

Ending Net Worth Statement

Name	FFA FARM		Date	1/1/2006
Farm Assets	Cost Value	Market Value	Farm Liabilities	Market Value
Current Assets				
Checking and savings accounts	\$15,000	\$15,000	Accounts payable (Sched. N)	
Crops held for sale/feed (Sched. A)	\$131,628	\$131,628	Farm taxes due (Sched. O)	\$9,500
Investment in growing crops(Sch. B)	\$3,000	\$3,000	Current notes and credit lines (Schedule P)	\$56,000
Commercial feed on hand (Sch. C)			Accrued interest - short (Sched. P)	\$1,600
Prepaid expenses (Sched. D)	\$21,500	\$21,500	- fixed (Sched. Q)	\$47,584
Market livestock (Sched. E)	\$78,609	\$78,609	Due in 12 months - fixed (Sched. Q)	\$18,890
Supplies on hand (Sched. F)			Other current liabilities	
Accounts receivable (Sched. G)	\$9,900	\$9,900	Total Current Liabilities	\$133,574
Other current assets				
Total Current Assets	\$259,637	\$259,637		
Fixed Assets				
Unpaid coop. distributions (Sch. H)			Notes and contracts remainder (Sched. Q)	\$507,007
Breeding livestock (Sched. I)	\$119,600	\$119,600	Machinery	
Machinery & equipment (Sched. J)	\$75,600	\$102,000	Land	
Buildings/improvements (Sched. K)	\$34,115	\$65,500		
Farmland (Sched. L)	\$658,000	\$1,125,600	Other fixed liabilities	
Farm securities, certificates (Sch. M)			Total Fixed Liabilities	\$507,007
Other fixed assets				
Total Fixed Assets	\$887,315	\$1,412,700		
A) Total Farm Assets	\$1,146,952	\$1,672,337	B) Total Farm Liabilities	\$640,581
C) Farm Net Worth (A - B)			Working Capital	
D) Farm Net Worth Last Year	\$489,531	\$892,021	Current Asset-to-Debt Ratio	
E) Change in Farm Net Worth (C-D)			Total Debt-to-Asset Ratio	

Net Farm Income Statement

Name	FFA FARM	Year	2005		
Income					
Cash Income		Income Adjustments		Ending	Beginning
Sales of livestock bought for resale		Crops held for sale or feed (Sched. A)	\$131,628	\$120,828	
Sales of market livestock, grain, etc.	\$249,379	Market livestock (Sched. E)	\$78,609	\$75,962	
Cooperative distributions paid		Accounts receivable (Sched. G) and other current assets	\$9,900	\$9,900	
Agricultural program payments	\$9,900	Unpaid coop. distributions (Sched. H)			
Crop insurance proceeds		Breeding livestock (Sched. I)	\$119,600	\$119,600	
Custom hire income		Subtotal of Adjustments	\$339,737	\$326,290	
Other cash income	\$4,588	Value of Home Used Production (d)			
Sales of breeding livestock	\$14,361	Gross Farm Revenue (e) (a + b - c + d)			\$291,675
Total Cash Income (a)	\$278,228				
Expenses					
Cash Expenses		Expense Adjustments		Beginning	Ending
Car and truck expenses		Investment in growing crops (Sched. B)	\$3,000	\$3,000	
Chemicals	\$13,750	Commercial feed on hand (Sched. C)			
Conservation expenses		Prepaid expenses (Sched. D)	\$21,500	\$21,500	
Custom hire	\$14,300	Supplies on hand (Sched. F)			
Employee benefits			Ending	Beginning	
Feed purchased	\$1,503	Accounts payable (Sched. N)			
Fertilizer and lime	\$42,030	Farm taxes due (Sched. O)	\$9,500	\$9,500	
Freight, trucking		Accrued interest (Sched. P, Q)	\$49,184	\$33,891	
Gasoline, fuel, oil	\$17,258	Subtotal of Adjustments	\$83,184	\$67,891	
Insurance	\$7,265		g	h	
Interest paid	\$32,912	Depreciation (i) (Sched. J, K)			\$10,196
Labor hired	\$1,500	Gross Farm Expenses (j) (f + g - h + i)			\$242,772
Pension and profit-share plans		Net Farm Income From Operations (k) (e - j)			\$48,903
Rent or lease payments	\$30,000	Sales of Farm Capital Assets (l)			\$12,500
Repairs, maintenance	\$12,000	Cost Value of Items Sold (m) (Sched. J, K, L)			\$8,000
Seeds, plants	\$16,885	Capital Gains or Losses (n) (l - m)			\$4,500
Storage, warehousing		Net Farm Income (o) (k + n)			\$53,403
Supplies purchased					
Taxes (farm)	\$9,500				
Utilities					
Vet. fees, medicine, breeding	\$4,175				
Other cash expenses	\$14,205				
Livestock purchased					
Total Cash Expenses (f)	\$217,283				

CASH FLOW BUDGET

Name:

FFA FARM

Year:

2006

CASH INFLOWS	Total for Year	January February	March April	May June	July August	September October	November December
Operating							
Livestock income	90,176	0	0	18,937	0	0	71,239
Sales of crops	155,620	39,720	33,600	18,000	0	0	64,300
Other crop income	0	0	0	0	0	0	0
USDA payments	9,900	1,650	1,650	1,650	1,650	1,650	1,650
Custom hire income	0	0	0	0	0	0	0
Farm rents, interest	0	0	0	0	0	0	0
Other	4,588	0	1,147	1,147	1,147	1,147	0
Total operating income	260,284						
Sales of Capital Assets	5,000	0	0	5,000	0	0	0
Financing							
Total new short-term loans to receive	0	0	0	0	0	0	0
New term loans to receive	0	0	0	0	0	0	0
Nonfarm Income	0	0	0	0	0	0	0
Total Cash Inflows	525,567	41,370	36,397	44,734	2,797	2,797	137,189

	Total for Year	January February	March April	May June	July August	September October	November December
Operating							
Seed	16,885	0	8,443	8,443	0	0	0
Fertilizer and lime	42,030	0	16,812	16,812	8,406	0	0
Pesticides	13,750	0	0	5,500	5,500	2,750	0
Crop insurance	3,300	0	3,300	0	0	0	0
Drying fuel	0	0	0	0	0	0	0
Custom hire or machine rental	14,300	0	0	0	0	0	14,300
Other cash costs per acre	0	0	0	0	0	0	0
Purchased crops	0	0	0	0	0	0	0
Purchased livestock	0	0	0	0	0	0	0
Purchased feed	1,503	251	251	251	251	251	251
Health and veterinary	4,175	0	1,044	1,044	0	1,044	1,044
Marketing	2,205	0	0	463	0	0	1,742
Other cash costs per head	0	0	0	0	0	0	0
Real estate taxes	9,500	0	4,750	0	0	0	4,750
Cash rent	30,000	0	15,000	0	0	0	15,000
Hired labor	1,500	0	500	500	500	0	0
Repairs and upkeep	12,000	1,200	2,400	2,400	2,400	2,400	1,200
Fuel and lubrication	17,258	2,876	2,876	2,876	2,876	2,876	2,876
Other fixed expenses	0	0	0	0	0	0	0
Equipment lease payments	0	0	0	0	0	0	0
Total operating expenses	168,406						
Purchases of Capital Assets	12,000	12,000	0	0	0	0	0
Financing							
Accounts payable	0	0	0	0	0	0	0
Short term notes due	0	0	0	0	0	0	0
Term loan payments	63,361	46,214	17,147	0	0	0	0
Nonfarm Expenditures							
Family living expenses	0	0	0	0	0	0	0
Nonfarm investments	0	0	0	0	0	0	0
Total Cash Outflows	243,767	62,541	72,522	38,288	19,933	9,321	41,163

SUMMARY	Total for Year	January February	March April	May June	July August	September October	November December
Net Cash Flow	21,517	(21,171)	(36,125)	6,446	(17,136)	(6,524)	96,026
Beginning cash balance	15,000	15,000	1,354	1,231	7,679	556	34
Interest earned on cash balance	43	25	2	2	13	1	0
New operating loan received	59,500	7,500	36,000		10,000	6,000	
Repayment of operating loan	85,000						85,000
Interest paid on oper. loan balance	6,341	0	0	0	0	0	6,341
Ending cash balance	4,719	1,354	1,231	7,679	556	34	4,719
Operating Loan Balance							
Beginning Balance	56,000	56,000	63,500	99,500	99,500	109,500	115,500
Ending Balance	30,500	63,500	99,500	99,500	109,500	115,500	30,500

**COST-RETURN PROJECTION — 100 LACTATING COW FREESTALL DAIRY
(REPLACEMENTS PURCHASED¹)**

	Production Level (lbs milk sold)	
	Per cow	Per cwt
RETURNS PER COW:		
1. Milk sales @\$13.51/cwt.....	\$ 3,242.16	\$ 13.51
2. Volume premium.....		
3. Government payment (MILC).....	97.80	0.41
4. Calves sold: 95% × \$300/head.....	285.00	1.19
5. Cull cows sold: 1,350 lbs × 27% × \$56.56/cwt. ...	206.16	0.86
A. GROSS RETURNS	\$ 3,831.12	\$ 15.96
COSTS PER COW:		
6. Feed.....	\$ 1,113.57	\$ 4.64
7. Labor	494.35	2.06
8. Veterinary, drugs, and supplies.....	140.00	0.58
9. Somatotropin (rbST).....	104.80	0.44
10. Utilities and water	119.98	0.50
11. Fuel, oil, and auto expense.....	50.00	0.21
12. Milk hauling and promotion cost.....	312.00	1.30
13. Building and equipment repairs	116.53	0.49
14. Breeding/genetic charge:		
a. Capital replacement: 30% × \$2,000/head.....	600.00	2.50
b. Semen, A.I. services, and supplies	52.50	0.22
c. Interest.....	160.00	0.67
d. Insurance	20.00	0.08
15. Professional fees (legal, accounting, etc..).....	20.34	0.08
16. Miscellaneous.....	30.42	0.13
17. Depreciation on buildings and equipment	234.92	0.98
18. Interest on land, buildings, and equipment	218.64	0.91
19. Insurance & taxes on land, buildings, & equipment	70.61	0.29
B. SUB TOTAL	\$ 3,858.66	\$ 16.08
20. Interest on ½ operating costs @ 8%	90.50	0.38
C. TOTAL COSTS PER COW	\$ 3,949.16	\$ 16.45

COST-RETURN PROJECTION — CONTINUOUS WHEAT — NORTH CENTRAL KANSAS

	Yield Level (bu)
	<u>55</u>
INCOME PER ACRE	
A. Yield per acre	55
B. Price per bushel.....	\$ 3.18
C. Net government payment.....	\$ 16.79
D. Indemnity payments.....	\$
E. Miscellaneous income	\$
F. Returns/acre ((A × B) + C + D + E)	<u>\$191.69</u>
COSTS PER ACRE	
1. Seed	\$ 7.20
2. Herbicide.....	5.23
3. Insecticide / Fungicide	41.58
4. Fertilizer and Lime.....	_____
5. Crop Consulting	_____
6. Crop Insurance	_____
7. Drying	_____
8. Miscellaneous	6.25
9. Custom Hire / Machinery Expense	70.84
10. Non-machinery Labor	8.01
11. Irrigation	_____
a. Labor.....	_____
b. Fuel and Oil	_____
c. Repairs and Maintenance	_____
d. Depreciation on Equipment and Well.....	_____
e. Interest on Equipment.....	_____
12. Land Charge / Rent	51.05
G. SUB TOTAL.....	<u>\$190.16</u>
13. Interest on ½ Nonland Costs.....	5.56
H. TOTAL COSTS	<u>\$195.72</u>

CME Live Cattle Futures
Settlement prices, 03/21/06, cents per lb.

Month	Daily			Settle	Est Vol	Prior Day			Lifetime	
	Open	High	Low			Settle	Vol	Interest	High	Low
APR06	83.550	83.725	83.025	83.475	10K	83.350	11298	47384	95.55	82.35
JUN06	78.250	78.425	77.875	78.200	10K	78.125	11303	104911	88.00	77.53
AUG06	80.250	80.550	79.950	80.275	3936	80.200	4578	37667	86.75	78.70

CME Live Cattle Options
Settlement prices, 3/21/06, cents per lb.

Strike Price	Calls		Puts	
	Apr	June	Apr	June
78	--	--	0.13	2.00
80	--	1.40	0.22	3.20
82	--	0.70	0.55	4.47
84	0.93	0.40	1.45	6.20