

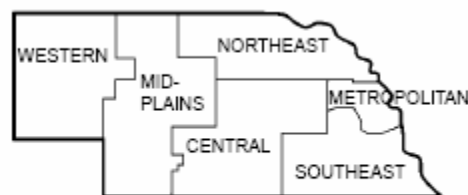
# 2006 Annual Report

## Western 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

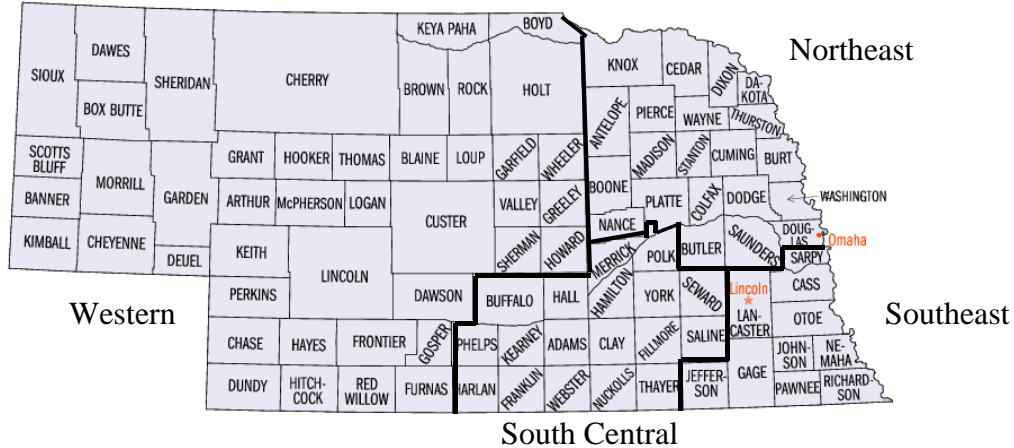
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## Regional Comments

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](http://www.nfbi.net).

## NFBI Contact Information

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**Table 1: Western - Summary Information, 2006**

**Farm Income**

Gross Cash Farm Income	1,131,137
Inventory Change - Income Items	118,129
Gross Revenue	\$1,249,266
Cash Farm Operating Expenses	1,040,452
Interest Expense	71,326
Depreciation	53,504
Inventory Change - Expense Items	14,178
Total Farm Expense	\$1,179,460
<b>Net Accrual Farm Income</b>	<b>\$69,806</b>

**Net Worth Change**

Net Farm Income	(+)	\$69,806
Nonfarm Income	(+)	28,242
Family Living/Owner Withdrawals	(-)	31,804
Income & Social Security Tax	(-)	1,622
Market Value Adjustment	(-)	-\$12,239
<b>Earned Net Worth Change</b>	<b>(=)</b>	<b>\$76,861</b>

**Ending Net Worth \*** \$1,163,670

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

**Farm Financial Standards Measures**

	<u>Beginning</u>	<u>Ending</u>
<b><u>Liquidity</u></b>		
Current Ratio	1.38	1.55
Working Capital	\$236,411	\$452,001
<b><u>Solvency (Market)</u></b>		
Debt to Asset Ratio	51%	53%
Debt to Equity Ratio	104%	111%
<b><u>Profitability (Cost)</u></b>		
Rate of Return on Assets		7.4%
Rate of Return on Equity		7.8%
Operating Profit Margin		12.7%
<b><u>Efficiency</u></b>		
Asset Turnover Rate (Cost)		58.3%
Operating Expense Ratio		84.1%
Depreciation Ratio		4.3%
Interest Expense Ratio		6.1%
Net Farm Income Ratio		5.6%

**Term Debt Coverage**

Balance Available for Term Debt	104,628
Average Intermediate Debt	195,639
Term Debt Coverage	205%

**Table 2A: Western - Gross Cash Farm Income, 2006**

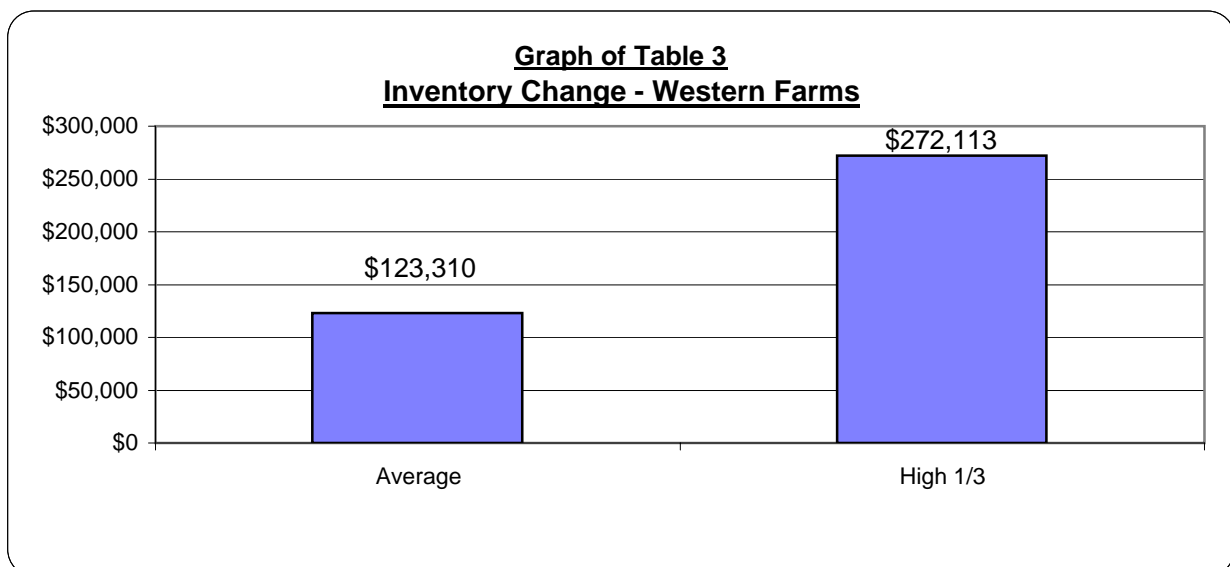
	Average Of <u>All Farms</u>	Average Of <u>High 33%</u>
<b>Crop Income</b>		
Corn	290,905	195,402
Millet	0	0
Soybeans	45,738	15,631
Wheat	24,510	34,475
Hay Crops	48,194	11,213
Grain Sorghum	2,221	0
White Corn	0	0
Sugar Beets	0	0
Dry Edible Beans	801	2,242
Miscellaneous Crop Income	2,012	1,418
<b>Total Crop Income</b>	<b>\$414,381</b>	<b>\$260,381</b>
<b>Livestock and Product Income</b>		
Beef Finishing	203,152	566,467
Beef Calves	167,451	141,120
Background Beef	12,890	0
Farrow-to-Finish, Hogs	0	0
Finish Feeder Pigs	0	0
Dairy, Milk	0	0
Cull Breeding Livestock	31,972	19,064
Miscellaneous Livestock Income	12,712	0
<b>Total Livestock Income</b>	<b>\$428,177</b>	<b>\$726,651</b>
<b>Other Farm Income</b>		
LDP Payments	11,282	28,037
Direct & CC Govt Payments	52,731	56,712
CRP & Other Gov't Payments	1,719	2,146
Custom Work	16,661	4,742
Patronage Dividends, Cash	3,766	6,749
Insurance Income	20,231	14,574
Cash from Hedging Accounts	68,220	90,000
Contract Livestock Income	73,484	205,756
Other Miscellaneous Farm Income	40,485	54,512
<b>Total Other Farm Income</b>	<b>\$288,579</b>	<b>\$463,228</b>
<b>Gross Cash Farm Income</b>	<b>\$1,131,137</b>	<b>\$1,450,260</b>

**Table 2B: Western - Gross Cash Farm Expenses, 2006**

	<u>Average Of All Farms</u>	<u>Average Of High 33%</u>
<b>Crop Expense</b>		
Seed	29,074	48,999
Fertilizer	91,628	74,925
Crop Chemicals	30,938	38,698
Crop Insurance	12,187	13,844
Irrigation Energy	40,844	64,497
Irrigation Repairs	3,701	8,905
Crop Marketing	5,501	9,140
Crop Miscellaneous	9,469	13,665
<b>Total Crop Expense</b>	<b>\$223,342</b>	<b>\$272,673</b>
<b>Livestock Expense</b>		
Feeder Livestock Purchases	203,016	488,047
Purchased Feed	83,858	182,768
Breeding Fees	2,399	574
Veterinary	11,861	22,972
Livestock Supplies	4,467	9,858
Livestock Leases	3,181	0
Grazing Fees	13,160	15,068
Livestock Marketing	10,937	11,900
Livestock Miscellaneous	2,221	4,624
<b>Total Livestock Expense</b>	<b>\$335,100</b>	<b>\$735,811</b>
<b>Other Farm Expense</b>		
Interest	71,326	82,234
Fuel and Oil	44,595	46,701
Repairs	35,034	27,735
Custom Hire	43,936	23,359
Hired Labor	46,637	58,557
Land Rent	78,856	55,231
Machinery and Building Lease	7,407	9,648
Real Estate Taxes	17,087	21,809
Personal Property Taxes	1,920	1,785
Farm Insurance	9,202	10,359
Utilities	8,020	6,891
Dues and Professional Fees	5,344	4,967
Hedging Account Deposits	139,737	22,605
Miscellaneous	44,235	18,966
<b>Total Other Cash Farm Expense</b>	<b>\$553,336</b>	<b>\$390,847</b>
<b>Total Cash Operating Expense</b>	<b>\$1,111,778</b>	<b>\$1,399,331</b>
<b>Summary</b>		
Gross Cash Farm Income (Table 1A)	\$1,131,137	\$1,450,260
- Total Cash Operating Expense	\$1,111,778	\$1,399,331
<b>= Net Cash Farm Income</b>	<b>\$19,359</b>	<b>\$50,929</b>

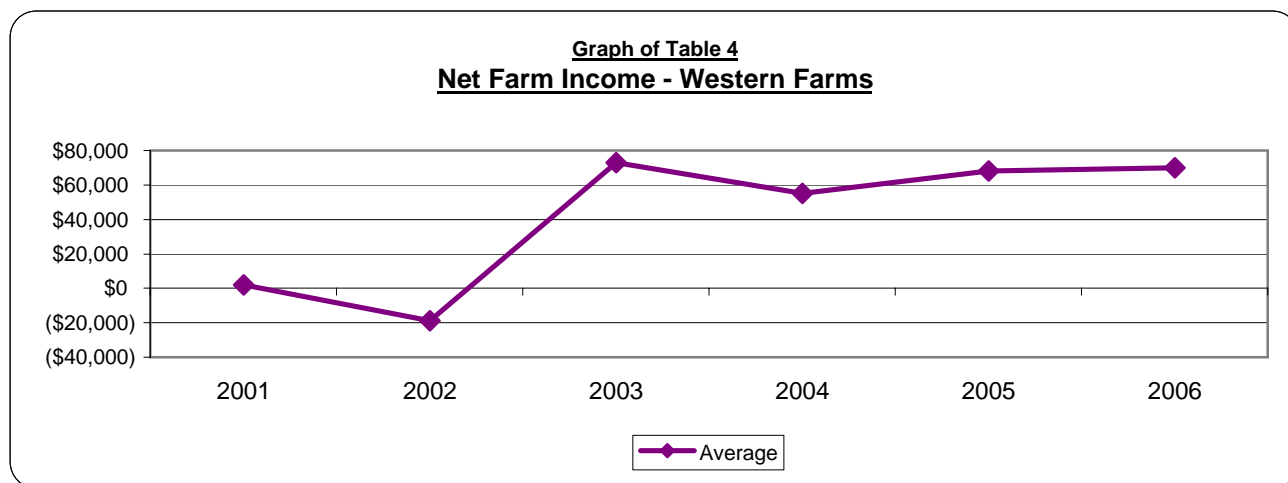
**Table 3: Western - Inventory Changes, 2006**

	<u>Average Of All Farms</u>	<u>Average Of High 33%</u>
<b>Net Cash Farm Income</b>	\$19,359	\$50,929
<b>Crops and Feed</b>		
Ending Inventory	280,860	418,540
Beginning Inventory	210,422	305,136
Inventory Change	70,438	113,404
<b>Market Livestock</b>		
Ending Inventory	316,617	546,779
Beginning Inventory	298,089	432,203
Inventory Change	18,528	114,576
<b>Accounts Receivable &amp; Other Current Assets</b>		
Ending Inventory	119,313	133,293
Beginning Inventory	90,150	163,861
Inventory Change	29,163	-30,568
<b>Prepaid Expenses and Supplies</b>		
Ending Inventory	26,070	68,466
Beginning Inventory	24,721	61,397
Inventory Change	1,349	7,069
<b>Accounts Payable</b>		
Beginning Inventory	44,360	63,055
Ending Inventory	59,887	46,352
Inventory Change	-15,527	16,703
<b>Total Inventory Change</b>	\$103,951	\$221,184
<b>Net Accrual Operating Income</b>	\$123,310	\$272,113



**Table 4: Western - Depreciation and Other Capital Adjustments, 2006**

	Average Of <u>All Farms</u>	Average Of <u>High 33%</u>
<b>Net Accrual Operating Income</b>	\$123,310	\$272,113
<b>Breeding Livestock</b>		
Ending Inventory	33,040	28,831
Capital Sales	666	243
Beginning Inventory	36,017	39,296
Capital Purchases	11,440	3,189
Depreciation & Capital Adjustments	-13,751	-13,411
<b>Machinery and Equipment</b>		
Ending Inventory	150,813	175,926
Capital Sales	20,122	31
Beginning Inventory	153,090	160,492
Capital Purchases	51,654	57,649
Depreciation & Capital Adjustments	-33,809	-42,184
<b>Buildings and Improvements</b>		
Ending Inventory	78,462	46,218
Capital Sales	918	0
Beginning Inventory	79,196	49,200
Capital Purchases	7,207	1,740
Depreciation & Capital Adjustments	-7,023	-4,722
<b>Other Capital Assets</b>		
Ending Inventory	38,536	39,375
Capital Sales	16,747	0
Beginning Inventory	34,850	35,750
Capital Purchases	19,354	2,500
Depreciation & Capital Adjustments	1,079	1,125
<b>Total Depreciation &amp; Capital Adjustments</b>	-\$53,504	-\$59,192
<b>Net Farm Income</b>	\$69,806	\$212,921



**Table 5: Western - Profitability Analysis At Cost Value, 2006**

	Average Of All Farms	Average Of High 33 %
<b>Profitability</b>		
Net Farm Income	\$69,806	\$212,921
Labor and Mgt. Earnings	\$34,744	\$143,257
Rate of Return on Assets	7.4%	10.2%
Rate of Return on Equity	7.8%	16.1%
Operating Profit Margin	12.7%	25.9%
Asset Turnover Rate	58.3%	39.5%
Interest on Farm Net Worth	\$35,060	\$69,663
Farm Interest Expense	\$75,904	\$63,361
Operator Labor & Mgt.	\$25,216	\$26,368
Return on Farm Assets	\$120,492	\$249,913
Average Farm Assets	\$1,628,499	\$2,439,362
Return on Farm Equity	\$44,588	\$186,552
Average Farm Equity	\$568,722	\$1,161,044
Value of Farm Production	\$948,640	\$963,444

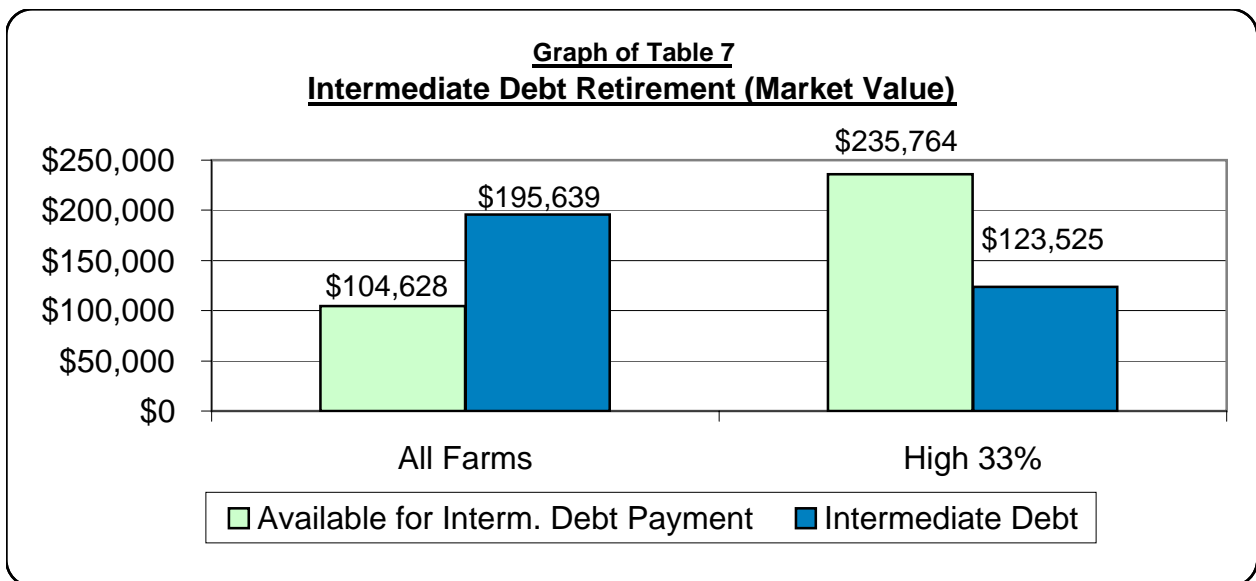
**Table 6: Western - Profitability Analysis At Market Value, 2006**

	Average Of All Farms	Average Of High 33 %
<b>Profitability</b>		
Net Farm Income	\$77,345	\$222,545
Labor and Mgt. Earnings	\$15,757	\$127,716
Rate of Return on Assets	6.1%	9.1%
Rate of Return on Equity	5.1%	12.4%
Operating Profit Margin	13.5%	26.9%
Asset Turnover Rate	45.5%	33.7%
Interest on Farm Net Worth	\$61,587	\$94,829
Farm Interest Expense	\$75,904	\$63,361
Operator Labor & Mgt.	\$25,216	\$26,368
Return on Farm Assets	\$128,033	\$259,538
Average Farm Assets	\$2,086,233	\$2,858,804
Return on Farm Equity	\$52,128	\$196,177
Average Farm Equity	\$1,026,456	\$1,580,486
Value of Farm Production	\$948,640	\$963,444

**Table 7: Western - Liquidity Analysis, 2006**

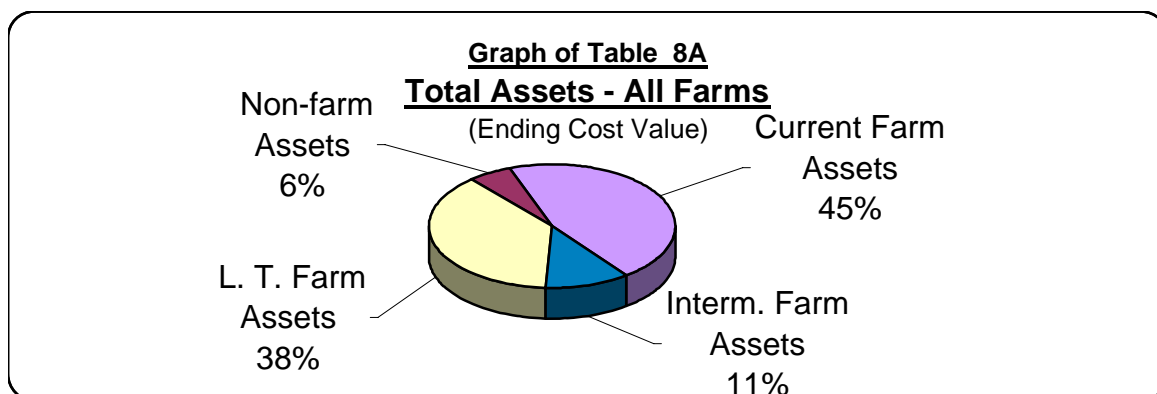
		Average of All Farms	Average Of High 33%
<b>Liquidity (Cash)</b>			
Net Cash Farm Income	(+)	19,359	50,929
Net Non-Farm Income	(+)	28,242	22,313
Family Living and Taxes	(-)	33,702	40,315
Real Estate Principal Payments	(-)	13,221	18,345
Cash Available for Intern. Debt	(=)	678	14,582
<b>Average Intermediate Debt</b>		\$195,639	\$123,525
Years to Turnover Intern. Debt		288.5	8.5
Expense as a % of Income		98%	96%
Interest as a % of Income		6%	6%
Working Capital to Gross Income		21%	31%
<b>Liquidity (Accural)</b>			
Total Accural Farm Income	(+)	1,249,265	1,647,671
Total Accural Farm Expense	(-)	1,125,956	1,375,560
Net Accural Operating Income	(=)	123,309	272,111
Net Non-Farm Income	(+)	28,242	22,313
Family Living and Taxes	(-)	33,702	40,315
Real Estate Principle Payments	(-)	13,221	18,345
Cash & Inventory for Intern. Debt	(=)	104,628	235,764
<b>Average Intermediate Debt</b>		\$195,639	\$123,525
Years to Turnover Intern. Debt		1.9	0.5
Expense as a % of Income		90%	83%
Interest as a % of Income		6%	4%
Working Capital to Gross Income		19%	27%

\*\* Income Insufficient to Meet Debt Servicing Requirements



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

	Average Of All Farms		Average Of High 33%	
	Beginning	Ending	Beginning	Ending
<b>Current Farm Assets</b>				
Cash and Checking Accounts	21,596	48,839	34,195	102,754
Prepaid Expenses & Supplies	24,721	26,070	61,397	68,466
Growing Crops	11,696	13,223	14,653	13,467
Accounts Receivable	32,417	19,915	80,931	45,944
Hedging Accounts	46,037	86,175	68,277	73,882
Crops Held for Sale or Feed	205,207	243,361	305,136	418,540
Crops Under Government Loan	34,870	98,057	0	0
Market Livestock Held for Sale	298,089	316,617	432,203	546,779
Other Current Assets	0	0	0	0
<b>Total Current Farm Assets</b>	<b>\$674,633</b>	<b>\$852,257</b>	<b>\$996,792</b>	<b>\$1,269,832</b>
<b>Intermediate Farm Assets</b>				
Breeding Livestock	36,017	33,040	39,296	28,831
Machinery and Equipment	142,396	140,168	159,856	174,694
Titled Vehicles	10,693	10,645	635	1,232
Other Intermediate Assets	24,021	25,931	35,750	39,375
<b>Total Interm. Farm Assets</b>	<b>\$213,127</b>	<b>\$209,784</b>	<b>\$235,537</b>	<b>\$244,132</b>
<b>Long Term Farm Assets</b>				
Farm Land	593,215	623,105	1,018,506	1,018,506
Buildings and Improvements	79,196	78,462	49,200	46,218
Other Long Term Assets	10,828	12,605	0	0
<b>Total Long Term Farm Assets</b>	<b>\$683,239</b>	<b>\$714,172</b>	<b>\$1,067,706</b>	<b>\$1,064,724</b>
<b>Total Farm Assets</b>	<b>\$1,570,999</b>	<b>\$1,776,213</b>	<b>\$2,300,035</b>	<b>\$2,578,688</b>
Non-farm Assets	95,887	110,420	150,762	198,809
<b>Total Farm &amp; Non-farm Assets</b>	<b>\$1,666,886</b>	<b>\$1,886,633</b>	<b>\$2,450,797</b>	<b>\$2,777,497</b>

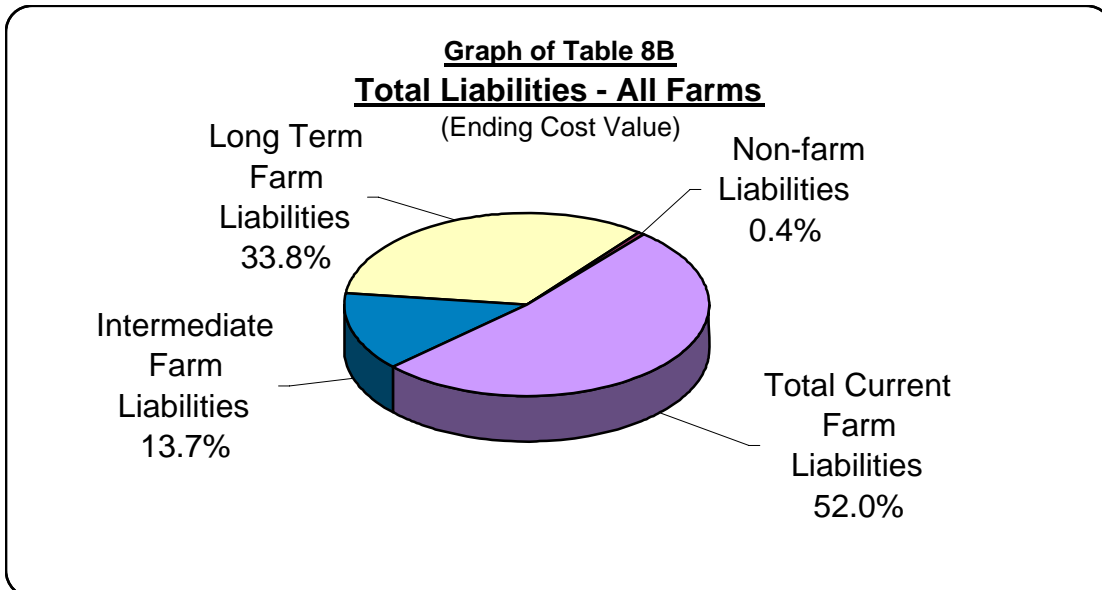


**Table 8B: Western - Balance Sheet - Liabilities at Cost Value, 2006**

	Average Of All Farms		Average Of High 33%	
	Beginning	Ending	Beginning	Ending
<b>Current Farm Liabilities</b>				
Accrued Interest	28,342	32,921	37,408	18,535
Accounts Payable	16,019	26,967	25,646	27,817
Current Notes	384,286	442,604	595,097	724,068
Government Crop Loans	29,655	60,559	0	0
Principal Due on Term Debt	45,316	52,795	49,591	47,410
<b>Total Current Farm Liabilities</b>	<b>\$503,618</b>	<b>\$615,846</b>	<b>\$707,742</b>	<b>\$817,830</b>
<b>Intermediate Farm Liabilities</b>	<b>\$157,546</b>	<b>\$162,797</b>	<b>\$103,705</b>	<b>\$81,795</b>
<b>Long Term Farm Liabilities</b>	<b>\$369,106</b>	<b>\$400,857</b>	<b>\$414,193</b>	<b>\$431,368</b>
<b>Total Farm Liabilities</b>	<b>\$1,030,270</b>	<b>\$1,179,500</b>	<b>\$1,225,640</b>	<b>\$1,330,993</b>
Non-farm Liabilities	3,678	4,957	798	0
<b>Total Liabilities</b>	<b>\$1,033,948</b>	<b>\$1,184,457</b>	<b>\$1,226,438</b>	<b>\$1,330,993</b>
<b>Net Worth (Farm &amp; Non-farm)</b>	<b>\$632,938</b>	<b>\$702,176</b>	<b>\$1,224,359</b>	<b>\$1,446,504</b>
<b>Net Worth Change (Cost Value)</b>		<b>\$69,238</b>		<b>\$222,145</b>

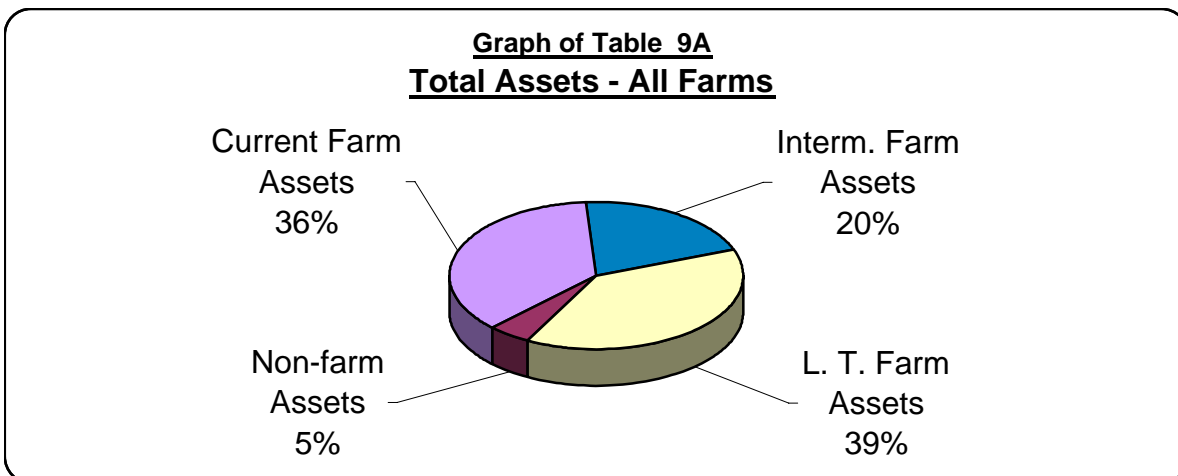
**Ratio Analysis**

Current Farm Liabilities / Assets	75%	72%	71%	64%
Cur. & Inter. Farm Liab. / Assets	74%	73%	66%	59%
Long Term Farm Liab / Assets	54%	56%	39%	41%
Total Liabilities / Assets	62%	63%	50%	48%



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

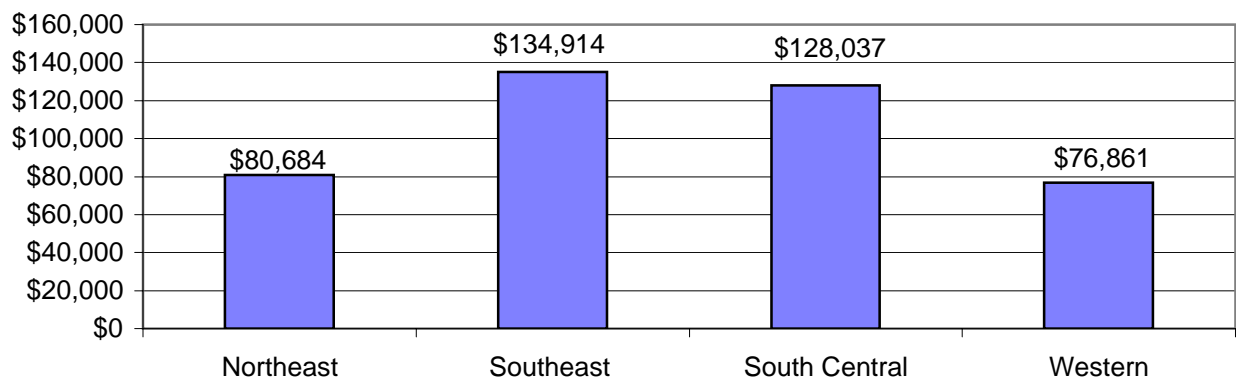
	Average of All Farms		Average of High 33%	
	Beginning	Ending	Beginning	Ending
<b>Current Farm Assets</b>				
Cash and Checking Balance	21,596	48,839	34,195	102,754
Prepaid Expenses & Supplies	24,721	26,070	61,397	68,466
Growing Crops	11,696	13,223	14,653	13,467
Accounts Receivable	32,417	19,915	80,931	45,944
Hedging Accounts	46,037	86,175	68,277	73,882
Crops Held for Sale or Feed	205,207	243,361	305,136	418,540
Crops Under Government Loan	34,870	98,057	0	0
Market Livestock Held for Sale	298,089	316,617	432,203	546,779
Other Current Assets	0	0	0	0
<b>Total Current Farm Assets</b>	<b>\$674,633</b>	<b>\$852,257</b>	<b>\$996,792</b>	<b>\$1,269,832</b>
<b>Intermediate Farm Assets</b>				
Breeding Livestock	115,532	119,614	95,237	91,947
Titled Vehicles	8,290	10,422	635	1,232
Machinery and Equipment	329,027	323,712	355,302	370,578
Other Intermediate Assets	24,021	27,058	35,750	42,531
<b>Total Intermediate Farm Assets</b>	<b>\$476,870</b>	<b>\$480,806</b>	<b>\$486,924</b>	<b>\$506,288</b>
<b>Long Term Farm Assets</b>				
Farm Land	748,287	778,176	1,145,984	1,145,984
Buildings and Improvements	114,345	113,872	84,965	80,838
Other Long Term Assets	10,828	12,605	0	0
<b>Total Long Term Farm Assets</b>	<b>\$873,460</b>	<b>\$904,653</b>	<b>\$1,230,949</b>	<b>\$1,226,822</b>
<b>Total Farm Assets</b>	<b>\$2,024,963</b>	<b>\$2,237,716</b>	<b>\$2,714,665</b>	<b>\$3,002,942</b>
Non-farm Assets	95,794	110,411	150,762	198,809
<b>Total Farm &amp; Non-farm Assets</b>	<b>\$2,120,757</b>	<b>\$2,348,127</b>	<b>\$2,865,427</b>	<b>\$3,201,751</b>



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

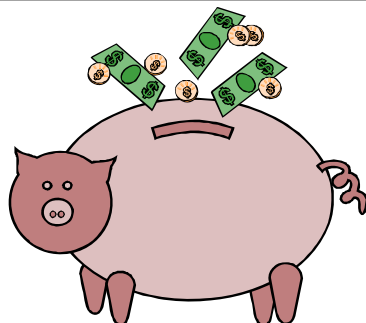
	Average of All Farms		Average of High 33%	
	Beginning	Ending	Beginning	Ending
<b>Current Farm Liabilities</b>				
Accrued Interest	28,342	32,921	37,408	18,535
Accounts Payable	16,019	26,967	25,646	27,817
Current Notes	384,286	442,604	595,097	724,068
Government Crop Loans	29,655	60,559	0	0
Principal Due on Term Debt	45,316	52,795	49,591	47,410
<b>Total Current Farm Liabilities</b>	<b>\$503,618</b>	<b>\$615,846</b>	<b>\$707,742</b>	<b>\$817,830</b>
<b>Intermediate Farm Liabilities</b>	<b>\$157,546</b>	<b>\$162,797</b>	<b>\$103,705</b>	<b>\$81,795</b>
<b>Long Term Farm Liabilities</b>	<b>\$369,106</b>	<b>\$400,857</b>	<b>\$414,193</b>	<b>\$431,368</b>
<b>Total Farm Liabilities</b>	<b>\$1,030,270</b>	<b>\$1,179,500</b>	<b>\$1,225,640</b>	<b>\$1,330,993</b>
Non-farm Liabilities	3,678	4,957	798	0
<b>Total Deferred Liabilities</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total Farm &amp; Non-farm Liabilities</b>	<b>\$1,033,948</b>	<b>\$1,184,457</b>	<b>\$1,226,438</b>	<b>\$1,330,993</b>
<b>Net Worth (Farm and Non-farm)</b>	<b>\$1,086,809</b>	<b>\$1,163,670</b>	<b>\$1,638,989</b>	<b>\$1,870,758</b>
<b>Net Worth Change (Market Value)</b>		<b>\$76,861</b>		<b>\$231,769</b>
<b>Ratio Analysis</b>				
Current Farm Liabilities / Assets	75%	72%	71%	64%
Curr. & Interm Farm Liab / Assets	57%	58%	55%	51%
Long Term Farm Liab. / Assets	42%	44%	34%	35%
Total Liabilities / Assets	49%	50%	43%	42%

**Graph of Table 9B  
Net Worth Change - All Regions**



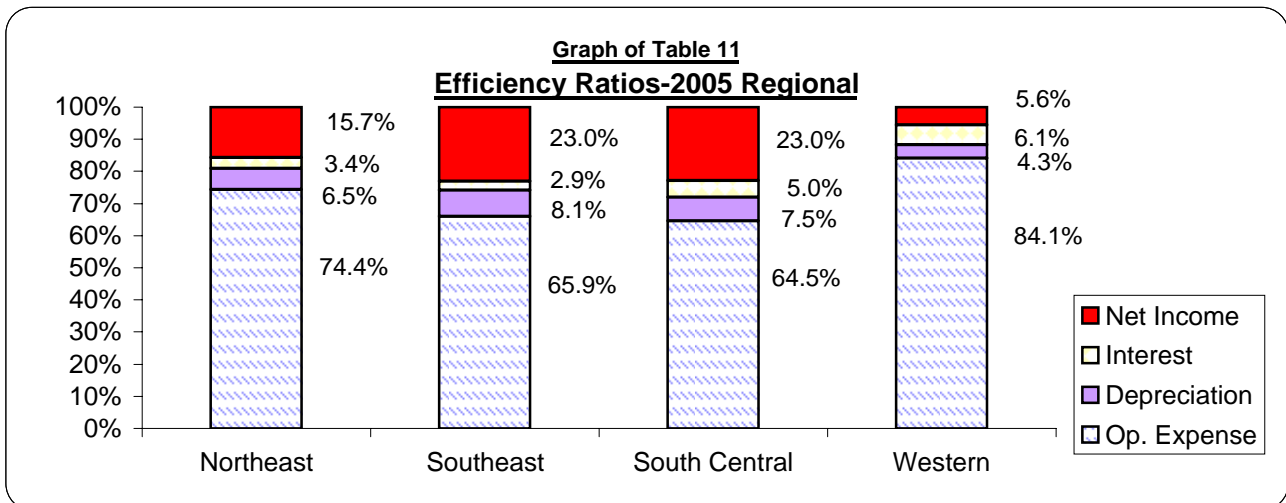
**Table 10: Western - Statement of Cash Flows, 2006**

		Average Of All Farms	Average Of High 33%
<b>(A) Beginning Cash Balance (Farm &amp; Non-farm)</b>		\$26,859	\$36,471
<b>Cash From Operating Activities</b>			
Gross Cash Farm Income	(+)	1,131,137	1,450,260
Net Non-farm Income	(+)	28,242	22,313
Total Cash Farm Expense	(-)	1,111,778	1,399,331
Apparent Family Living Expense	(-)	31,804	35,695
Income & Social Security Tax	(-)	1,622	3,849
<b>(B) Net Cash From Operating Activities</b>	(=)	\$14,175	\$33,698
<b>Cash From Investing Activities</b>			
Sale of Breeding Livestock	(+)	666	243
Sale of Machinery & Equipment	(+)	20,122	31
Sale of Farm Land	(+)	0	0
Sale of Farm Buildings	(+)	918	0
Sale of Other Farm Assets	(+)	16,747	0
Sale of Non-farm Assets	(+)	1,357	800
Purchase of Breeding Livestock	(-)	11,440	3,189
Purchase of Machinery & Equip.	(-)	51,654	57,649
Purchase of Farm Land	(-)	29,888	0
Purchase of Farm Buildings	(-)	7,207	1,740
Purchase of Other Farm Assets	(-)	19,354	2,500
Purchase of Non-farm Assets	(-)	12,135	27,395
<b>(C) Net Cash From Investing Activities</b>	(=)	-\$91,868	-\$91,399
<b>Cash From Financing Activities</b>			
Money Borrowed	(+)	1,104,028	1,147,862
Cash Gifts and Inheritances	(+)	2,357	6,600
Principal Payments	(-)	999,951	1,026,607
Dividends Paid	(-)	276	771
Gifts Given	(-)	0	0
<b>(D) Net Cash From Financing Activities</b>	(=)	\$106,158	\$127,084
<b>(E) Net Change In Cash Balance (B+C+D)</b>		\$28,465	\$69,383
<b>(F) Ending Cash Balance (A+E)</b>		\$55,324	\$105,854



**Table 11: Western - Financial Guideline Measures, 2006**

	Average Of All Farms	Average Of High 33%
<b>Liquidity</b>		
Current Ratio	1.38	1.55
Working Capital	\$236,412	\$452,001
<b>Solvency (Market)</b>		
Farm Debt to Asset Ratio	53%	44%
Farm Equity to Asset Ratio	47%	56%
Farm Debt to Equity Ratio	111%	80%
<b>Profitability (Cost)</b>		
Rate of Return on Farm Assets	7.4%	10.2%
Rate of Return on Farm Equity	7.8%	16.1%
Operating Profit Margin	12.7%	25.9%
Net Farm Income	\$69,806	\$212,921
<b>Repayment Capacity</b>		
Term Debt Coverage Ratio	205%	376%
Capital Replacement Margin	\$74,521	\$204,517
<b>Efficiency</b>		
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%



**Table 12: Western - Household and Personal Expense, 2006**

	Average Of All Farms
<b>Average Family Size</b>	2.6
<b>Family Living Expense</b>	
Food and Meals Expense	5,586
Medical Care and Health Insurance	11,503
Cash Donations	2,848
Household Supplies	1,619
Clothing	1,550
Personal Care	1,186
Child / Dependent Care	0
Gifts	2,571
Education	1,331
Recreation	1,781
Utilities (Household Share)	2,188
Non-farm Vehicle Operating Expense	4,432
Household Real Estate Taxes	0
Dwelling Rent	0
Household Repairs	1665
Non-farm Interest	68
Disability / Long Term Care Insurance	0
Life Insurance Payments	4,718
Nonfarm Property Insurance	196
Miscellaneous	4,004
<b>Total Cash Family Living Expense</b>	<b>\$47,246</b>
Family Living from the Farm	0
<b>Total Family Living Expense **</b>	<b>\$47,246</b>
<b>Other Non-farm Expense</b>	
Income Taxes	3,108
Furnishing & Appliance Purchases	0
Non-farm Vehicle Purchases	625
Non-farm Real Estate Purchases	0
Other Non-farm Capital Purchases	-2,143
Non-farm Savings & Investments	24,546
<b>Total Other Non-farm Expense</b>	<b>\$26,136</b>
<b>Total Cash Family Living, Investment &amp; Non-farm Capital Purchases</b>	<b>\$73,382</b>

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



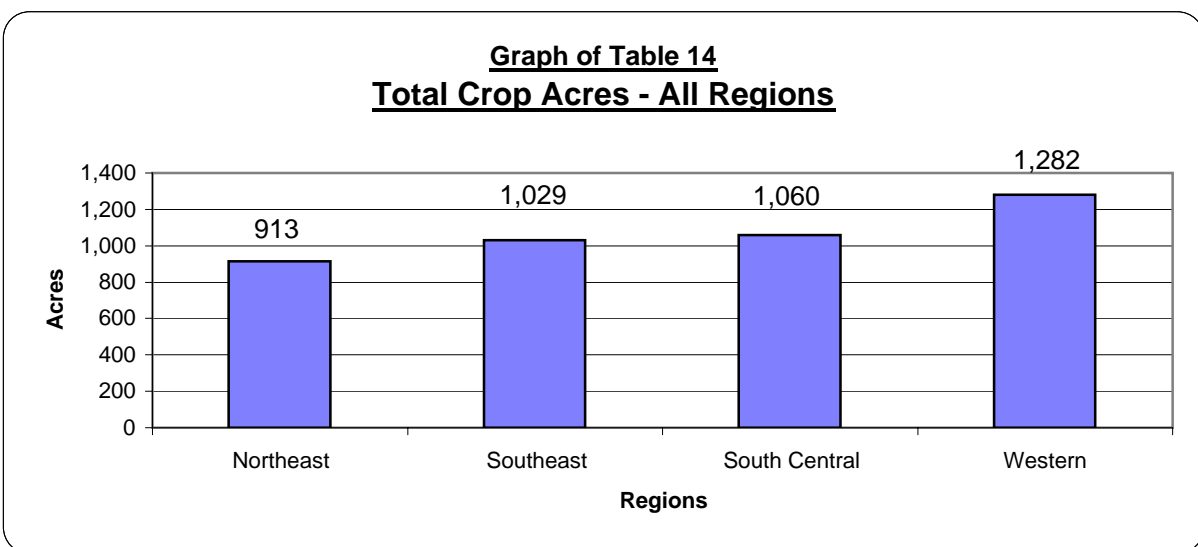
**Table 13: Western - Operator Information and Non-farm Summary, 2006**

	Average Of All Farms	Average Of High 33%
<b>Operator Information</b>		
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
<b>Non-farm Income</b>		
Non-farm Wages & Salary	5,034	2,605
Non-farm Business Income	8,895	183
Non-farm Rental Income	1,648	0
Non-farm Interest Income	1,339	1,952
Non-farm Cash Dividends	6,359	17,534
Tax Refunds	215	0
Non-taxable Non-farm Income	0	0
Gifts and Inheritances	2,357	6,600
Other Non-farm Income	4,753	38
<b>Total Non-farm Income</b>	<b>\$30,600</b>	<b>\$28,912</b>
<b>Non-farm Assets (Market Value)</b>		
Checking & Savings	6,485	3,100
Stocks & Bonds	465	943
Other Current Assets	19,154	53,631
Furniture & Appliances	786	2,200
Non-farm Vehicles	2,137	951
Cash Value of Life Ins.	20,945	42,994
Retirement Accounts	33,785	83,969
Other Interm. Assets	1,066	0
Non-farm Real Estate	25,587	11,021
Other Long Term Assets	0	0
<b>Total Non-farm Assets</b>	<b>\$110,410</b>	<b>\$198,809</b>
<b>Non-farm Liabilities</b>		
Accrued Interest	0	0
Accounts Payable	0	0
Current Notes	1,385	0
Princ Due on Term Debt	0	0
Total Current Liabilities	1,385	0
Intermediate Liabilities	3,571	0
Long Term Liabilities	0	0
<b>Total Non Farm Liabilities</b>	<b>\$4,956</b>	<b>\$0</b>
<b>Nonfarm Net Worth</b>	<b>\$105,454</b>	<b>\$198,809</b>
<b>Nonfarm Debt to Asset Ratio</b>	<b>4%</b>	<b>0%</b>

**Table 14: Western - Crop Production, Marketing & Labor Summary, 2006**

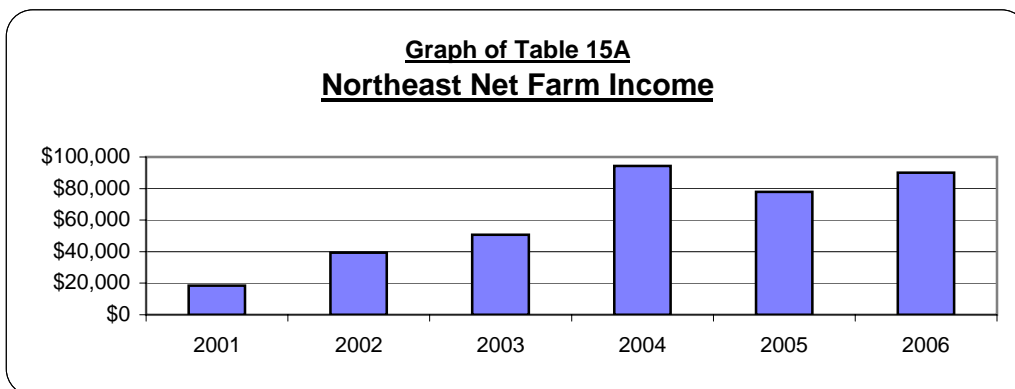
	<u>Average Of All Farms</u>	<u>Average Of High 33%</u>
<b>Acreage Summary</b>		
Acres Owned	2,684	4,008
Crop Acres	1,282	1,742
Crop Acres Owned	490	895
Crop Acres Cash Rented	348	182
Crop Acres Share Rented	445	664
Pasture Acres	5	13
% Crop Acres Owned	38.22%	51.38%
<b>Average Price Received in Dollars (Cash Sales Only)</b>		
Corn per bu.	\$2.16	N/A
Wheat, Winter per bu.	\$4.10	N/A
<b>Average Yield Per Acre</b>		
Corn (bu.)	39.77	39.77
Winter Wheat (bu.)	N/A	N/A
<b>Labor Analysis</b>		
Total Unpaid Labor Hours *	1,792	2,164
Total Hired Labor Hours	2,603	4,063
Total Labor Hours per Farm	4,395	6,227
Value of Farm Production / Hour	\$226.66	\$154.72
Net Farm Income / Unpaid Hour	\$39.70	\$98.39

\* Based on 2080 Hrs. Annually Per Full Time Operator



**Table 15A: Northeast Nebraska Averages, 2006**

	Northeast Average of <u>All Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
<b>Cash Farm Income</b>			
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
<b>Gross Cash Farm Income</b>	<b>\$549,577</b>	<b>\$404,536</b>	<b>\$849,987</b>
<b>Cash Farm Expense</b>			
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
<b>Gross Cash Farm Expense</b>	<b>\$442,958</b>	<b>\$339,905</b>	<b>\$661,686</b>
<b>Net Cash Farm Income</b>	<b>\$106,619</b>	<b>\$64,631</b>	<b>\$188,301</b>
<b>Total Inventory Change</b>	<b>\$20,928</b>	<b>-\$28,264</b>	<b>\$46,386</b>
<b>Total Depreciation &amp; Capital Adjustments</b>	<b>-\$37,398</b>	<b>-\$31,139</b>	<b>-\$50,156</b>
<b>Net Farm Income</b>	<b>\$90,149</b>	<b>\$5,228</b>	<b>\$184,531</b>
<b>Non-Farm Income</b>	<b>\$20,918</b>	<b>\$36,829</b>	<b>\$9,295</b>
<b>Balance Sheet at Market</b>			
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
<b>Total Assets</b>	<b>\$1,283,522</b>	<b>\$995,885</b>	<b>\$1,686,390</b>
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
<b>Total Liabilities</b>	<b>\$357,851</b>	<b>\$346,060</b>	<b>\$377,415</b>
<b>Net Worth</b>	<b>\$925,671</b>	<b>\$649,825</b>	<b>\$1,308,975</b>
<b>Net Worth Change (Market Value)</b>	<b>\$80,684</b>	<b>\$14,077</b>	<b>\$165,994</b>

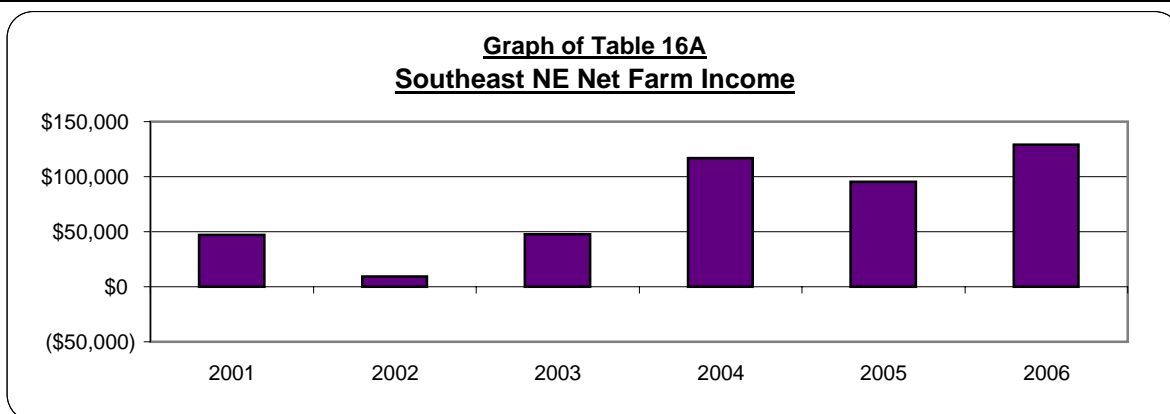


**Table 15B: Northeast Nebraska Averages, 2006 (cont.)**

	Northeast Average of All Farms	Average of Low 33%	Average of High 33%
<b>Financial Guidelines</b>			
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%
<b>Operator Information</b>			
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
<b>Acreage Summary</b>			
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
<b>Average Price Received In Dollars (Cash Sales Only)</b>			
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
Winter Wheat, per bu.	\$3.62	N/A	N/A
<b>Average Yield Per Acre</b>			
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 16A: Southeast Nebraska Averages, 2006**

	Southeast Average of <u>All Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
<b>Cash Farm Income</b>			
Total Crop Income	258,148	149,683	418,529
Total Livestock Income	209,606	21,490	397,363
Total Other Farm Income	47,935	23,853	71,666
<b>Gross Cash Farm Income</b>	<b>\$515,689</b>	<b>\$195,026</b>	<b>\$887,558</b>
<b>Cash Farm Expense</b>			
Total Crop Expense	109,902	68,671	170,959
Total Livestock Expense	128,307	11,244	276,475
Total Other Farm Expense	157,187	78,250	232,356
<b>Gross Cash Farm Expense</b>	<b>\$395,396</b>	<b>\$158,165</b>	<b>\$679,790</b>
<b>Net Cash Farm Income</b>	<b>\$120,293</b>	<b>\$36,861</b>	<b>\$207,768</b>
<b>Total Inventory Change</b>	<b>\$54,054</b>	<b>\$13,989</b>	<b>\$117,108</b>
<b>Total Depreciation &amp; Capital Adjustments</b>	<b>-\$45,526</b>	<b>-\$16,622</b>	<b>-\$76,612</b>
<b>Net Farm Income</b>	<b>\$128,821</b>	<b>\$34,228</b>	<b>\$248,264</b>
<b>Non-Farm Income</b>	<b>\$32,597</b>	<b>\$31,367</b>	<b>\$38,762</b>
<b>Balance Sheet at Market</b>			
Current Farm Assets	327,466	100,827	654,071
Intermediate Farm Assets	315,637	118,729	479,157
Long Term Farm Assets	579,961	233,747	929,644
Non Farm Assets	315,332	98,553	580,845
<b>Total Assets</b>	<b>\$1,538,396</b>	<b>\$551,856</b>	<b>\$2,643,717</b>
Current Farm Liabilities	124,589	56,956	228,444
Intermediate Farm Liabilities	55,101	28,029	95,314
Long Term Liabilities	126,289	90,055	127,572
Non Farm Liabilities	26,425	17,764	57,568
<b>Total Liabilities</b>	<b>\$332,404</b>	<b>\$192,804</b>	<b>\$508,898</b>
<b>Net Worth</b>	<b>\$1,205,992</b>	<b>\$359,052</b>	<b>\$2,134,819</b>
<b>Net Worth Change (Market Value)</b>	<b>\$134,913</b>	<b>\$52,772</b>	<b>\$253,580</b>

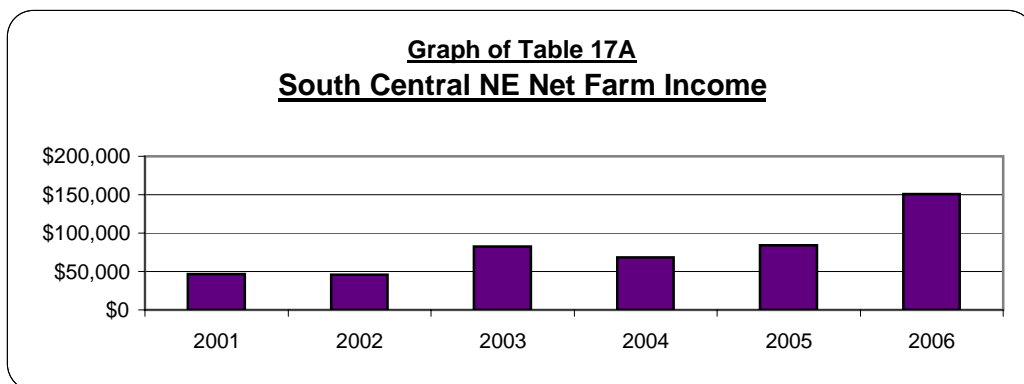


**Table 16B: Southeast Nebraska Averages, 2006 (cont.)**

	Southeast Average of All Farms	Average of Low 33%	Average of High 33%
<b>Financial Guidelines</b>			
Current Ratio	2.63	1.77	2.86
Working Capital	\$202,877	\$43,871	\$425,624
Debt to Asset Ratio (Market)	25%	39%	22%
Equity to Asset Ratio (Market)	75%	61%	78%
Debt to Equity Ratio (Market)	33%	63%	28%
Rate of Return on Assets (Cost)	13.2%	4.7%	15.5%
Rate of Return on Equity (Cost)	17.3%	1.1%	19.7%
Operating Profit Margin (Cost)	24.5%	8.1%	31.3%
Net Farm Income (Cost)	\$128,821	\$34,228	\$248,264
Asset Turnover Rate (Cost)	53.9%	58.8%	49.5%
Operating Expense Ratio	65.9%	68.7%	64.8%
Depreciation Expense Ratio	8.1%	8.0%	7.9%
Interest Expense Ratio	2.9%	6.9%	1.8%
Net Farm Income Ratio	23.0%	16.4%	25.5%
<b>Operator Information</b>			
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
<b>Acreage Summary</b>			
Total acres owned	371	137	587
Total 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
Total Pasture Acres	28	17	48
<b>Average Price Received In Dollars (Cash Sales Only)</b>			
Corn, per bu.	\$2.12	\$2.41	\$2.13
Soybeans, per bu.	\$5.55	\$5.68	\$5.50
Wheat, Winter, per bu.	\$4.01	N/A	\$3.74
<b>Average Yield Per Acre</b>			
Corn, Dryland (bu.)	121.22	109.01	129.42
Soybeans, Dryland (bu.)	49.11	42.68	51.11
Wheat, Winter, Dryland (bu.)	60.48	N/A	N/A
Alfalfa Hay, Dryland (ton)	3.35	N/A	N/A

**Table 17A: 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>
<b>Cash Farm Income</b>			
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
<b>Gross Cash Farm Income</b>	<b>\$578,298</b>	<b>\$281,840</b>	<b>\$778,794</b>
<b>Cash Farm Expense</b>			
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
<b>Gross Cash Farm Expense</b>	<b>\$457,545</b>	<b>\$213,617</b>	<b>\$614,726</b>
<b>Net Cash Farm Income</b>	<b>\$120,753</b>	<b>\$68,223</b>	<b>\$164,068</b>
<b>Total Inventory Change</b>	<b>\$79,509</b>	<b>-\$1,380</b>	<b>\$198,952</b>
<b>Total Depreciation &amp; Capital Adjustments</b>	<b>-\$49,538</b>	<b>-\$29,552</b>	<b>-\$72,627</b>
<b>Net Farm Income</b>	<b>\$150,724</b>	<b>\$37,291</b>	<b>\$290,393</b>
<b>Non-Farm Income</b>	<b>\$24,822</b>	<b>\$24,302</b>	<b>\$22,166</b>
<b>Balance Sheet at Market</b>			
Current Farm Assets	368,535	156,932	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
<b>Total Assets</b>	<b>\$1,710,137</b>	<b>\$1,011,028</b>	<b>\$2,462,003</b>
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
<b>Total Liabilities</b>	<b>\$604,035</b>	<b>\$389,181</b>	<b>\$814,293</b>
<b>Net Worth</b>	<b>\$1,106,102</b>	<b>\$621,847</b>	<b>\$1,647,710</b>
<b>Net Worth Change (Market Value)</b>	<b>\$128,037</b>	<b>\$28,755</b>	<b>\$235,128</b>



**Table 17B: South Central Nebraska Averages, 2006 (cont.)**

	South Central Average of All Farms	Average of Low 33%	Average of High 33%
<b>Financial Guidelines</b>			
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%
<b>Operator Information</b>			
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
<b>Acreage Summary</b>			
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
<b>Average Price Received In Dollars (Cash Sales Only)</b>			
Corn, per bu.	\$2.19	\$2.04	\$2.23
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
<b>Average Yield Per Acre</b>			
Corn, Irrigated (bu.)	201.39	199.06	195.90
Corn, Dryland (bu.)	97.94	63.00	119.05
Corn Seed, Irrigated (bu.)	248.04	N/A	N/A
Soybeans, Irrigated (bu.)	63.53	62.44	65.68
Soybeans, Dryland (bu.)	43.59	37.70	47.56
Wheat, Winter (bu)	44.66	N/A	N/A

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