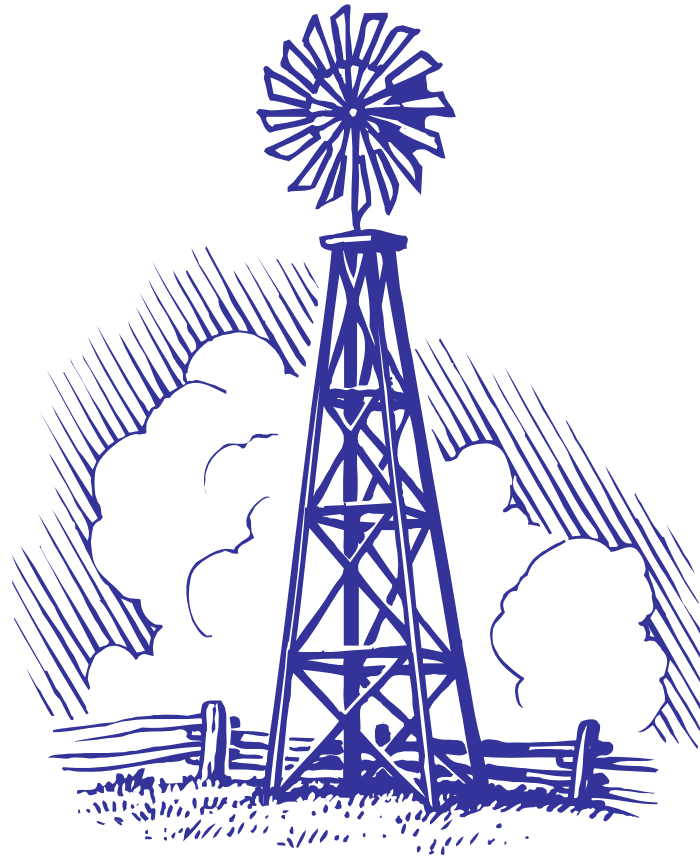


2005 Annual Report

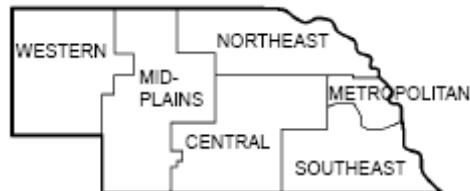
Western

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

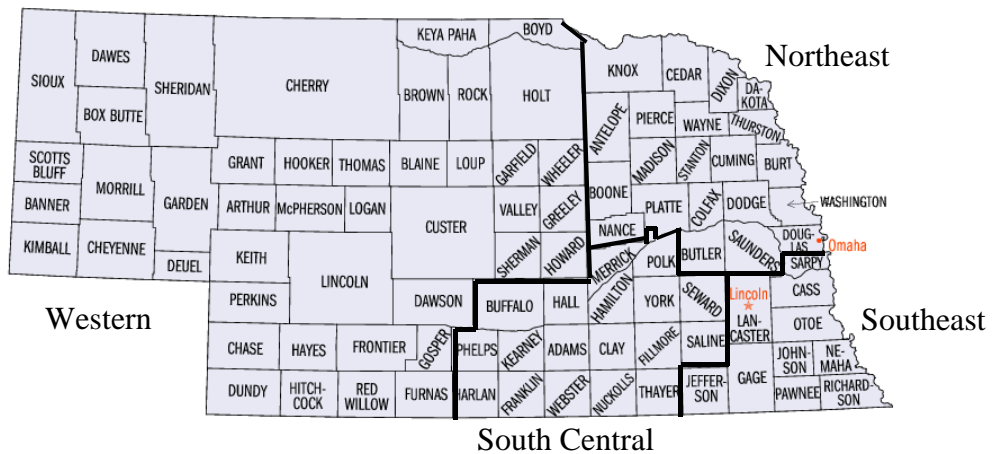
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Regional Comments

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 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.

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

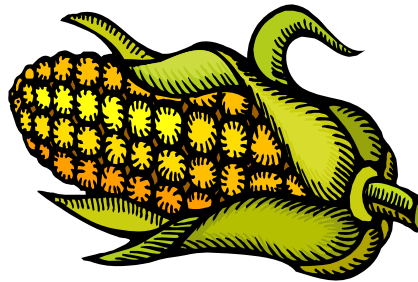


Table 1A: Western - Gross Cash Farm Income, 2005

	Average Of <u>All Farms</u>	Average Of <u>Low 33%</u>	Average Of <u>High 33%</u>
Crop Income			
Corn	136,664	210,913	77,729
Millet	2,565	0	7,268
Soybeans	29,295	33,460	14,188
Wheat	27,385	31,561	20,333
Hay Crops	16,069	5,040	207
Grain Sorghum	1,202	4,086	0
White Corn	0	0	0
Sugar Beets	11,982	0	33,949
Dry Edible Beans	3,336	11,343	0
Miscellaneous Crop Income	6,848	1,351	(54)
Total Crop Income	\$235,346	\$297,754	\$153,620
Livestock and Product Income			
Beef Finishing	161,485	0	457,542
Beef Calves	167,719	121,397	173,879
Background Beef	8,672	0	24,570
Farrow-to-Finish, Hogs	0	0	0
Finish Feeder Pigs	113	0	319
Dairy, Milk	0	0	0
Cull Breeding Livestock	30,916	5,024	31,818
Miscellaneous Livestock Income	11,428	0	0
Total Livestock Income	\$380,333	\$126,421	\$688,128
Other Farm Income			
LDP Payments	35,742	48,222	30,544
Direct & CC Govt Payments	50,389	61,106	52,271
CRP & Other Gov't Payments	12,543	8,103	17,761
Custom Work	19,568	11,179	9,926
Patronage Dividends, Cash	2,894	2,722	3,823
Insurance Income	5,584	4,330	3,099
Cash from Hedging Accounts	27,467	50,799	19,819
Contract Livestock Income	37,227	0	105,477
Other Miscellaneous Farm Income	26,276	27,902	21,390
Total Other Farm Income	\$217,690	\$214,363	\$264,110
Gross Cash Farm Income	\$833,369	\$638,538	\$1,105,858

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

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Crop Expense			
Seed	36,503	39,097	32,409
Fertilizer	84,821	124,823	57,086
Crop Chemicals	31,067	31,797	27,237
Crop Insurance	13,030	14,738	7,052
Irrigation Energy	28,151	30,742	34,870
Irrigation Repairs	3,297	4,044	3,960
Crop Marketing	5,251	3,320	11,196
Crop Miscellaneous	7,896	9,550	8,451
Total Crop Expense	\$210,016	\$258,111	\$182,261
Livestock Expense			
Feeder Livestock Purchases	128,553	67,340	283,312
Purchased Feed	53,253	6,426	115,214
Breeding Fees	2,129	0	0
Veterinary	9,182	2,562	13,433
Livestock Supplies	3,429	0	7,849
Livestock Custom Hire	227	43	573
Livestock Leases	5,957	16,083	3,475
Grazing Fees	9,835	0	16,212
Livestock Marketing	13,953	316	7,211
Livestock Miscellaneous	2,203	63	3,852
Total Livestock Expense	\$228,721	\$92,833	\$451,131
Other Farm Expense			
Interest	50,672	40,090	69,158
Fuel and Oil	29,663	25,769	31,026
Repairs	45,401	46,485	45,272
Custom Hire	22,155	25,249	22,988
Hired Labor	43,045	19,489	51,148
Land Rent	69,440	85,910	68,804
Machinery and Building Lease	12,975	12,206	14,342
Real Estate Taxes	14,363	12,228	12,875
Personal Property Taxes	2,218	3,533	2,557
Farm Insurance	8,959	8,248	7,739
Utilities	7,967	9,946	5,787
Dues and Professional Fees	3,237	3,483	1,846
Hedging Account Deposits	39,766	62,478	27,162
Miscellaneous	22,452	8,042	28,761
Total Other Cash Farm Expense	\$372,313	\$363,156	\$389,465
Total Cash Operating Expense	\$811,050	\$714,100	\$1,022,857
Summary			
Gross Cash Farm Income (Table 1A)	\$833,369	\$638,538	\$1,105,858
- Total Cash Operating Expense	\$811,050	\$714,100	\$1,022,857
= Net Cash Farm Income	\$22,319	(\$75,562)	\$83,001

Table 2: Western - Inventory Changes, 2005

	<u>Average Of All Farms</u>	<u>Average Of Low 33%</u>	<u>Average Of High 33%</u>
Net Cash Farm Income	\$22,319	(\$75,562)	\$83,001
Crops and Feed			
Ending Inventory	193,968	259,404	225,625
Beginning Inventory	135,119	205,588	131,723
Inventory Change	58,849	53,816	93,902
Market Livestock			
Ending Inventory	274,847	115,774	454,539
Beginning Inventory	264,386	96,259	469,266
Inventory Change	10,461	19,515	(14,727)
Accounts Receivable & Other Current Assets			
Ending Inventory	82,227	54,176	149,567
Beginning Inventory	56,539	55,845	72,887
Inventory Change	25,688	(1,669)	76,680
Prepaid Expenses and Supplies			
Ending Inventory	20,467	24,838	26,426
Beginning Inventory	12,143	24,467	14,015
Inventory Change	8,324	371	12,411
Accounts Payable			
Beginning Inventory	34,822	11,353	65,326
Ending Inventory	32,939	8,894	52,838
Inventory Change	1,883	2,459	12,488
Total Inventory Change	\$105,205	\$74,492	\$180,754
Net Accrual Operating Income	\$127,524	(\$1,070)	\$263,755

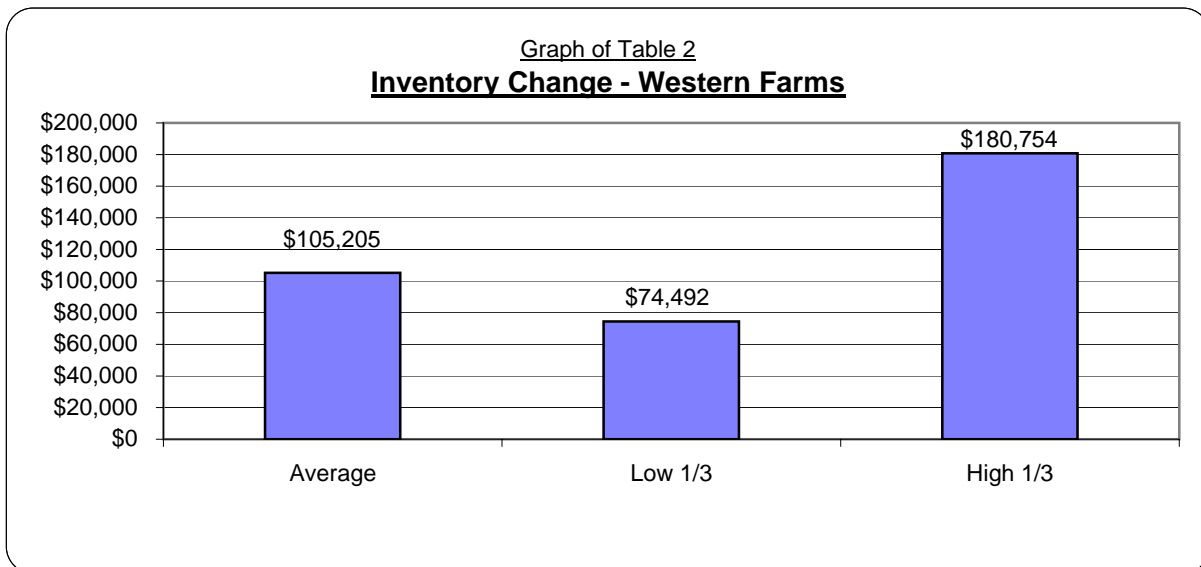


Table 3: Western - Depreciation and Other Capital Adjustments, 2005

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Net Accrual Operating Income	\$127,524	(\$1,070)	\$263,755
Breeding Livestock			
Ending Inventory	40,746	8,680	62,384
Capital Sales	3,092	0	6,984
Beginning Inventory	44,891	5,211	65,866
Capital Purchases	13,050	5,783	24,306
Depreciation & Capital Adjustments	(14,103)	(2,314)	(20,804)
Machinery and Equipment			
Ending Inventory	149,629	95,842	191,566
Capital Sales	13,204	9,120	375
Beginning Inventory	153,235	121,215	180,805
Capital Purchases	51,393	12,524	66,543
Depreciation & Capital Adjustments	(41,795)	(28,777)	(55,407)
Buildings and Improvements			
Ending Inventory	66,657	82,256	52,843
Capital Sales	0	0	0
Beginning Inventory	66,411	83,654	49,310
Capital Purchases	4,739	6,135	8,313
Depreciation & Capital Adjustments	(4,493)	(7,533)	(4,780)
Other Capital Assets			
Ending Inventory	36,991	38,924	29,399
Capital Sales	2,553	0	567
Beginning Inventory	33,414	38,034	24,305
Capital Purchases	5,170	4,086	5,961
Depreciation & Capital Adjustments	960	(3,196)	(300)
Total Depreciation & Capital Adjustments	(\$59,431)	(\$41,820)	(\$81,291)
Net Farm Income	\$68,093	(\$42,890)	\$182,464

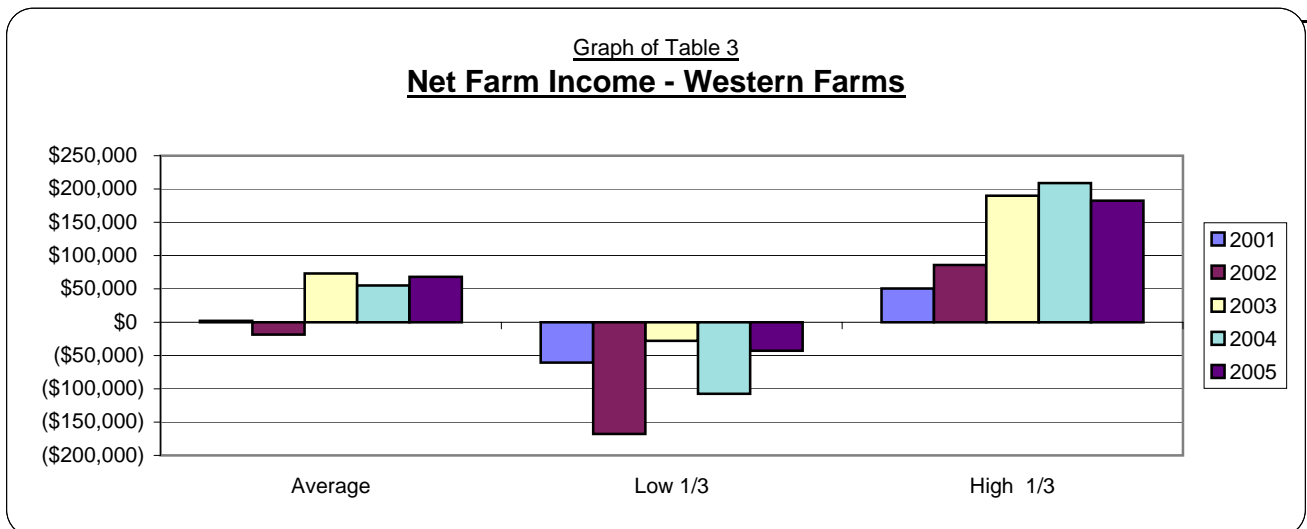


Table 4: Western - Profitability Analysis At Cost Value, 2005

	Average Of All Farms	Average Of Low 33 %	Average Of High 33 %
Profitability			
Net Farm Income	\$68,093	(\$42,890)	\$182,464
Labor and Mgt. Earnings	\$38,056	(\$68,207)	\$152,038
Rate of Return on Assets	6.9%	-3.2%	13.3%
Rate of Return on Equity	8.7%	-17.6%	33.5%
Operating Profit Margin	13.0%	-5.7%	26.5%
Asset Turnover Rate	53.0%	55.0%	50.1%
Interest on Farm Net Worth	\$30,038	\$25,318	\$30,427
Farm Interest Expense	\$53,010	\$37,631	\$70,866
Operator Labor & Mgt.	\$26,000	\$31,200	\$30,333
Return on Farm Assets	\$95,105	(\$36,458)	\$222,998
Average Farm Assets	\$1,381,974	\$1,152,441	\$1,681,881
Return on Farm Equity	\$42,095	(\$74,089)	\$152,132
Average Farm Equity	\$481,911	\$421,966	\$454,068
Value of Farm Production	\$732,457	\$634,123	\$842,381

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

	Average Of All Farms	Average Of Low 33 %	Average Of High 33 %
Profitability			
Net Farm Income	\$82,337	(\$39,253)	\$190,674
Labor and Mgt. Earnings	\$28,592	(\$91,749)	\$138,877
Rate of Return on Assets	6.1%	-2.0%	11.1%
Rate of Return on Equity	6.3%	-8.1%	18.6%
Operating Profit Margin	14.9%	-5.2%	27.4%
Asset Turnover Rate	40.8%	39.5%	40.3%
Interest on Farm Net Worth	\$53,745	\$52,497	\$51,797
Farm Interest Expense	\$53,010	\$37,631	\$70,866
Operator Labor & Mgt.	\$26,000	\$31,200	\$30,333
Return on Farm Assets	\$109,347	(\$32,822)	\$231,207
Average Farm Assets	\$1,795,806	\$1,605,421	\$2,091,099
Return on Farm Equity	\$56,337	(\$70,453)	\$160,340
Average Farm Equity	\$895,743	\$874,946	\$863,286
Value of Farm Production	\$732,457	\$634,123	\$842,381

Table 6: Western - Liquidity Analysis, 2005

		Average of All Farms	Average Of Low 33%	Average Of High 33%
Liquidity (Cash)				
Net Cash Farm Income	(+)	22,319	(75,562)	83,001
Net Non-Farm Income	(+)	13,827	36,853	4,625
Family Living and Taxes	(-)	37,760	41,554	49,787
Real Estate Principal Payments	(-)	12,324	6,963	18,577
Cash Available for Intern. Debt	(=)	(13,938)	(87,226)	19,262
Average Intermediate Debt		\$198,227	\$72,885	\$243,255
Years to Turnover Intern. Debt		**	**	12.6
Expense as a % of Income		97%	112%	92%
Interest as a % of Income		6%	6%	6%
Working Capital to Gross Income		18%	18%	15%
Liquidity (Accrual)				
Total Accrual Farm Income	(+)	928,366	710,203	1,261,710
Total Accrual Farm Expense	(-)	800,841	711,272	997,954
Net Accrual Operating Income	(=)	127,525	(1,069)	263,756
Net Non-Farm Income	(+)	13,827	36,853	4,625
Family Living and Taxes	(-)	37,760	41,554	49,787
Real Estate Principle Payments	(-)	12,324	6,963	18,577
Cash & Inventory for Intern. Debt	(=)	91,268	(12,733)	200,017
Average Intermediate Debt		\$198,227	\$72,885	\$243,255
Years to Turnover Intern. Debt		2.2	**	1.2
Expense as a % of Income		86%	100%	79%
Interest as a % of Income		6%	5%	6%
Working Capital to Gross Income		16%	16%	13%

** Income Insufficient to Meet Debt Servicing Requirements

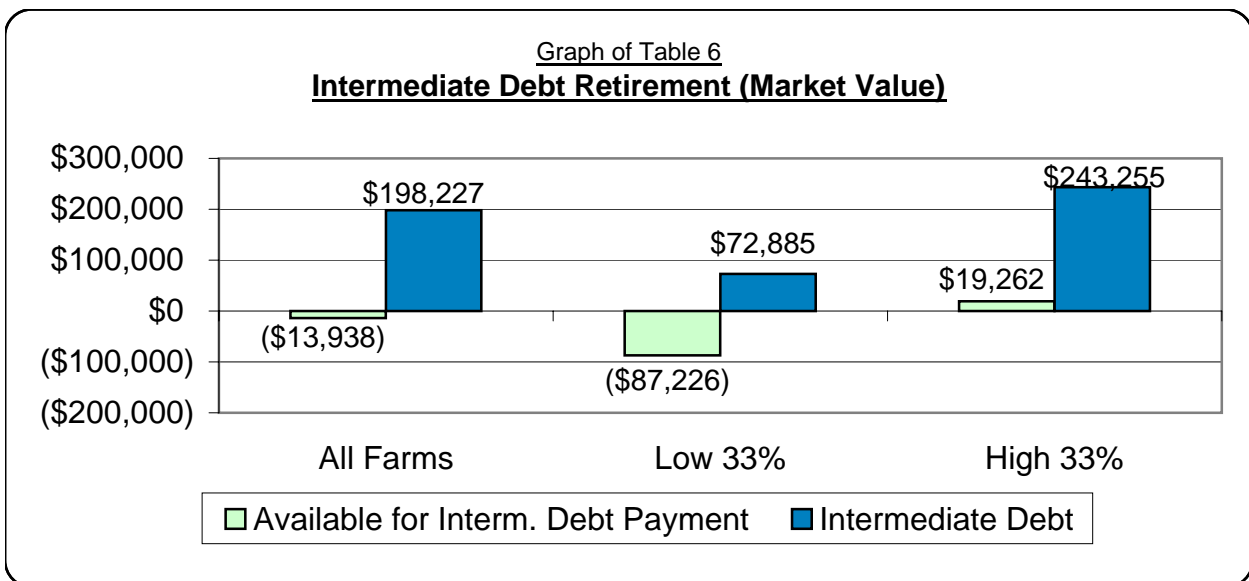


Table 7: Western - Statement of Cash Flows, 2005

		Average Of All Farms	Average Of Low 33%	Average Of High 33%
(A) Beginning Cash Balance (Farm & Non-farm)		\$20,111	\$72,069	(\$15,167)
Cash From Operating Activities				
Gross Cash Farm Income	(+)	833,368	638,541	1,105,854
Net Non-farm Income	(+)	13,827	36,853	4,625
Total Cash Farm Expense	(-)	811,048	714,102	1,022,852
Apparent Family Living Expense	(-)	32,649	41,964	36,275
Income & Social Security Tax	(-)	5,111	(409)	13,511
(B) Net Cash From Operating Activities	(=)	(\$1,613)	(\$80,263)	\$37,841
Cash From Investing Activities				
Sale of Breeding Livestock	(+)	3,092	0	6,984
Sale of Machinery & Equipment	(+)	13,204	9,120	375
Sale of Farm Land	(+)	0	0	0
Sale of Farm Buildings	(+)	0	0	0
Sale of Other Farm Assets	(+)	2,553	0	567
Sale of Non-farm Assets	(+)	3,017	10,259	0
Purchase of Breeding Livestock	(-)	13,050	5,783	24,306
Purchase of Machinery & Equip.	(-)	51,393	12,524	66,542
Purchase of Farm Land	(-)	13,076	0	37,050
Purchase of Farm Buildings	(-)	4,739	6,135	8,313
Purchase of Other Farm Assets	(-)	5,170	4,086	5,961
Purchase of Non-farm Assets	(-)	3,571	0	9,117
(C) Net Cash From Investing Activities	(=)	(\$69,133)	(\$9,149)	(\$143,363)
Cash From Financing Activities				
Money Borrowed	(+)	969,716	707,017	1,254,404
Cash Gifts and Inheritances	(+)	220	0	622
Principal Payments	(-)	898,708	641,222	1,139,421
Dividends Paid	(-)	0	0	0
Gifts Given	(-)	0	0	0
(D) Net Cash From Financing Activities	(=)	\$71,228	\$65,795	\$115,605
(E) Net Change In Cash Balance (B+C+D)		\$482	(\$23,617)	\$10,083
(F) Ending Cash Balance (A-E)		\$20,593	\$48,452	(\$5,084)

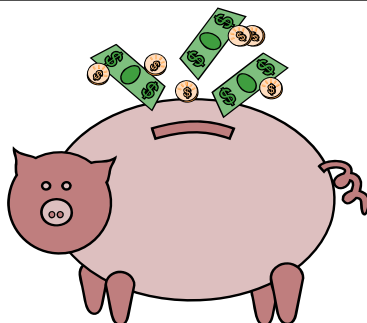


Table 8: Western - Financial Guideline Measures, 2005

	Average Of All Farms	Average Of Low 33%	Average Of High 33%
Liquidity			
Current Ratio	1.32	1.27	1.23
Working Capital	\$149,318	\$112,996	\$161,307
Solvency (Market)			
Farm Debt to Asset Ratio	51%	48%	58%
Farm Equity to Asset Ratio	49%	52%	42%
Farm Debt to Equity Ratio	104%	94%	139%
Profitability (Cost)			
Rate of Return on Farm Assets	6.9%	-3.2%	13.3%
Rate of Return on Farm Equity	8.7%	-17.6%	33.5%
Operating Profit Margin	13.0%	-5.7%	26.5%
Net Farm Income	\$68,095	(\$42,889)	\$182,465
Repayment Capacity			
Term Debt Coverage Ratio	212%	20%	293%
Capital Replacement Margin	\$61,010	(\$19,045)	\$157,063
Efficiency			
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%

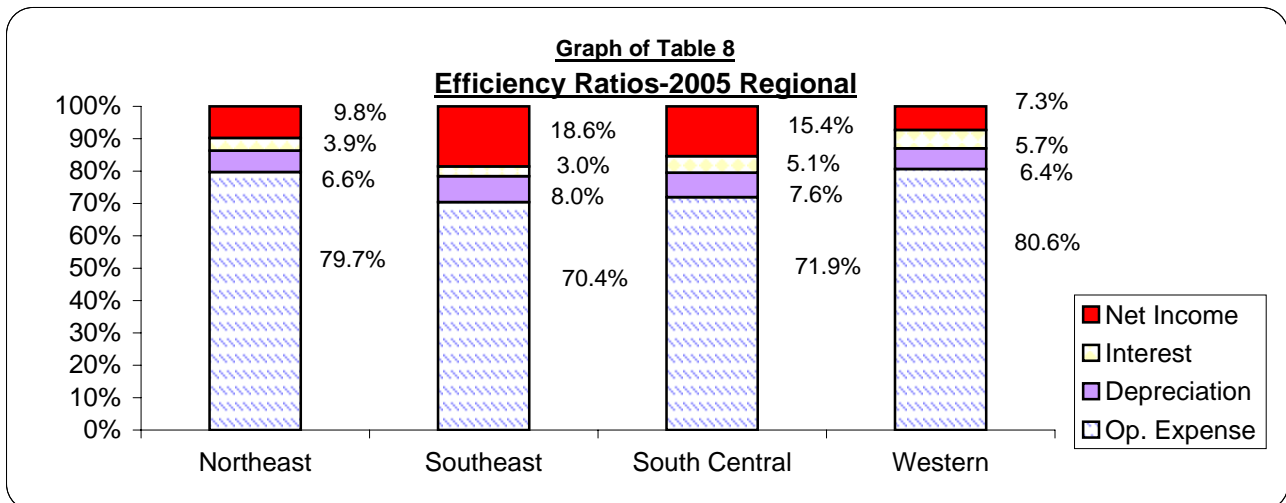


Table 9A: Western - Balance Sheet - Assets at Cost Value, 2005

	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	13,137	14,785	55,753	35,751	(19,875)	(10,680)
Prepaid Expenses & Supplies	12,143	20,467	24,467	24,838	14,015	26,426
Growing Crops	16,114	13,008	10,348	3,160	12,722	9,727
Accounts Receivable	16,223	29,285	6,879	1,940	29,996	73,776
Hedging Accounts	24,142	39,879	38,619	49,076	30,169	65,910
Crops Held for Sale or Feed	133,030	187,544	205,588	244,802	125,802	219,593
Crops Under Government Loan	34,713	30,845	63,637	59,600	20,021	20,132
Market Livestock Held for Sale	264,386	274,847	96,259	115,774	469,266	454,539
Other Current Assets	59	54	0	0	0	154
Total Current Farm Assets	\$513,947	\$610,714	\$501,550	\$534,941	\$682,116	\$859,577
Intermediate Farm Assets						
Breeding Livestock	44,891	40,746	5,211	8,680	65,866	62,384
Machinery and Equipment	139,990	137,866	109,398	85,214	168,598	180,474
Titled Vehicles	13,245	11,763	11,816	10,629	12,207	11,092
Other Intermediate Assets	25,220	26,035	36,236	37,126	22,023	26,912
Total Interm. Farm Assets	\$223,346	\$216,410	\$162,661	\$141,649	\$268,694	\$280,862
Long Term Farm Assets						
Farm Land	545,640	558,717	451,606	451,606	578,371	615,421
Buildings and Improvements	66,411	66,657	83,654	82,256	49,310	52,843
Other Long Term Assets	8,194	10,956	1,798	1,798	2,282	2,487
Total Long Term Farm Assets	\$620,245	\$636,330	\$537,058	\$535,660	\$629,963	\$670,751
Total Farm Assets	\$1,357,538	\$1,463,454	\$1,201,269	\$1,212,250	\$1,580,773	\$1,811,190
Non-farm Assets	78,976	84,033	79,355	75,751	98,716	111,637
Total Farm & Non-farm Assets	\$1,436,514	\$1,547,487	\$1,280,624	\$1,288,001	\$1,679,489	\$1,922,827

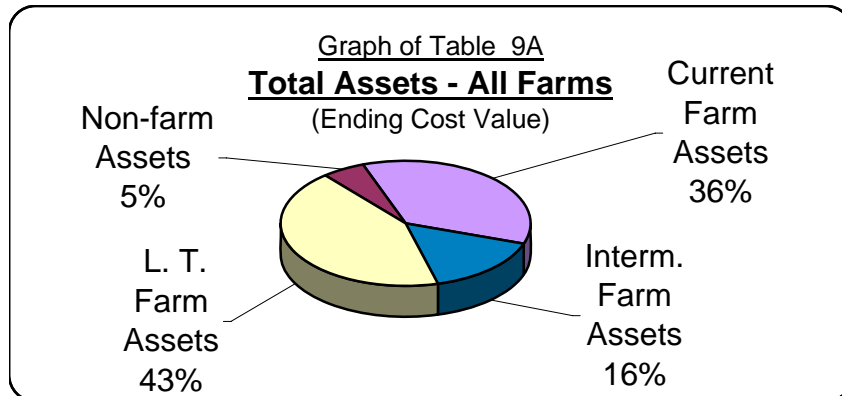


Table 9B: Western - Balance Sheet - Liabilities at Cost Value, 2005

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	17,454	19,747	11,353	8,894	26,221	27,801
Accounts Payable	17,368	13,192	0	0	39,104	25,036
Current Notes	303,792	356,594	267,815	350,389	501,144	558,555
Government Crop Loans	34,234	26,051	63,637	44,998	18,665	18,716
Principal Due on Term Debt	42,582	45,813	13,275	17,664	61,532	68,161
Total Current Farm Liabilities	\$415,430	\$461,397	\$356,080	\$421,945	\$646,666	\$698,269
Intermediate Farm Liabilities	\$165,601	\$166,456	\$72,360	\$58,321	\$192,013	\$200,273
Long Term Farm Liabilities	\$316,430	\$331,855	\$333,064	\$327,815	\$351,578	\$395,026
Total Farm Liabilities	\$897,461	\$959,708	\$761,504	\$808,081	\$1,190,257	\$1,293,568
Non-farm Liabilities	4,351	3,029	2,679	798	815	0
Total Liabilities	\$901,812	\$962,737	\$764,183	\$808,879	\$1,191,072	\$1,293,568
Net Worth (Farm & Non-farm)	\$534,700	\$584,751	\$516,440	\$479,121	\$488,416	\$629,258
Net Worth Change (Cost Value)		\$50,051		(\$37,319)		\$140,842

Ratio Analysis

Current Farm Liabilities / Assets	81%	76%	71%	79%	95%	81%
Cur. & Inter. Farm Liab. / Assets	79%	76%	65%	71%	88%	79%
Long Term Farm Liab / Assets	51%	52%	62%	61%	56%	59%
Total Liabilities / Assets	63%	62%	60%	63%	71%	67%

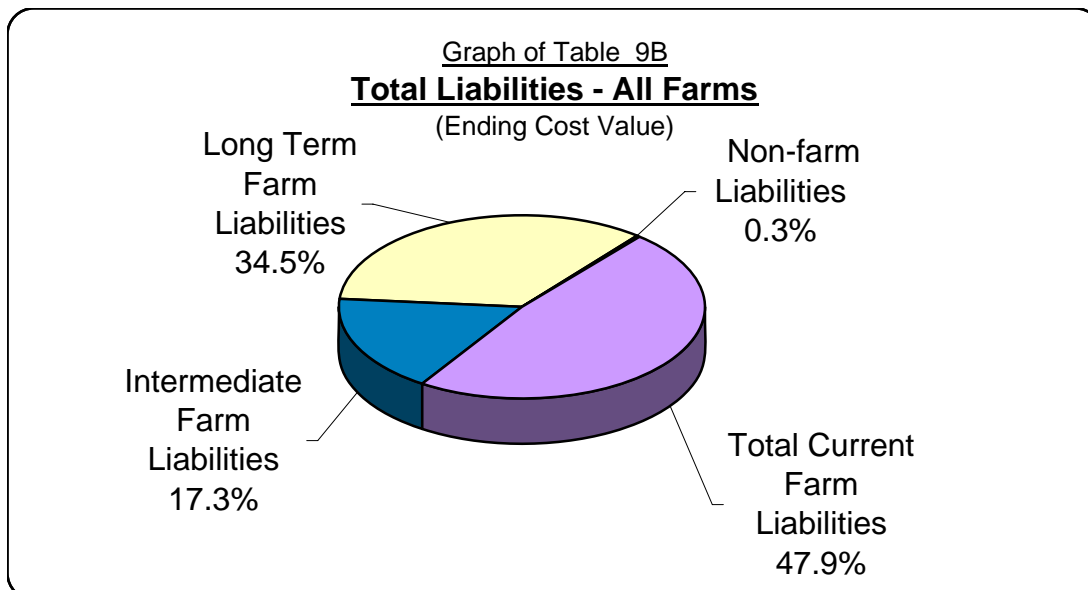


Table 10A: Western - Balance Sheet - Assets at Market Value, 2005

	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	13,137	14,785	55,753	35,751	(19,875)	(10,680)
Prepaid Expenses & Supplies	12,143	20,467	24,467	24,838	14,015	26,426
Growing Crops	16,114	13,008	10,348	3,160	12,722	9,727
Accounts Receivable	16,223	29,285	6,879	1,940	29,996	73,776
Hedging Accounts	24,142	39,879	38,619	49,076	30,169	65,910
Crops Held for Sale or Feed	133,030	187,544	205,588	244,802	125,802	219,593
Crops Under Government Loan	34,713	30,845	63,637	59,600	20,021	20,132
Market Livestock Held for Sale	264,386	274,847	96,259	115,774	469,266	454,539
Other Current Assets	59	54	0	0	0	154
Total Current Farm Assets	\$513,947	\$610,714	\$501,550	\$534,941	\$682,116	\$859,577
Intermediate Farm Assets						
Breeding Livestock	119,277	117,661	52,555	51,336	143,980	135,718
Titled Vehicles	9,992	12,549	279,190	259,947	368,372	387,860
Machinery and Equipment	317,301	319,807	12,000	15,050	17,973	21,357
Other Intermediate Assets	25,242	26,035	36,311	37,126	22,023	26,912
Total Intermediate Farm Assets	\$471,812	\$476,052	\$380,056	\$363,459	\$552,348	\$571,847
Long Term Farm Assets						
Farm Land	672,764	688,797	668,794	668,794	682,876	719,926
Buildings and Improvements	96,826	97,433	100,233	98,056	66,264	70,676
Other Long Term Assets	8,901	11,410	1,798	1,798	2,282	2,487
Total Long Term Farm Assets	\$778,491	\$797,640	\$770,825	\$768,648	\$751,422	\$793,089
Total Farm Assets	\$1,764,250	\$1,884,406	\$1,652,431	\$1,667,048	\$1,985,886	\$2,224,513
Non-farm Assets	78,976	83,956	79,355	75,751	98,716	111,637
Total Farm & Non-farm Assets	\$1,843,226	\$1,968,362	\$1,731,786	\$1,742,799	\$2,084,602	\$2,336,150

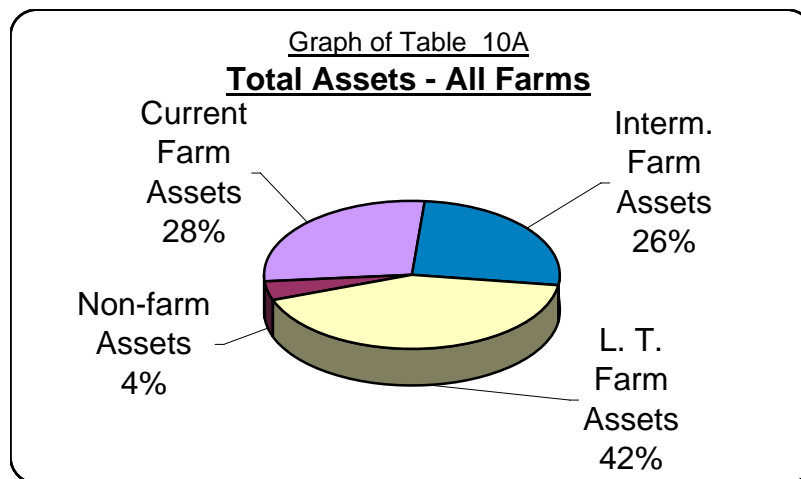


Table 10B: Western - Balance Sheet - Liabilities at Market Value, 2005

	Average Of All Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	17,454	19,747	11,353	8,894	26,221	27,801
Accounts Payable	17,368	13,192	0	0	39,104	25,036
Current Notes	303,792	356,594	267,815	350,389	501,144	558,555
Government Crop Loans	34,234	26,051	63,637	44,998	18,665	18,716
Principal Due on Term Debt	42,582	45,813	13,275	17,664	61,532	68,161
Total Current Farm Liabilities	\$415,430	\$461,397	\$356,080	\$421,945	\$646,666	\$698,269
Intermediate Farm Liabilities	\$165,601	\$166,456	\$72,360	\$58,321	\$192,013	\$200,273
Long Term Farm Liabilities	\$316,430	\$331,855	\$333,064	\$327,815	\$351,578	\$395,026
Total Farm Liabilities	\$897,461	\$959,708	\$761,504	\$808,081	\$1,190,257	\$1,293,568
Non-farm Liabilities	4,351	3,029	2,679	798	815	0
Total Deferred Liabilities	N/A	N/A	N/A	N/A	N/A	N/A
Total Farm & Non-farm Liabilities	\$901,812	\$962,737	\$764,183	\$808,879	\$1,191,072	\$1,293,568
Net Worth (Farm and Non-farm)	\$941,411	\$1,005,627	\$967,602	\$933,919	\$893,529	\$1,042,581
Net Worth Change (Market Value)		\$64,216		(\$33,683)		\$149,052

Ratio Analysis

Current Farm Liabilities / Assets	81%	76%	71%	79%	95%	81%
Curr. & Interm Farm Liab / Assets	59%	58%	49%	53%	68%	63%
Long Term Farm Liab. / Assets	41%	42%	43%	43%	47%	50%
Total Liabilities / Assets	49%	49%	44%	46%	57%	55%

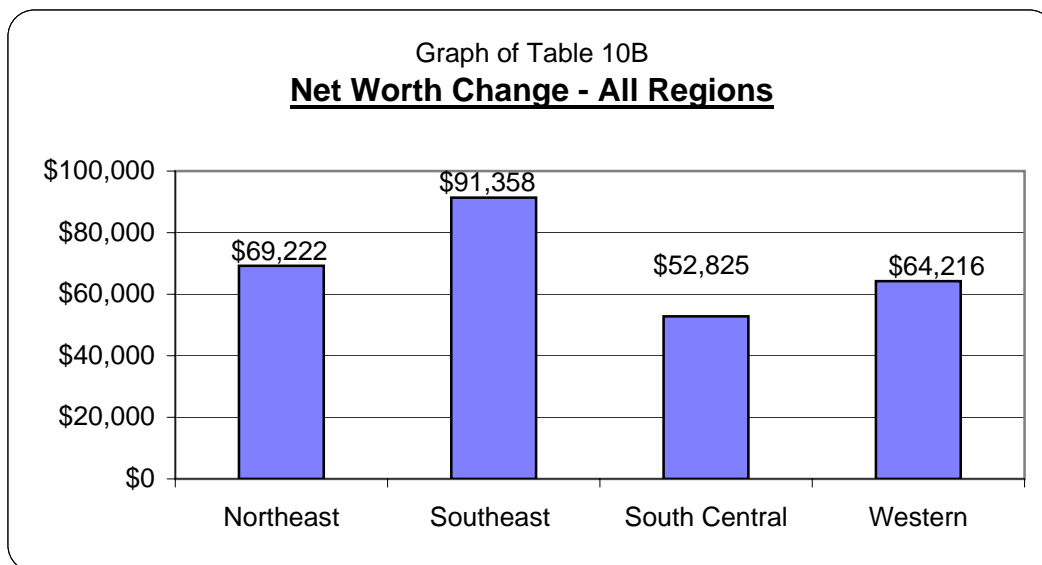


Table 11: Western - Household and Personal Expense, 2005

	Average Of All Farms
Average Family Size	2.6
Family Living Expense	
Food and Meals Expense	4,823
Medical Care and Health Insurance	9,234
Cash Donations	2,016
Household Supplies	2,831
Clothing	1,252
Personal Care	967
Child / Dependent Care	309
Gifts	1,658
Education	1,351
Recreation	896
Utilities (Household Share)	2,226
Non-farm Vehicle Operating Expense	2,314
Household Real Estate Taxes	163
Dwelling Rent	0
Household Repairs	631
Non-farm Interest	100
Disability / Long Term Care Insurance	220
Life Insurance Payments	5,702
Nonfarm Property Insurance	0
Miscellaneous	4,719
Total Cash Family Living Expense	\$41,412
Family Living from the Farm	98
Total Family Living Expense **	\$41,510
Other Non-farm Expense	
Income Taxes	8,755
Furnishing & Appliance Purchases	0
Non-farm Vehicle Purchases	0
Non-farm Real Estate Purchases	(6,162)
Other Non-farm Capital Purchases	0
Non-farm Savings & Investments	3,866
Total Other Non-farm Expense	\$6,459
Total Cash Family Living, Investment & Non-farm Capital Purchases	\$47,871

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



Table 12: Western - 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	1.2	1.2	1.2
Average Age of Operators	55.1	56.2	57.5
Average Number of Years Farming	32.9	30.8	37.0
Non-farm Income			
Non-farm Wages & Salary	4,558	5,384	3,254
Non-farm Business Income	1,472	9,456	0
Non-farm Rental Income	665	354	333
Non-farm Interest Income	478	998	132
Non-farm Cash Dividends	(130)	(464)	17
Tax Refunds	0	0	0
Non-taxable Non-farm Income	0	0	0
Gifts and Inheritances	220	0	622
Other Non-farm Income	6,785	21,126	890
Total Non-farm Income	\$14,048	\$36,854	\$5,248
Non-farm Assets (Market Value)			
Checking & Savings	5,809	12,700	5,596
Stocks & Bonds	383	743	300
Other Current Assets	7,257	0	20,560
Furniture & Appliances	1,323	1,817	1,917
Non-farm Vehicles	4,966	5,300	7,333
Cash Value of Life Ins.	16,410	0	26,273
Retirement Accounts	24,975	6,386	43,969
Other Interm. Assets	1,760	5,686	0
Non-farm Real Estate	21,072	43,118	5,689
Other Long Term Assets	0	0	0
Total Non-farm Assets	\$83,955	\$75,750	\$111,637
Non-farm Liabilities			
Accrued Interest	0	0	0
Accounts Payable	0	0	0
Current Notes	88	798	0
Princ Due on Term Debt	0	0	0
Total Current Liabilities	88	798	0
Intermediate Liabilities	2,941	0	0
Long Term Liabilities	0	0	0
Total Non Farm Liabilities	\$3,029	\$798	\$0
Nonfarm Net Worth	\$80,927	\$74,953	\$111,637
Nonfarm Debt to Asset Ratio	4%	1%	0%

Table 13: Western - Crop Production, Marketing & Labor Summary, 2005

	<u>Average Of All Farms</u>	<u>Average Of Low 33%</u>	<u>Average Of High 33%</u>
Acreage Summary			
Acres Owned	2,779	1,428	3,310
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
Pasture Acres	58	13	0
% Crop Acres Owned	42.78%	37.67%	45.18%
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			
Corn (bu.)	73.21	N/A	N/A
Winter Wheat (bu.)	59.75	N/A	N/A
Labor Analysis			
Total Unpaid Labor Hours *	2,106	2,080	2,497
Total Hired Labor Hours	1,764	832	1,125
Total Labor Hours per Farm	3,870	2,912	3,622
Value of Farm Production / Hour	\$195.16	\$217.76	\$232.58
Net Farm Income / Unpaid Hour	\$32.29	(\$20.62)	\$73.08

* Based on 2080 Hrs. Annually Per Full Time Operator

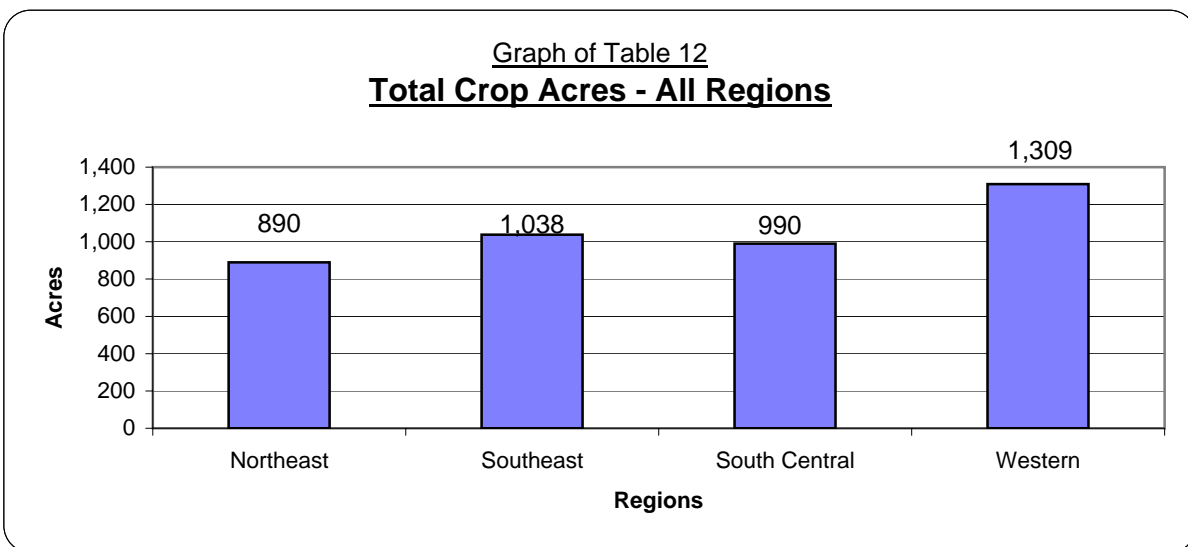


Table 14A: Northeast Nebraska Averages, 2005

	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

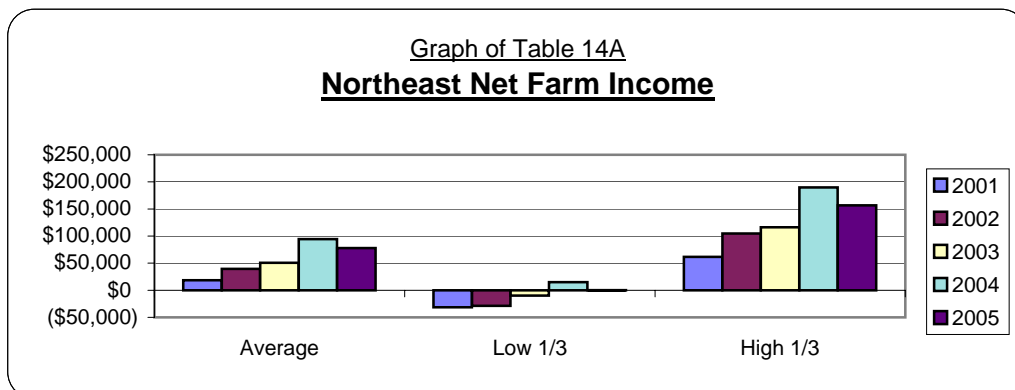


Table 14B: Northeast Nebraska Averages, 2005 (cont.)

	Northeast Average of All Farms	Average of Low 33%	Average of High 33%
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	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 15A: Southeast Nebraska Averages, 2005

	Southeast Average of All Farms	Average of Low 33%	Average of High 33%
Cash Farm Income			
Total Crop Income	204,750	110,782	320,389
Total Livestock Income	221,751	16,665	558,430
Total Other Farm Income	68,186	37,081	109,139
Gross Cash Farm Income	\$494,687	\$164,528	\$987,958
Cash Farm Expense			
Total Crop Expense	109,118	56,076	183,758
Total Livestock Expense	112,791	4,151	291,325
Total Other Farm Expense	166,473	69,903	304,340
Gross Cash Farm Expense	\$388,382	\$130,130	\$779,423
Net Cash Farm Income	\$106,305	\$34,398	\$208,535
Total Inventory Change	\$29,814	(\$24,773)	\$103,503
Total Depreciation & Capital Adjustments	(\$40,902)	(\$11,706)	(\$84,947)
Net Farm Income	\$95,217	(\$2,081)	\$227,091
Non-Farm Income	\$30,818	\$35,792	\$32,206
Balance Sheet at Market			
Current Farm Assets	307,419	60,035	662,312
Intermediate Farm Assets	299,262	136,652	521,874
Long Term Farm Assets	545,539	207,554	929,902
Non Farm Assets	235,431	155,167	369,231
Total Assets	\$1,387,651	\$559,408	\$2,483,319
Current Farm Liabilities	134,807	51,529	253,260
Intermediate Farm Liabilities	47,276	44,886	74,205
Long Term Liabilities	111,646	63,443	102,864
Non Farm Liabilities	13,989	16,508	8,347
Total Liabilities	\$307,718	\$176,366	\$438,676
Net Worth	\$1,079,933	\$383,042	\$2,044,643
Net Worth Change (Market Value)	\$91,358	\$8,238	\$221,010

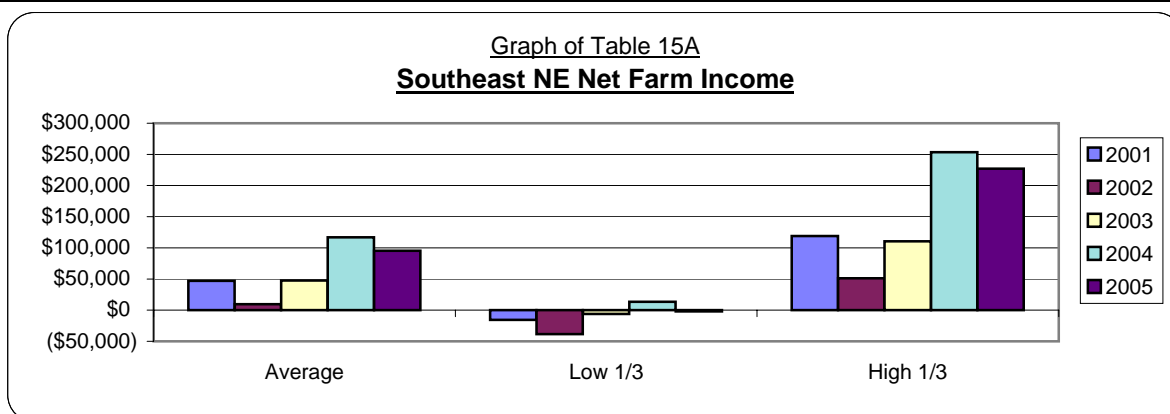


Table 15B: Southeast Nebraska Averages, 2005 (cont.)

	Southeast Average of All Farms	Average of Low 33%	Average of High 33%
Financial Guidelines			
Current Ratio	2.28	1.17	2.62
Working Capital	\$172,611	\$8,506	\$409,053
Debt to Asset Ratio (Market)	25%	40%	20%
Equity to Asset Ratio (Market)	75%	60%	80%
Debt to Equity Ratio (Market)	34%	65%	26%
Rate of Return on Assets (Cost)	10.0%	-3.1%	14.5%
Rate of Return on Equity (Cost)	12.4%	-15.7%	17.7%
Operating Profit Margin (Cost)	19.7%	-7.6%	27.0%
Net Farm Income (Cost)	\$95,217	(\$2,081)	\$227,091
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%
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
Acreage Summary			
Total acres owned	398	152	664
Total 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
Total Pasture Acres	43	34	66
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
Grain Sorghum, per bu.	\$1.76	N/A	N/A
Wheat, Winter, per bu.	\$3.42	N/A	\$3.55
Average Yield Per Acre			
Corn, Dryland (bu.)	119.06	102.08	133.01
Soybeans, Dryland (bu.)	44.39	42.74	52.55
Wheat, Winter, Dryland (bu.)	57.40	N/A	N/A
Alfalfa Hay, Dryland (ton)	4.21	N/A	N/A

Table 16A: 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

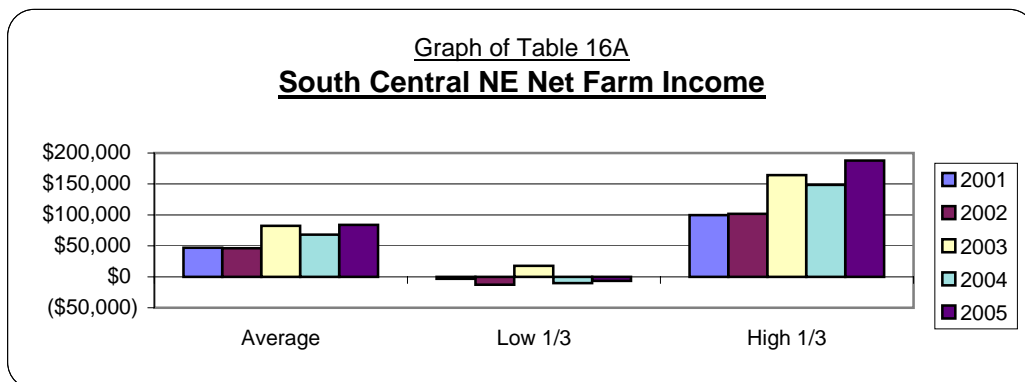


Table 16B: South Central Nebraska Averages, 2005 (cont.)

	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	399.0	369.0	646.0
Total crop acres	990.0	551.0	1710.0
Crop acres owned	338.0	289.0	568.0
Crop acres cash rented	295.0	198.0	321.0
Crop acres share rented	358.0	64.0	821.0
Total pasture acres	1.0	4.0	0.0
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
Corn Seed, Irrigated (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, Drylan (bu.)	81.43	N/A	N/A
Wheat, Winter (bu)	42.34	N/A	N/A

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