	20.75
Real Estate & Personal Property Taxes	20.93	0.69	0.54
Farm Insurance	2.67	3.17	2.47
Interest	20.96	2.11	0.56
Total Allocated Expenses	\$70.75	\$30.56	\$24.32
Total Listed Expenses	\$174.25	\$210.28	\$100.12
Net Return	\$97.59	\$55.55	\$60.23
Supplementary Management Information			
Total Direct Expense Per Bushel	1.70	3.09	2.12
Total Listed Expense Per Bushel	2.86	3.62	2.80
Net Return Per Bushel	\$1.60	\$0.88	\$1.69
Government Payments	36.30	29.19	19.12
Labor & Management Charge Per Acre	14.32	16.66	11.76
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$119.57	\$68.08	\$67.59
Machinery Costs Per Acre	\$48.29	\$51.39	\$40.62
Estimated Labor Hours Per Acre	1.07	1.65	1.10

Table 29: Southeast - Alfalfa, 2006

	Average Of All Farms
Number of Fields	9
Number of Farms	6
Acres	30.17
Yield per Acre (Ton)	3.35
Operator's Share of the Yield %	100.00%
Value per Ton at Harvest	\$92.50
Total Product Return	309.88
Miscellaneous Income	0.00
Gross Return	\$309.88
Direct Expenses	
Seed	0.00
Fertilizer	6.25
Crop Chemicals	3.04
Crop Insurance	0.00
Drying Fuel	0.00
Operating Power & Crop Machinery	49.12
Building Repairs	0.49
Hired Labor	16.09
Utilities	1.41
Miscellaneous	3.64
Land Rent	38.74
Operating Interest	6.18
Total Direct Expenses	\$124.96
Return Over Direct Expenses	\$184.92
Allocated Expenses	
Machinery & Building Depreciation	15.11
Real Estate & Personal Property Taxes	11.88
Farm Insurance	2.50
Interest	3.96
Total Allocated Expenses	\$33.45
Total Listed Expenses	\$158.41
Net Return	\$151.47
Supplementary Management Information	
Total Direct Expense Per Acre	37.30
Total Listed Expense Per Acre	47.29
Net Return Per Bushel	\$45.21
Government Payments	0.00
Labor & Management Charge Per Acre	10.24
Net Return Incl. Gov't Payments and Labor & Mgmt.	\$141.23
Machinery Cost Per Acre	\$66.18
Estimated Labor Hours Per Acre	2.37

Table 30A: Northeast Nebraska Averages, 2006

	Northeast Average of <u>All Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
Cash Farm Income			
Total Crop Income	235,035	234,296	261,141
Total Livestock Income	256,996	123,176	522,502
Total Other Farm Income	57,546	47,064	66,344
Gross Cash Farm Income	\$549,577	\$404,536	\$849,987
Cash Farm Expense			
Total Crop Expense	105,333	86,358	124,335
Total Livestock Expense	160,763	89,256	324,186
Total Other Farm Expense	176,862	164,291	213,165
Gross Cash Farm Expense	\$442,958	\$339,905	\$661,686
Net Cash Farm Income	\$106,619	\$64,631	\$188,301
Total Inventory Change	\$20,928	-\$28,264	\$46,386
Total Depreciation & Capital Adjustments	-\$37,398	-\$31,139	-\$50,156
Net Farm Income	\$90,149	\$5,228	\$184,531
Non-Farm Income	\$20,918	\$36,828	\$9,294
Balance Sheet at Market			
Current Farm Assets	401,720	274,128	621,672
Intermediate Farm Assets	301,234	264,915	379,647
Long Term Farm Assets	427,273	322,685	514,594
Non Farm Assets	153,295	134,157	170,477
Total Assets	\$1,283,522	\$995,885	\$1,686,390
Current Farm Liabilities	161,171	214,508	165,971
Intermediate Farm Liabilities	77,252	38,582	77,231
Long Term Liabilities	112,604	88,752	129,440
Non Farm Liabilities	6,824	4,218	4,773
Total Liabilities	\$357,851	\$346,060	\$377,415
Net Worth	\$925,671	\$649,825	\$1,308,975
Net Worth Change (Market Value)	\$80,684	\$14,077	\$165,994

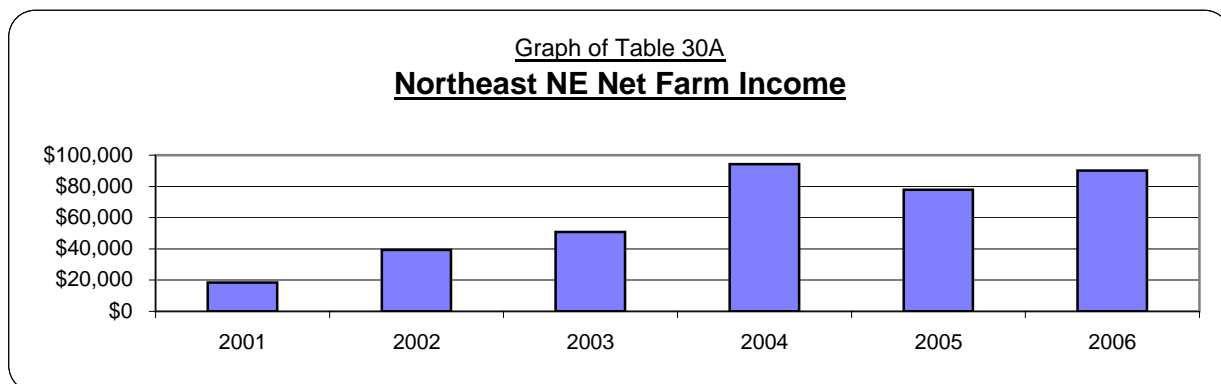


Table 30B: Northeast Nebraska Averages, 2006 (cont.)

	Northeast Average of All Farms	Average of Low 33%	Average of High 33%
Financial Guidelines			
Current Ratio	2.49	1.28	3.75
Working Capital	\$240,549	\$59,620	\$455,700
Debt to Asset Ratio (Market)	31%	40%	25%
Equity to Asset Ratio (Market)	69%	60%	75%
Debt to Equity Ratio (Market)	45%	66%	33%
Rate of Return on Assets (Cost)	9.8%	0.5%	13.9%
Rate of Return on Equity (Cost)	12.7%	-9.7%	18.1%
Operating Profit Margin (Cost)	17.7%	0.9%	25.1%
Net Farm Income (Cost)	\$90,149	\$5,228	\$184,531
Asset Turnover Rate (Cost)	55.0%	56.7%	55.2%
Operating Expense Ratio	74.4%	84.3%	72.1%
Depreciation Expense Ratio	6.5%	8.2%	5.5%
Interest Expense Ratio	3.4%	6.1%	2.0%
Net Farm Income Ratio	15.7%	1.4%	20.4%
Operator Information			
Average Number of Operators	1.2	1.1	1.5
Average Age of Operators	50.5	49.7	53.3
Average Number of Years Farming	27.1	26.3	30.5
Acreage Summary			
Total acres owned	319	262	310
Total crop acres	913	769	1,178
Crop acres owned	204	173	260
Crop acres cash rented	400	344	582
Crop acres share rented	308	252	336
Average Price Received In Dollars (Cash Sales Only)			
Corn, per bu.	\$2.20	\$2.22	\$2.15
Soybeans, per bu.	\$5.56	\$5.27	\$5.71
Alfalfa Hay, per ton	\$69.68	N/A	N/A
Wheat Per Bushel	\$3.62	N/A	N/A
Average Yield Per Acre			
Corn, Irrigated (bu.)	180.92	N/A	186.14
Corn, Dryland (bu.)	134.62	N/A	140.24
Soybeans, Irrigated (bu.)	59.19	N/A	61.83
Soybeans, Dryland (bu.)	48.45	41.67	52.60
Alfalfa Hay (ton)	5.17	N/A	N/A

Table 31A: South Central Nebraska Averages, 2006

	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	399,706	223,179	599,700
Total Livestock Income	72,436	9,461	45,890
Total Other Farm Income	106,156	49,200	133,204
Gross Cash Farm Income	\$578,298	\$281,840	\$778,794
Cash Farm Expense			
Total Crop Expense	189,775	94,765	306,072
Total Livestock Expense	69,519	4,800	25,585
Total Other Farm Expense	198,251	114,052	283,069
Gross Cash Farm Expense	\$457,545	\$213,617	\$614,726
Net Cash Farm Income	\$120,753	\$68,223	\$164,068
Total Inventory Change	\$79,509	-\$1,380	\$198,952
Total Depreciation & Capital Adjustments	-\$49,538	-\$29,552	-\$72,627
Net Farm Income	\$150,724	\$37,291	\$290,393
Non-Farm Income	\$24,822	\$24,302	\$22,166
Balance Sheet at Market			
Current Farm Assets	368,535	156,931	585,831
Intermediate Farm Assets	352,142	232,611	530,624
Long Term Farm Assets	742,745	546,644	1,027,088
Non Farm Assets	246,715	74,841	318,460
Total Assets	\$1,710,137	\$1,011,027	\$2,462,003
Current Farm Liabilities	233,268	139,016	351,613
Intermediate Farm Liabilities	89,677	56,647	133,919
Long Term Liabilities	259,046	176,968	297,858
Non Farm Liabilities	22,044	16,550	30,903
Total Liabilities	\$604,035	\$389,181	\$814,293
Net Worth	\$1,106,102	\$621,846	\$1,647,710
Net Worth Change (Market Value)	\$128,037	\$28,754	\$235,128

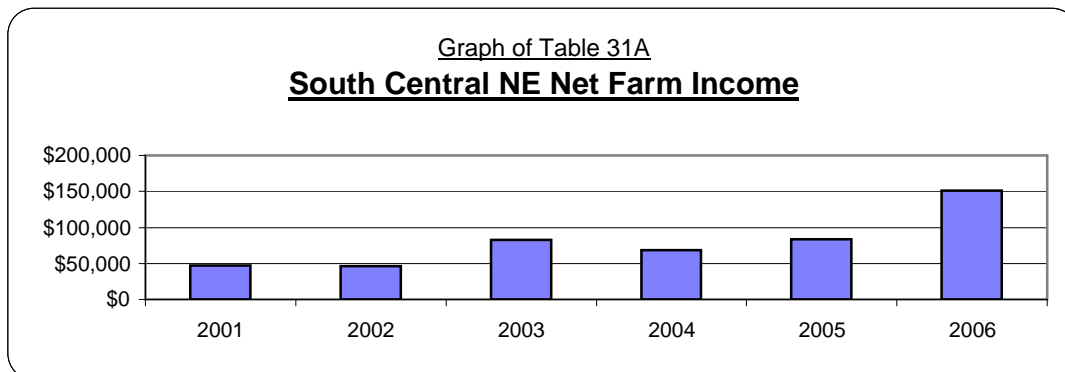


Table 31B: South Central Nebraska Averages, 2006 (cont.)

	South Central Average of All Farms	Average of Low 33%	Average of High 33%
Financial Guidelines			
Current Ratio	1.58	1.13	1.67
Working Capital	\$135,268	\$17,915	\$234,218
Debt to Asset Ratio (Market)	40%	40%	37%
Equity to Asset Ratio (Market)	60%	60%	63%
Debt to Equity Ratio (Market)	66%	66%	58%
Rate of Return on Assets (Cost)	14.9%	6.1%	19.1%
Rate of Return on Equity (Cost)	23.7%	5.3%	28.5%
Operating Profit Margin (Cost)	25.6%	12.2%	31.4%
Net Farm Income (Cost)	\$150,724	\$37,291	\$290,393
Asset Turnover Rate (Cost)	58.5%	50.0%	60.9%
Operating Expense Ratio	64.5%	68.2%	57.9%
Depreciation Expense Ratio	7.5%	10.4%	7.5%
Interest Expense Ratio	5.0%	8.3%	4.6%
Net Farm Income Ratio	23.0%	13.1%	30.0%
Operator Information			
Average Number of Operators	1.2	1.2	1.3
Average Age of Operators	46.1	45.8	48.1
Average Number of Years Farming	23.6	21.7	26.8
Acreage Summary			
Total acres owned	402	307	544
Total crop acres	1,060	564	1,549
Crop acres owned	330	248	442
Crop acres cash rented	311	205	440
Crop acres share rented	419	112	668
Total pasture acres	1	4	0
Average Price Received In Dollars (Cash Sales Only)			
Corn, per bu.	\$2.19	\$2.04	\$2.33
Soybeans, per bu.	\$5.45	\$5.35	\$5.41
Grain Sorghum, per bu.	\$1.94	N/A	N/A
Seed Corn, per bu.	\$2.39	N/A	\$2.26
Wheat, Winter, per bu.	\$4.08	N/A	\$4.37
Average Yield Per Acre			
Corn, Irrigated (bu.)	201.39	199.06	195.90
Corn, Dryland (bu.)	97.94	63.00	119.05
Seed Corn, Irrigated (Paid Yield) (bu.)	248.04	N/A	N/A
Soybeans, Irrigated (bu.)	65.35	62.44	65.68
Soybeans, Dryland (bu.)	43.59	37.70	47.56
Wheat, Winter per bu	44.66	N/A	N/A

Table 32A: Western Nebraska Averages, 2006

	Western Average of <u>All Farms</u>	Average of <u>High 33%</u>
Cash Farm Income		
Total Crop Income	414,381	272,673
Total Livestock Income	428,177	735,811
Total Other Farm Income	288,579	390,847
Gross Cash Farm Income	\$1,131,137	\$1,399,331
Cash Farm Expense		
Total Crop Expense	223,342	272,673
Total Livestock Expense	335,100	747,062
Total Other Farm Expense	553,336	379,596
Gross Cash Farm Expense	\$1,111,778	\$1,399,331
Net Cash Farm Income	\$19,359	\$0
Total Inventory Change	\$103,951	\$221,184
Total Depreciation & Capital Adjustments	-\$53,504	-\$59,192
Net Farm Income	\$69,806	\$161,992
Non-Farm Income	\$28,242	\$22,313
Balance Sheet at Market		
Current Farm Assets	852,257	1,269,832
Intermediate Farm Assets	480,806	506,288
Long Term Farm Assets	904,653	1,226,822
Non-Farm Assets	110,411	198,809
Total Assets	\$2,348,127	\$3,201,751
Current Farm Liabilities	615,846	817,830
Intermediate Farm Liabilities	162,797	81,795
Long Term Liabilities	400,857	431,368
Non-Farm Liabilities	4,957	0
Total Liabilities	\$1,184,457	\$1,330,993
Net Worth	\$1,163,670	\$1,870,758
Net Worth Change (Market Value)	\$76,861	\$231,769

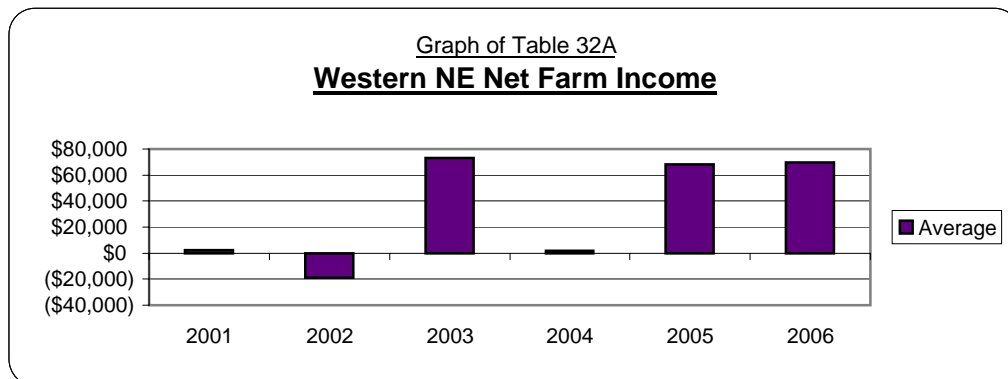


Table 32B: Western Nebraska Averages, 2006 (cont.)

	Western Average of All Farms	Average of High 33%
Financial Guidelines		
Current Ratio	1.38	1.55
Working Capital	\$236,412	\$452,001
Debt to Asset Ratio (Market)	53%	44%
Equity to Asset Ratio (Market)	47%	56%
Debt to Equity Ratio (Market)	111%	80%
Rate of Return on Assets (Cost)	7.4%	10.2%
Rate of Return on Equity (Cost)	7.8%	16.1%
Operating Profit Margin (Cost)	12.7%	25.9%
Net Farm Income (Cost)	\$69,806	\$212,921
Asset Turnover Rate (Cost)	58.3%	39.5%
Operating Expense Ratio	84.1%	79.6%
Depreciation Expense Ratio	4.3%	3.6%
Interest Expense Ratio	6.1%	3.8%
Net Farm Income Ratio	5.6%	12.9%
Operator Information		
Average Number of Operators	1.1	1.2
Average Age of Operators	52.9	51.4
Average Number of Years Farming	30.2	28.4
Acreage Summary		
Total acres owned	2,684	4,008
Total crop acres	1,282	1,742
Crop acres owned	490	895
Crop acres cash rented	348	182
Crop acres share rented	445	664
Total pasture acres	5	13
Average Price Received In Dollars (Cash Sales Only)		
Corn, per bu.	\$2.16	N/A
Wheat, Winter per bu.	\$4.10	N/A
Average Yield Per Acre		
Corn (bu)	39.77	39.77

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.

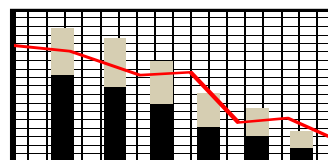
Asset Turnover Rate: is a measure of efficiency in using capital. It is calculated as the Value of Farm Production divided by Total Farm Assets. If your farm business generated a high level of production given your level of capital investment, your asset turnover rate will be strong.

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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