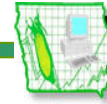


2010 Analysis Presentation

This presentation is designed to show the average financial and production trends for Iowa farms. All of the farm operators that contributed data for this presentation are members of the Iowa Farm Business Association and received the benefit of an individual report showing how their farm data compared to these averages. If you feel that you could benefit from knowing these numbers for your operation or if you know someone else who could benefit, please contact one of the consultants listed at www.iowafarmbusiness.org or call the IFBA State Office at 515-233-5802 for more information.



Presentation Summary

➔ **General Information**

➔ **Corn Enterprise Data**

➔ **Soybean Enterprise Data**

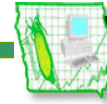
➔ **Pork Production Data**

Farrow to Finish & Feeder Pig

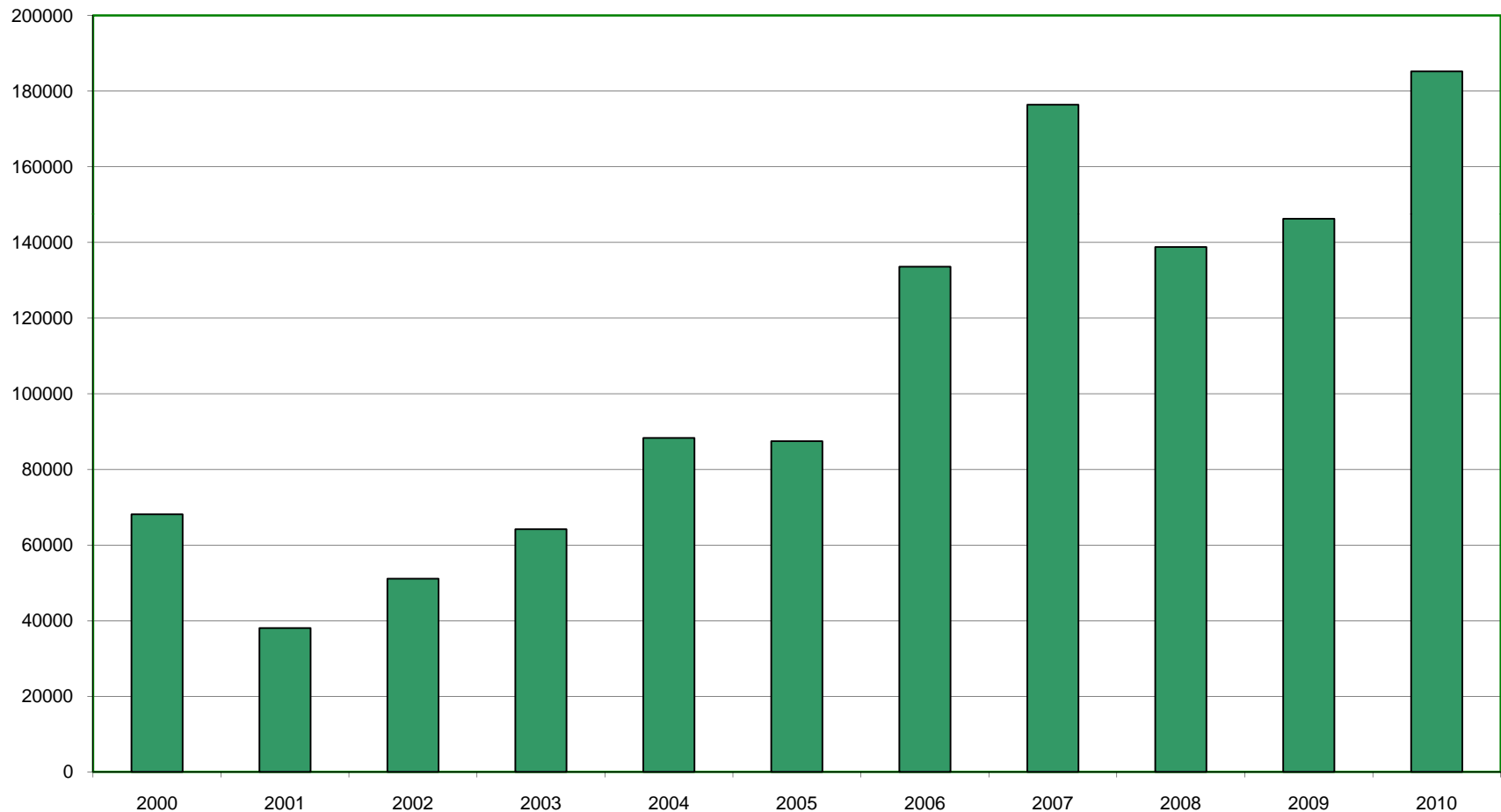
➔ **Beef Production Data**

Cow/Calf & Feeder Cattle

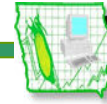
➔ **Financial Data**



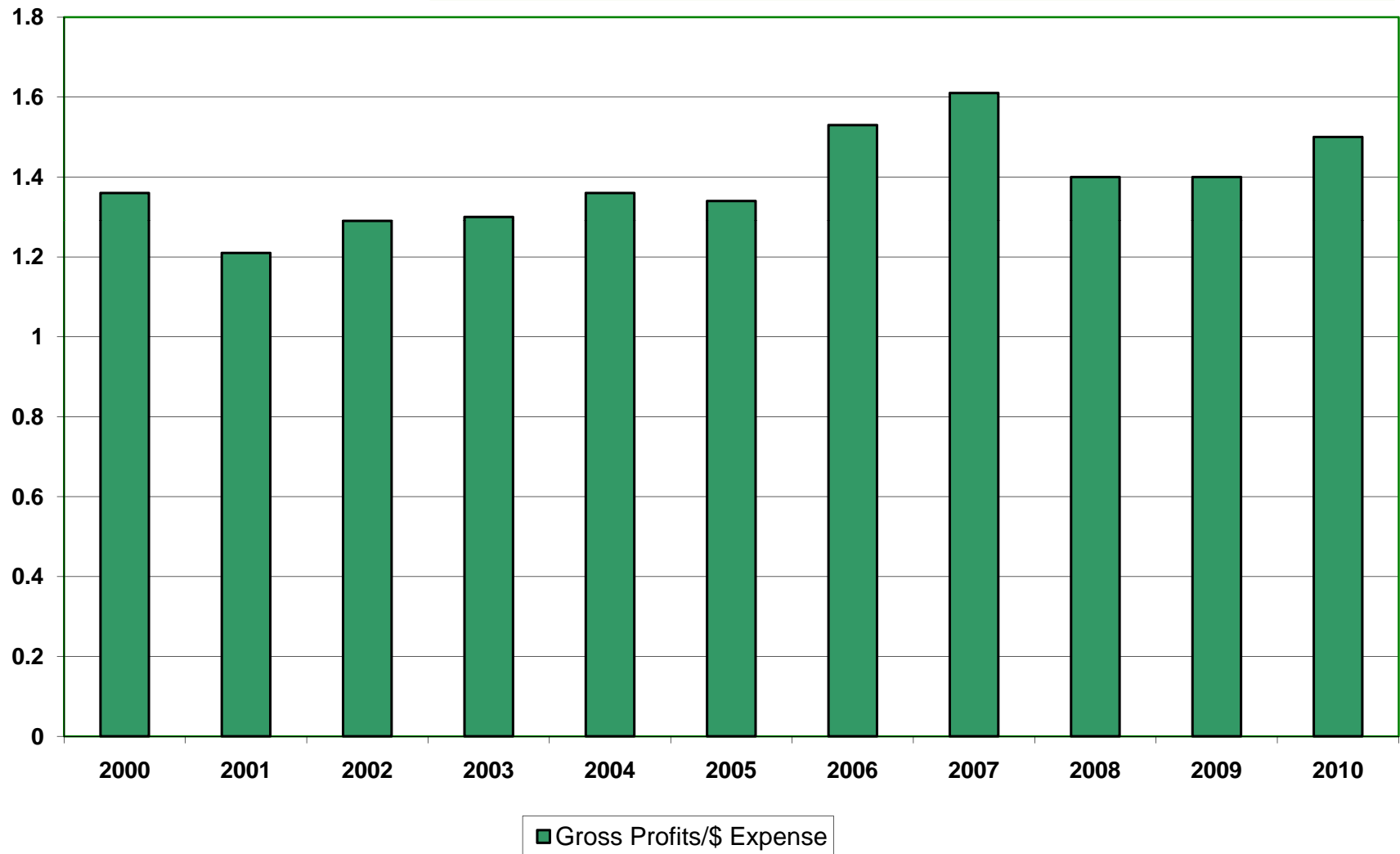
Accrued Net Farm Income

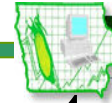


Accrued Net Farm Income includes the value of home used products, change in inventory (both value and volume on hand will affect this), and a depreciation charge based on 10% straight line rate with a 10% salvage value on all depreciable items.

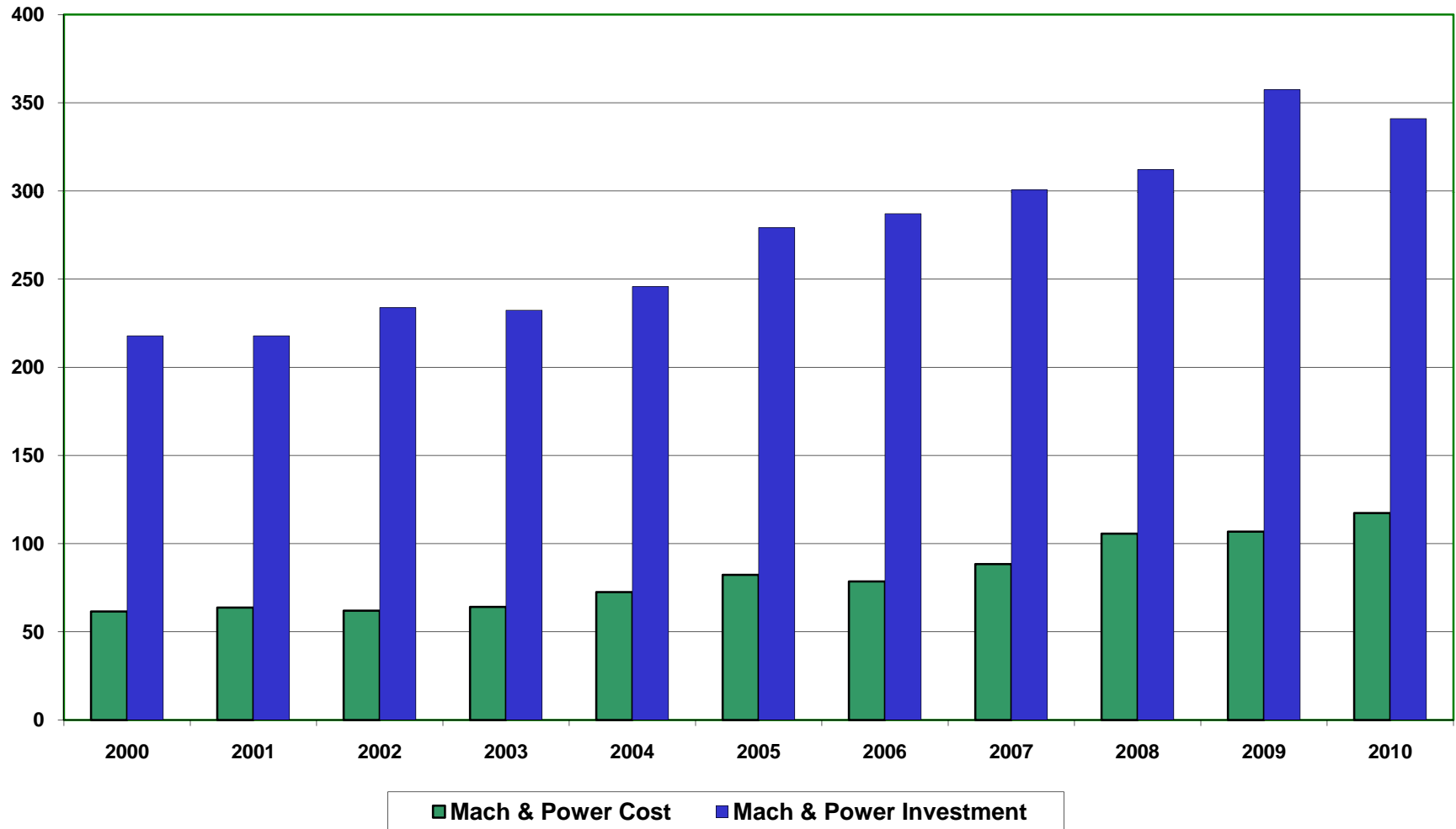


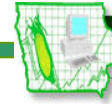
Gross Profit Per \$1 of Expense



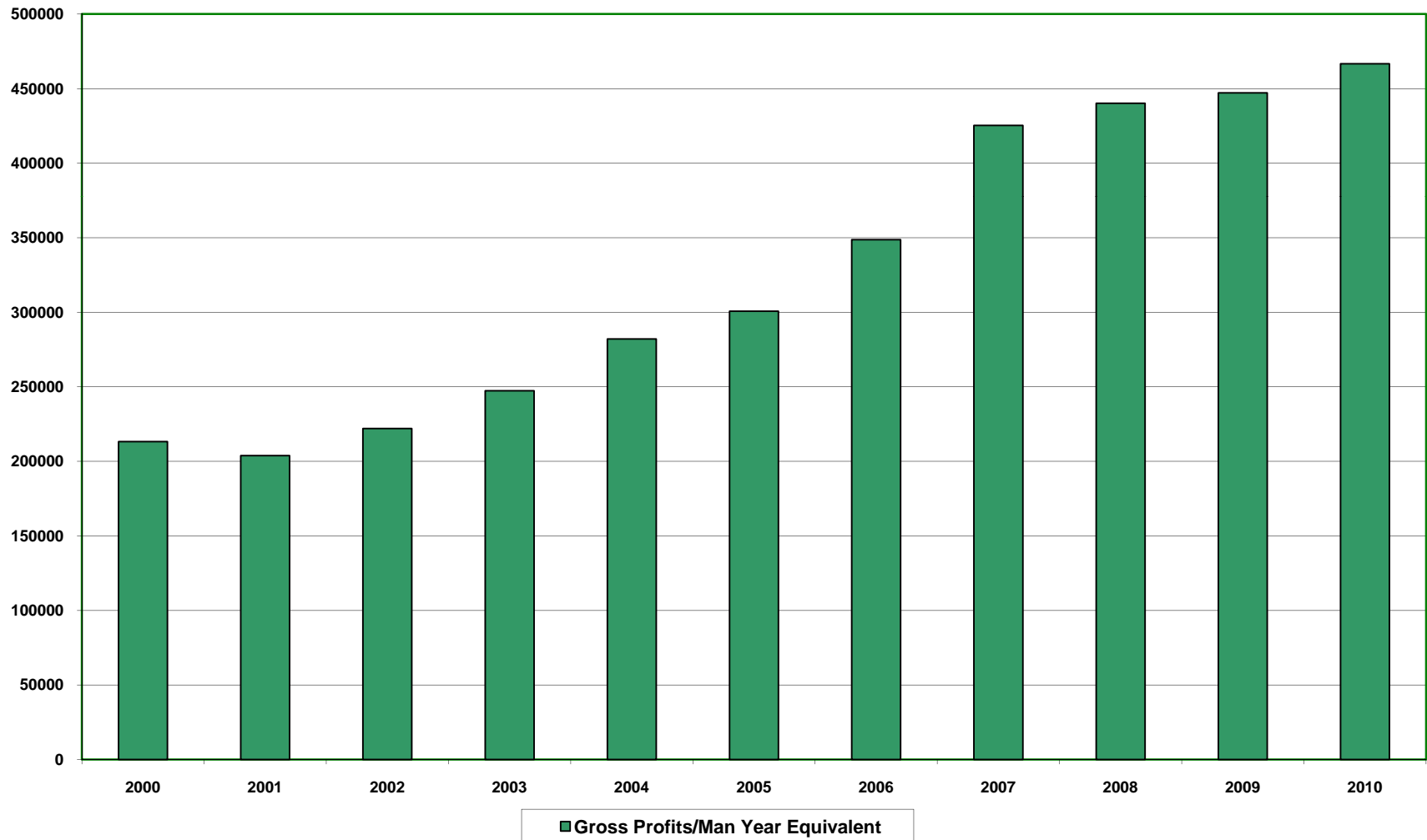


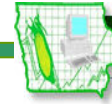
Power Mach Cost vs. Invest. Cost (Per Acre)





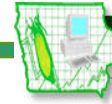
Gross Profit Per Man



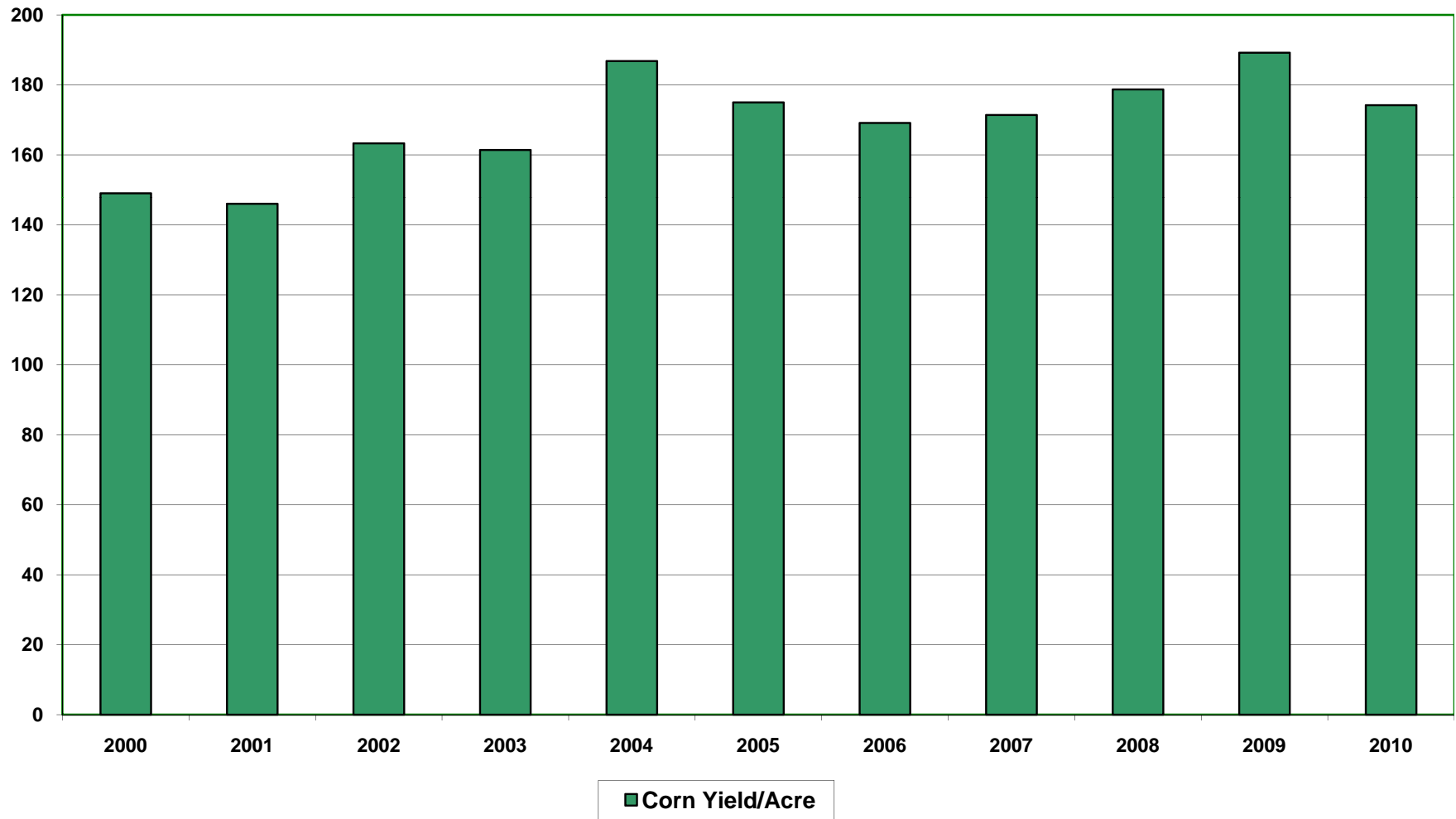


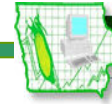
IFBA Statewide Data

Corn Enterprise

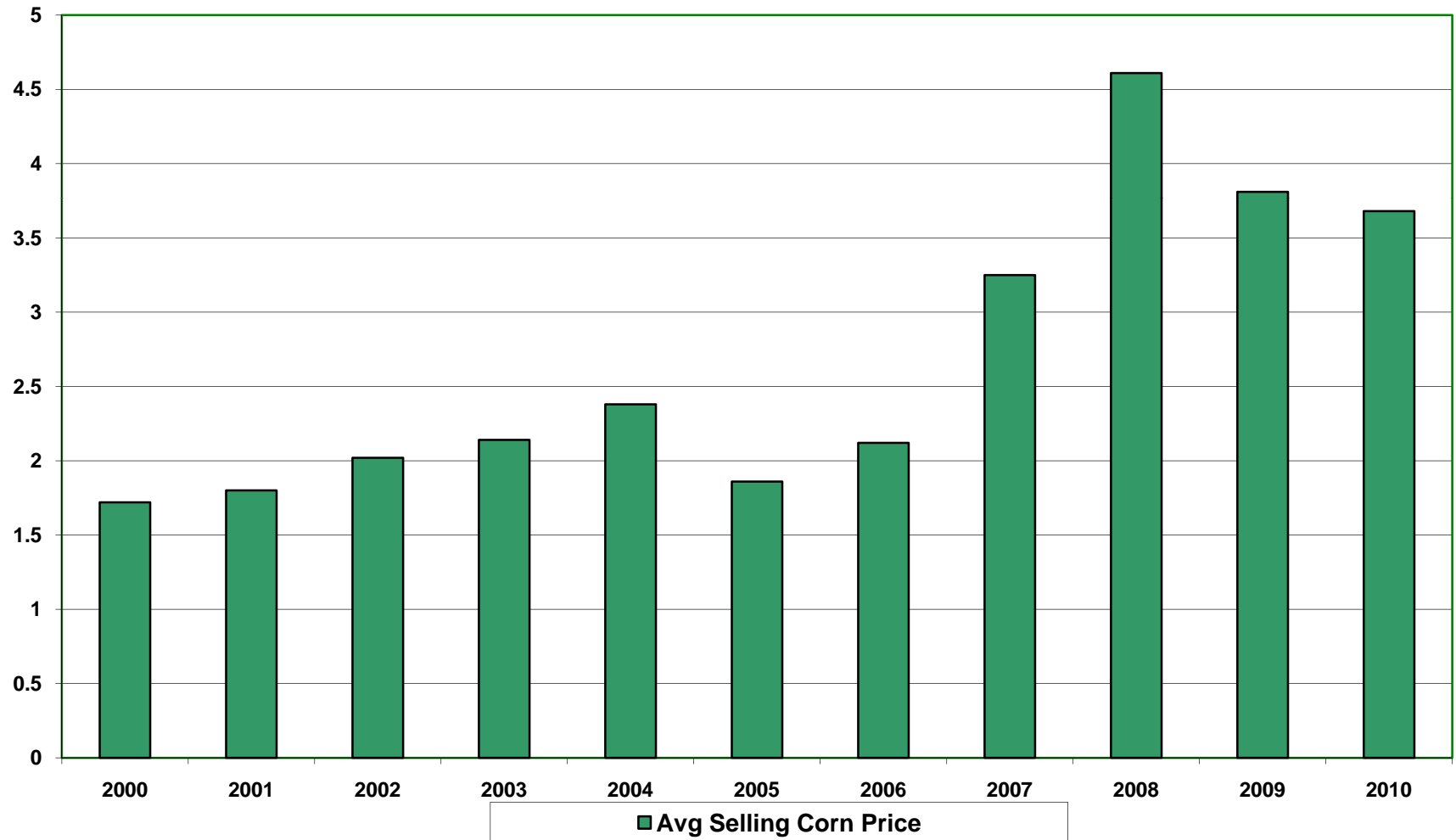


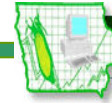
Corn Yields



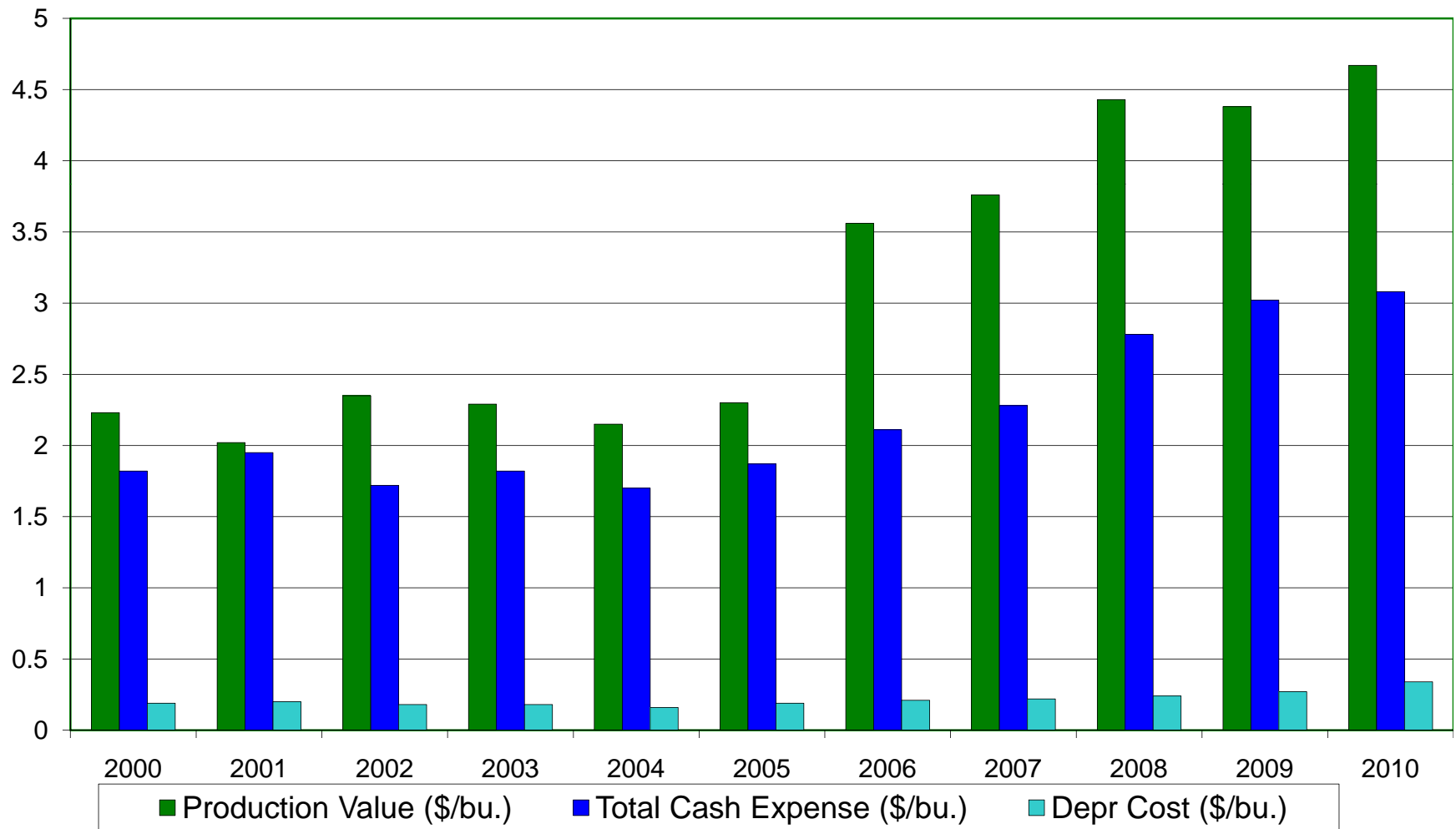


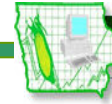
Average Corn Selling Price



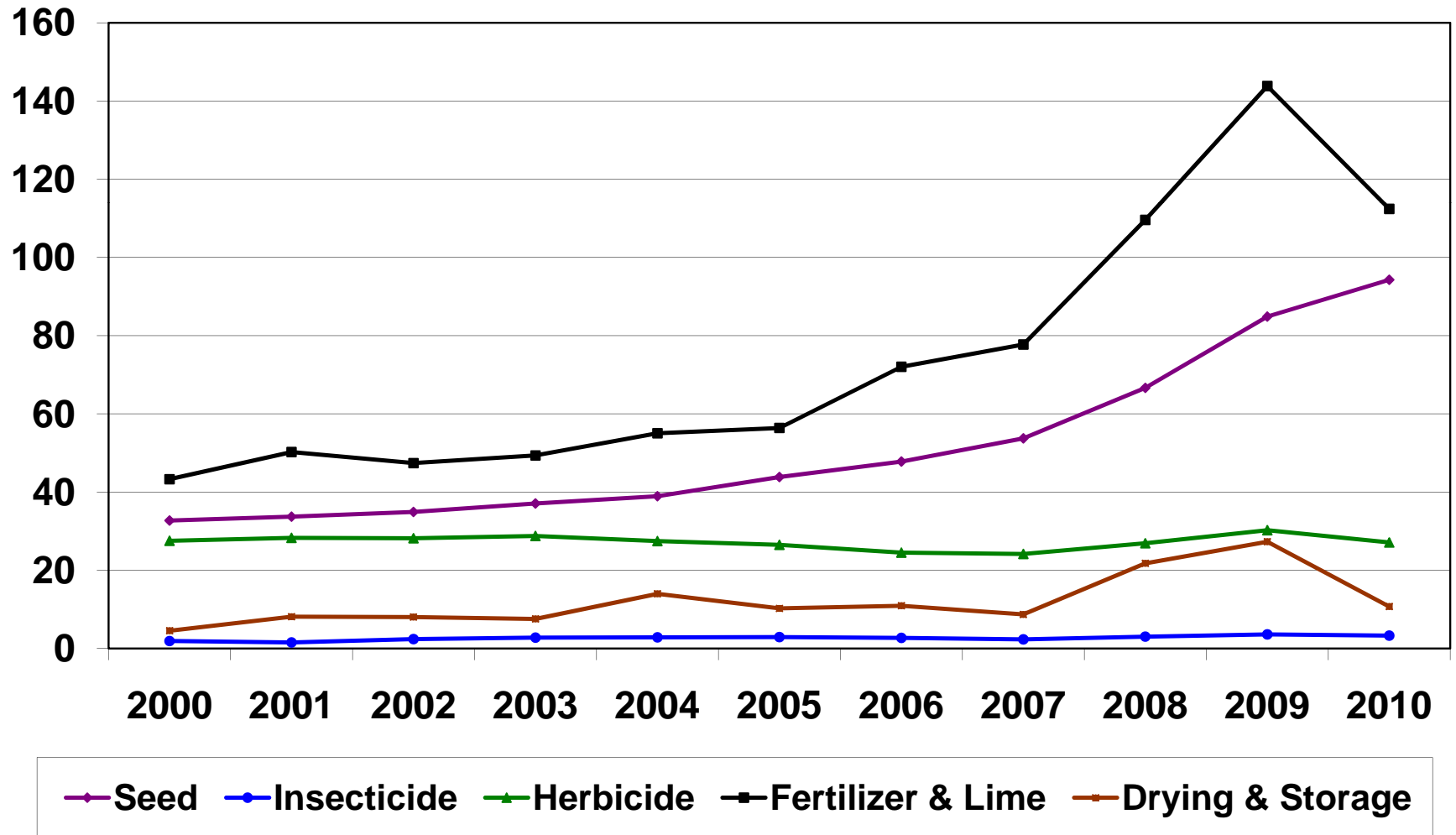


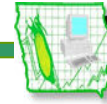
Corn Production Value vs. Expenses





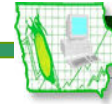
Direct Corn Expenses



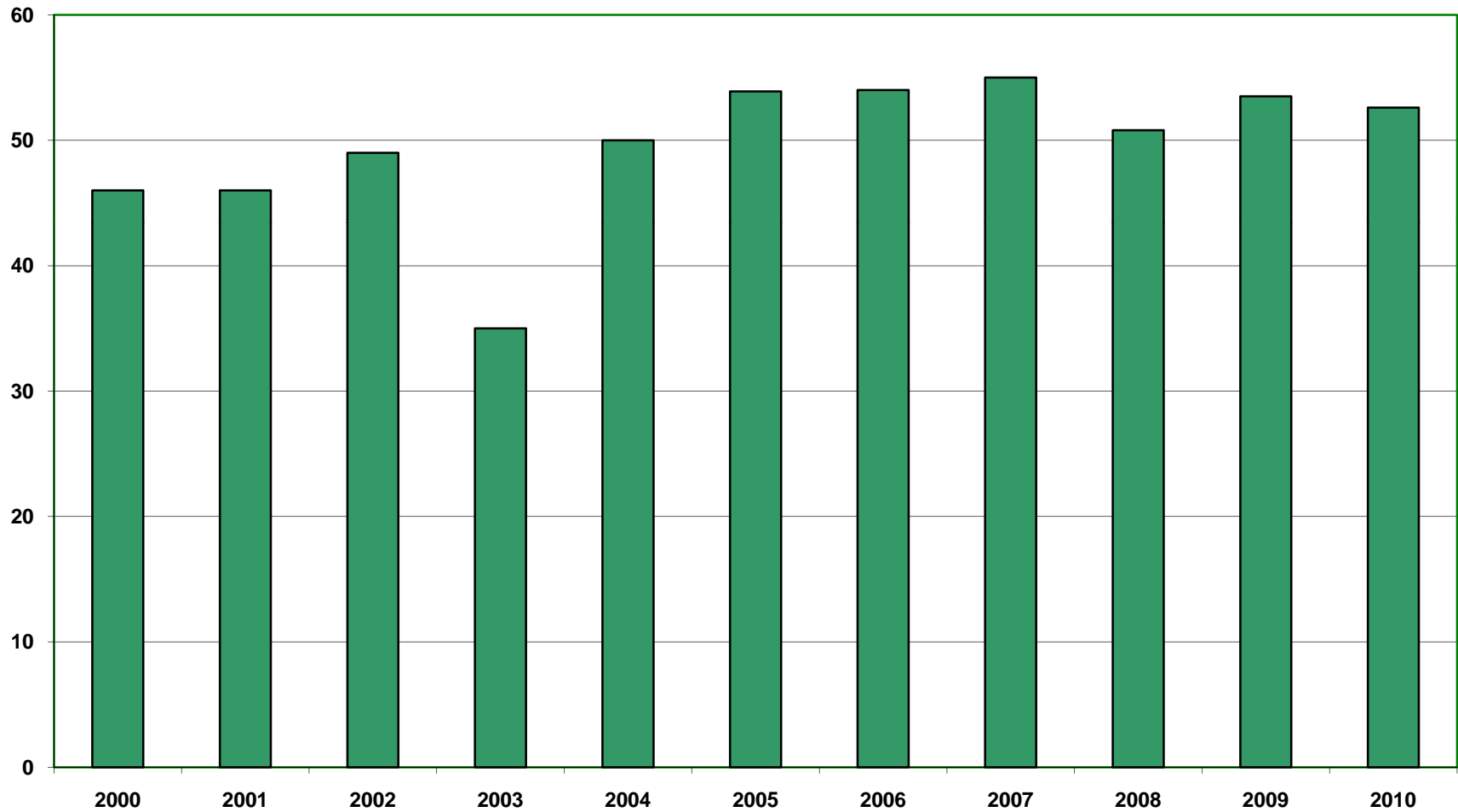


IFBA Statewide Data

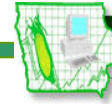
Bean Enterprise



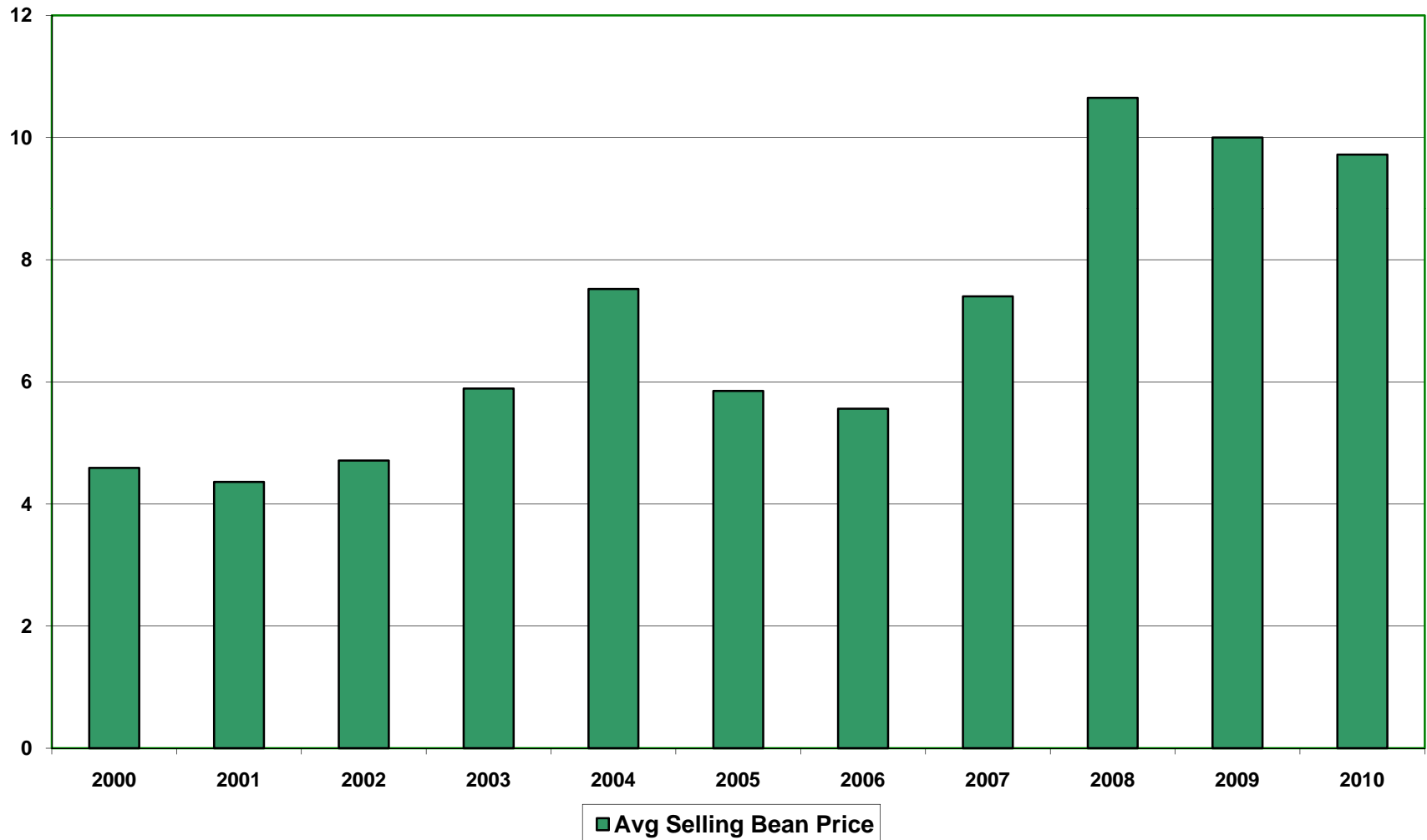
Bean Yields

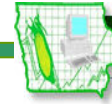


■ Bean Yield

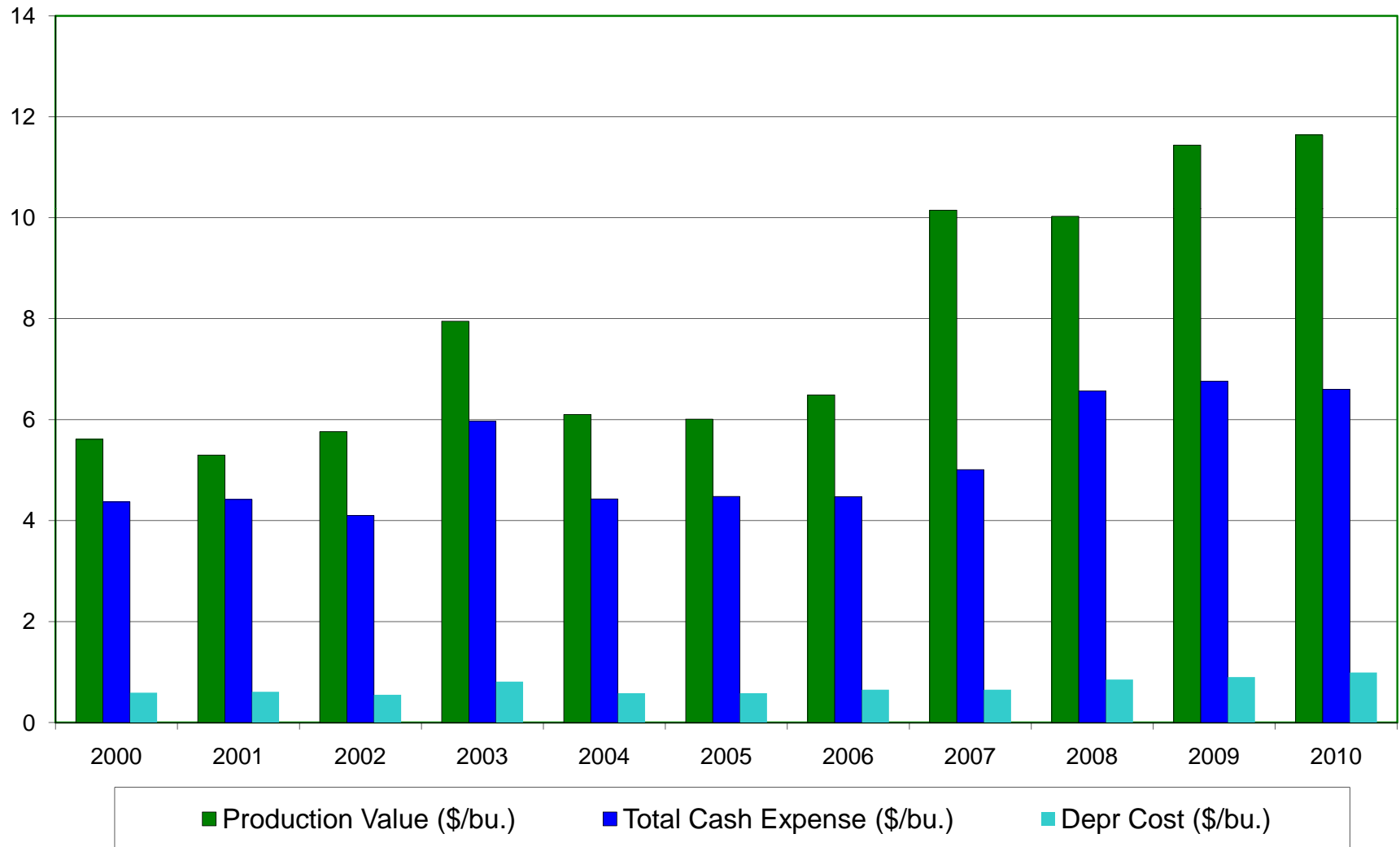


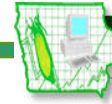
Bean Average Selling Price



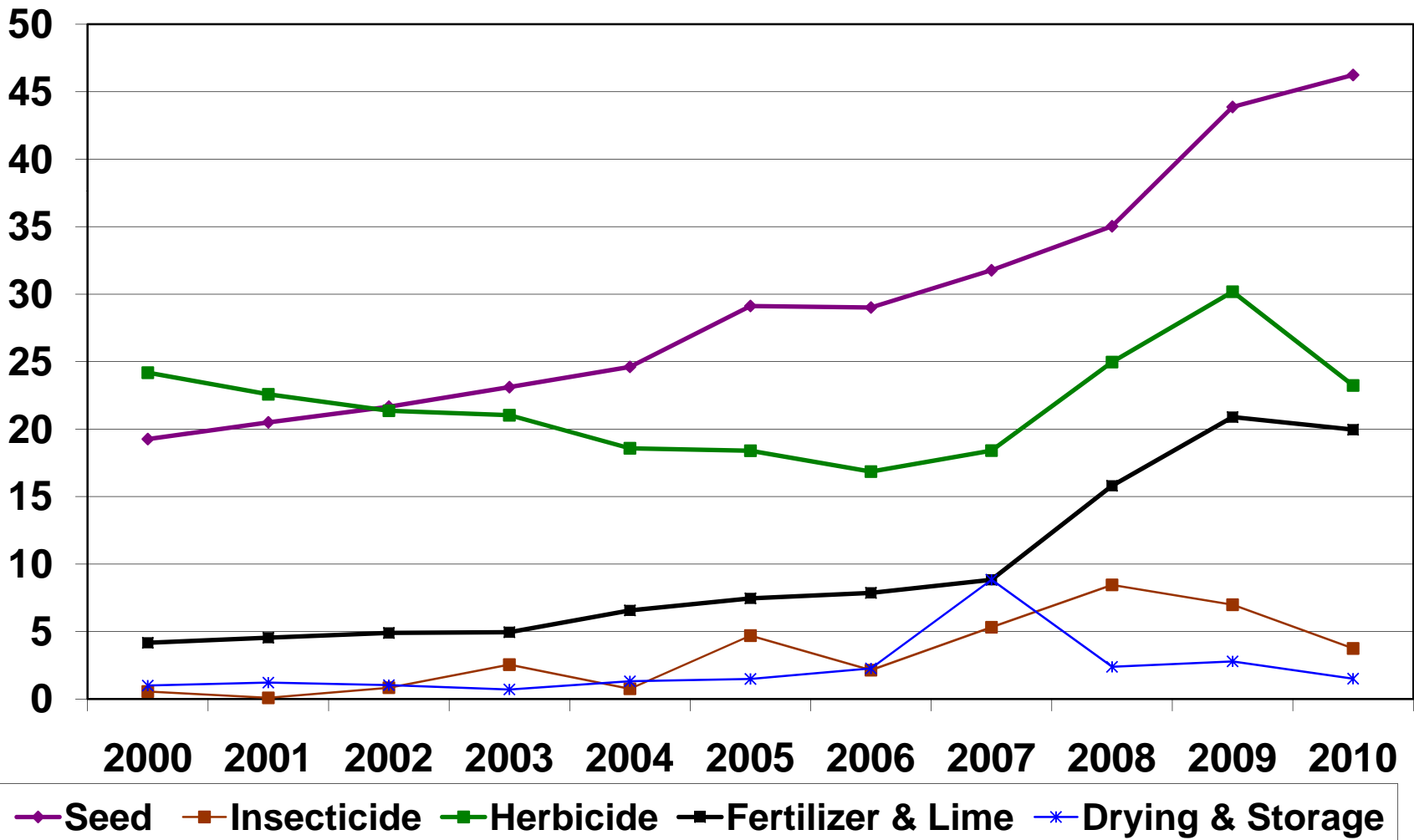


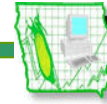
Bean Production Value vs. Expenses





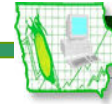
Direct Bean Expenses



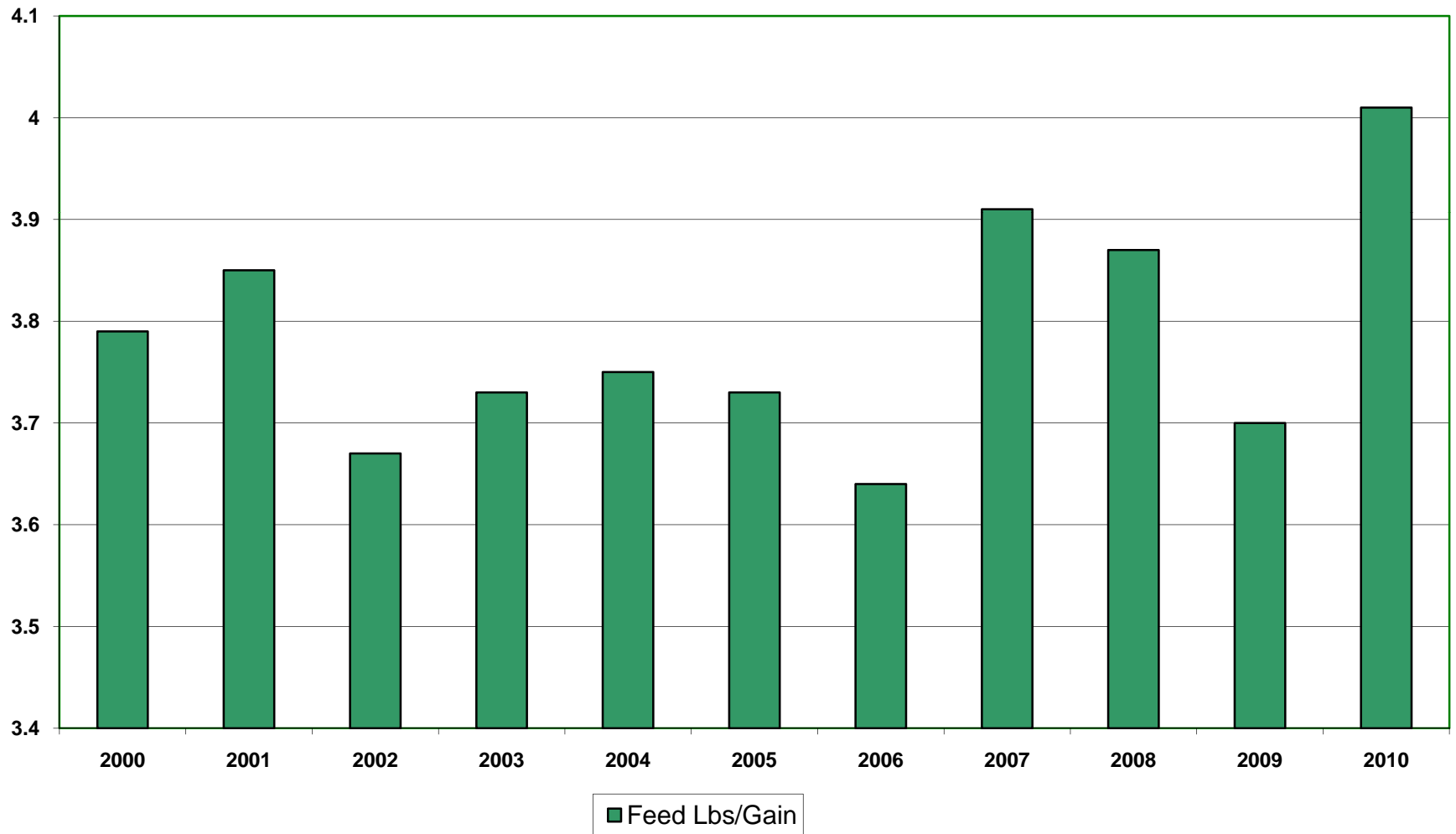


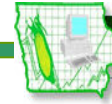
IFBA Statewide Data

Hog Enterprises

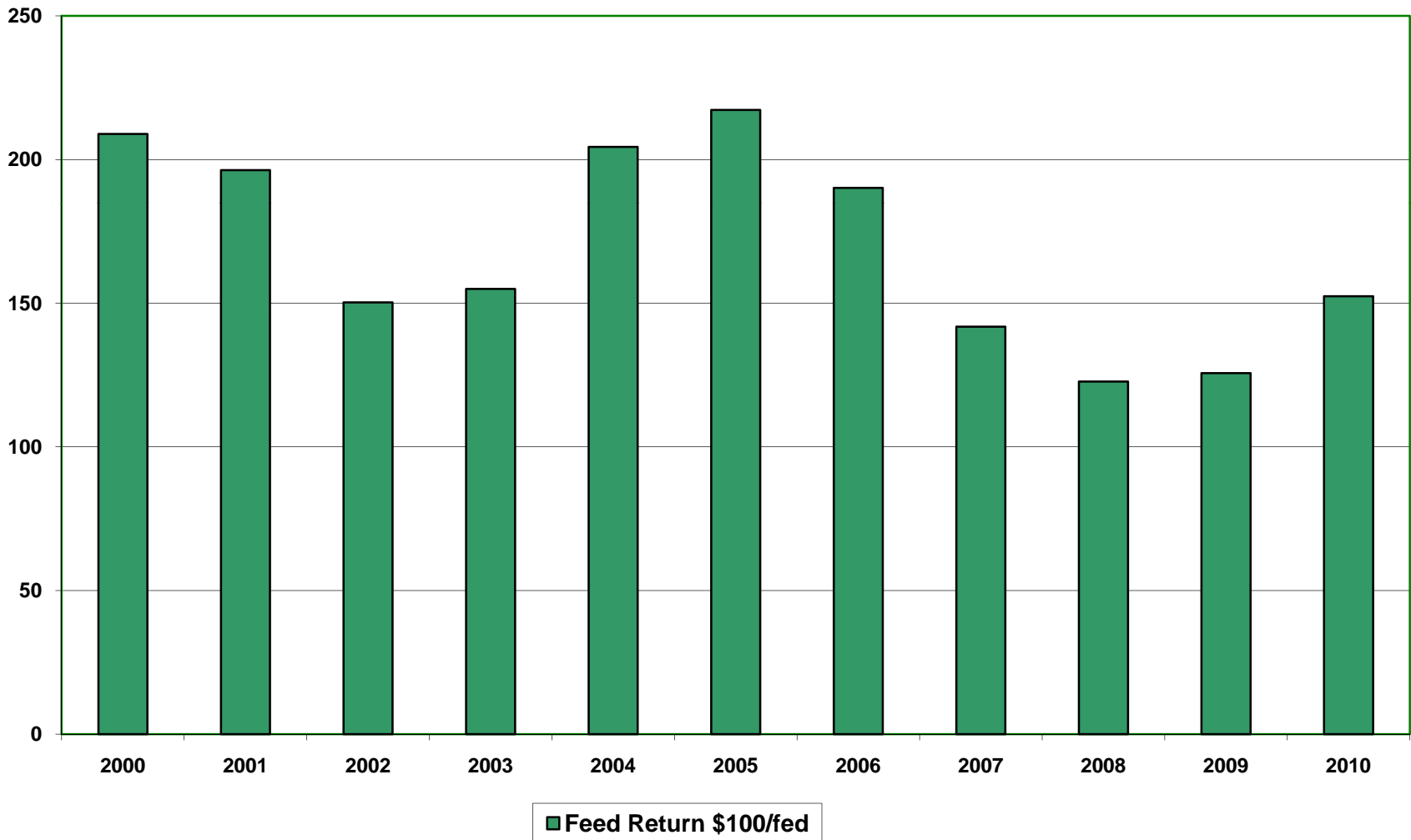


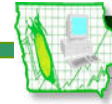
Farrow/Finish Feed Conv.



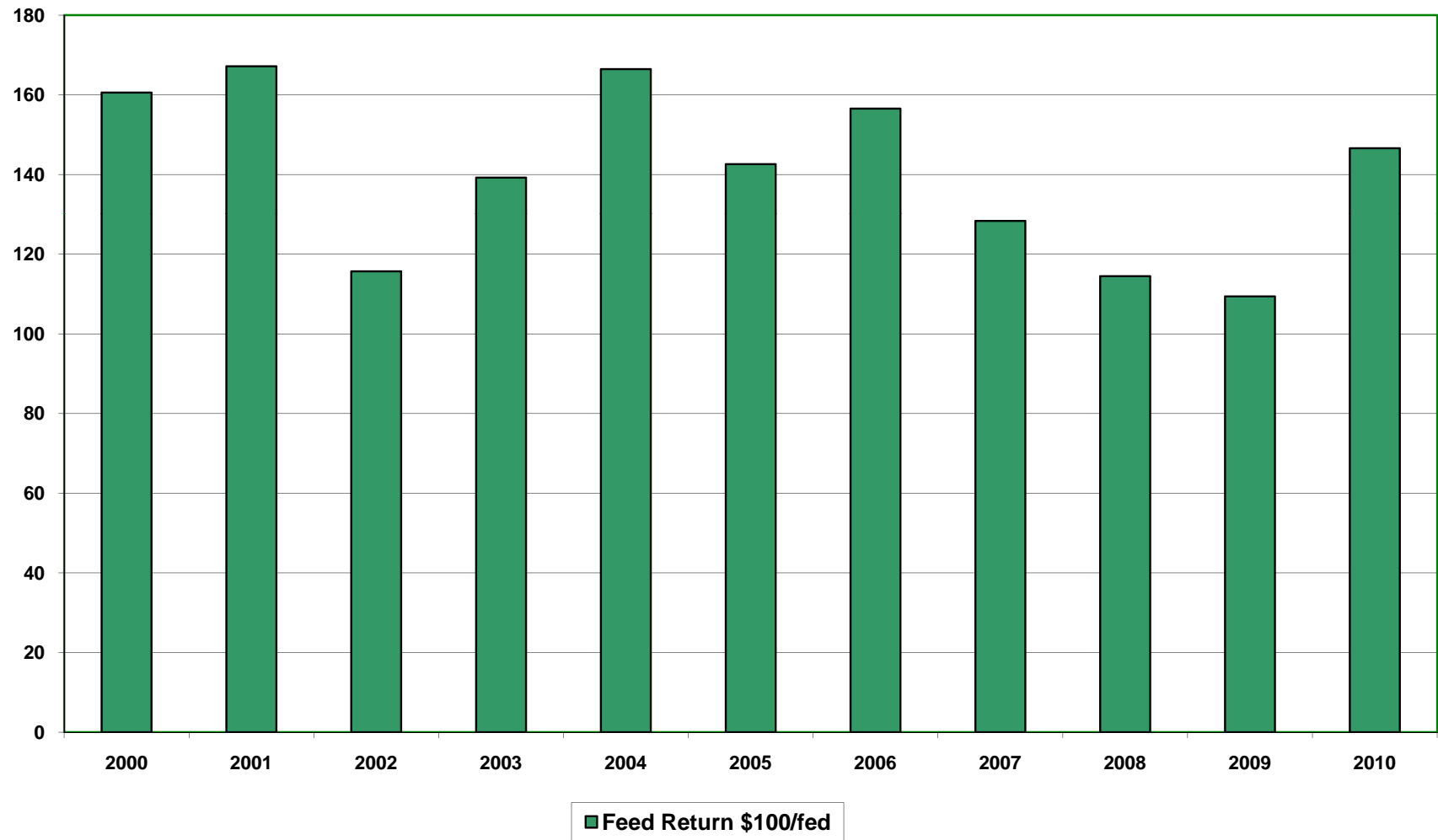


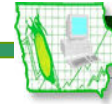
Farrow/Finish Returns



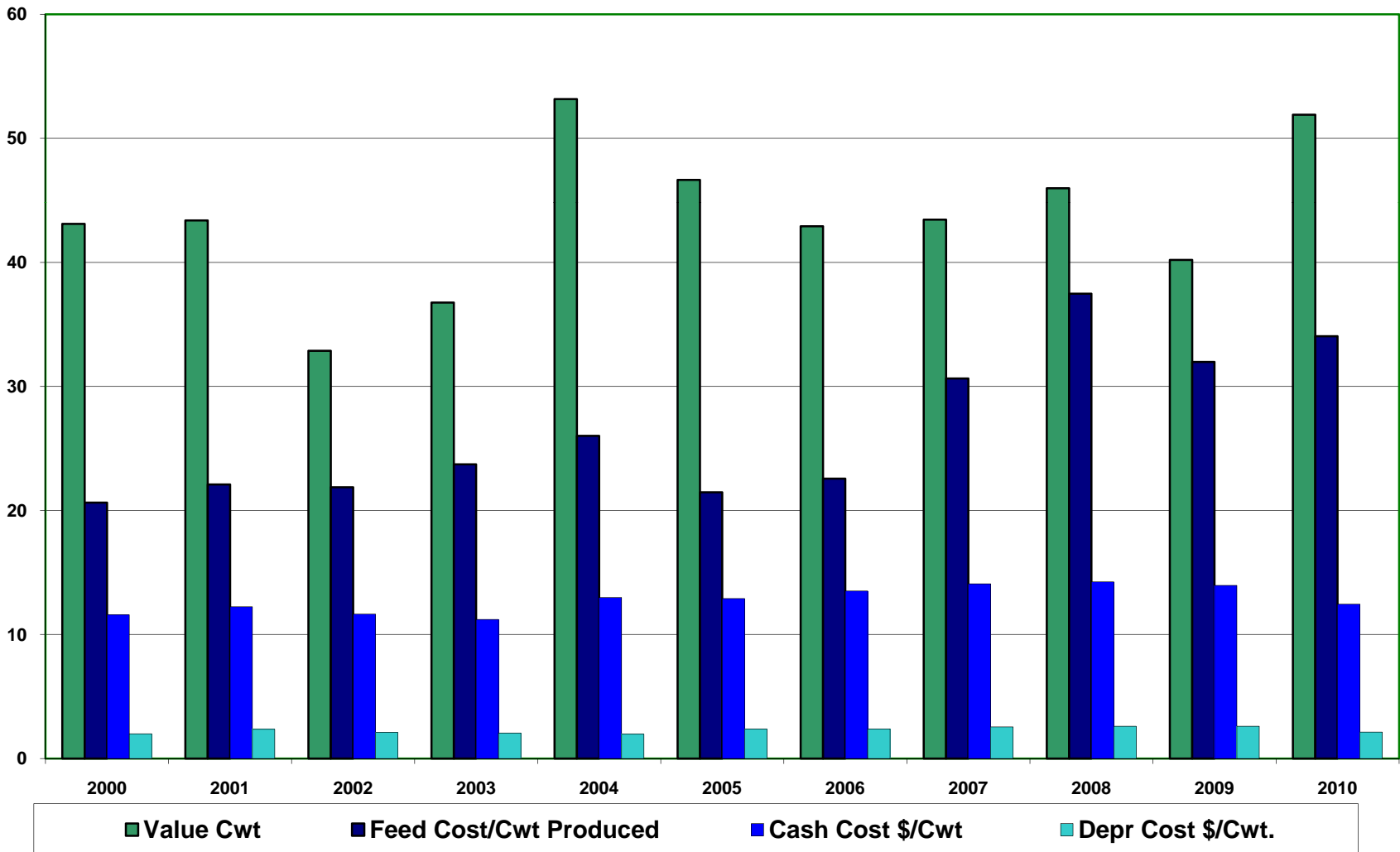


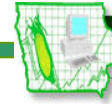
Feeder Pig Returns



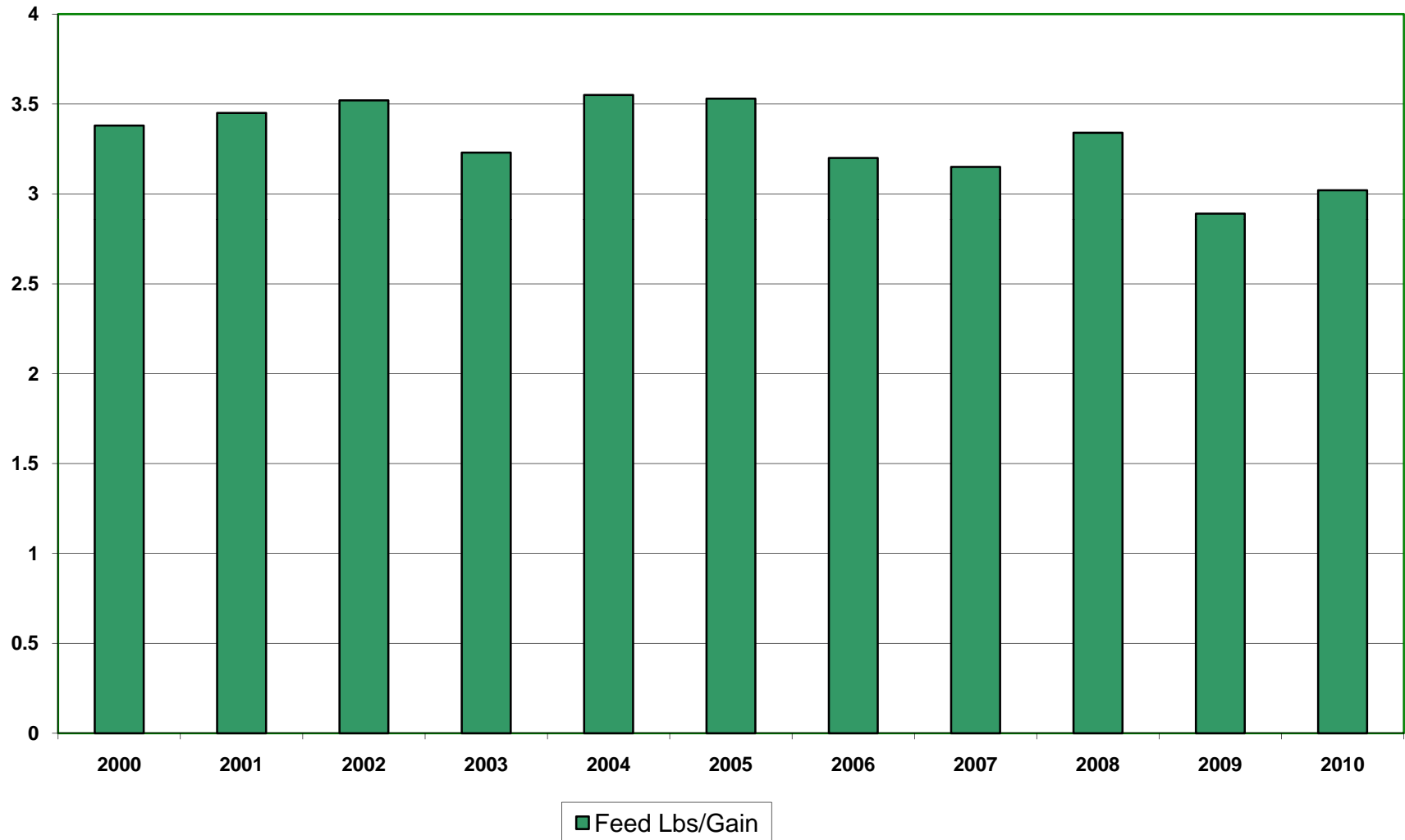


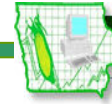
Farrow/Finish Profitability



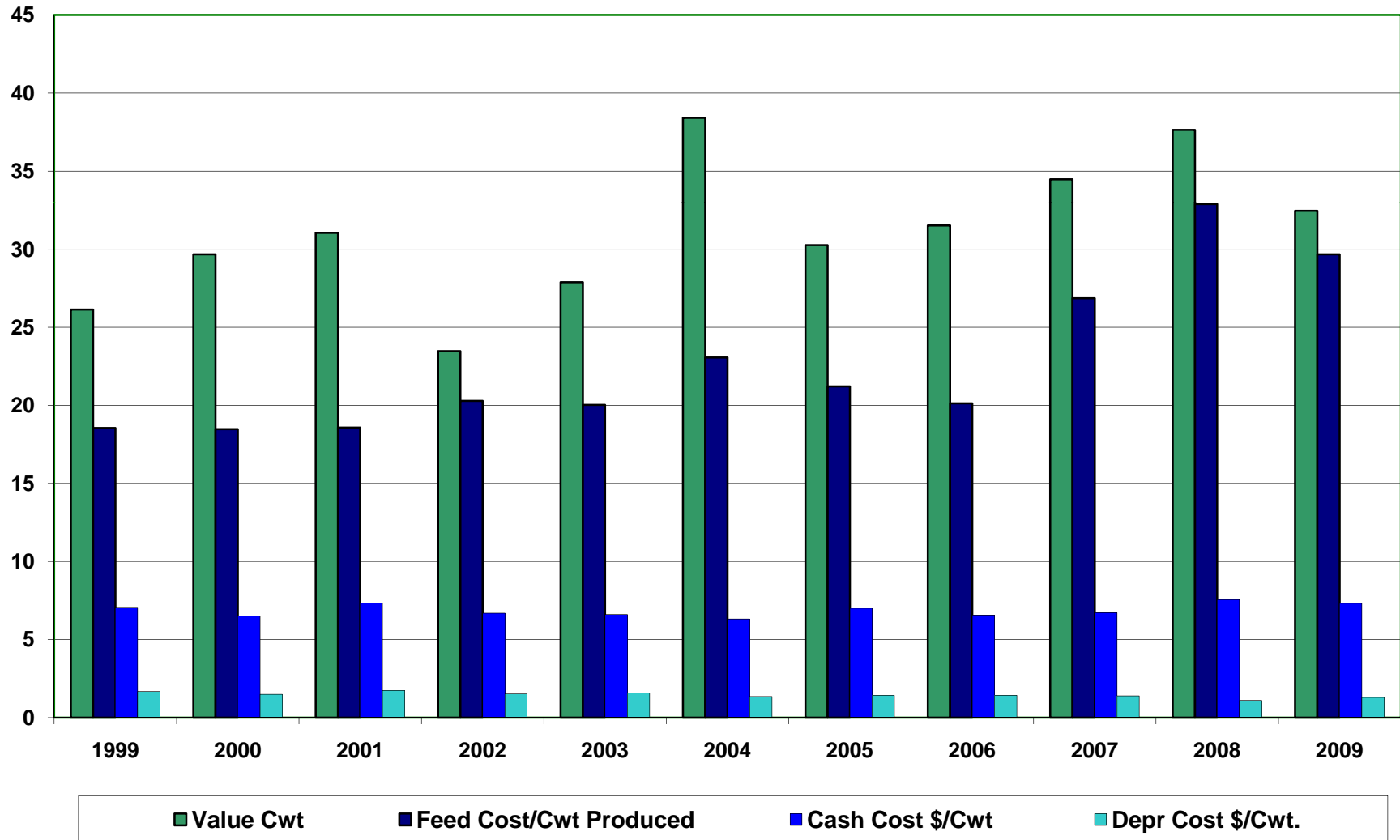


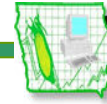
Feeder Pig Feed Conv.





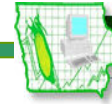
Feeder Pig Profitability



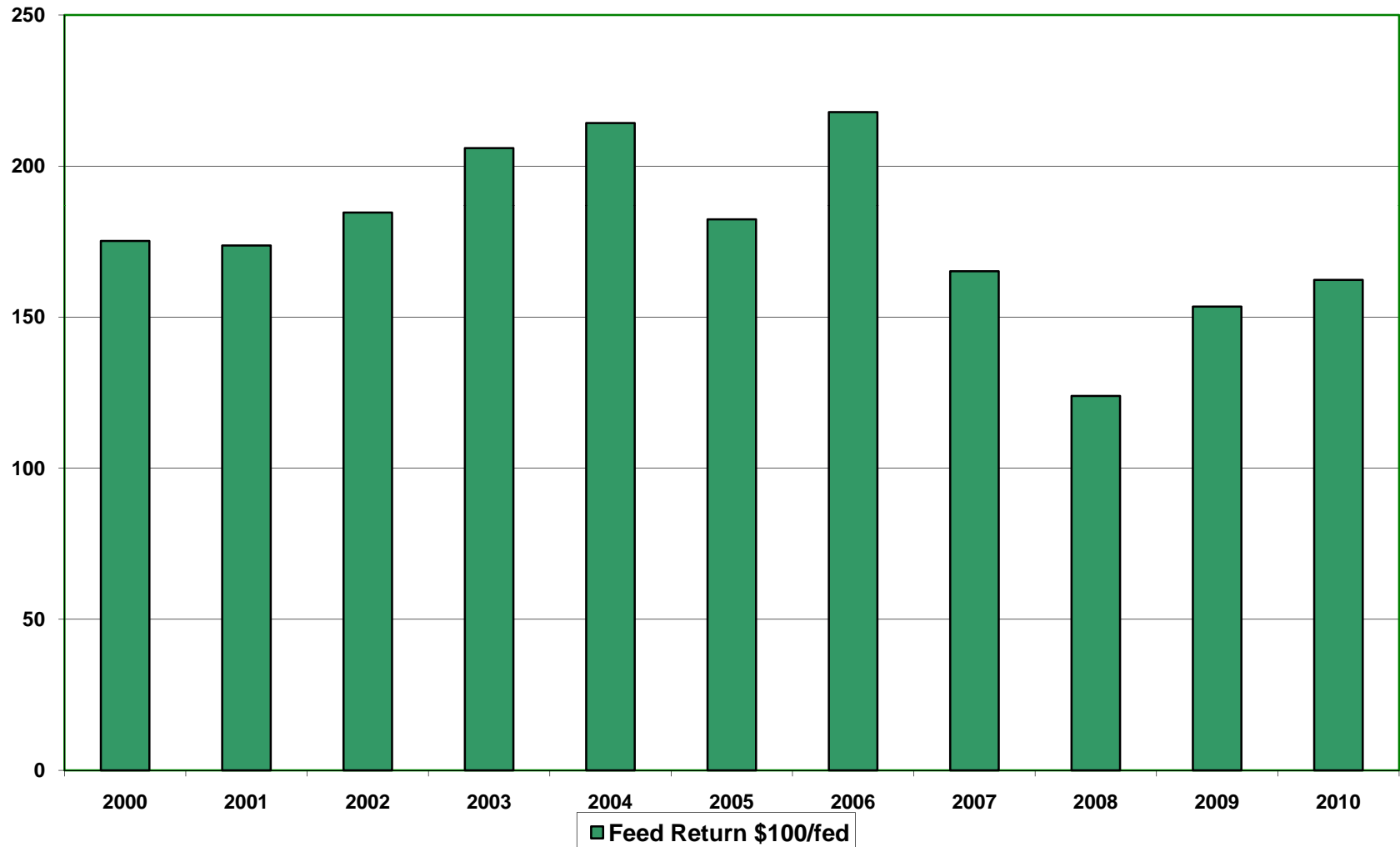


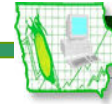
IFBA Statewide Data

Cattle Enterprises

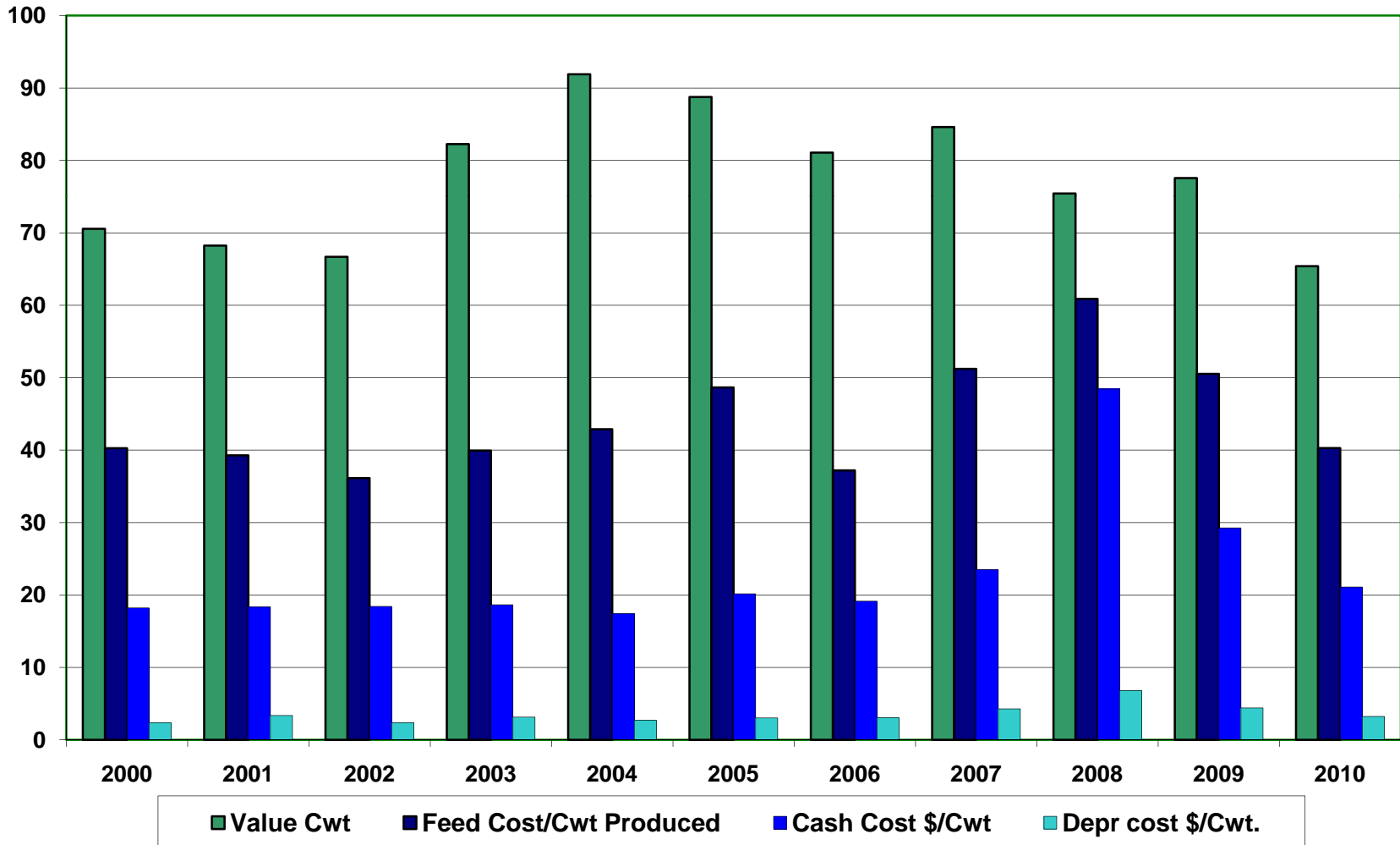


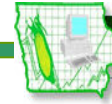
Cow/Calf Feed Returns



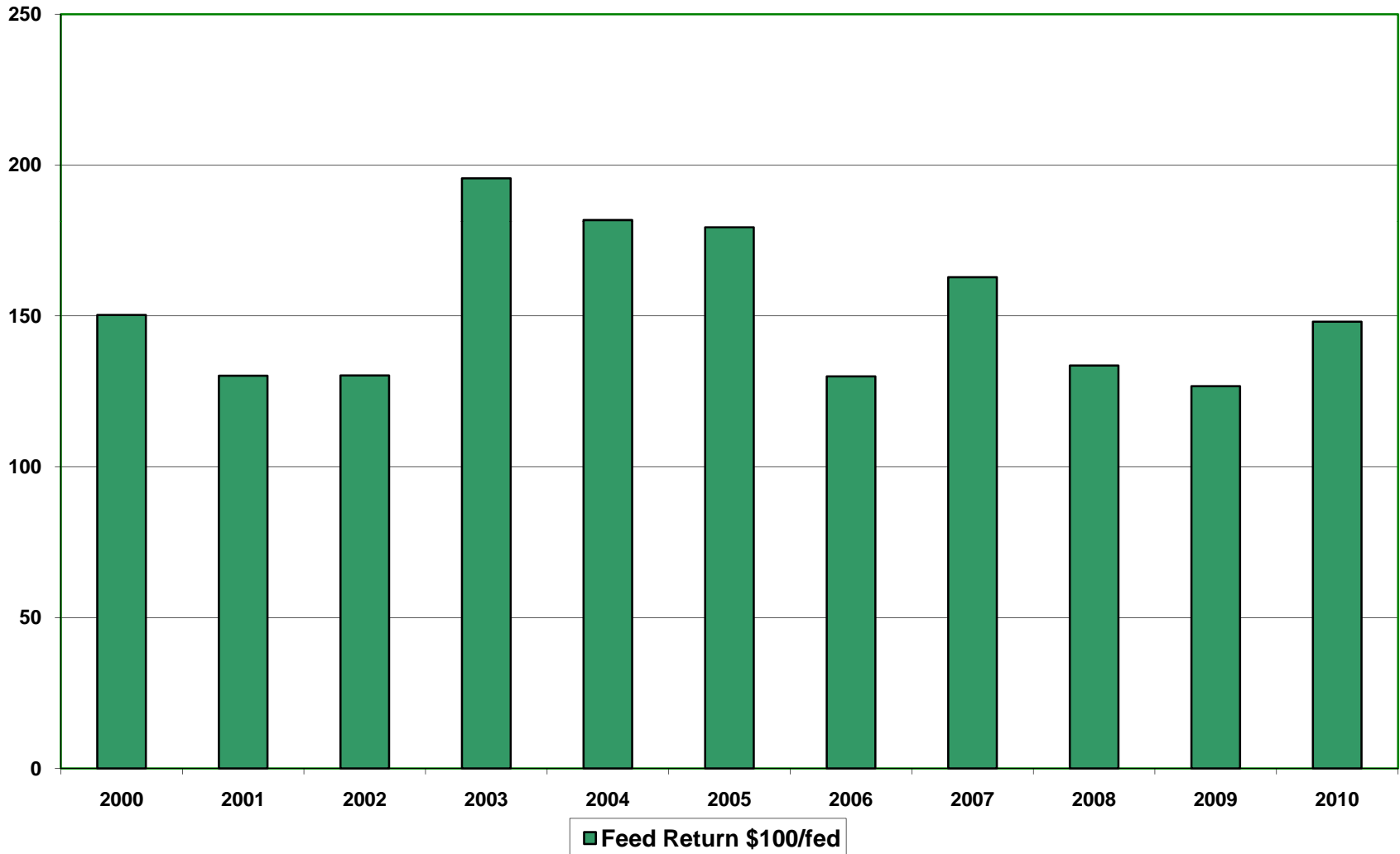


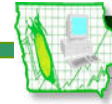
Cow/Calf Profitability



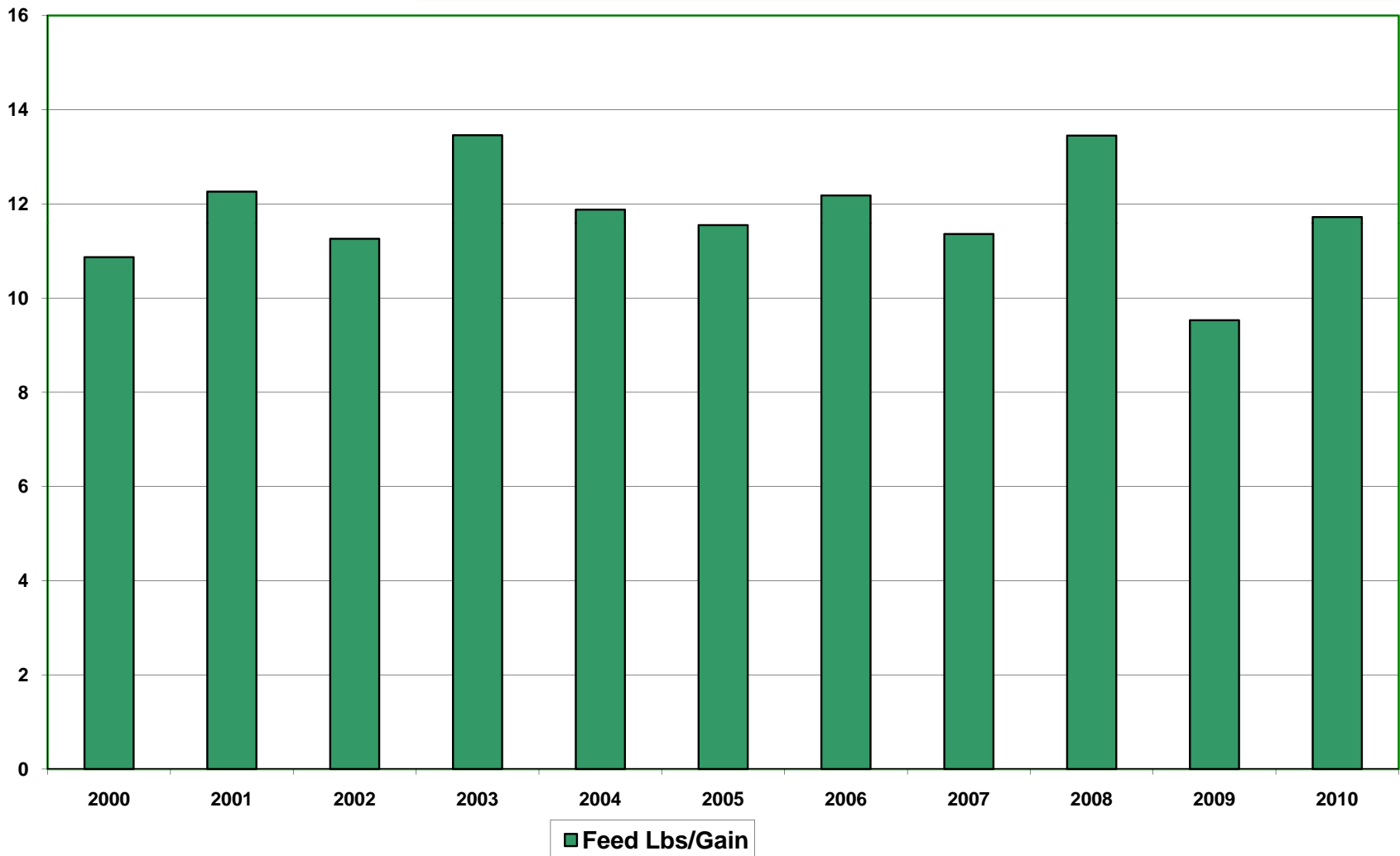


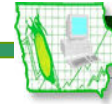
Feeder Cattle Returns



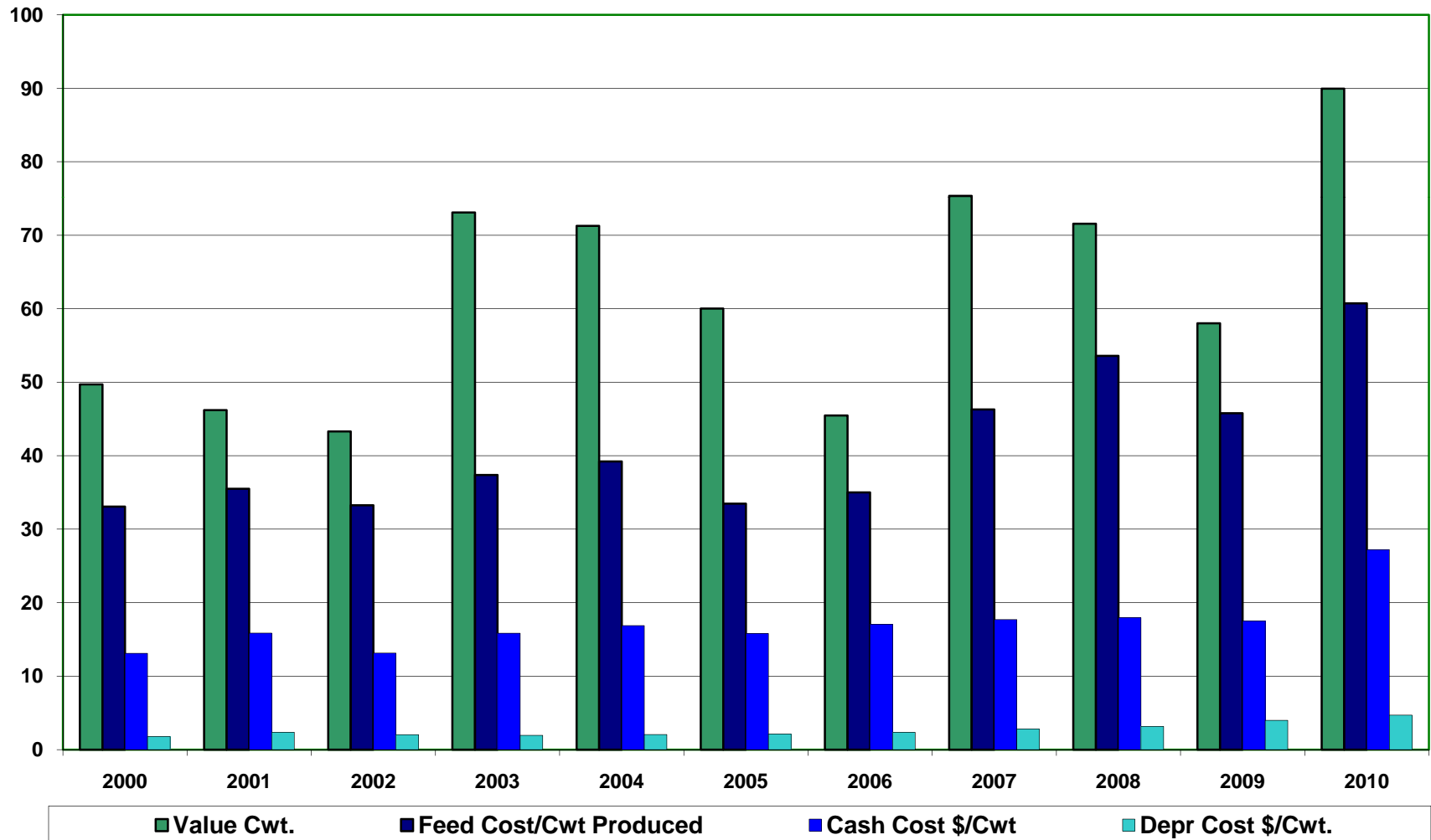


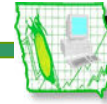
Feeder Cattle Feed Conv.





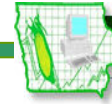
Feeder Cattle Profitability



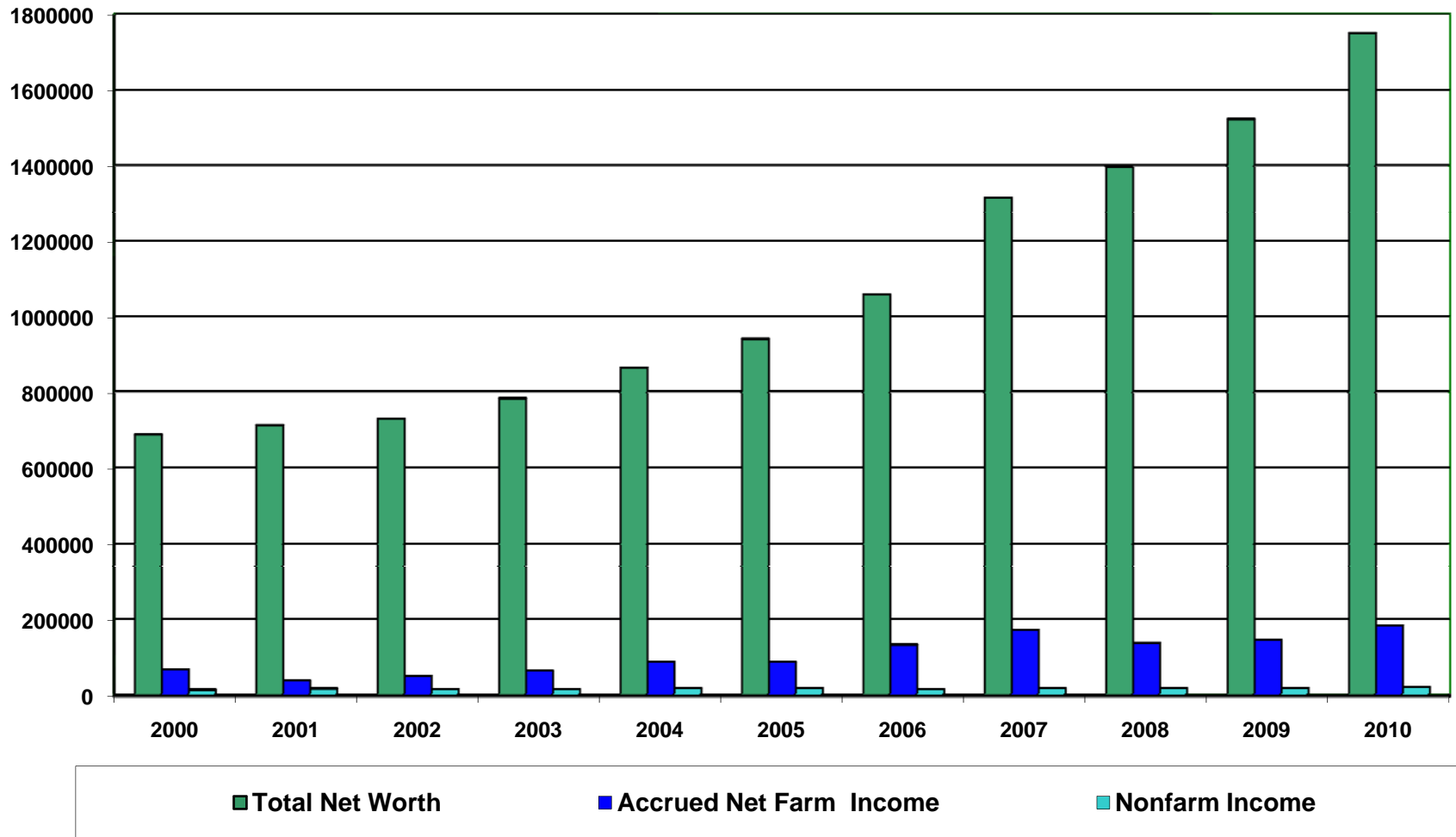


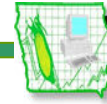
IFBA Statewide Data

Financial Data

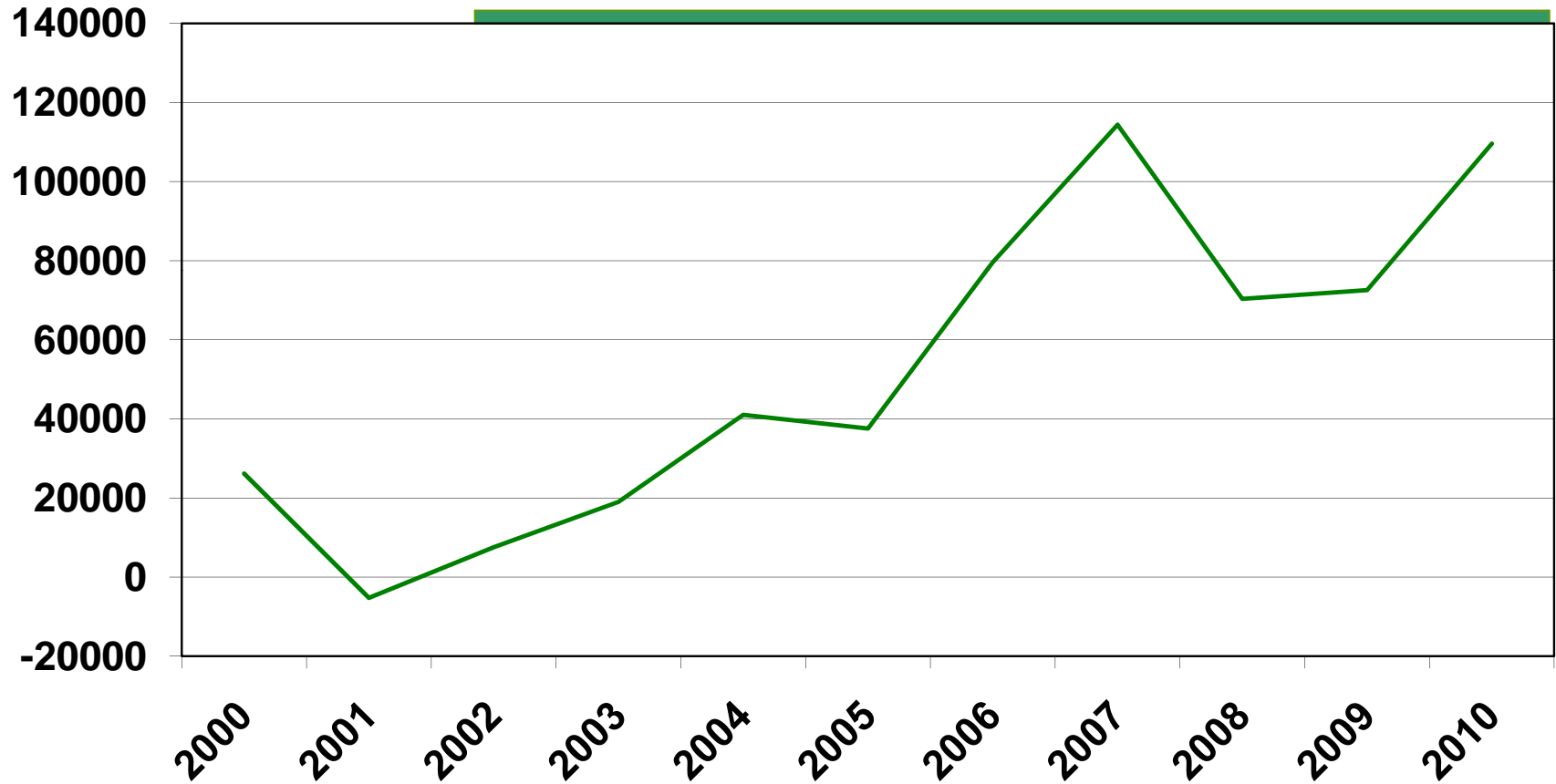


Income vs. Net Worth



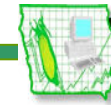


Management Return

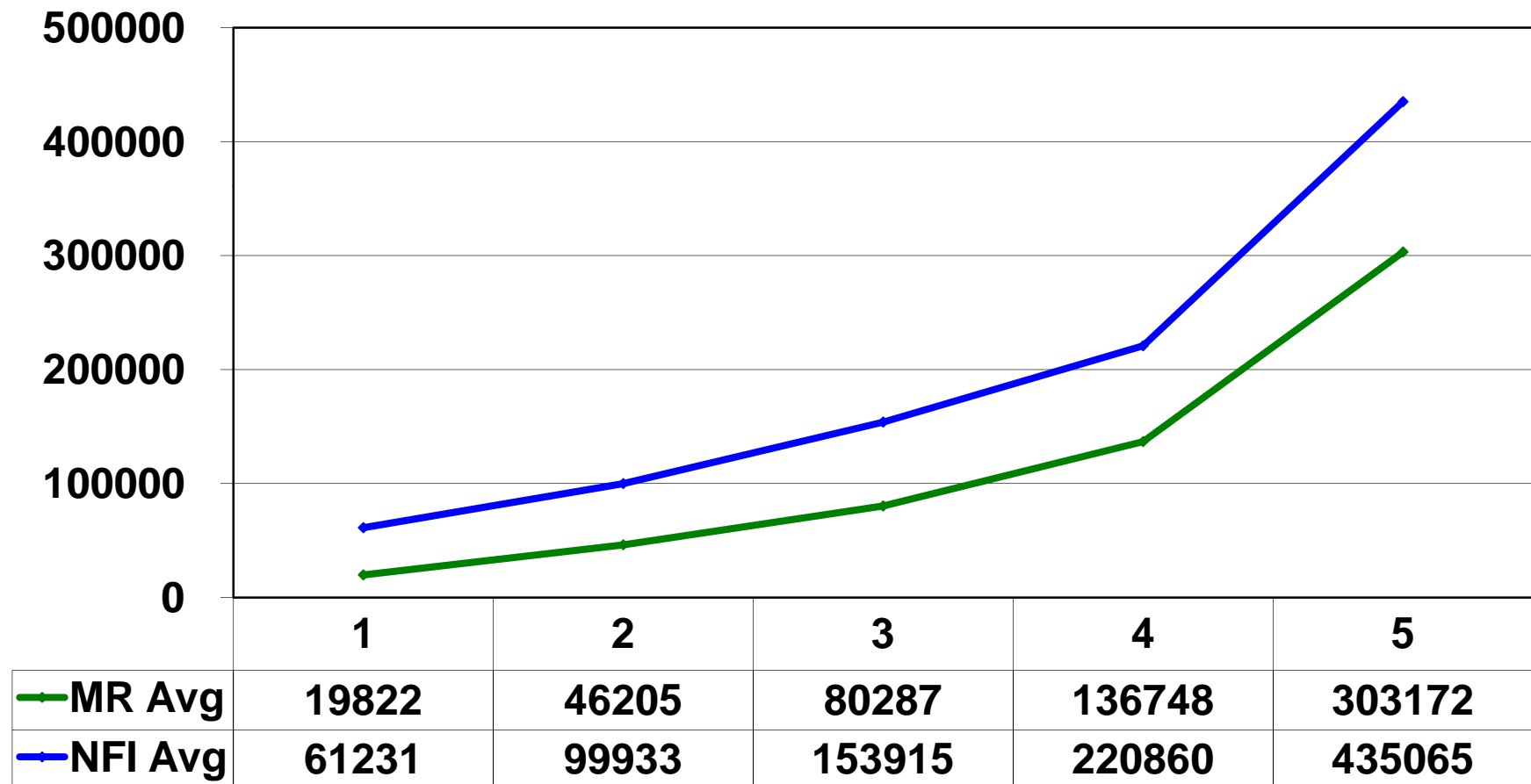


Management Return takes Net Farm Income and subtracts out the following opportunity costs:

- 4% charge on operator's equity invested in the operation
- \$2000/month salary for the operator's labor
- \$1300/month salary for operator's family labor

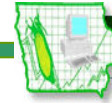


Management Return vs. Accrued Net Farm Income for 2010; by Size Group

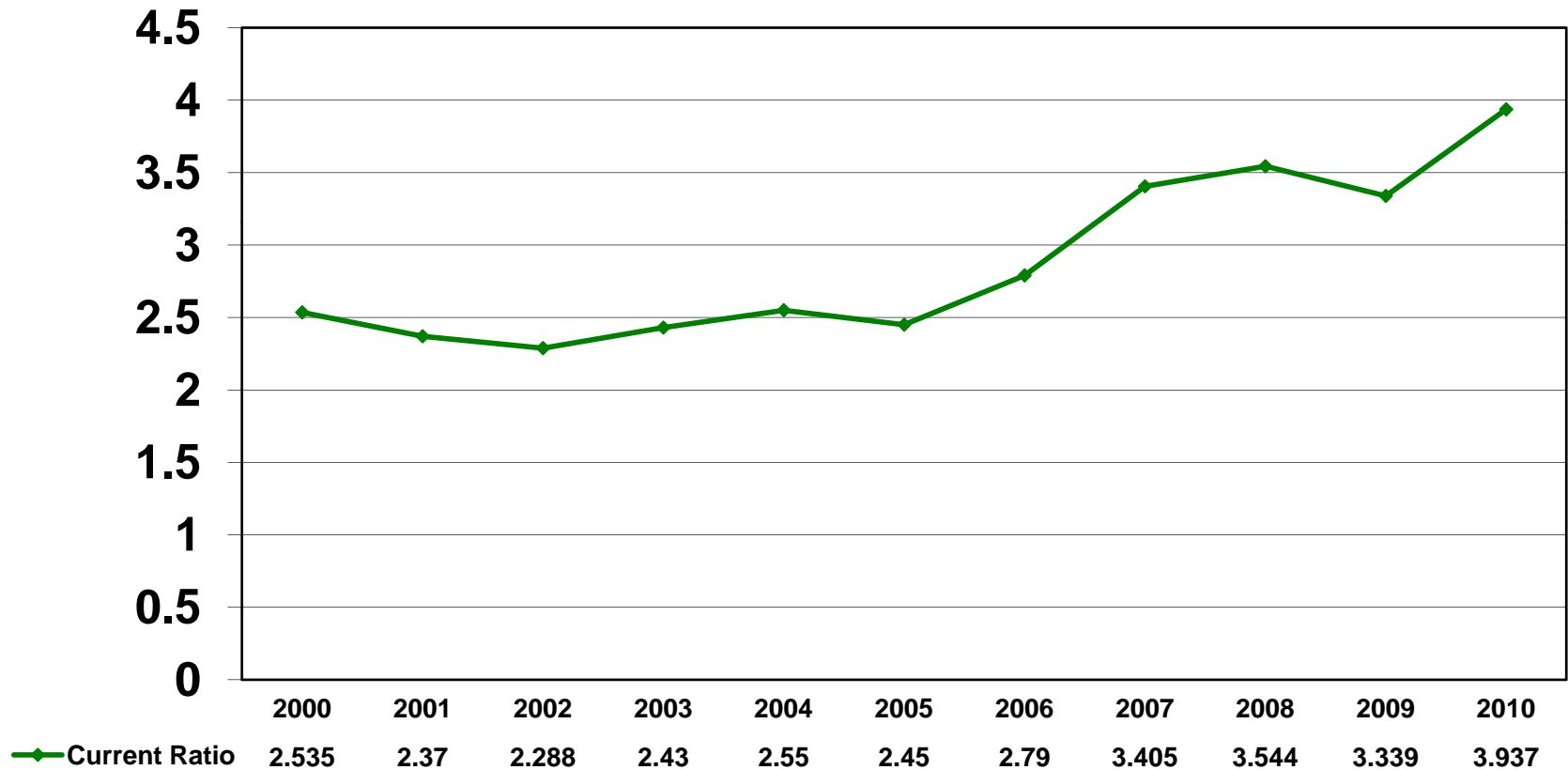


Size groups 1 to 5 are based on Acres:

Group 1: 0 to 320; **Group 2:** 321 to 479, **Group 3:** 480 to 719, **Group 4:** 720 to 1299, **Group 5:** 1299 and up

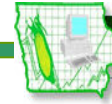


Current Ratio (CA/CL)

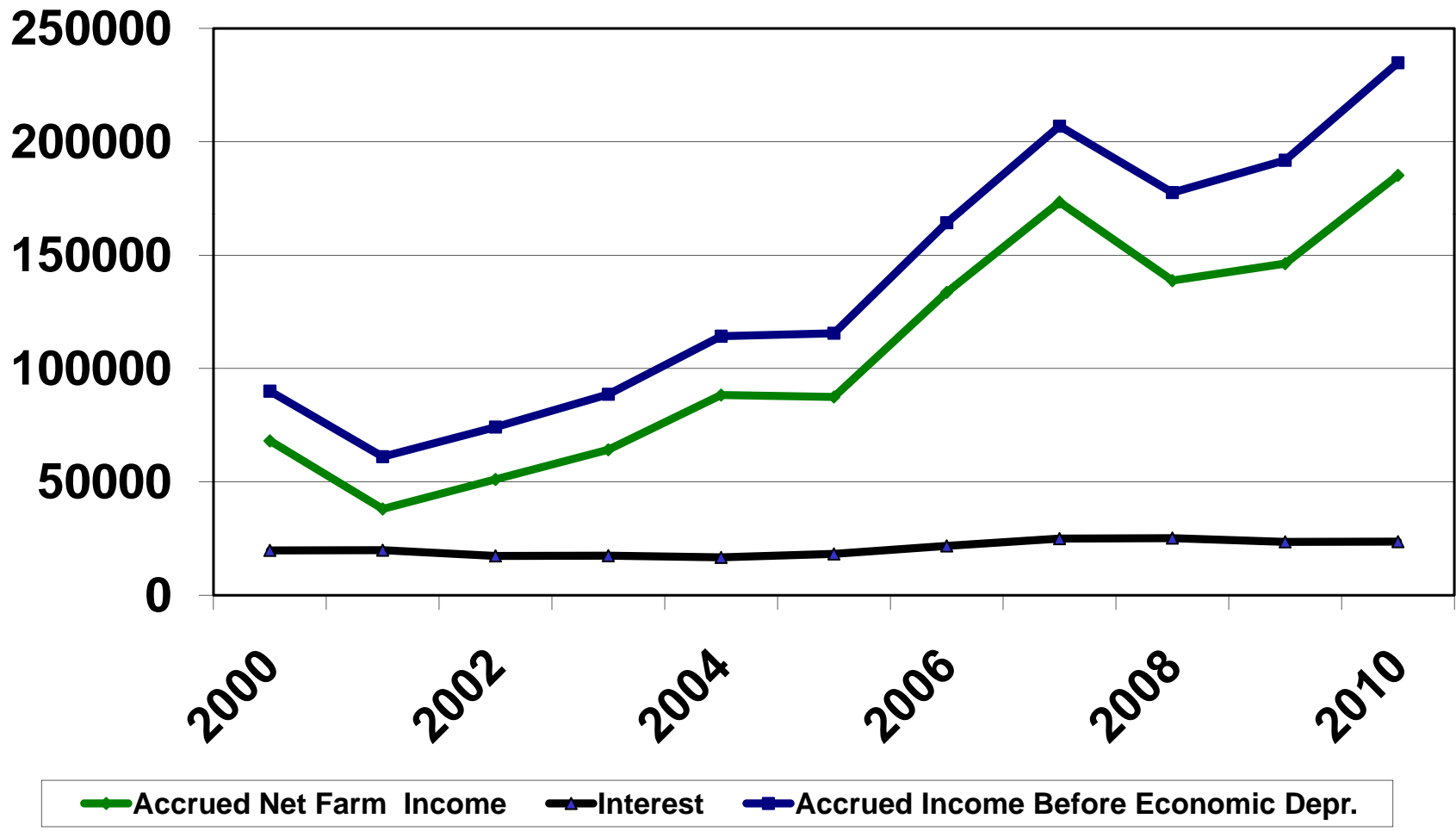


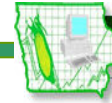
This ratio looks at the net payment obligation in the next 12 month from cash or assets quickly converted to cash.

Analysis: 2.0 Excellent, 1.5 Fair, 1.0 Weak

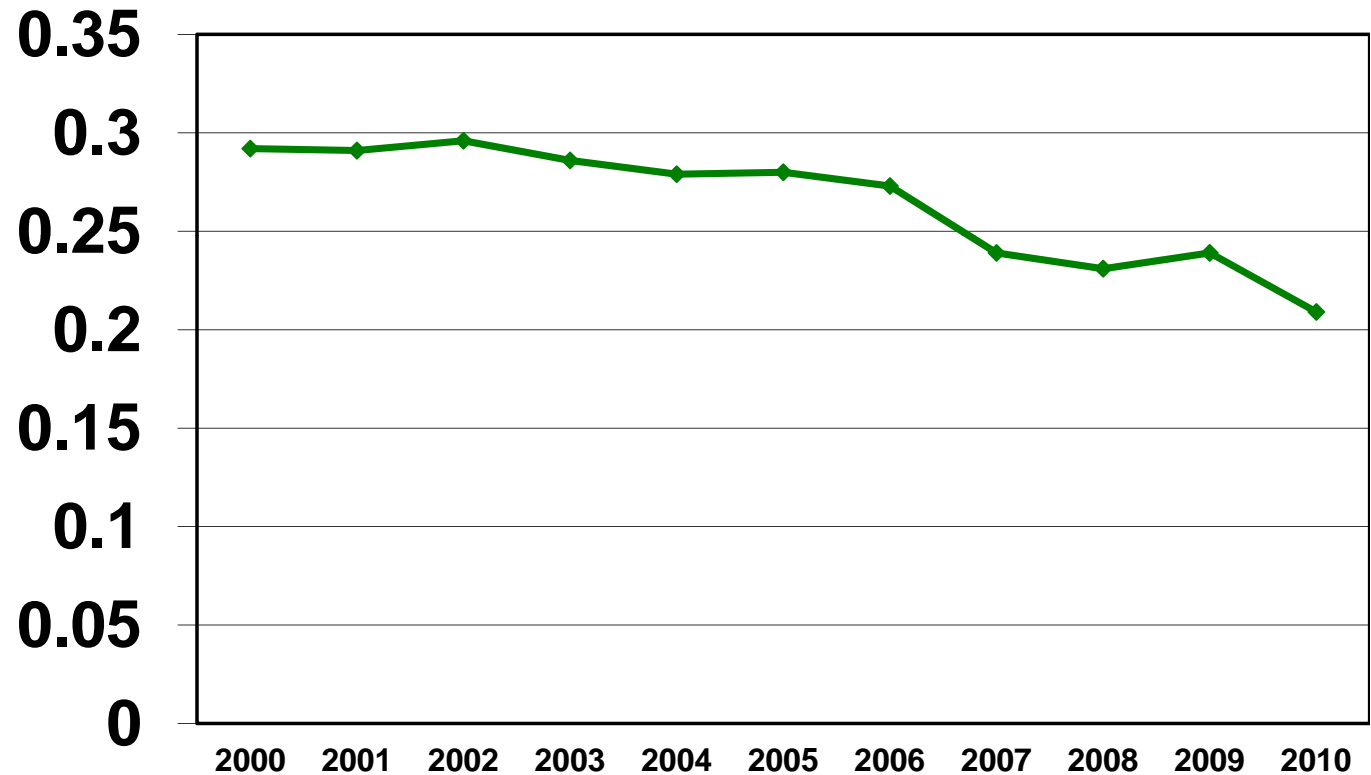


Net Farm Income, Income Before Depreciation, and Interest Paid





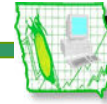
Debt to Asset Ratio (TL/TA)



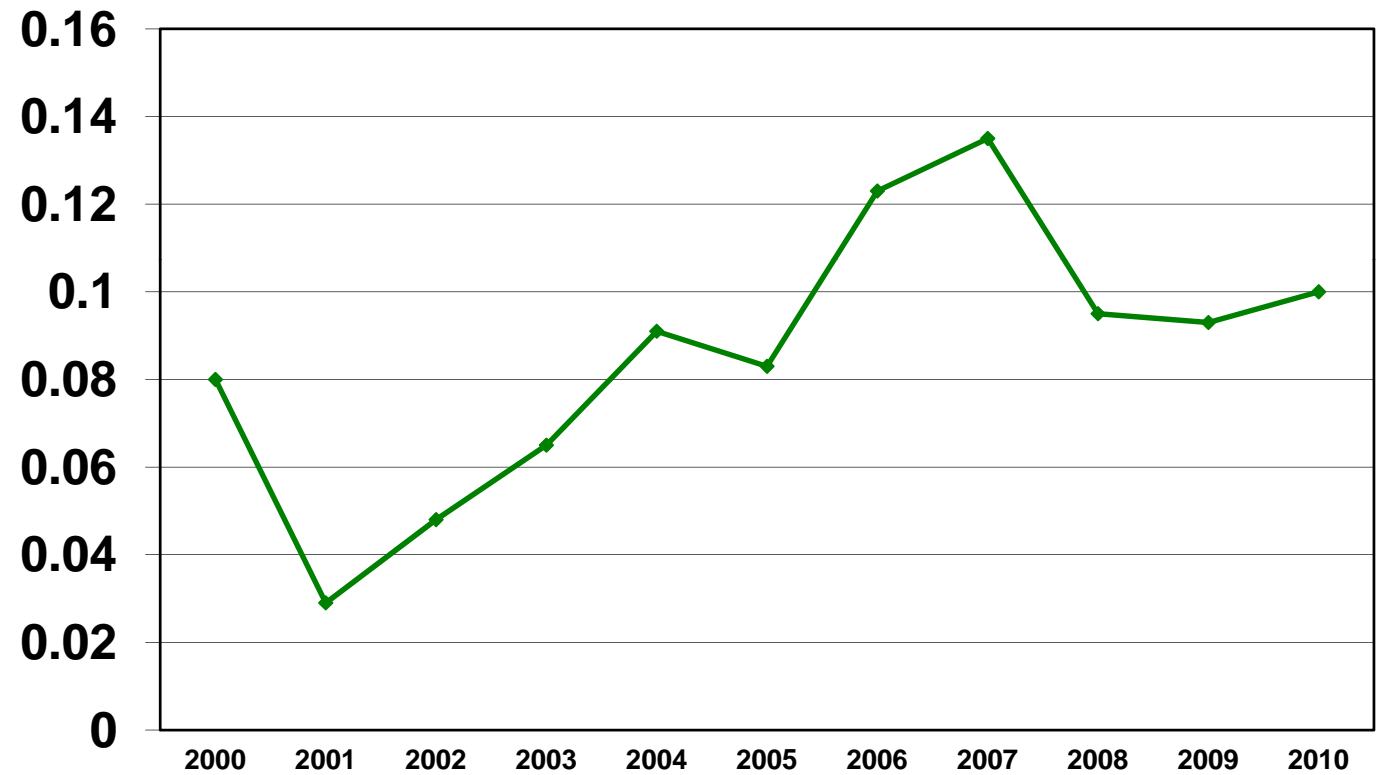
◆ Debt to Asset Ratio TL/TA 0.292 0.291 0.296 0.286 0.279 0.28 0.273 0.239 0.231 0.239 0.209

This represents the proportion of total farm assets owed to creditors, a higher ratio would be an indication of greater risk.

Analysis: <30% Excellent, 30% to 60% Fair, >60% Weak



Rate of Return on Equity

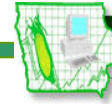


◆ Return on Equity (NFI-UL)/NW

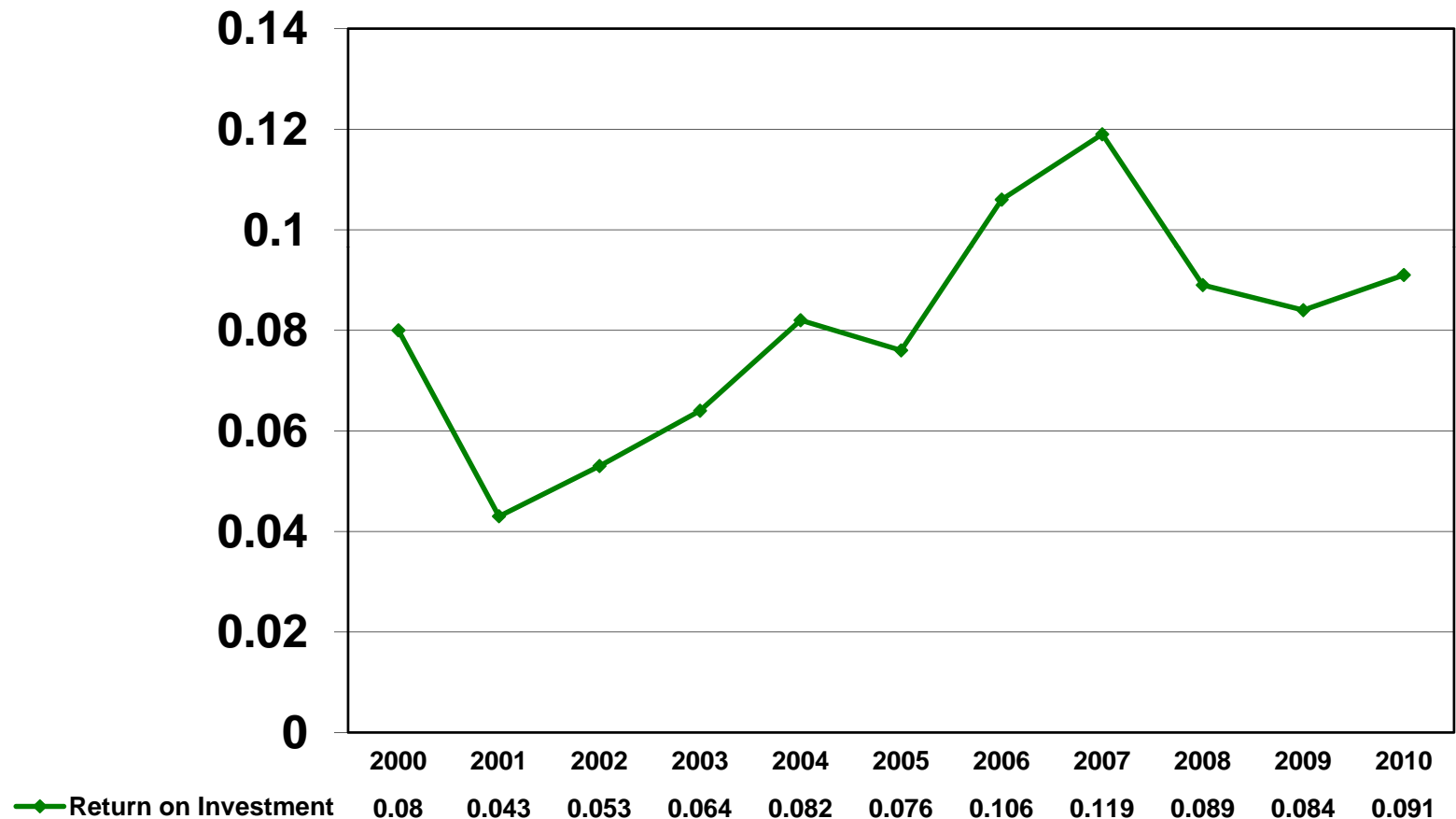
0.08 0.029 0.048 0.065 0.091 0.083 0.123 0.135 0.095 0.093 0.1

Represents rate of return on your equity: $[(\text{Net Farm Income} - \text{unpaid family labor}) / \text{Total Farm Net Worth}]$

Analysis: >7% Excellent, 7% to 2% Fair, < 2% Weak



Rate of Return on Investment



Represents rate of return on all assets: $[(\text{Net Farm Income} + \text{Interest paid} - \text{Unpaid family labor}) / \text{Total Assets}]$

Analysis: >7% Excellent, 7% to 2% Fair, < 2% Weak