

FARM

Assistance

Strategic Analysis

Prepared for :

Freddie M. Sample
Anywhere, Texas

Developed by:

Steven L. Klose
Assistant Professor and
Extension Specialist

May 2006

FARM Assistance Report Contents:

The **Executive Summary** is a brief description of the FARM Assistance projection and analysis. Following the executive summary the report includes a Goal Setting Worksheet and a SWOT Assessment Worksheet to assist the manager in completing these strategic planning activities.

The **Farm Description** section includes the details of the input assumptions for the FARM Assistance projection. Included in this section are assumptions of cost of production, overhead cost, equipment, asset, and debt summaries. Tables 2 & 3 at the end of the Farm Description section show the assumptions of commodity prices and inflation rates.

The **Base Analysis** represents the financial projection of the operation over a ten-year period, and serves as the baseline or benchmark used to compare alternative strategic plans. This section begins with a written analysis of the base scenario. Table 4 includes the average values of selected financial measures for the ten year projection period. Following Table 4 is a set of graphs representing the risk projections of selected financial measures.

In the numbered **Alternatives sections**, the financial projections of alternative strategic plans are compared to the projections of the Base scenario. Each of these sections begin with a written analysis of the critical differences between the alternative plan and the base plan. The tables and graphs are designed to show the average level of selected financial measures, as well as, the range of performance that may be expected given the risk that the operation faces under the various strategies.

The detailed **Financial Statements** are developed with the assumption of average prices and yields throughout the ten year period, unlike the risky analysis which includes a wide range of possibilities for future prices and yields. Because they do not include risk, the financial statements represent unrealistic projections, and can not be compared to the more complete risky analysis in the Base and Alternative sections. The financial statements are provided as reference material to illustrate the calculation of bottom line financial statement measures such as Net Cash Farm Income, Ending Cash Balance, and Real Net Worth.

Three **Appendix** pages are included. This section contains descriptions of the FARM Assistance projection, the analysis procedure, and the financial measures used in the analysis.

Executive Summary

The Freddie M. Sample Farm is an irrigated row crop operation located in Texas. Cropping activities on the farm consist of both yellow and white corn and cotton on owned and share rented land. All crop land on the operation is irrigated. Pivot corners are either in CRP or planted for cover. Also, the farm receives farm program payments on wheat, barley, and oat base although these crops are not currently in the planting rotation. The family also receives income from rental properties which is included in the financial projections. The base year for the analysis is 2006, and projections are carried through 2015. Farm Assistance provides an evaluation of the baseline scenario along with two separate alternatives for the ten year planning horizon. The baseline analysis maintains the status quo in the operation. Commodity price trends follow projections provided by the Food Agricultural Policy Research Institute (FAPRI) with costs adjusted for inflation over the planning horizon. For a more detailed description of the FARM Assistance program see Appendix I and II. The alternative scenarios selected for analysis include: 1) paying down existing land debt as soon as possible and buying another section of land in 2012, and 2) buying another section of land in 2007 and paying down existing and new land debt gradually.

The projected financial position and performance is evaluated across five major categories including liquidity, solvency, profitability, repayment capacity, and financial efficiency (Financial Statements - Appendix III). Representative measures were chosen for each of these five categories and are presented in graphical and tabular format for each scenario. Each measure chosen provides information with respect to the projected variability in the firm's financial position and performance. When taken as a whole, these measures provide insight into the risk bearing ability of the firm through the planning horizon.

On average, the financial position and performance of the farm under the baseline scenario increases over the planning horizon, as real equity increases by approximately \$725,000 over the 10 year projected period. The first alternative scenario results in greater profitability and ending equity values compared to the baseline. However, lower cash balances through most of the planning horizon subject the farm to increased risk of carryover debts. The second alternative which essentially uses cash generated in the operation to buy the additional section earlier, also results in improved financial position and performance. Debts are paid off at a slower pace allowing the operation to commit cash to new debt and obtain additional productive capacity sooner. This scenario also results in lower cash balances early in projection period, increasing the probability of carryover debts from 2007 to 2010.

Setting Strategic Goals

The nature of long-term financial planning requires an objective assessment of the current status of your operation and the future environment you expect to face. With this evaluation you then need to develop a strategic plan with which to proceed. The annual FARM Assistance process provides an assessment of the performance of your operation into the future, and provides analysis to help you choose among alternative strategic plans. Another significant part of developing and evaluating a strategic plan over time is to create a measuring stick by setting goals for your operation. The worksheet on the next page provides an outline for setting your goals. Writing down your goals and keeping them in your FARM Assistance report gives you the opportunity to re-evaluate and assess your progress toward achieving your goals each year when you renew and update your FARM Assistance analysis.

The most objective goals are typically based on a level of financial performance or position achieved in terms of profits, liquidity, equity growth, solvency, etc. (See Appendix II and III for information regarding financial measures and projections). Other goals tend to be more subjective, such as lifestyle choices or inter-generational transfer plans. These goals are not primarily financial, but they have financial implications and interact with the ability to achieve other goals.

A common description of effective goal setting is that the goals be SMART (Specific, Measurable, Achievable, Rewarding, and Timely). Take for example the goal of increasing your net worth by 15% in two years. This goal is specific, measurable, and has a time frame. It will be easy to determine in two years if you have met the goal. Goals should also strike a balance between being achievable and rewarding. The goal must push you enough that when you reach it, there will be sense of accomplishment. At the same time a goal shouldn't be so difficult that it is unrealistic, leaving you with little incentive to strive for the goal. The FARM Assistance analysis can help you evaluate each of your goals with respect to these characteristics by giving you the most realistic projection of the financial outlook for your operation.

SWOT Analysis

An important aspect of strategic planning is an objective assessment of your business' strengths, weaknesses, opportunities, and threats. This is commonly known as a SWOT analysis. The idea is fairly simple; use SWOT assessment to help make business decisions and plans that take advantage of your strengths while minimizing the impact of your weaknesses (or even eliminate the weaknesses). The second part of the process is to identify potential opportunities and threats and to appropriately position you business for the future.

Write down a list of items for each of the SWOT categories. Strengths may be characteristics of your management style or resources you have available to you. Weaknesses may be the lack of resources or certain skills. Opportunities and Threats are typically items that you see on the horizon for your operation. Consider how each impacts your strategic planning, goal setting, and your financial future. Next, describe your plan for how to handle each item.

Strengths

Plan

Weaknesses

Plan

Opportunities

Plan

Threats

Plan

Goal Setting Worksheet

Financial Performance. Review Appendix II and III and the current outlook for your Base scenario. Select two or more measures of financial performance (for example, NCFI of \$100,000 by 2006). Write down the goals along with a statement describing your goals in the this area.

Statement: _____

Performance Measure	Goal	Time Frame
_____	_____	_____
_____	_____	_____
_____	_____	_____

Financial Position. Again, review the appendix and select a few measures of financial position (for example, increase equity by 15% in two years). Write down your goals for each measure and a general statement regarding your goals for financial position.

Statement: _____

Position Measure	Goal	Time Frame
_____	_____	_____
_____	_____	_____
_____	_____	_____

Other Business Goals (Land or equipment investment goals, savings goals, farm size, etc.). These type of goals tend to be general so remember to keep them SMART.

Personal Goals. Keep in mind how these goals may affect your financial and business goals.

Table 1A. SUMMARY OF ASSETS AND COSTS IN 2006.

BEGINNING ASSETS DESCRIPTION	BEGINNING MARKET VALUE	COST BASIS	ASSET TYPE	GROWTH CATEGORY	GROWTH RATE	ANNUAL CONTRIBUTION	ANNUAL DIVIDEND
Owned Land	544,000	400,000	RL EST	RL EST	0	0	0
House	55,000	50,000	RL EST	RL EST	0	0	0
Partnership%	750,000	750,000	RL EST	RL EST	0.025	0	0
Savings	31,000	31,000	INVSTMNT	MRKT	0	1550	1550
Roth Hers	13,000	13,000	TAX EXMPT	MRKT	0.1	2000	0
Roth His	8000	8000	TAX EXMPT	MRKT	0.1	2000	0
EducationIRA	500	500	TAX EXMPT	MRKT	0.1	500	0
CASH ON HAND JAN. 1	17,351						
VALUE OF MACHINERY	355,500						
VALUE OF CROPS IN STORAGE	0						
VALUE OF LIVESTOCK	0						
TOTAL ASSETS	1,774,351						

OUTSTANDING LOANS DESCRIPTION	BEGINNING BALANCE	REMAINING YEARS	FIX/VAR	INTEREST	TERM	ORIGINATION YEAR
Land Note	407,650	18	FIXED	0.0685	LONG	1998
Equipment	101,405	1	FIXED	0	INT.	1998

FORM OF BUSINESS ORGANIZATION

SOLE PROPRIETOR

NUMBER OF PERSONAL TAX EXEMPTIONS	3
NON-FARM ITEMIZED DEDUCTIONS	0
INCOME TAX CREDITS	1000
MINIMUM CASH BALANCE REQUIRED	0
INITIAL YEAR FAMILY LIVING EXPENSE	21,600
MINIMUM FAMILY LIVING EXPENSE	21,600
MAXIMUM FAMILY LIVING EXPENSE	32,000

OFF-FARM INCOME

FROM SALARY FARMER	0
FROM SALARY SPOUSE	0
OTHER FARM INCOME	20,000

LABOR COSTS

NUMBER OF EMPLOYEES	0
SALARY PER EMPLOYEE	0
PART TIME LABOR COSTS	0
TOTAL LABOR COSTS	0

OTHER COSTS

REAL ESTATE TAXES	6000
PERSONAL PROPERTY TAXES	0
OTHER TAXES	0
ACCOUNTING & LEGAL COSTS	0
REPAIRS, MAINTENANCE & SUPPLIES	29,000
TRUCKS, EQUIP & LIAB. INSUR.	5930
MISCELLANEOUS COSTS	1400
HORSE COSTS	0
PICKUP FUEL AND LUBE	0
PHONE, UTILITIES & DTN	0
OTHER FARM EXPENSES	0

CURRENT NATIONAL INTEREST RATES

LONG TERM REAL ESTATE LOANS	0.0604
INTERMEDIATE TERM LOANS	0.0489
SHORT TERM SAVINGS RATE	0.0167

LOCAL CURRENT INTEREST RATES

LONG TERM REAL ESTATE LOANS	0.0874
INTERMEDIATE TERM LOANS	0.0823
OPERATING LOANS	0.0973
SHORT TERM SAVINGS RATE	0.0323

TERMS FOR NEW LOANS

OPERATING LOANS (MONTHS)	3
REFINANCED DEFICITS (YEARS)	1
MACHINERY LOANS (YEARS)	5
LOAN ORIGINATION FEE	0

Table 1B. SUMMARY OF FARM OPERATIONAL UNIT

UNIT NUMBER 1 Owned land
 UNIT NUMBER 2 Shared land

	UNIT 1		UNIT 2	
TOTAL UNIT ACRES		740		720
FRACTION OF TOTAL FARM ACRES		0.51		0.49
CASH LEASED CROPLAND		0		0
LEASE RATE		0		0
CASH LEASED PASTURELAND		0		0
LEASE RATE		0		0
ALLOCATION OF OVERHEAD EXPENSES	%	\$	%	\$
HIRED LABOR	0.56	0	0.44	0
MANAGEMENT	0.56	0	0.44	0
OTHER TAXES	0.56	3386.4	0.44	2613.6
ACCOUNTANT & LEGAL FEES	0.56	0	0.44	0
MAINTENANCE	0.56	16,367	0.44	12,633
UTILITIES	0.56	0	0.44	0
FUEL & LUBE	0.56	0	0.44	0
LIABILITY INSURANCE	0.56	3346.9	0.44	2583.1
MISCELLANEOUS COSTS	0.56	790.2	0.44	609.8
OTHER FARM EXPENSES	0.56	0	0.44	0
CROP STORAGE COSTS	0.56	0	0.44	0
CONSERVATION	0.56	0	0.44	0
INTEREST LONG-TERM DEBT	0.56	15,760	0.44	12,164
INTEREST INTERMEDIATE	0.56	0	0.44	0
INTEREST OPERATING DEBT	0.56	6598.3	0.44	5092.7
INTEREST CARRYOVER DEBT	0.56	0	0.44	0
DEPRECIATION	0.56	13,343	0.44	10,298
TOTAL ALLOCATED EXPENSES		59,592		45,994
CROP ENTERPRISE ---- PLANTED ACRES				
Y Corn Irr		591		0
White Corn		0		120
Cotton		0		490
Cotton seed		0		490
CRP		104		0
Wheat Dry		0		0
Barley		0		0
Oats		0		0

Table 1C. SUMMARY OF MACHINERY COMPLEMENT AT THE BEGINNING OF 2006

	YEAR PURCHASED	CURRENT VALUE	COST TO REPLACE	ECONOMIC LIFE	YEAR REPLACED	NEW(0) OR USED(1)
1 SEMI-TRUCK	1994	7000	12,000	50	2044	0
2 MOLINE ENGIN	1996	2000	3000	20	2016	0
3 MOLINE ENGIN	1996	2000	3000	20	2016	0
4 SPRINKLER	1996	28,000	45,000	20	2016	0
5 SPRINKLER	1996	28,000	45,000	20	2016	0
6 PIPE&WIRE	1997	5000	15,000	20	2017	0
7 FENCE	1997	5000	20,000	20	2017	0
8 WELL	1997	35,000	63,000	20	2017	0
9 QTR MILE SPR	1997	15,000	29,000	20	2017	0
10 WELL	1997	39,000	57,000	20	2017	0
11 SPRINKLER	1997	75,000	100,000	20	2017	0
12 WELL	1997	52,000	85,000	20	2017	0
13 IRR MOTORS	1997	41,000	60,000	20	2017	0
14 98 DODGE	1998	20,000	35,000	20	2018	0
15 6 WHEELER	2000	1500	8000	8	2008	0
16 LOAN FEES	1996	0	0	20	2016	0
17 FARM CREDIT	1998	0	0	20	2018	0
18 SUBURBAN	2000	0	30,000	8	2008	0
19 NEW TRUCK	2000	0	35,000	7	2007	0
20 NEW WELL	1996	0	40,000	11	2007	0

Table 1D. SUMMARY OF ANNUAL COSTS FOR MACHINERY REPLACEMENT

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
VALUE OF FARM MACHINERY	355,500	421,455	447,630	434,201	421,175	408,540	396,284	384,395	387,900	376,263
MACHINERY DEPRECIATION	23,642	56,425	63,878	36,420	34,708	34,584	18,423	1151	15,037	0
COST OF ALL NEW MACHINERY	0	76,620	40,230	0	0	0	0	0	43,927	0
SUM OF ALL TRADEIN VALUES	0	0	1411	0	0	0	0	0	28,890	0
NET COST OF REPLACEMENT	0	76,620	38,819	0	0	0	0	0	15,037	0
CASH DIFFERENCE PAID	0	15,324	6635	0	0	0	0	0	0	0
TOTAL AMOUNT FINANCED	0	61,296	32,184	0	0	0	0	0	15,037	0

SUMMARY OF EACH MACHINERY ITEM REPLACED EACH YEAR

YEAR	MACH MACHINE NO. NAME	YEAR PURCHASED	TRADE IN VALUE	REPLACEMT COST	DOWNPAY	AMOUNT FINANCED	CASH DIFF	TOTAL CASH DIFFERENCE
2007	19 NEW TRUCK	2000	0	35,756	7151	28,605	7151	7151
2007	20 NEW WELL	1996	0	40,864	8173	32,691	8173	15,324
SUM OF REPLACEMENT COSTS				76,620				
2008	15 6 WHEELER	2000	1411	8469	1694	6776	283	283
2008	18 SUBURBAN	2000	0	31,761	6352	25,408	6352	6635
SUM OF REPLACEMENT COSTS				40,230				
2014	19 NEW TRUCK	2007	28,890	43,927	28,890	15,037	0	0
SUM OF REPLACEMENT COSTS				43,927				

Table 1E. DEBT PAYMENT SUMMARY FOR YEARS 2006 - 2015

DEBT NUMBER 1	Land Note										
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
FIXED INTEREST RATE	0.0685	0.0685	0.0685	0.0685	0.0685	0.0685	0.0685	0.0685	0.0685	0.0685	
YEARS REMAINING	18	17	16	15	14	0	0	0	0	0	
ADDITIONS TO DEBT	0	0	0	0	0	0	0	0	0	0	
BEGINNING DEBT BALANCE	407,650	395,486	382,489	368,602	0	0	0	0	0	0	
REQUIRED ANNUAL PAYMENT	40,088	40,088	40,088	40,088	0	0	0	0	0	0	
REQUIRED PRINCIPAL PAYMENT	12,164	12,997	13,887	14,839	0	0	0	0	0	0	
ADVANCED PRINCIPAL PAYMENT	0	0	0	353,763	0	0	0	0	0	0	
INTEREST PAYMENT	27,924	27,091	26,200	25,249	0	0	0	0	0	0	
TOTAL PAYMENT	40,088	40,088	40,088	393,851	0	0	0	0	0	0	
ENDING BALANCE	395,486	382,489	368,602	0	0	0	0	0	0	0	
DEBT NUMBER 2	Refinanced Land Note										
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
FIXED INTEREST RATE	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	
YEARS REMAINING	0	0	0	0	14	13	12	11	10	9	
ADDITIONS TO DEBT	0	0	0	0	0	0	0	0	0	0	
BEGINNING DEBT BALANCE	0	0	0	0	353,763	299,668	240,975	177,294	108,199	33,231	
REQUIRED ANNUAL PAYMENT	0	0	0	0	44,165	44,165	44,165	44,165	44,165	44,165	
REQUIRED PRINCIPAL PAYMENT	0	0	0	0	14,095	18,693	23,682	29,095	34,968	33,231	
ADVANCED PRINCIPAL PAYMENT	0	0	0	0	40,000	40,000	40,000	40,000	40,000	0	
INTEREST PAYMENT	0	0	0	0	30,070	25,472	20,483	15,070	9,197	2825	
TOTAL PAYMENT	0	0	0	0	84,165	84,165	84,165	84,165	84,165	36,056	
ENDING BALANCE	0	0	0	353,763	299,668	240,975	177,294	108,199	33,231	0	
DEBT NUMBER 3	Equipment										
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
FIXED INTEREST RATE	0	0	0	0	0	0	0	0	0	0	
YEARS REMAINING	1	0	0	0	0	0	0	0	0	0	
ADDITIONS TO DEBT	0	0	0	0	0	0	0	0	0	0	
BEGINNING DEBT BALANCE	101,405	0	0	0	0	0	0	0	0	0	
REQUIRED ANNUAL PAYMENT	101,405	0	0	0	0	0	0	0	0	0	
REQUIRED PRINCIPAL PAYMENT	101,405	0	0	0	0	0	0	0	0	0	
ADVANCED PRINCIPAL PAYMENT	0	0	0	0	0	0	0	0	0	0	
INTEREST PAYMENT	0	0	0	0	0	0	0	0	0	0	
TOTAL PAYMENT	101,405	0	0	0	0	0	0	0	0	0	
ENDING BALANCE	0	0	0	0	0	0	0	0	0	0	
DEBT NUMBER 21	CARRYOVER DEBT FROM 2006										
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
VARIABLE INTEREST RATE	0.0973	0.0975	0.0979	0.0988	0.0982	0.0988	0.0998	0.101	0.1023	0.1036	
YEARS REMAINING	0	1	0	0	0	0	0	0	0	0	
ADDITIONS TO DEBT	0	0	0	0	0	0	0	0	0	0	
BEGINNING DEBT BALANCE	0	58,066	0	0	0	0	0	0	0	0	
REQUIRED ANNUAL PAYMENT	0	63,727	0	0	0	0	0	0	0	0	
REQUIRED PRINCIPAL PAYMENT	0	58,066	0	0	0	0	0	0	0	0	
ADVANCED PRINCIPAL PAYMENT	0	0	0	0	0	0	0	0	0	0	
INTEREST PAYMENT	0	5661	0	0	0	0	0	0	0	0	
TOTAL PAYMENT	0	63,727	0	0	0	0	0	0	0	0	
ENDING BALANCE	58,066	0	0	0	0	0	0	0	0	0	
DEBT NUMBER 22	CARRYOVER DEBT FROM 2007										
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
VARIABLE INTEREST RATE	0.0973	0.0975	0.0979	0.0988	0.0982	0.0988	0.0998	0.101	0.1023	0.1036	
YEARS REMAINING	0	0	1	0	0	0	0	0	0	0	
ADDITIONS TO DEBT	0	0	0	0	0	0	0	0	0	0	
BEGINNING DEBT BALANCE	0	0	35,885	0	0	0	0	0	0	0	
REQUIRED ANNUAL PAYMENT	0	0	39,398	0	0	0	0	0	0	0	
REQUIRED PRINCIPAL PAYMENT	0	0	35,885	0	0	0	0	0	0	0	
ADVANCED PRINCIPAL PAYMENT	0	0	0	0	0	0	0	0	0	0	
INTEREST PAYMENT	0	0	3513	0	0	0	0	0	0	0	
TOTAL PAYMENT	0	0	39,398	0	0	0	0	0	0	0	
ENDING BALANCE	0	35,885	0	0	0	0	0	0	0	0	
DEBT NUMBER 23	CARRYOVER DEBT FROM 2008										
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
VARIABLE INTEREST RATE	0.0973	0.0975	0.0979	0.0988	0.0982	0.0988	0.0998	0.101	0.1023	0.1036	
YEARS REMAINING	0	0	0	1	0	0	0	0	0	0	
ADDITIONS TO DEBT	0	0	0	0	0	0	0	0	0	0	
BEGINNING DEBT BALANCE	0	0	0	3662	0	0	0	0	0	0	
REQUIRED ANNUAL PAYMENT	0	0	0	4024	0	0	0	0	0	0	
REQUIRED PRINCIPAL PAYMENT	0	0	0	3662	0	0	0	0	0	0	
ADVANCED PRINCIPAL PAYMENT	0	0	0	0	0	0	0	0	0	0	
INTEREST PAYMENT	0	0	0	362	0	0	0	0	0	0	
TOTAL PAYMENT	0	0	0	4024	0	0	0	0	0	0	
ENDING BALANCE	0	0	3662	0	0	0	0	0	0	0	

Table 1E. Cont. DEBT PAYMENT SUMMARY FOR YEARS 2006 - 2015

DEBT NUMBER 55	6 WHEELER									
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FIXED INTEREST RATE	0.085	0.085	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856
YEARS REMAINING	3	0	0	5	4	3	2	1	0	0
ADDITIONS TO DEBT	0	0	6776	0	0	0	0	0	0	0
BEGINNING DEBT BALANCE	0	0	0	6776	5633	4394	3048	1586	0	0
REQUIRED ANNUAL PAYMENT	0	0	0	1722	1722	1722	1722	1722	0	0
REQUIRED PRINCIPAL PAYMENT	0	0	0	1142	1240	1346	1461	1586	0	0
ADVANCED PRINCIPAL PAYMENT	0	0	0	0	0	0	0	0	0	0
INTEREST PAYMENT	0	0	0	580	482	376	261	136	0	0
TOTAL PAYMENT	0	0	0	1722	1722	1722	1722	1722	0	0
ENDING BALANCE	0	0	6776	5633	4394	3048	1586	0	0	0
DEBT NUMBER 58	SUBURBAN									
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FIXED INTEREST RATE	0.085	0.085	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856
YEARS REMAINING	3	0	0	5	4	3	2	1	0	0
ADDITIONS TO DEBT	0	0	25,408	0	0	0	0	0	0	0
BEGINNING DEBT BALANCE	0	0	0	25,408	21,125	16,476	11,428	5949	0	0
REQUIRED ANNUAL PAYMENT	0	0	0	6458	6458	6458	6458	6458	0	0
REQUIRED PRINCIPAL PAYMENT	0	0	0	4283	4650	5048	5480	5949	0	0
ADVANCED PRINCIPAL PAYMENT	0	0	0	0	0	0	0	0	0	0
INTEREST PAYMENT	0	0	0	2175	1808	1410	978	509	0	0
TOTAL PAYMENT	0	0	0	6458	6458	6458	6458	6458	0	0
ENDING BALANCE	0	0	25,408	21,125	16,476	11,428	5949	0	0	0
DEBT NUMBER 59	NEW TRUCK									
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FIXED INTEREST RATE	0.085	0.0852	0.0852	0.0852	0.0852	0.0852	0.0852	0.0852	0.09	0.09
YEARS REMAINING	3	0	5	4	3	2	1	0	0	5
ADDITIONS TO DEBT	0	28,605	0	0	0	0	0	0	15,037	0
BEGINNING DEBT BALANCE	0	0	28,605	23,779	18,542	12,860	6692	0	0	15,037
REQUIRED ANNUAL PAYMENT	0	0	7263	7263	7263	7263	7263	0	0	3866
REQUIRED PRINCIPAL PAYMENT	0	0	4826	5237	5683	6167	6692	0	0	2512
ADVANCED PRINCIPAL PAYMENT	0	0	0	0	0	0	0	0	0	0
INTEREST PAYMENT	0	0	2437	2026	1580	1096	570	0	0	1353
TOTAL PAYMENT	0	0	7263	7263	7263	7263	7263	0	0	3866
ENDING BALANCE	0	28,605	23,779	18,542	12,860	6692	0	0	15,037	12,524
DEBT NUMBER 60	NEW WELL									
YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FIXED INTEREST RATE	0.085	0.0852	0.0852	0.0852	0.0852	0.0852	0.0852	0.0852	0.0852	0.0852
YEARS REMAINING	3	0	5	4	3	2	1	0	0	0
ADDITIONS TO DEBT	0	32,691	0	0	0	0	0	0	0	0
BEGINNING DEBT BALANCE	0	0	32,691	27,176	21,191	14,697	7649	0	0	0
REQUIRED ANNUAL PAYMENT	0	0	8300	8300	8300	8300	8300	0	0	0
REQUIRED PRINCIPAL PAYMENT	0	0	5515	5985	6495	7048	7649	0	0	0
ADVANCED PRINCIPAL PAYMENT	0	0	0	0	0	0	0	0	0	0
INTEREST PAYMENT	0	0	2785	2315	1806	1252	652	0	0	0
TOTAL PAYMENT	0	0	8300	8300	8300	8300	8300	0	0	0
ENDING BALANCE	0	32,691	27,176	21,191	14,697	7649	0	0	0	0

Table 1F. DETAILED SUMMARY OF LONG TERM ASSETS AND INVESTMENTS

Owned Land										
2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING MARKET VALUE	544,000	544,000	551,616	548,692	551,107	554,854	561,346	573,078	588,609	606,326
BEGINNING COST BASIS	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
GROWTH RATE	0	0.014	-0.0053	0.0044	0.0068	0.0117	0.0209	0.0271	0.0301	0.033
ADDITIONAL \$ INVESTED	0	0	0	0	0	0	0	0	0	0
ENDING MARKET VALUE	544,000	551,616	548,692	551,107	554,854	561,346	573,078	588,609	606,326	626,334
ENDING COST BASIS	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
House										
2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING MARKET VALUE	55,000	55,000	55,770	55,474	55,719	56,097	56,754	57,940	59,510	61,301
BEGINNING COST BASIS	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
GROWTH RATE	0	0.014	-0.0053	0.0044	0.0068	0.0117	0.0209	0.0271	0.0301	0.033
ADDITIONAL \$ INVESTED	0	0	0	0	0	0	0	0	0	0
ENDING MARKET VALUE	55,000	55,770	55,474	55,719	56,097	56,754	57,940	59,510	61,301	63,324
ENDING COST BASIS	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Partnership%										
2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING MARKET VALUE	750,000	768,750	798,731	814,466	838,412	865,073	896,821	937,985	986,854	1,041,230
BEGINNING COST BASIS	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
GROWTH RATE	0.025	0.039	0.0197	0.0294	0.0318	0.0367	0.0459	0.0521	0.0551	0.058
ADDITIONAL \$ INVESTED	0	0	0	0	0	0	0	0	0	0
ENDING MARKET VALUE	768,750	798,731	814,466	838,412	865,073	896,821	937,985	986,854	1,041,230	1,101,622
ENDING COST BASIS	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Savings										
2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING MARKET VALUE	31,000	32,550	34,178	35,886	52,681	70,315	88,830	108,272	128,686	150,120
BEGINNING COST BASIS	31,000	32,550	34,178	35,886	52,681	70,315	88,830	108,272	128,686	150,120
GROWTH RATE	0	0	0	0	0	0	0	0	0	0
FIXED ANNUAL CONTRIBUTION	1550	1628	1709	1794	2634	3516	4442	5414	6434	7506
TAX DEDUCT CONTRIBUTION	0	0	0	0	0	0	0	0	0	0
DIVIDENDS RECEIVED	1550	1628	1709	1794	2634	3516	4442	5414	6434	7506
TAXABLE DISTRIBUTION	1550	1628	1709	1794	2634	3516	4442	5414	6434	7506
TAX EXEMPT DISTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
ADDITIONAL \$ INVESTED	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000
ENDING MARKET VALUE	32,550	34,178	35,886	52,681	70,315	88,830	108,272	128,686	150,120	172,626
ENDING COST BASIS	32,550	34,178	35,886	52,681	70,315	88,830	108,272	128,686	150,120	172,626
Roth Hers										
2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING MARKET VALUE	13,000	16,300	19,930	23,923	28,315	33,147	38,462	44,308	50,738	57,812
BEGINNING COST BASIS	13,000	16,300	19,930	23,923	28,315	33,147	38,462	44,308	50,738	57,812
GROWTH RATE	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
FIXED ANNUAL CONTRIBUTION	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
TAX DEDUCT CONTRIBUTION	0	0	0	0	0	0	0	0	0	0
DIVIDENDS RECEIVED	0	0	0	0	0	0	0	0	0	0
TAXABLE DISTRIBUTION	0	0	0	0	0	0	0	0	0	0
TAX EXEMPT DISTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
ADDITIONAL \$ INVESTED	0	0	0	0	0	0	0	0	0	0
ENDING MARKET VALUE	16,300	19,930	23,923	28,315	33,147	38,462	44,308	50,738	57,812	65,594
ENDING COST BASIS	16,300	19,930	23,923	28,315	33,147	38,462	44,308	50,738	57,812	65,594
Roth His										
2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING MARKET VALUE	8000	10,800	13,880	17,268	20,995	25,094	29,604	34,564	40,020	46,023
BEGINNING COST BASIS	8000	10,800	13,880	17,268	20,995	25,094	29,604	34,564	40,020	46,023
GROWTH RATE	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
FIXED ANNUAL CONTRIBUTION	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
TAX DEDUCT CONTRIBUTION	0	0	0	0	0	0	0	0	0	0
DIVIDENDS RECEIVED	0	0	0	0	0	0	0	0	0	0
TAXABLE DISTRIBUTION	0	0	0	0	0	0	0	0	0	0
TAX EXEMPT DISTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
ADDITIONAL \$ INVESTED	0	0	0	0	0	0	0	0	0	0
ENDING MARKET VALUE	10,800	13,880	17,268	20,995	25,094	29,604	34,564	40,020	46,023	52,625
ENDING COST BASIS	10,800	13,880	17,268	20,995	25,094	29,604	34,564	40,020	46,023	52,625

Table 1F. Cont. DETAILED SUMMARY OF LONG TERM ASSETS AND INVESTMENTS

EducationIRA	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
2006 - 2015										
BEGINNING MARKET VALUE	500	1050	1655	2320	3053	3858	4744	5718	6790	7969
BEGINNING COST BASIS	500	1050	1655	2320	3053	3858	4744	5718	6790	7969
GROWTH RATE	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
FIXED ANNUAL CONTRIBUTION	500	500	500	500	500	500	500	500	500	500
TAX DEDUCT CONTRIBUTION	0	0	0	0	0	0	0	0	0	0
DIVIDENDS RECEIVED	0	0	0	0	0	0	0	0	0	0
TAXABLE DISTRIBUTION	0	0	0	0	0	0	0	0	0	0
TAX EXEMPT DISTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
ADDITIONAL \$ INVESTED	0	0	0	0	0	0	0	0	0	0
ENDING MARKET VALUE	1050	1655	2320	3053	3858	4744	5718	6790	7969	9266
ENDING COST BASIS	1050	1655	2320	3053	3858	4744	5718	6790	7969	9266

Table 1G. UNIT NUMBER 1 Owned land

SUMMARY OF CROP ACREAGE, YIELD, AND VARIABLE COSTS IN 2006.

	Y Corn	Irr Cotton	CRP	Wheat Dry
PLANTED ACRES	591	0	104	0
BASE ACRES	42.8	155.5	0	328
YIELD UNITS	bu	lb	AC.	bu
BUDGETING YIELD	190	750	1	0
FARM PROG YLD DIR	137	454	0	40
FARM PROG YLD CCP	137	454	0	40
PRICES/YIELD UNIT	2.6	0.5	30	0
VARIABLE PRODUCTION COSTS (\$/ACRE)				
SEED	37	12	0	0
FERTILIZER	60	30	0	0
HERBICIDES	30	40	0	0
INSECTICIDES	35	35	0	0
FUNGICIDES	0	0	0	0
CUSTOM APPLICATION	0	3	0	0
SCOUTING / OTHER	0	7.5	0	0
IRRIGATION FUEL	150	60	0	0
TILLAGE/HARVST FUEL	10	10	0	0
HARVESTING, HAULING, DRYING & CHECKOFF: \$/YIELD UNIT	0.0842	0.1569	0	0
HARVEST COST/ACRE	0	15	0	0
BOLL WEEVIL COST/ACRE	0	12	0	0
LABOR COST /ACRE	0	0	0	0
LANDLORDS SHARE FRACTIONS				
CROP PRODUCTION	0	0	0	0
SEED	0	0	0	0
FERTILIZER	0	0	0	0
HERBICIDES	0	0	0	0
INSECTICIDES	0	0	0	0
FUNGICIDES	0	0	0	0
CUSTOM APPLICATION	0	0	0	0
SCOUTING / OTHER	0	0	0	0
IRRIGATION FUEL	0	0	0	0
TILL/HARVEST FUEL	0	0	0	0
HARVEST, HAULING, DRYING & CHECKOFF: \$/YIELD UNIT	0	0	0	0
HARVEST COST/ACRE	0	0	0	0
BOLL WEEVIL COST/ACRE	0	0	0	0
LABOR COST /ACRE	0	0	0	0
CROP INSURANCE				
YIELD ELECTION (FRACTION)	0.65	0.65	0	0
YIELD COVERAGE GUARANTEE	0	0	0	0
PRICE ELECTION (FRACTION)	1	1	0	0
PRICE GUARANTEE	0	0	0	0
PREMIUM RATE (\$/ACRE)	22.23	23.4	0	0
PREMIUM COSTS	3137.93	0	0	0

Table 1H. UNIT NUMBER 2 Shared land

SUMMARY OF CROP ACREAGE, YIELD, AND VARIABLE COSTS IN 2006.

	Y Corn Irr	White Corn	Cotton	Cotton seed	Wheat Dry
PLANTED ACRES	0	120	490	490	0
BASE ACRES	90.7	0	58.7	0	68.6
YIELD UNITS	bu	Bu.	lb	ton	bu
BUDGETING YIELD	190	185	750	0.63	0
FARM PROG YLD DIR	100	0	505	0	32
FARM PROG YLD CCP	100	0	505	0	32
PRICES/YIELD UNIT	2.6	2.75	0.5	96.19	0
VARIABLE PRODUCTION COSTS (\$/ACRE)					
SEED	37	37	12	0	0
FERTILIZER	60	60	30	0	0
HERBICIDES	30	30	40	0	0
INSECTICIDES	35	30	35	0	0
FUNGICIDES	0	0	0	0	0
CUSTOM APPLICATION	0	0	3	0	0
SCOUTING / OTHER	0	0	7.5	0	0
IRRIGATION FUEL	150	150	60	0	0
TILLAGE/HARVST FUEL	10	10	10	0	0
HARVESTING, HAULING, DRYING & CHECKOFF: \$/YIELD UNIT	0.0842	0.0864	0.1569	0	0
HARVEST COST/ACRE	0	0	15	0	0
BOLL WEEVIL COST/ACRE	0	0	12	0	0
LABOR COST /ACRE	0	0	0	0	0
LANDLORDS SHARE FRACTIONS					
CROP PRODUCTION	0.25	0.25	0.25	0.25	0
SEED	0	0	0	0	0
FERTILIZER	0	0	0	0	0
HERBICIDES	0	0	0	0	0
INSECTICIDES	0	0	0	0	0
FUNGICIDES	0	0	0	0	0
CUSTOM APPLICATION	0	0	0	0	0
SCOUTING / OTHER	0	0	0	0	0
IRRIGATION FUEL	0	0	0	0	0
TILL/HARVEST FUEL	0	0	0	0	0
HARVEST, HAULING, DRYING & CHECKOFF: \$/YIELD UNIT	0	0	0	0	0
HARVEST COST/ACRE	0	0	0	0	0
BOLL WEEVIL COST/ACRE	0	0	0	0	0
LABOR COST /ACRE	0	0	0	0	0
CROP INSURANCE					
YIELD ELECTION (FRACTION)	0.65	0.65	0.65	0	0
YIELD COVERAGE GUARANTEE	0	0	0	0	0
PRICE ELECTION (FRACTION)	1	1	1	0	0
PRICE GUARANTEE	0	0	0	0	0
PREMIUM RATE (\$/ACRE)	22.23	17.12	23.4	14.4	0
PREMIUM COSTS	0	2054.4001	11,466	0	0

Table 1H. Cont. UNIT NUMBER 2 Shared land
SUMMARY OF CROP ACREAGE, YIELD, AND VARIABLE COSTS IN 2006.

	Barley	Oats
PLANTED ACRES	0	0
BASE ACRES	4.2	21.9
YIELD UNITS	Bu.	Bu.
BUDGETING YIELD	0	0
FARM PROG YLD DIR	58	64
FARM PROG YLD CCP	58	64
PRICES/YIELD UNIT	0	0
VARIABLE PRODUCTION COSTS (\$/ACRE)		
SEED	0	0
FERTILIZER	0	0
HERBICIDES	0	0
INSECTICIDES	0	0
FUNGICIDES	0	0
CUSTOM APPLICATION	0	0
SCOUTING / OTHER	0	0
IRRIGATION FUEL	0	0
TILLAGE/HARVST FUEL	0	0
HARVESTING, HAULING, DRYING & CHECKOFF: \$/YIELD UNIT	0	0
HARVEST COST/ACRE	0	0
BOLL WEEVIL COST/ACRE	0	0
LABOR COST /ACRE	0	0
LANDLORDS SHARE FRACTIONS		
CROP PRODUCTION	0	0
SEED	0	0
FERTILIZER	0	0
HERBICIDES	0	0
INSECTICIDES	0	0
FUNGICIDES	0	0
CUSTOM APPLICATION	0	0
SCOUTING / OTHER	0	0
IRRIGATION FUEL	0	0
TILL/HARVEST FUEL	0	0
HARVEST, HAULING, DRYING & CHECKOFF: \$/YIELD UNIT	0	0
HARVEST COST/ACRE	0	0
BOLL WEEVIL COST/ACRE	0	0
LABOR COST /ACRE	0	0
CROP INSURANCE		
YIELD ELECTION (FRACTION)	0	0
YIELD COVERAGE GUARANTEE	0	0
PRICE ELECTION (FRACTION)	0	0
PRICE GUARANTEE	0	0
PREMIUM RATE (\$/ACRE)	0	0
PREMIUM COSTS	0	0

Table 2. U.S. Crop and Livestock Prices, Crop Yields and Loan Rates, and Net Contract Payment Projections Used in Analysis.

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Crop Prices									
Cotton (\$/lb)	0.4832	0.5112	0.5148	0.5135	0.5145	0.5220	0.5365	0.5538	0.5649
Wheat (\$/bu)	3.3028	3.3938	3.4478	3.5497	3.6061	3.6612	3.6927	3.7217	3.7511
Corn (\$/bu)	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838
Barley (\$/bu)	2.6017	2.6578	2.7324	2.7507	2.7660	2.7621	2.7488	2.7573	2.7728
Oats (\$/bu)	1.6382	1.6902	1.7403	1.7869	1.8230	1.8439	1.8512	1.8585	1.8627
Cottonseed (\$/ton)	88.6735	94.0761	96.6834	96.6790	97.4425	98.6928	99.7127	100.3036	99.0344
Crop Yields									
Cotton	0.0155	0.0155	0.0155	0.0155	0.0155	0.0155	0.0155	0.0155	0.0155
Wheat	0.0042	0.0042	0.0042	0.0042	0.0042	0.0042	0.0042	0.0042	0.0042
Corn	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092
Barley	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats	0.0024	0.0024	0.0024	0.0024	0.0024	0.0024	0.0024	0.0024	0.0024
Loan Rates									
Cotton (\$/lb)	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Wheat (\$/bu)	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
Corn (\$/bu)	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500
Barley (\$/bu)	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500
Oats (\$/bu)	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300
Direct Contract Payment Rates									
Cotton (\$/lb)	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667
Wheat (\$/bu)	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Corn (\$/bu)	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Barley (\$/bu)	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400
Oats (\$/bu)	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240
Target Prices									
Cotton (\$/lb)	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240
Wheat (\$/bu)	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200
Corn (\$/bu)	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300
Barley (\$/bu)	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400
Oats (\$/bu)	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400

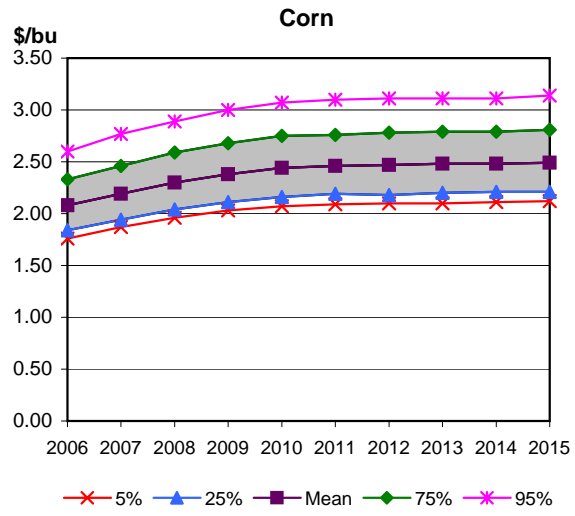
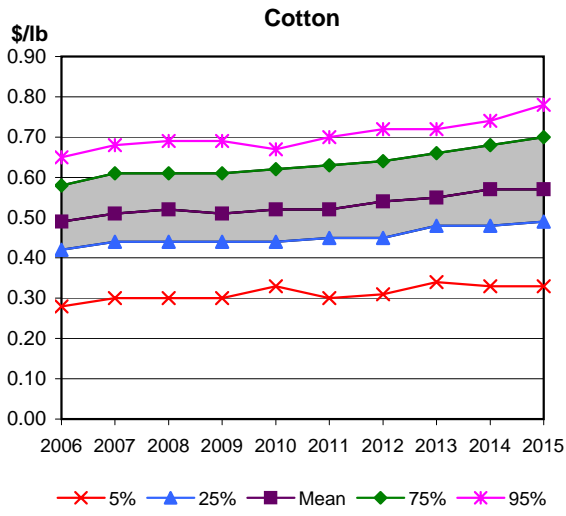
Source: Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri-Columbia and Iowa State University

Table 3. Rate of Change for Input Prices, Consumer Price Index, National Interest Rates, and Rate of Change in Land Values, 2006-2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Annual Rate of Change for Input Prices									
Seed	0.00%	4.10%	1.74%	1.05%	0.64%	1.01%	1.05%	1.36%	1.19%
Fertilizer	0.00%	-6.03%	-3.53%	-3.66%	-3.97%	-2.26%	0.65%	2.27%	1.99%
Herbicide	0.00%	-1.25%	-0.58%	-0.28%	-0.46%	0.16%	0.77%	1.06%	0.79%
Insecticide	0.00%	-0.44%	0.58%	1.49%	1.48%	1.96%	2.39%	2.31%	1.87%
Machinery	0.00%	2.16%	3.63%	3.13%	2.67%	2.94%	3.09%	2.92%	2.51%
Fuel	0.00%	-1.94%	-2.05%	-2.66%	-3.79%	-2.79%	-1.35%	1.82%	1.96%
Labor	0.00%	3.28%	3.05%	2.77%	2.49%	2.63%	2.46%	2.23%	2.39%
Overhead Costs	0.00%	0.25%	1.03%	1.01%	0.49%	0.70%	1.12%	1.65%	1.58%
Interest Rates									
Long-term (%)	6.04%	6.07%	6.11%	6.22%	6.15%	6.23%	6.35%	6.50%	6.66%
Intermediate-term (%)	4.89%	4.91%	4.95%	5.04%	4.98%	5.04%	5.14%	5.26%	5.39%
Savings Account (%)	1.67%	1.68%	1.70%	1.73%	1.71%	1.73%	1.76%	1.80%	1.85%
Consumer Price Index	200.47	204.15	208.21	212.28	216.30	220.81	225.80	231.18	236.65
Annual Rate of Change for									
U.S. Land Prices (%)	0.00%	1.40%	-0.53%	0.44%	0.68%	1.17%	2.09%	2.71%	3.01%

Source: Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri-Columbia and Iowa State University

Risk in National Commodity Prices



Baseline

As indicated earlier, the baseline represents the status quo of the operation projected ten years into the future. The analysis of the two alternatives in this report depend on assumptions regarding scheduled and advanced debt payments. For the baseline, the existing land debt of \$407,650 is reduced to \$353,763 by 2009 by making regularly scheduled payments. In 2009 the debt is refinanced at a higher interest rate. Following the refinancing, the farm makes scheduled payments plus additional principal payments of \$40,000 which results in the complete payment of the debt by 2014. The farm description section of this report outlines the assumptions of production costs, yields, and prices in the different crop enterprises.

In depth analysis of the baseline scenario reinforces the general assessment that “on average” the financial position and performance of the farm improves over the ten year planning horizon from 2006 levels. For the 2006-2015 period, the farm is expected to average about \$154,000 in net cash farm income with possible outcomes ranging from \$5,000 to over \$346,000 as indicated in Figure 3. The “average” net cash farm income series (Table 4) shows steady growth from \$86,000 to \$201,000 from 2006 to 2015.

A measure of liquidity, ending cash (Table 4) grows quickly from 2006 to 2009, as the farm is not making accelerated debt payments. Following the refinancing of the land debt, cash balances grow at a slower rate as the farm works to pay off the land debt by 2014. Figure 4 illustrates the risk surrounding the possible ending cash balances in each of the ten years in the planning horizon. As the projection continues the range widens and ends 2015 with a possible low of negative \$61,000 and a high of over \$264,000. Figure 5 describes the risk associated with ending cash values by pointing out the probability that ending cash will fall below zero, requiring a carryover debt.

The debt to asset ratio (Figure 7) is a measure of the farms solvency. The debt level relative to the total asset value of the farm holds at around 25% until the early debt payments reduce the debt/asset ratio to 6.47% by 2015. The expected level of real net worth, adjusted for inflation, is shown in Figure 4. The efficiency, as indicated by an expense to receipts ratio around 72%, and the profitability of the firm support the expectation of real equity growth of 58% over the ten year period. The range of expected real net worth values also grows over the ten year period. In 2015, the farm is projected to have a 50% probability of realizing a real net worth between \$1.90 million and \$2.03 million. Average real net worth in 2015 is just over \$1.96 million.

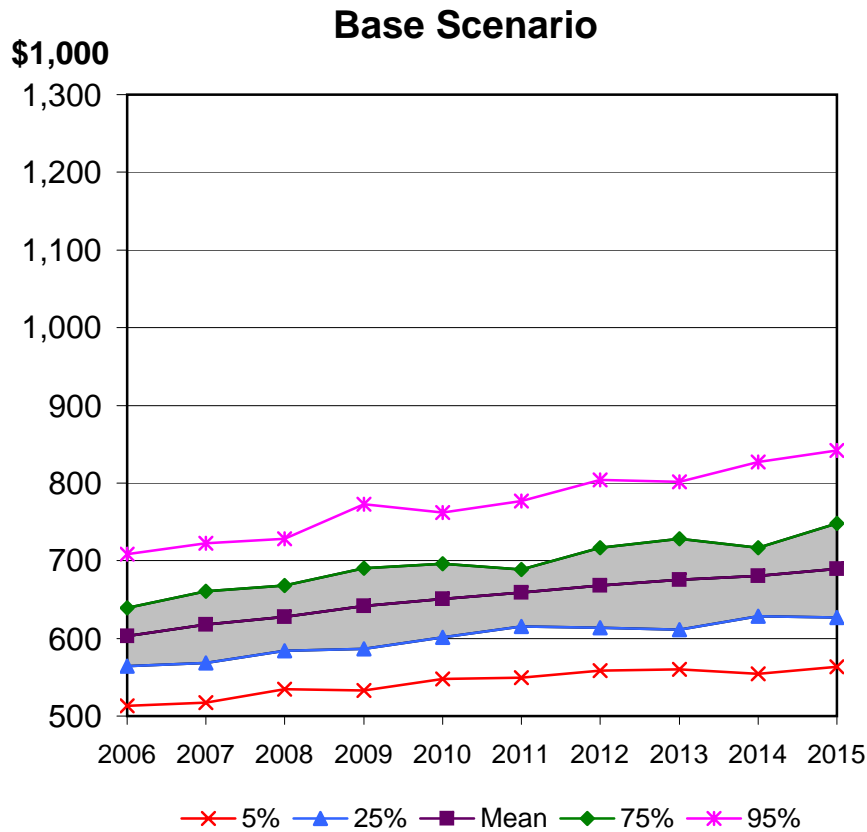
Table 4. Base Scenario

	Base
Change in Real Net Worth (%)	
2006-2015	58.50
Total Cash Receipts (\$1000)	
2006	602.93
2007	618.08
2008	628.11
2009	641.45
2010	651.09
2011	659.11
2012	667.79
2013	675.32
2014	680.31
2015	689.29
2006-2015 Average	651.35
Net Cash Farm Income (\$1000)	
2006	86.95
2007	103.03
2008	116.19
2009	144.84
2010	152.65
2011	171.16
2012	185.70
2013	191.95
2014	195.50
2015	201.40
2006-2015 Average	154.94
Ending Cash Reserves (\$1000)	
2006	-51.62
2007	-27.68
2008	2.12
2009	38.71
2010	39.11
2011	43.90
2012	44.67
2013	51.10
2014	64.55
2015	112.01
2006-2015 Average	31.69
Real Net Worth (\$1000)	
2006	1,252.66
2007	1,315.42
2008	1,355.12
2009	1,418.21
2010	1,488.54
2011	1,570.25
2012	1,662.87
2013	1,758.79
2014	1,860.83
2015	1,964.51
2006-2015 Average	1,564.72
Debt to Assets Ratio (%)	
2006	28.39
2007	28.86
2008	27.95
2009	25.47
2010	21.95
2011	18.12
2012	14.18
2013	10.75
2014	8.22
2015	6.47
2006-2015 Average	19.04

Table 4. Base Scenario

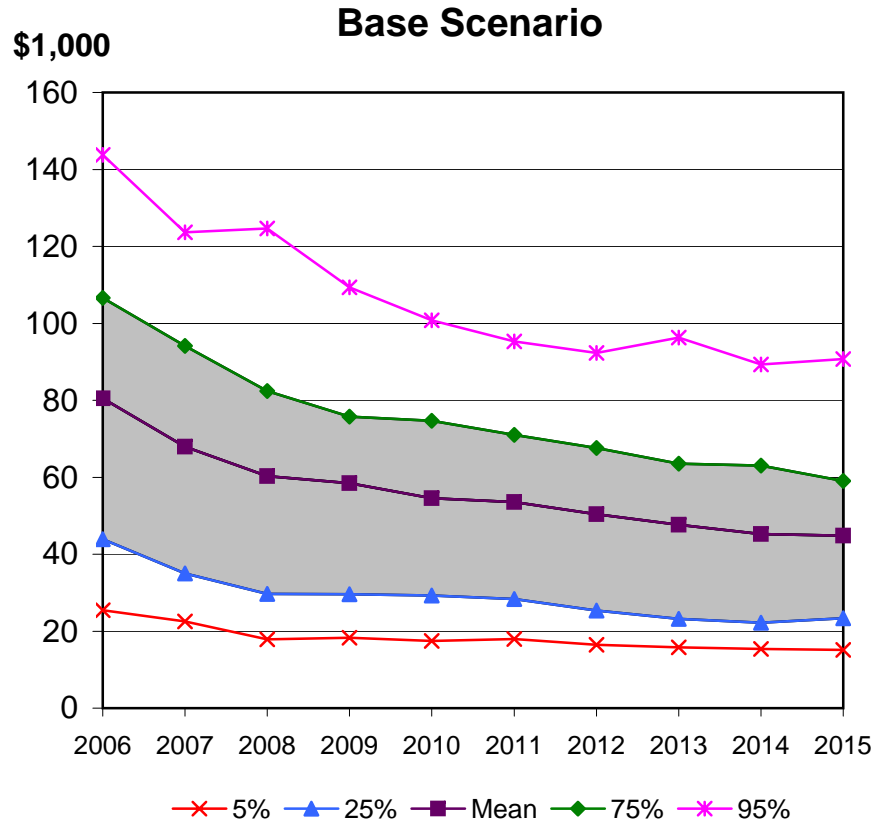
	Base
<hr/>	
Average Annual Operating Expense/Receipts	
2006	0.80
2007	0.77
2008	0.75
2009	0.72
2010	0.70
2011	0.69
2012	0.68
2013	0.68
2014	0.69
2015	0.69
2006-2015 Average	0.72
Average Annual Working Capital	
2006	-91.71
2007	-83.33
2008	-61.71
2009	-29.20
2010	-28.80
2011	-24.01
2012	-7.68
2013	6.94
2014	24.63
2015	108.14
2006-2015 Average	-18.67

Figure 1. Projected Variability in Total Cash Receipts for the Base Scenario.



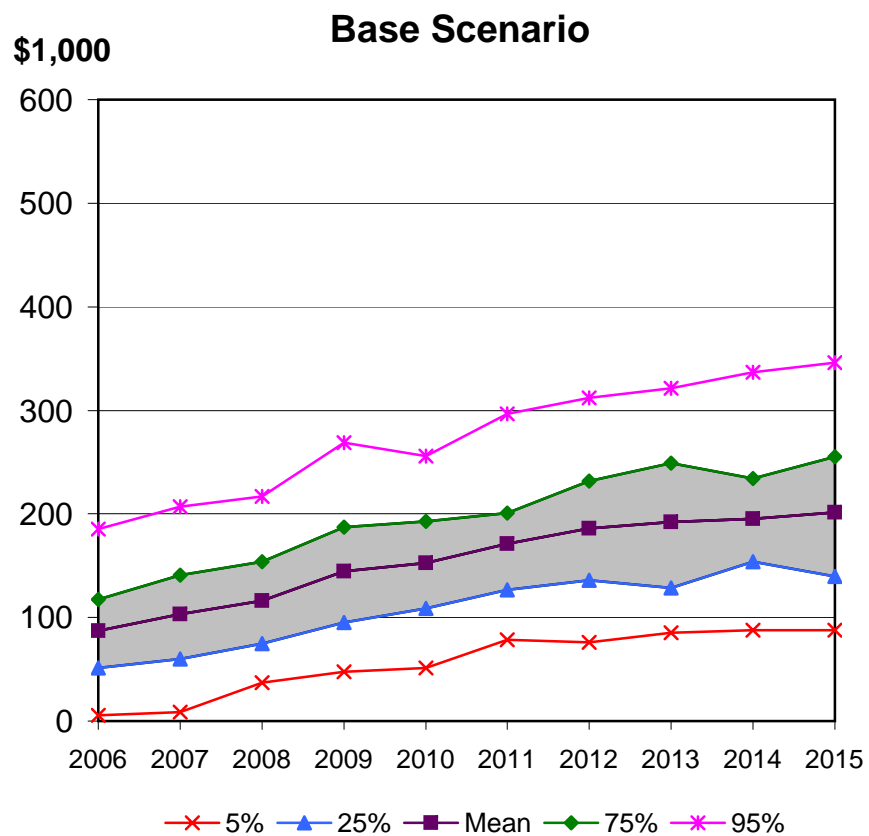
Note: Percentages indicate the probability that Total Cash Receipts is below the indicated level. The shaded area contains 50% of the projected outcomes.

Figure 2. Projected Variability in Total Government Payments for the Base Scenario.



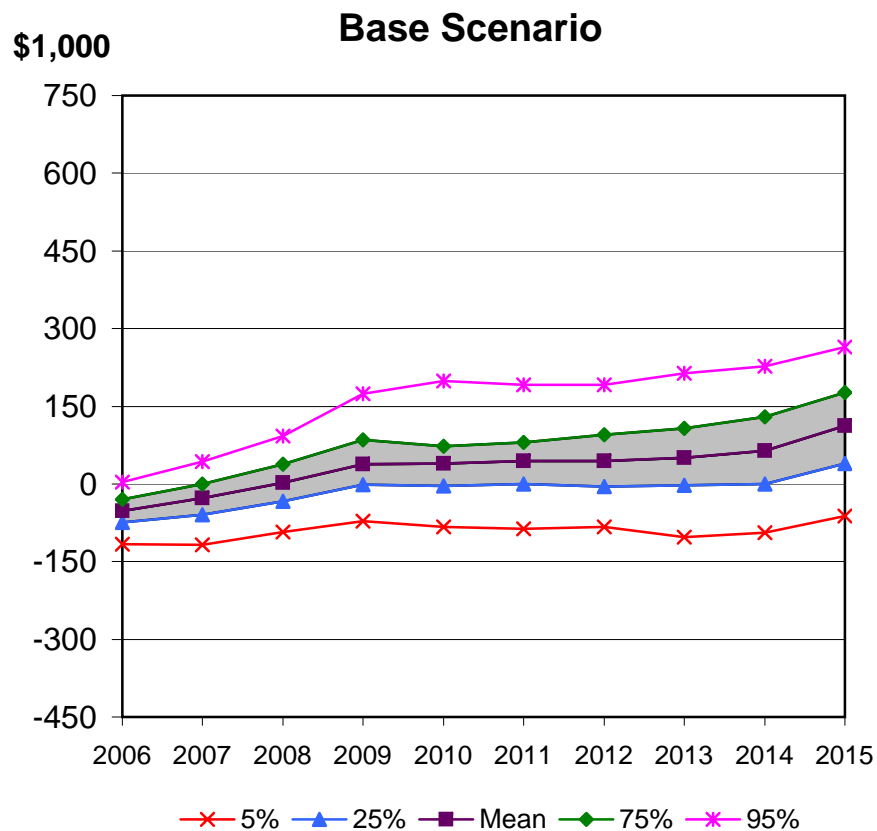
Note: Percentages indicate the probability that Total Cash Receipts is below the indicated level.
The shaded area contains 50% of the projected outcomes.

Figure 3. Projected Variability in Net Cash Farm Income for the Base Scenario.



Note: Percentages indicate the probability that Net Cash Farm Income is below the indicated level.
The shaded area contains 50% of the projected outcomes.

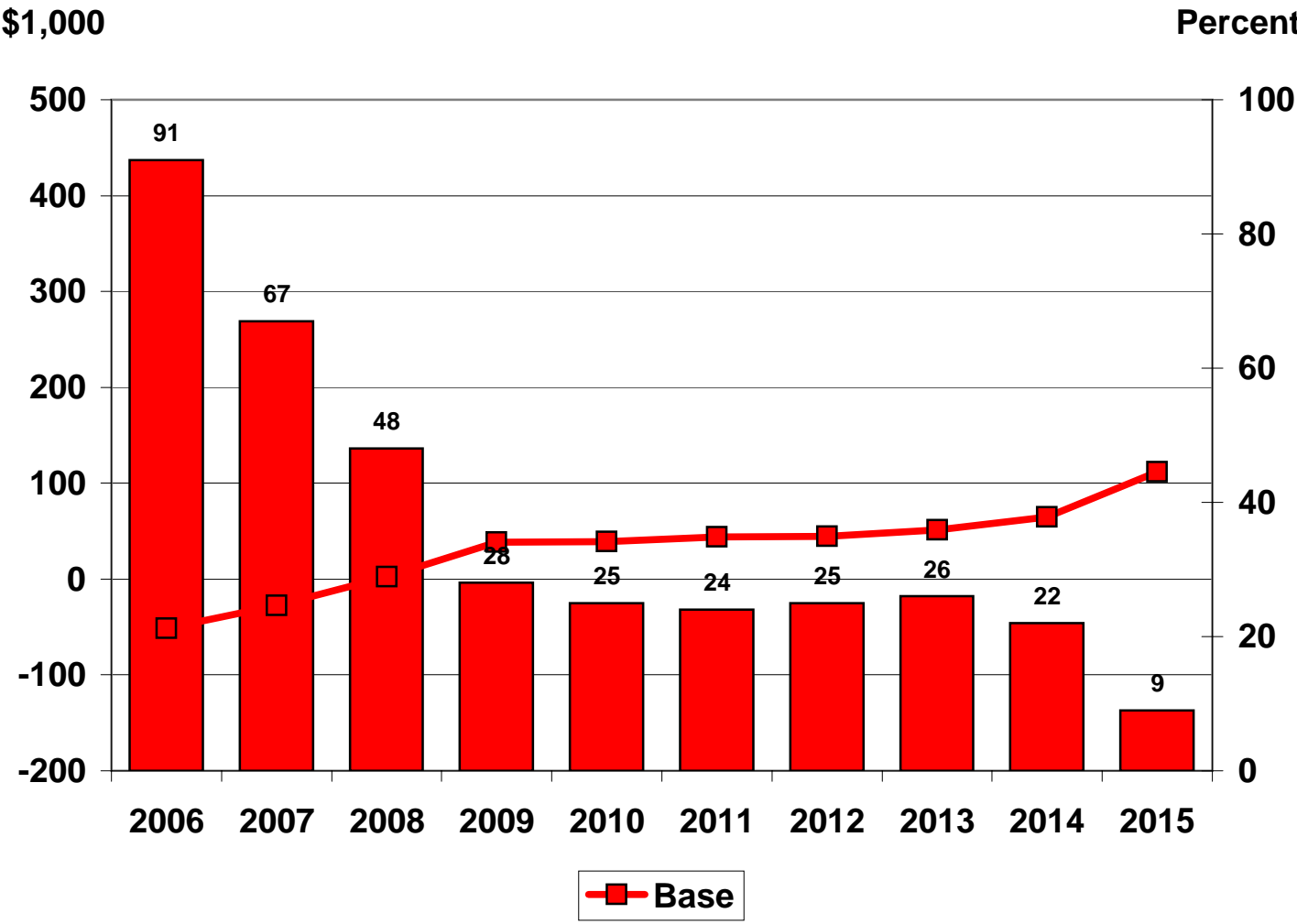
Figure 4. Projected Variability in Ending Cash Reserves Before Borrowing for the Base Scenario.



Note: Percentages indicate the probability that Net Farm Income is below the indicated level.
 The shaded area contains 50% of the projected outcomes.

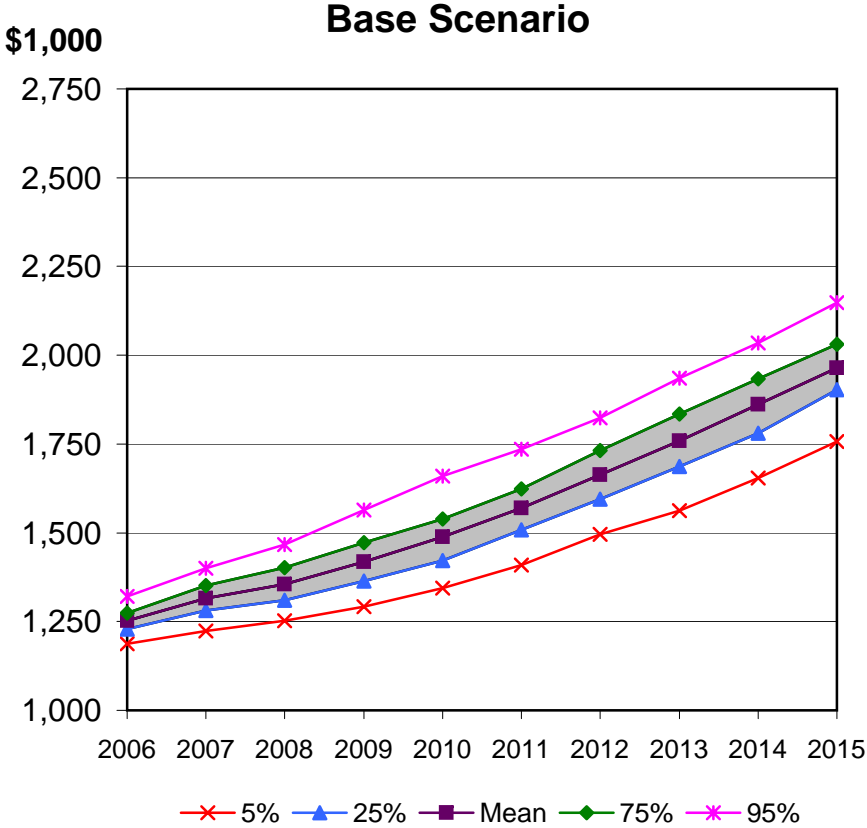
Confidential or Financial information - DO NOT DISTRIBUTE
 FOR TEXAS COOPERATIVE EXTENSION USE ONLY

Figure 5. Ending Cash Reserves and Probability of Having to Refinance Operating Note for the Base Scenario.



Confidential or Financial Information -- DO NOT DISTRIBUTE
 FOR TEXAS COOPERATIVE EXTENSION USE ONLY

Figure 6. Projected Variability in Real Net Worth for the Base Scenario.



Note: Percentages indicate the probability that Net Farm Income is below the indicated level. The shaded area contains 50% of the projected outcomes.

Confidential or Financial information - DO NOT DISTRIBUTE
FOR TEXAS COOPERATIVE EXTENSION USE ONLY

Baseline Compared to Alternative 1

The first alternative was designed to evaluate the impact on the baseline of paying down existing debt as soon as possible and purchasing an additional section of land in 2012 which will begin corn production for the operation in 2013. The land is purchased for \$608,000 or \$950/acre. It was assumed that \$96,000 would be invested in irrigation setup for the new land, bringing the total investment to \$1100/acre. The land was 100% financed assuming the existing section would suffice for collateral. Advanced debt payments of \$50,000 were applied to the existing land note for four years. In 2009 the remaining debt of \$132,258 was refinanced as scheduled. The refinanced debt is completely paid off by 2012 with advanced payments of \$35,000 made in addition to the scheduled payments. Advanced principal payments of \$40,000 are applied to the new land debt for the remaining three years of the period. The additional land allows the farm to increase profitability and equity growth potential.

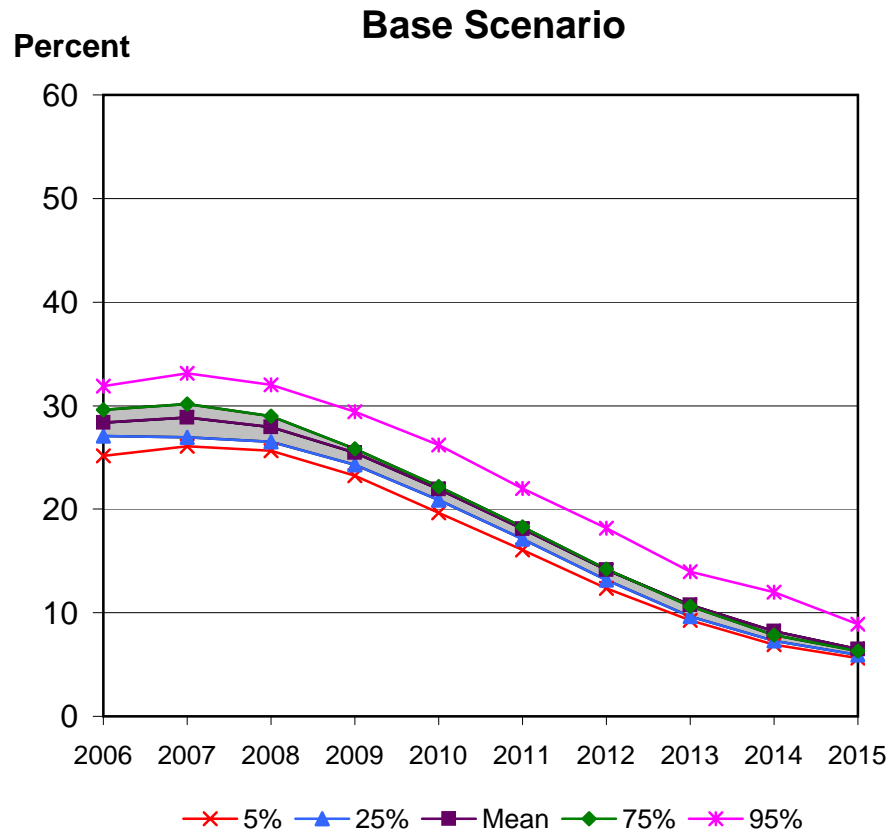
The projected impacts of this alternative on the overall financial position and performance were positive in terms of profitability (Figure 10) and equity growth (Figure 13). Net Cash Farm Income (Table 5) is comparable to the baseline in the first seven years. With the additional productive capacity in the last three years net cash farm income is expected to range from \$148,000 to over \$581,000. As a result of the increased profitability, real net worth begins growing at a faster pace in 2013 relative to the baseline projections. Average real net worth in 2015 is expected to be around \$2.23 million, an improvement of almost \$272,000 over the baseline ending equity value.

This improvement in profitability and equity does not come without cost to the operation. The liquidity of the farm suffers from the aggressive payment of debt. This effect is illustrated in the projection of ending cash balances. Figure 11 shows the range of possible ending cash values for the alternative compared to the baseline. Average cash balances are lower for most of the period but improve after new land is purchased. Figure 12 illustrates the average cash balances and the probability of incurring carryover debts. For the baseline, the likelihood of carryover debt ranges between 9% and 67% after a high of 91% in 2006. Alternative 1 subjects the farm to seven years of over a 50% chance of carryover debt. While Alternative 1 generates more liquidity risk for the farm from 2006 through 2013, it generates an improved cash position by 2014. The debt position of the farm is shown in Figure 14. The relative debt is reduced to around 14% in 2011. In 2012, the new land purchase increases debt to 33%, however it is reduced to 19% by 2015.

Table 5. Base Scenario vs. Alternative 1

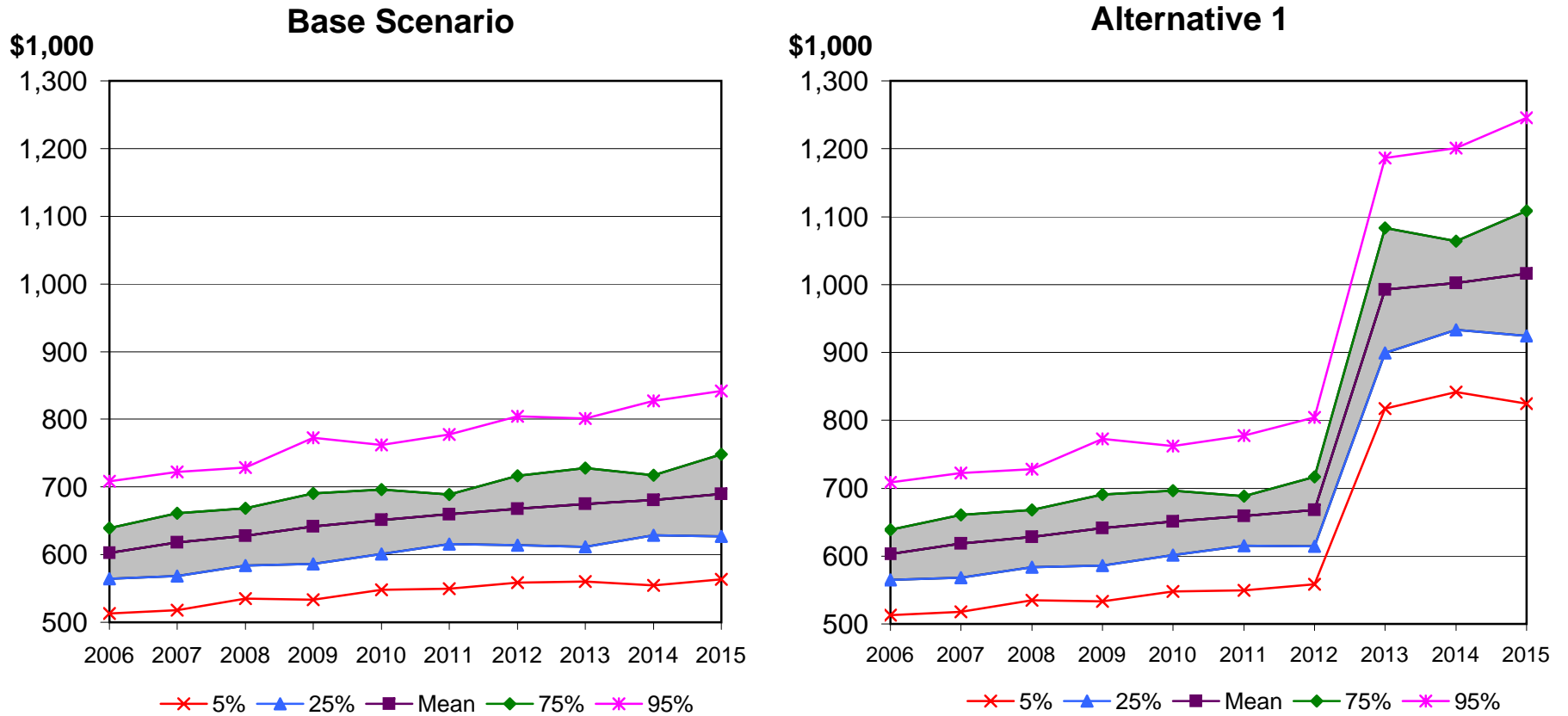
	Base	Alt1
Change in Real Net Worth (%)		
2006-2015	58.50	80.39
Total Cash Receipts (\$1000)		
2006	602.93	602.93
2007	618.08	618.08
2008	628.11	628.11
2009	641.45	641.45
2010	651.09	651.09
2011	659.11	659.11
2012	667.79	667.79
2013	675.32	992.29
2014	680.31	1,002.62
2015	689.29	1,016.18
2006-2015 Average	651.35	747.97
Net Cash Farm Income (\$1000)		
2006	86.95	86.95
2007	103.03	101.74
2008	116.19	114.20
2009	144.84	137.20
2010	152.65	154.73
2011	171.16	174.40
2012	185.70	190.02
2013	191.95	328.10
2014	195.50	341.15
2015	201.40	353.88
2006-2015 Average	154.94	198.24
Ending Cash Reserves (\$1000)		
2006	-51.62	-100.53
2007	-27.68	-126.61
2008	2.12	-147.95
2009	38.71	-167.98
2010	39.11	-142.95
2011	43.90	-112.73
2012	44.67	-73.81
2013	51.10	27.93
2014	64.55	139.03
2015	112.01	242.12
2006-2015 Average	31.69	-46.35
Real Net Worth (\$1000)		
2006	1,252.66	1,252.66
2007	1,315.42	1,314.38
2008	1,355.12	1,352.28
2009	1,418.21	1,409.55
2010	1,488.54	1,480.16
2011	1,570.25	1,562.03
2012	1,662.87	1,666.01
2013	1,758.79	1,849.57
2014	1,860.83	2,040.43
2015	1,964.51	2,235.88
2006-2015 Average	1,564.72	1,616.30
Debt to Assets Ratio (%)		
2006	28.39	28.31
2007	28.86	28.38
2008	27.95	26.75
2009	25.47	23.17
2010	21.95	19.14
2011	18.12	14.83
2012	14.18	33.05
2013	10.75	27.67
2014	8.22	23.74
2015	6.47	19.80
2006-2015 Average	19.04	24.48

Figure 7. Projected Variability in Debt to Assets Ratio for the Base Scenario.



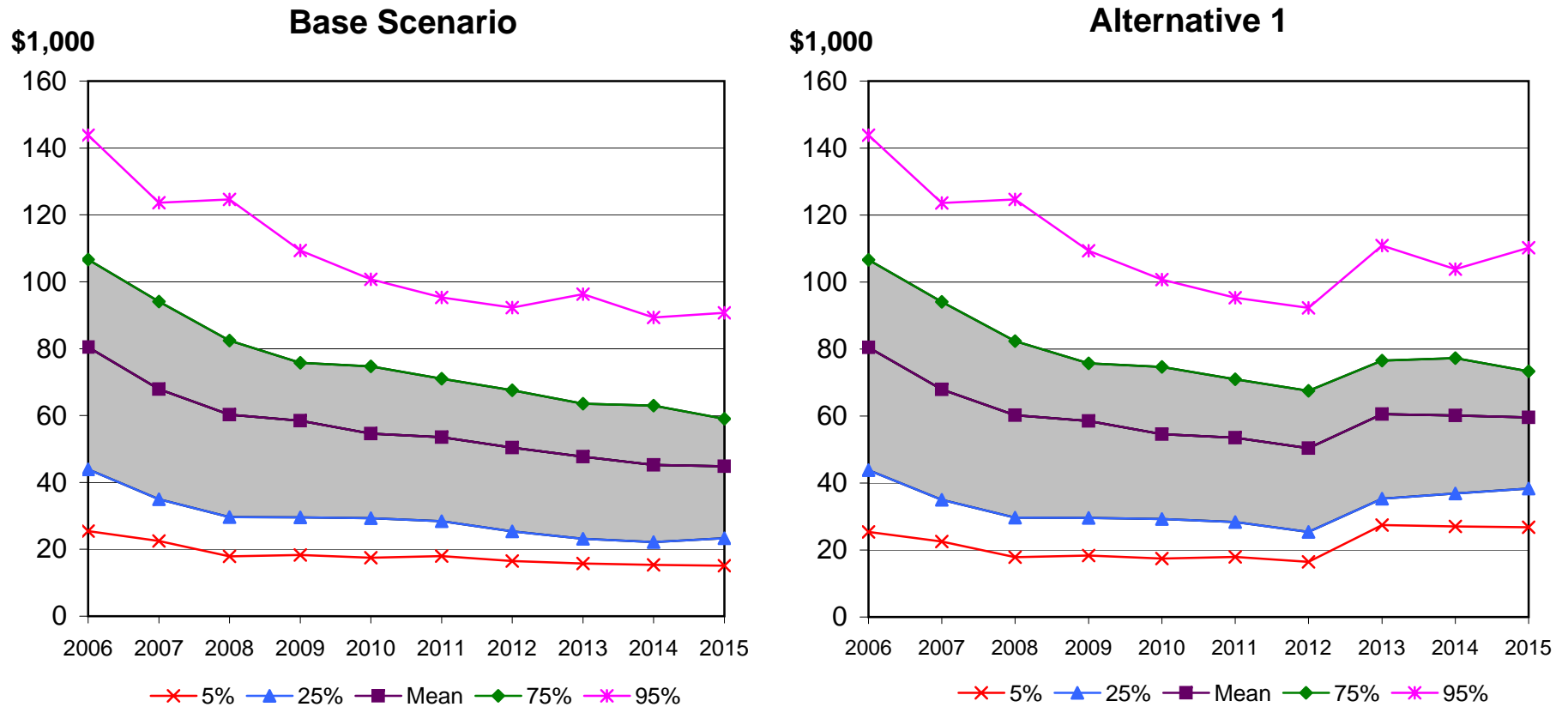
Note: Percentages indicate the probability that Net Farm Income is below the indicated level.
The shaded area contains 50% of the projected outcomes.

Figure 8. Projected Variability in Total Cash Receipts for the Base Scenario and Alternative 1.



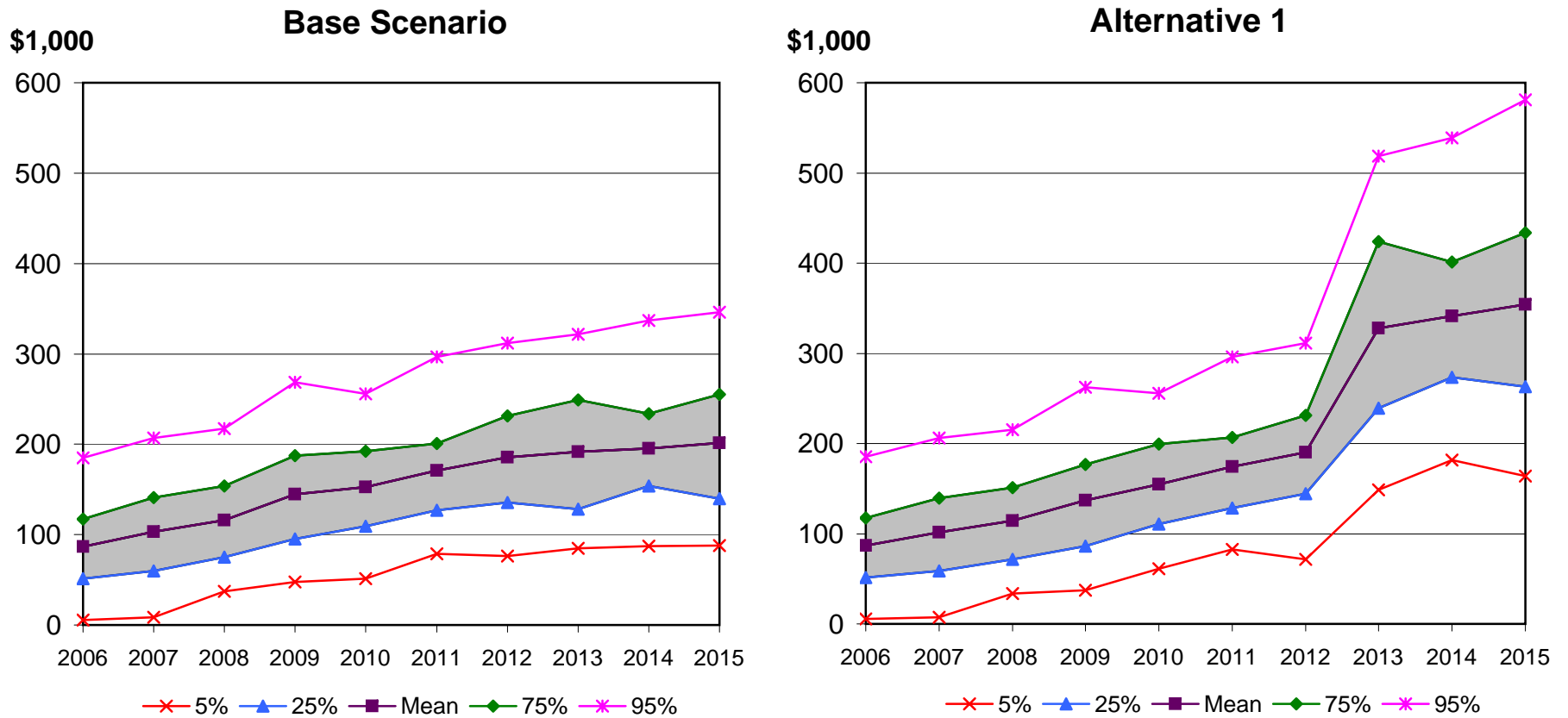
Note: Percentages indicate the probability that Total Cash Receipts is below the indicated level. The shaded area contains 50% of the projected outcomes.

Figure 9. Projected Variability in Total Government Payments for the Base Scenario and Alternative 1.



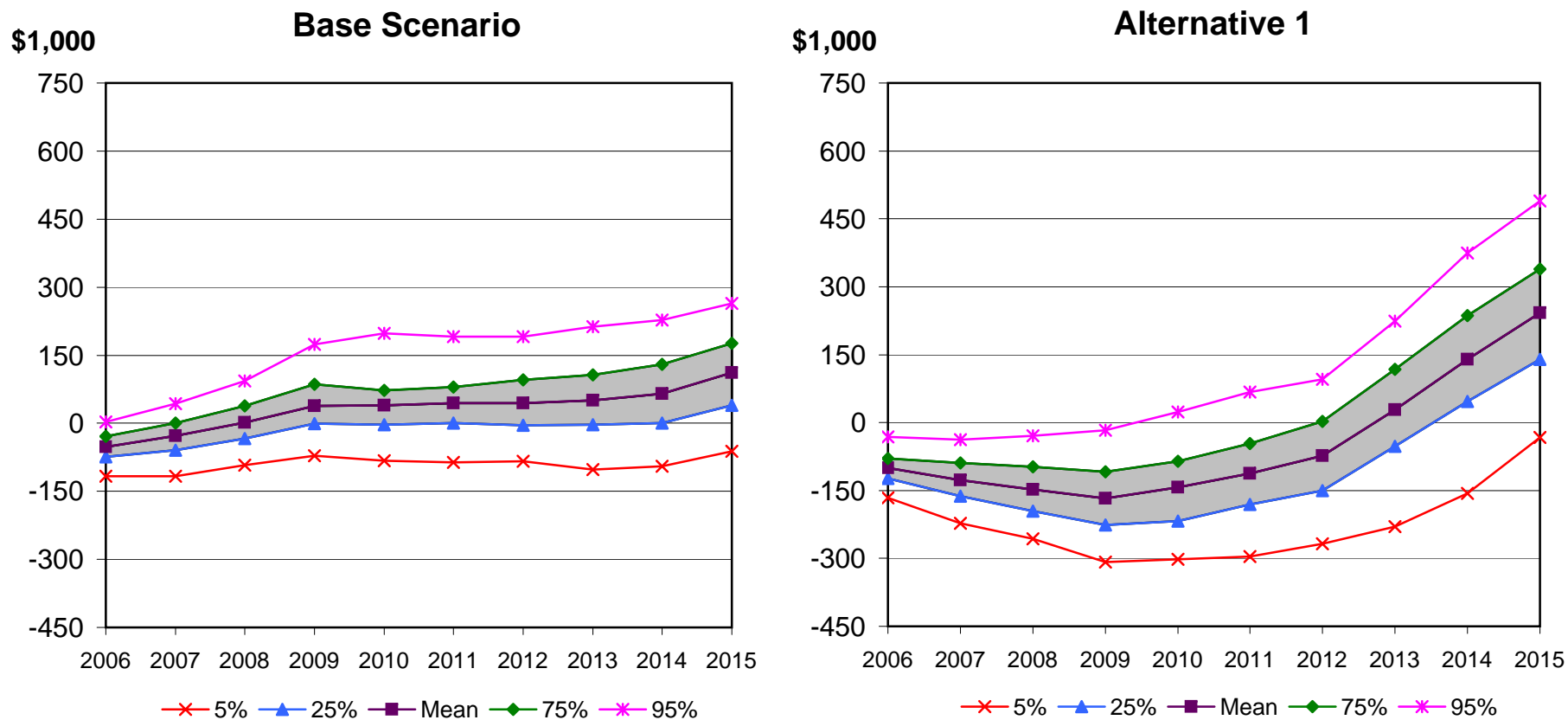
Note: Percentages indicate the probability that Total Cash Receipts is below the indicated level.
The shaded area contains 50% of the projected outcomes.

Figure 10. Projected Variability in Net Cash Farm Income for the Base Scenario and Alternative 1.



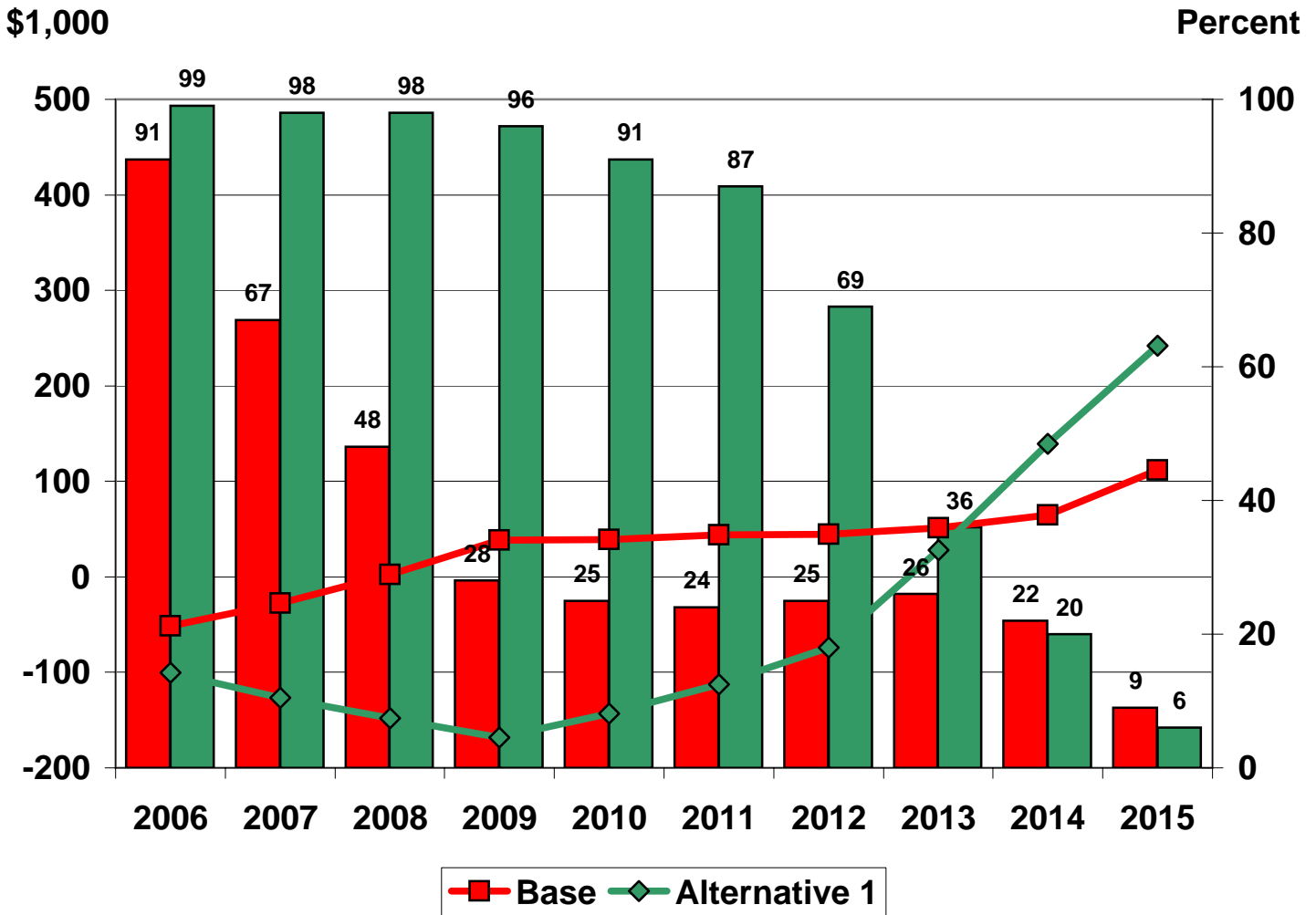
Note: Percentages indicate the probability that Net Cash Farm Income is below the indicated level. The shaded area contains 50% of the projected outcomes.

Figure 11. Projected Variability in Ending Cash Reserves Before Borrowing for the Base Scenario and Alternative 1.



Note: Percentages indicate the probability that Net Farm Income is below the indicated level. The shaded area contains 50% of the projected outcomes.

Figure 12. Ending Cash Reserves and Probability of Having to Refinance Operating Note for the Base Scenario and Alternative 1.



Confidential or Financial Information -- DO NOT DISTRIBUTE
 FOR TEXAS COOPERATIVE EXTENSION USE ONLY

Baseline Compared to Alternative 2

The second alternative was designed to evaluate the impact on the baseline of purchasing an additional section of land in 2007 which will begin production for the operation in 2008. The land is purchased for \$608,000 or \$950/acre. It was assumed that \$96,000 would be invested in irrigation setup for the new land, bringing the total investment to \$1100/acre. A 20% down payment was required and the remaining 80% was financed for 20 years. Only scheduled debt payments were applied to the existing land note for four years. In 2009, the remaining debt of \$353,763 was refinanced as scheduled. Following the refinancing, advanced payments of \$20,000 and scheduled payments were applied to the refinanced note. Advanced principal payments of \$20,000 were also applied to the new land debt beginning in 2010 and continuing through 2015. Similar to Alternative 1 this scenario of purchasing land allows the farm to increase profitability and equity growth potential.

The projected impacts of this alternative on the overall financial position and performance were positive in terms of profitability (Figure 17) and equity growth (Figure 20). Net Cash Farm Income (Table 6) improves as soon as the new land is brought into production in 2008. With the additional productive capacity net cash farm income is expected to grow from an average of \$99,580 in 2007 to over \$325,000 in 2015. In the final year, the range of possible net cash farm income is about \$300,000 above or below the expected average. As a result of the increased profitability, real net worth grows at a faster pace relative to the baseline projections. Average real net worth in 2015 is expected to be around \$2.46 million, an improvement of \$503,000 over the baseline ending equity value.

Like Alternative 1, this improvement in profitability and equity does not come without cost to the operation. The liquidity of the farm suffers from making the 20% down payment and taking on additional debt payments. The debt position of the farm is shown in Figure 21. The relative debt jumps to over 47% in 2007 and is gradually reduced to below 19% in 2015. The increased risk of the alternative is illustrated in the projection of ending cash balances. Figure 18 shows the range of possible ending cash values for the alternative compared to the baseline. Average cash balances are lower for the first part of the period and carry a wider range of possibilities. Figure 19 illustrates the average cash balances and the probability of incurring carryover debts. For the baseline, the likelihood of carryover debt ranges between 9% and 67% after a high of 91% in 2006. Alternative 2 subjects the farm to a 99% chance of carryover debt in 2007. For the remaining eight years, the chance of carryover debt declines rapidly and is minimal for the last 5 years of the analysis period. While Alternative 2 generates more liquidity risk for the farm from 2007 to 2009, it generates an improved cash position by 2011.

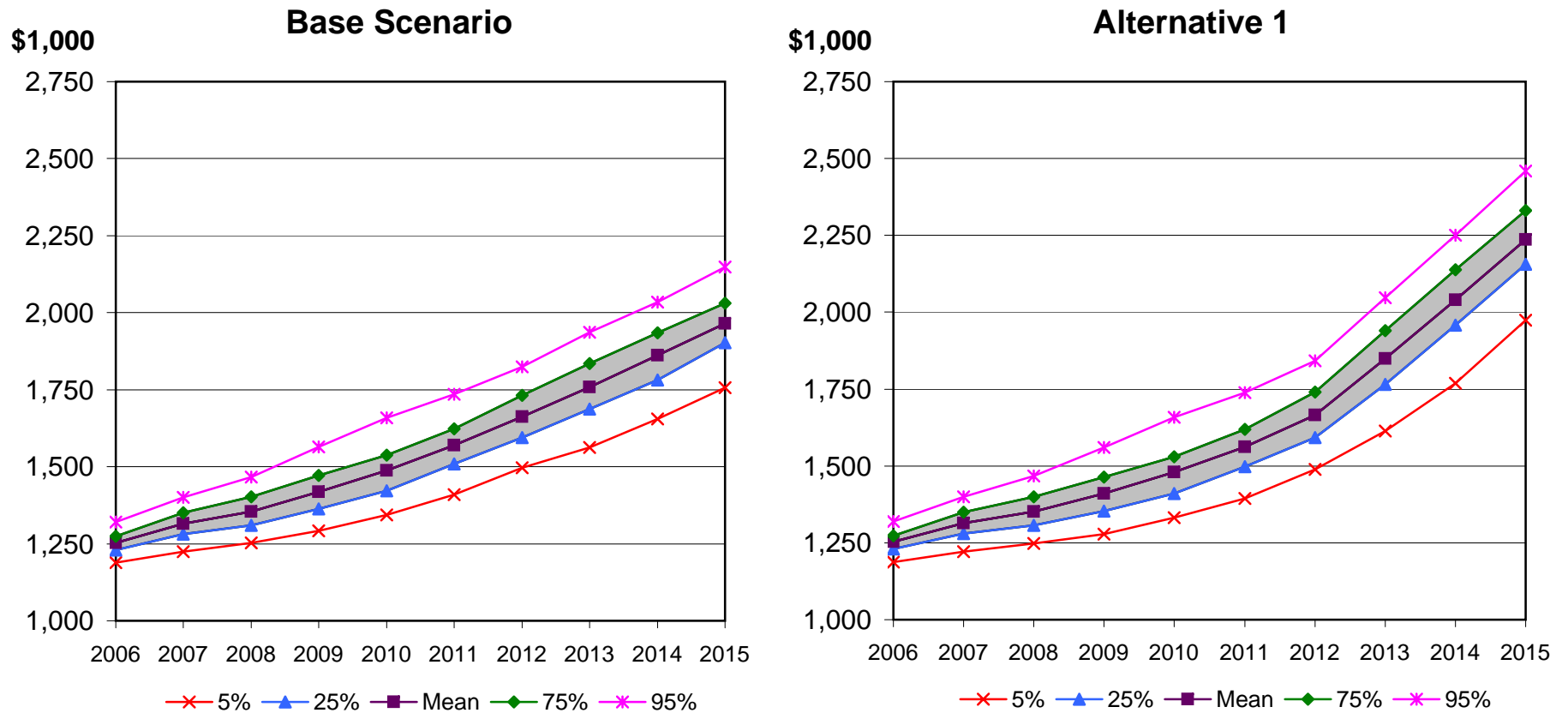
Table 6. Base Scenario vs. Alternative 2

	Base	Alt2
Change in Real Net Worth (%)		
2006-2015	58.50	99.12
Total Cash Receipts (\$1000)		
2006	602.93	602.93
2007	618.08	618.08
2008	628.11	914.88
2009	641.45	941.62
2010	651.09	956.85
2011	659.11	970.40
2012	667.79	982.33
2013	675.32	994.54
2014	680.31	1,002.62
2015	689.29	1,016.18
2006-2015 Average	651.35	900.04
Net Cash Farm Income (\$1000)		
2006	86.95	86.95
2007	103.03	99.58
2008	116.19	174.66
2009	144.84	225.26
2010	152.65	248.70
2011	171.16	279.18
2012	185.70	300.41
2013	191.95	311.26
2014	195.50	316.53
2015	201.40	325.62
2006-2015 Average	154.94	236.81
Ending Cash Reserves (\$1000)		
2006	-51.62	-51.62
2007	-27.68	-164.25
2008	2.12	-102.32
2009	38.71	-26.06
2010	39.11	35.49
2011	43.90	106.57
2012	44.67	174.63
2013	51.10	267.99
2014	64.55	371.69
2015	112.01	469.18
2006-2015 Average	31.69	108.13
Real Net Worth (\$1000)		
2006	1,252.66	1,252.66
2007	1,315.42	1,316.84
2008	1,355.12	1,394.28
2009	1,418.21	1,509.03
2010	1,488.54	1,637.43
2011	1,570.25	1,785.06
2012	1,662.87	1,948.02
2013	1,758.79	2,115.99
2014	1,860.83	2,290.05
2015	1,964.51	2,467.93
2006-2015 Average	1,564.72	1,771.73
Debt to Assets Ratio (%)		
2006	28.39	28.39
2007	28.86	47.82
2008	27.95	44.67
2009	25.47	40.18
2010	21.95	35.64
2011	18.12	31.16
2012	14.18	26.83
2013	10.75	23.47
2014	8.22	20.86
2015	6.47	18.01
2006-2015 Average	19.04	31.70

Table 6. Base Scenario vs. Alternative 2

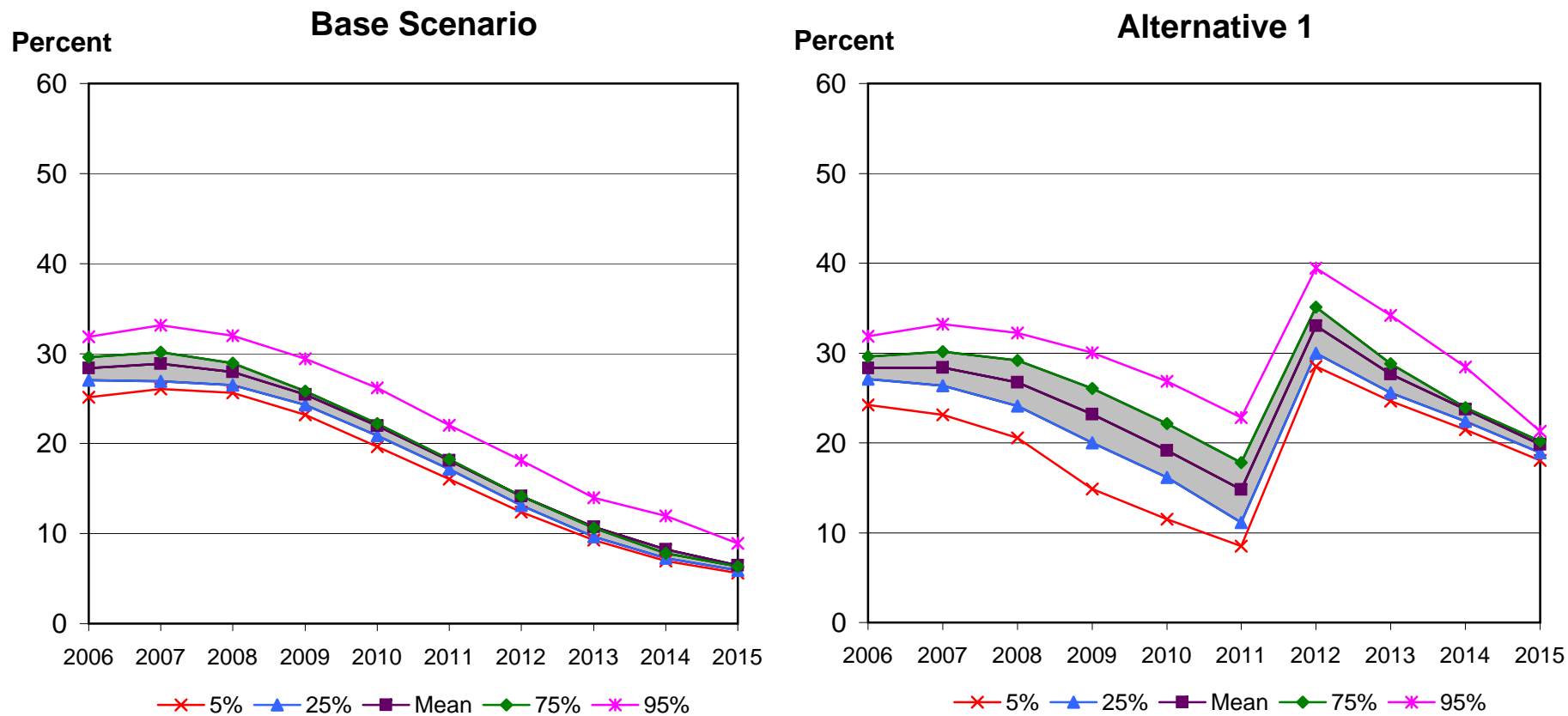
	Base	Alt2
Average Annual Operating Expense/Receipts		
2006	0.80	0.80
2007	0.77	0.77
2008	0.75	0.69
2009	0.72	0.67
2010	0.70	0.64
2011	0.69	0.63
2012	0.68	0.62
2013	0.68	0.62
2014	0.69	0.63
2015	0.69	0.63
2006-2015 Average	0.72	0.67
Average Annual Working Capital		
2006	-91.71	-91.71
2007	-83.33	-291.22
2008	-61.71	-237.47
2009	-29.20	-165.29
2010	-28.80	-103.73
2011	-24.01	-32.66
2012	-7.68	70.89
2013	6.94	172.43
2014	24.63	272.26
2015	108.14	369.75
2006-2015 Average	-18.67	-3.67

Figure 13. Projected Variability in Real Net Worth for the Base Scenario and Alternative 1.



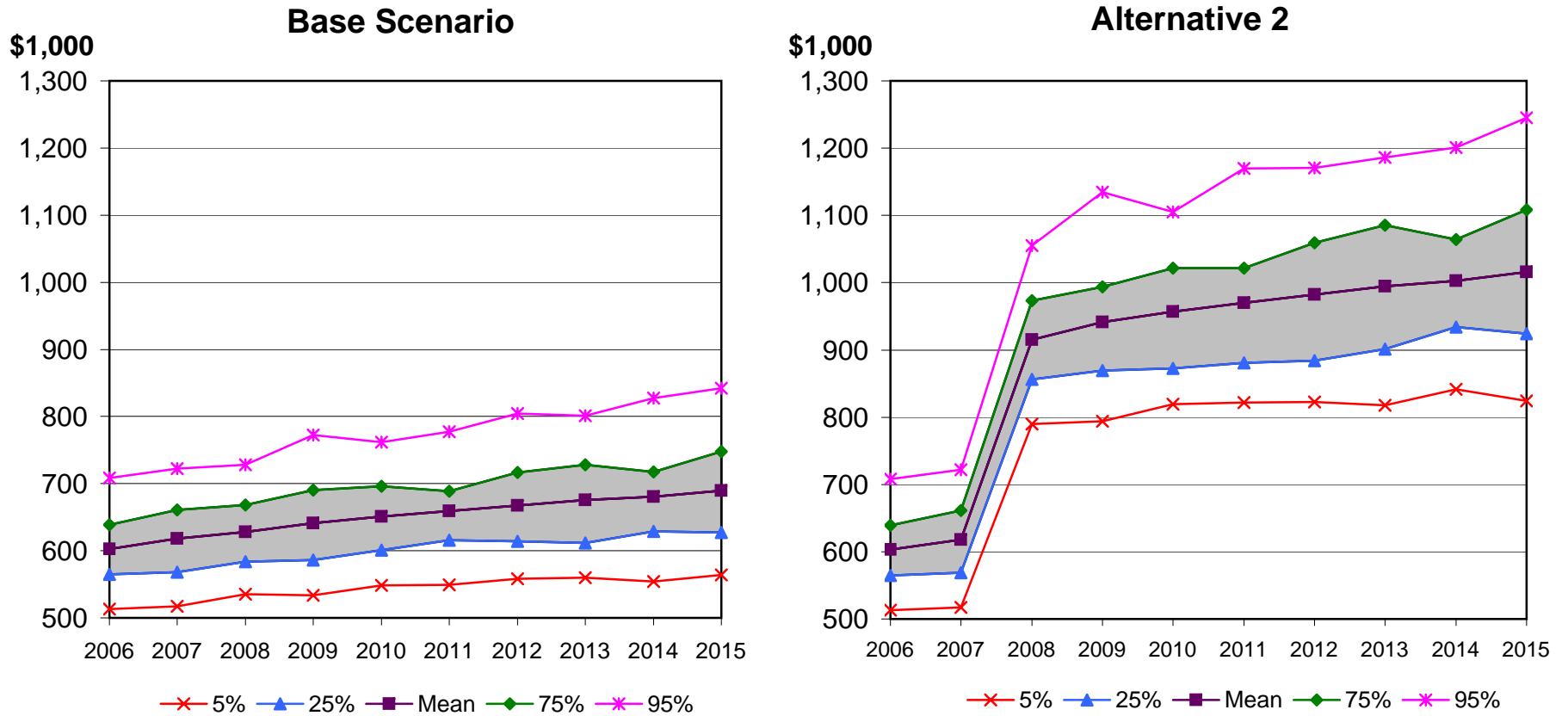
Note: Percentages indicate the probability that Net Farm Income is below the indicated level. The shaded area contains 50% of the projected outcomes.

Figure 14. Projected Variability in Debt to Assets Ratio for the Base Scenario and Alternative 1.



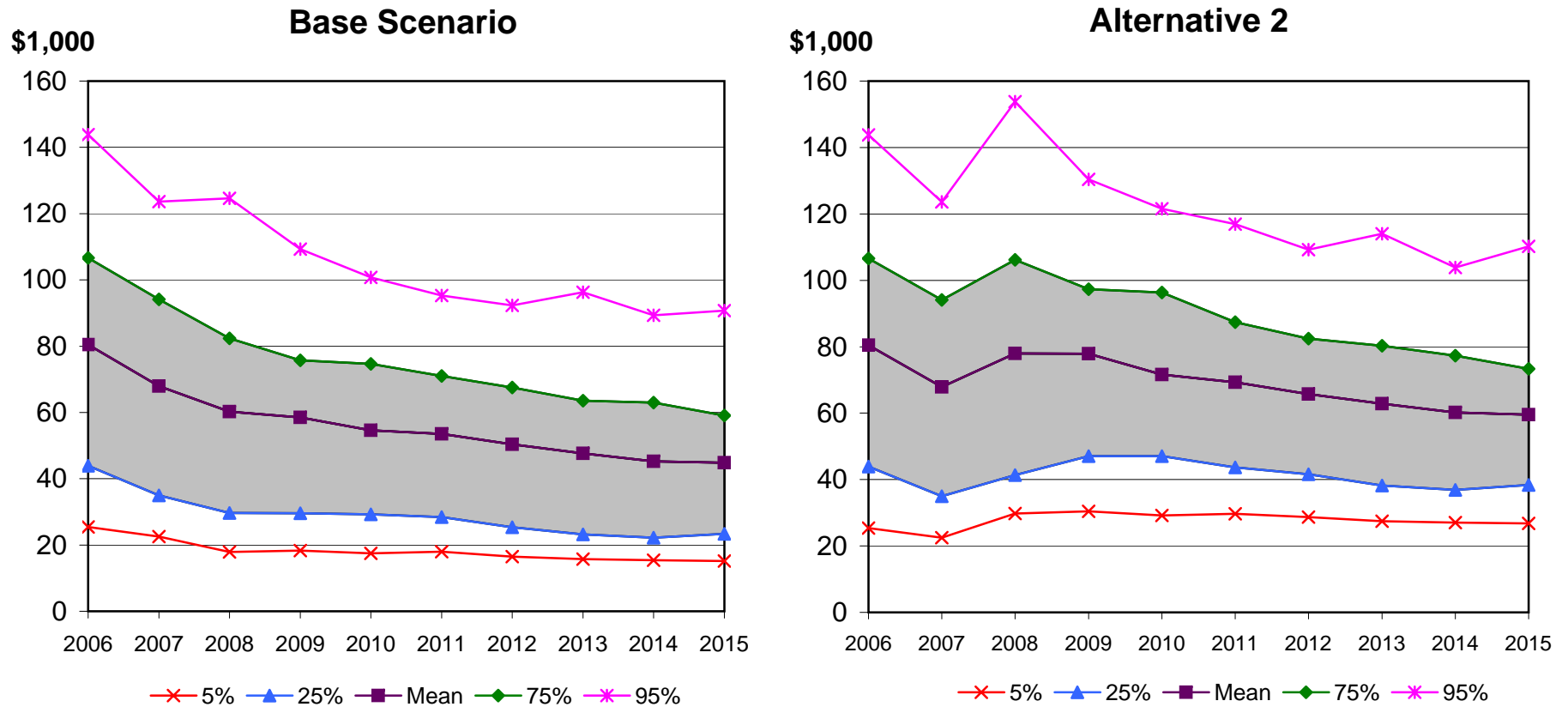
Note: Percentages indicate the probability that Net Farm Income is below the indicated level. The shaded area contains 50% of the projected outcomes.

Figure 15. Projected Variability in Total Cash Receipts for the Base Scenario and Alternative 2.



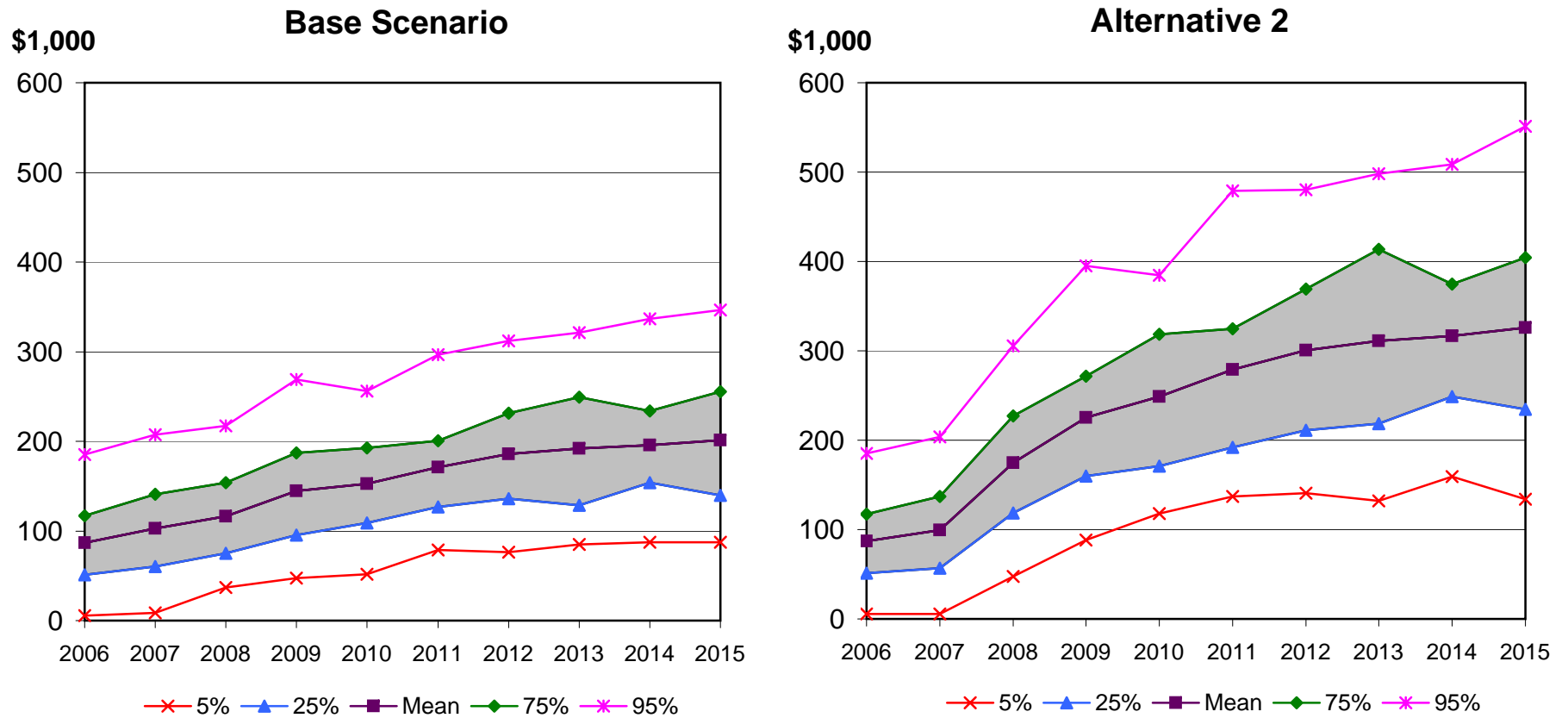
Note: Percentages indicate the probability that Total Cash Receipts is below the indicated level. The shaded area contains 50% of the projected outcomes.

Figure 16. Projected Variability in Total Government Payments for the Base Scenario and Alternative 2.



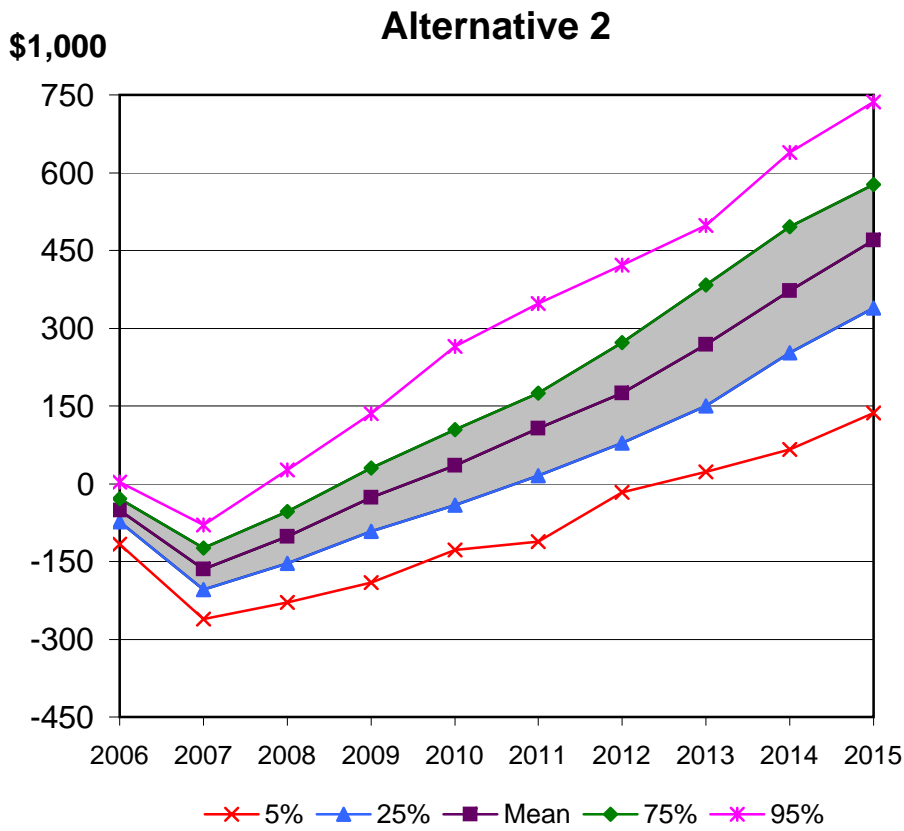
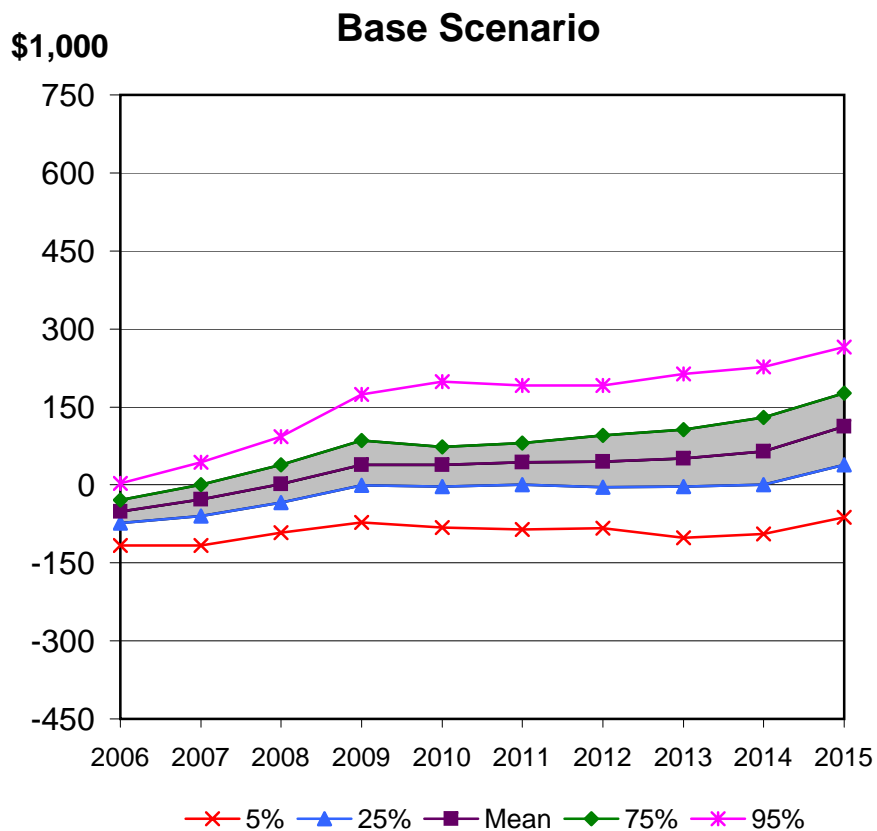
Note: Percentages indicate the probability that Total Cash Receipts is below the indicated level.
The shaded area contains 50% of the projected outcomes.

Figure 17. Projected Variability in Net Cash Farm Income for the Base Scenario and Alternative 2.



Note: Percentages indicate the probability that Net Cash Farm Income is below the indicated level. The shaded area contains 50% of the projected outcomes.

Figure 18. Projected Variability in Ending Cash Reserves Before Borrowing for the Base Scenario and Alternative 2.



Note: Percentages indicate the probability that Net Farm Income is below the indicated level. The shaded area contains 50% of the projected outcomes.

Table 7 - A. Base Farm Scenario

INCOME STATEMENT FOR YEARS 2006 - 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CASH INCOME (NET OF SHARE LEASE)										
CASH RECEIPTS FOR CROPS	500,944	530,006	548,228	564,426	575,718	587,792	595,483	607,368	616,057	623,826
DECOUPLED DIRECT PAYMENTS	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125
DECOUPLED CCPs	15,351	14,179	12,154	11,177	10,834	10,778	10,275	9,054	7,860	6,976
MARKETING LOAN PAYMENTS	37,845	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
MPCI CROP INSURANCE INDEMNITY	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL CASH RECEIPTS	589,265	605,815	621,308	636,954	647,796	658,183	662,074	668,747	673,686	677,918
CASH FARM EXPENSE (NET OF SHARE LEASE)										
CROP PROD & HARVEST COSTS										
SEED COSTS	32,187	33,507	34,090	34,448	34,668	35,018	35,386	35,867	36,294	36,722
FERTILIZER COSTS	57,360	53,901	51,998	50,095	48,107	47,019	47,325	48,399	49,362	50,305
HERBICIDE COSTS	40,930	40,418	40,184	40,071	39,887	39,951	40,259	40,685	41,007	41,290
INSECTICIDE COSTS	41,435	41,253	41,492	42,110	42,733	43,571	44,612	45,643	46,496	47,203
FUNGICIDE COSTS	0	0	0	0	0	0	0	0	0	0
CUSTOM APPLICATION	1,470	1,441	1,412	1,374	1,322	1,285	1,268	1,291	1,316	1,342
SCOUTING & OTHER	3,675	3,678	3,697	3,719	3,730	3,764	3,818	3,877	3,922	3,960
IRRIGATION FUEL COSTS	136,050	133,411	130,676	127,200	122,379	118,964	117,358	119,494	121,837	124,188
FUEL & LUBE COSTS	12,010	11,777	11,536	11,229	10,803	10,502	10,360	10,549	10,755	10,963
HARVESTING COSTS	76,384	75,280	74,110	72,504	70,110	68,500	67,918	69,507	71,230	72,975
CROP INSURANCE PREMIUMS	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658
BOLL WEEVIL COSTS	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880
HIRED LABOR COSTS	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL OF PROD COSTS	434,039	427,205	421,733	415,288	406,278	401,113	400,843	407,850	414,757	421,486
CASH RENT FOR CROPLAND	0	0	0	0	0	0	0	0	0	0
RENT PASTURE	0	0	0	0	0	0	0	0	0	0
MANAGEMENT COSTS	0	0	0	0	0	0	0	0	0	0
MANAGEMENT BONUS	0	0	0	0	0	0	0	0	0	0
ADDITIONAL MGMT. COSTS	0	0	0	0	0	0	0	0	0	0
HIRED LABOR COSTS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAXES	6,000	6,083	6,254	6,310	6,428	6,565	6,738	6,979	7,272	7,601
PERSONAL PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0
SALES TAXES FOR INPUTS	0	0	0	0	0	0	0	0	0	0
OTHER TAXES	0	0	0	0	0	0	0	0	0	0
ACCOUNTANT & LEGAL FEES	0	0	0	0	0	0	0	0	0	0
UNALLOCATED MAINTENANCE	29,000	29,415	29,862	30,343	30,822	31,343	31,910	32,485	33,069	33,694
UTILITIES	0	0	0	0	0	0	0	0	0	0
OTHER FUEL & LUBE	0	0	0	0	0	0	0	0	0	0
LIABILITY INSURANCE	5,930	5,935	5,966	6,000	6,019	6,074	6,160	6,255	6,328	6,390
MISCELLANEOUS COSTS	1,400	1,404	1,418	1,432	1,439	1,449	1,466	1,490	1,513	1,536
LESS EXPENSES PREVIOUSLY PAID	0	0	0	0	0	0	0	0	0	0
PLUS PREPAID EXPENSES	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL OF CASH COSTS	476,369	470,042	465,233	459,373	450,987	446,545	447,117	455,059	462,940	470,707
INTEREST ON LONG-TERM DEBT	27,924	27,091	26,200	25,249	30,070	25,472	20,483	15,070	9,197	2,825
INTEREST ON INTERMED. DEBT	0	0	5,222	7,096	5,676	4,134	2,461	645	0	1,353
INTEREST ON OPERATING DEBT	11,691	12,571	12,362	3,446	11,332	11,514	11,686	12,223	12,669	12,939
INTEREST ON CARRYOVER DEBT	0	5,661	3,513	362	0	0	0	0	0	0
TOTAL CASH EXPENSES	515,984	515,365	512,532	495,526	498,064	487,665	481,747	482,996	484,806	487,824
NET CASH FARM INCOME	73,281	90,449	108,776	141,429	149,732	170,518	180,327	185,751	188,880	190,095
ACCRUAL ADJUSTMENTS AND DEPRECIATION										
+/- CHANGE IN CROP INVENTORY	0	0	0	0	0	0	0	0	0	0
+/- CHANGE IN DEFERRED RECVBLS	0	0	0	0	0	0	0	0	0	0
+/- CHANGE IN LVSTK INVENTORY	0	0	0	0	0	0	0	0	0	0
+/- CHANGE IN PREPAID EXPENSES	0	0	0	0	0	0	0	0	0	0
+/- CHNG BASE VALU RAISED LVST	0	0	0	0	0	0	0	0	0	0
- BASIS BREEDING LVSTK SOLD	0	0	0	0	0	0	0	0	0	0
+ PURCHASED BREEDING LVSTK	0	0	0	0	0	0	0	0	0	0
- DEPRECIATION	-23,642	-56,425	-63,878	-36,420	-34,708	-34,584	-18,423	-1,151	-15,037	0
NET FARM INCOME	49,640	34,025	44,899	105,009	115,023	135,935	161,904	184,600	173,844	190,095
SUMMARY OF RECEIPTS & COSTS PER CROP ACRE										
CASH RECEIPTS (\$/ACRE)	404	415	426	436	444	451	453	458	461	464
CASH EXPENSES (\$/ACRE)	353	353	351	339	341	334	330	331	332	334
NET CASH INCOME (\$/ACRE)	50	62	75	97	103	117	124	127	129	130

Table 7 - B. Base Farm Scenario

CASHFLOW STATEMENT FOR YEARS 2006 - 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING CASH	17,351	0	0	0	23,919	15,645	14,781	7,889	5,331	9,806
PLUS:										
NET CASH FARM INCOME	73,281	90,449	108,776	141,429	149,732	170,518	180,327	185,751	188,880	190,095
OFF-FARM SALARY FARMER	0	0	0	0	0	0	0	0	0	0
OFF-FARM SALARY SPOUSE	0	0	0	0	0	0	0	0	0	0
NON-TAXABLE INCOME	0	0	0	0	0	0	0	0	0	0
INTEREST ON CASH RESERVES	420	0	0	0	587	386	368	199	136	254
INVESTMENT EARNINGS/DIVIDENDS	1,550	1,628	1,709	1,794	2,634	3,516	4,442	5,414	6,434	7,506
NEW CAPITAL INVESTED IN FARM	0	0	0	353,763	0	0	0	0	0	0
CORPORATE DIVIDENDS EARNED	0	0	0	0	0	0	0	0	0	0
PARTNERSHIP CASH DRAWS	0	0	0	0	0	0	0	0	0	0
PAYMENTS FOR CAPITAL	0	0	0	0	0	0	0	0	0	0
SELL MACH./LIVESTOCK/CROPS	0	0	0	0	0	0	0	0	0	0
PROCEEDS FROM ASSETS SOLD	0	0	0	0	0	0	0	0	0	0
TOTAL CASH AVAILABLE	92,603	92,077	110,485	496,986	176,871	190,065	199,918	199,253	200,782	207,660
MINUS:										
DOWN PYMT NON-MACH PURCHASE	0	0	0	0	0	0	0	0	0	0
CASH DIFFERENCE MACH REPLACED	0	15,324	6,635	0	0	0	0	0	0	0
PAYOFF MACHINERY BOUGHT										
REG. PRINCIPAL PAY. LONG-TERM	12,164	12,997	13,887	14,839	14,095	18,693	23,682	29,095	34,968	33,231
ACC. PRINCIPAL PAY. LONG-TERM	0	0	0	353,763	40,000	40,000	40,000	40,000	40,000	0
REG. PRINCIPAL PAY. INTR-TERM	101,405	0	10,341	16,647	18,067	19,609	21,282	7,535	0	2,512
ACC. PRINCIPAL PAY. INTR-TERM	0	0	0	0	0	0	0	0	0	0
PAY OPERATING LOAN CARRYOVER	0	58,066	35,885	3,662	0	0	0	0	0	0
FIXED INVESTMENT CONTRIBUTION	6,050	6,128	6,209	6,294	7,134	8,016	8,942	9,914	10,934	12,006
ADDITIONAL INVESTMENTS	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000
CASH PAID TO PRTNSHIP/CORPS	0	0	0	0	0	0	0	0	0	0
FAMILY WITHDRAWALS	21,600	30,363	33,235	33,885	34,527	35,246	36,042	36,902	37,775	38,666
FEDERAL INCOME TAX PAYMENTS	2,435	277	1,611	14,140	17,047	22,556	29,948	37,438	34,252	39,799
STATE INCOME TAX PAYMENTS	0	0	0	0	0	0	0	0	0	0
SELF-EMPLOYMENT+SOC SEC TAXES	7,014	4,808	6,344	14,837	15,356	16,165	17,133	18,038	18,048	18,793
TOTAL CASH OUTFLOWS	150,668	127,962	114,147	473,067	161,227	175,284	192,028	193,921	190,977	160,008
SURPLUS OR DEFICIT CASH	-58,066	-35,885	-3,662	23,919	15,645	14,781	7,889	5,331	9,806	47,652
ENDING YEAR CASH RESERVE	0	0	0	23,919	15,645	14,781	7,889	5,331	9,806	47,652

Table 7 - C. Base Farm Scenario

CURRENT MARKET VALUE, YEAR ENDING BALANCE SHEET FOR 2005 AND FOR SIMULATED YEARS 2006 - 2015

YEARS 2005 - 2015	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ASSETS:											
ENDING YEAR CASH	17,351	0	0	0	23,919	15,645	14,781	7,889	5,331	9,806	47,652
DEFERRED RECVBLS	0	0	0	0	0	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0	0	0	0	0	0	0
CROP INVENTORY	0	0	0	0	0	0	0	0	0	0	0
CROPS IN CCC	0	0	0	0	0	0	0	0	0	0	0
LIVESTOCK	0	0	0	0	0	0	0	0	0	0	0
REAL ESTATE	1,349,000	1,367,750	1,406,117	1,418,633	1,445,237	1,476,025	1,514,921	1,569,003	1,634,973	1,708,857	1,791,280
OTHER LONG-TERM	52,500	60,700	69,642	79,398	105,043	132,414	161,639	192,862	226,234	261,923	300,110
FARM MACHINERY	355,500	355,500	421,455	447,630	434,201	421,175	408,540	396,284	384,395	387,900	376,263
TOTAL	1,774,351	1,783,950	1,897,215	1,945,661	2,008,400	2,045,258	2,099,881	2,166,038	2,250,934	2,368,486	2,515,305
LIABILITIES:											
LONG-TERM DEBT	407,650	395,486	382,489	368,602	353,763	299,668	240,975	177,294	108,199	33,231	0
INTERMEDIATE DEBT	101,405	0	61,296	83,139	66,493	48,426	28,817	7,535	0	15,037	12,524
SHORT-TERM DEBT	0	58,066	35,885	3,662	0	0	0	0	0	0	0
CCC LOANS	0	0	0	0	0	0	0	0	0	0	0
DEFERRED TAXES	25,853	58,965	71,584	81,147	88,586	96,456	105,583	114,620	122,905	134,514	145,131
TOTAL	534,908	512,517	551,254	536,550	508,842	444,550	375,375	299,449	231,104	182,782	157,656
NOMINAL NET WORTH	1,239,443	1,271,433	1,345,960	1,409,111	1,499,559	1,600,708	1,724,506	1,866,589	2,019,830	2,185,705	2,357,650
REAL NET WORTH	1,239,443	1,245,282	1,301,932	1,336,442	1,394,946	1,461,347	1,542,258	1,632,443	1,725,305	1,823,854	1,921,973
CUMULATIVE % CHANGE NET WORTH		0.471	5.042	7.826	12.546	17.904	24.432	31.708	39.200	47.151	55.068
ANNUAL % CHANGE NET WORTH		0.471	4.549	2.651	4.378	4.760	5.537	5.848	5.689	5.712	5.380
CURRENT RATIO		0.000	0.000	0.000	0.352	0.230	0.218	0.151	0.121	0.246	12.327
WORKING CAPITAL		-98,153	-91,536	-67,493	-43,989	-52,263	-53,127	-44,455	-38,833	-30,116	43,786
DEBT / ASSET		0.287	0.291	0.276	0.253	0.217	0.179	0.138	0.103	0.077	0.063
EQUITY / ASSETS		0.713	0.709	0.724	0.747	0.783	0.821	0.862	0.897	0.923	0.937
DEBT / EQUITY		0.403	0.410	0.381	0.339	0.278	0.218	0.160	0.114	0.084	0.067
RATE OF RETURN ON ASSETS		0.050	0.049	0.039	0.070	0.081	0.090	0.104	0.113	0.105	0.107
RATE OF RETURN ON EQUITY		0.039	0.034	0.020	0.070	0.075	0.088	0.104	0.114	0.104	0.108
TERM DEBT COVERAGE RATIO		0.510	0.861	1.097	1.666	1.793	1.915	1.840	2.191	2.594	2.624
OPERATING EXPENSE / RECEIPTS		0.808	0.776	0.749	0.721	0.696	0.678	0.675	0.680	0.687	0.694
DEPREC. EXPENSE / RECEIPTS		0.040	0.093	0.103	0.057	0.054	0.053	0.028	0.002	0.022	0.000
INTEREST EXPENSE / RECEIPTS		0.067	0.075	0.076	0.057	0.073	0.062	0.052	0.042	0.032	0.025
NET FARM INCOME / RECEIPTS		0.084	0.056	0.072	0.165	0.178	0.207	0.245	0.276	0.258	0.280
SUMMARY OF THE DEFERRED TAX LIABILITY											
CONTINGENT CAPITAL GAINS											
REAL ESTATE	149,000	167,750	206,117	218,633	245,237	276,025	314,921	369,003	434,973	508,857	591,280
INVESTMENTS	0	0	0	0	0	0	0	0	0	0	0
MACHINERY	23,356	225,351	271,111	322,344	345,335	367,017	388,966	395,133	384,395	387,900	376,263
LIVESTOCK	0	0	0	0	0	0	0	0	0	0	0
TOTAL CONT. GAINS	172,356	393,101	477,228	540,978	590,572	643,042	703,887	764,136	819,368	896,757	967,543
TOTAL LIABILITY	25,853	58,965	71,584	81,147	88,586	96,456	105,583	114,620	122,905	134,514	145,131

Table 7 - D. Base Farm Scenario

ADDITIONAL CROP PRODUCTION AND POLICY RESULTS FOR YEARS SIMULATED 2006 - 2015

YEARS 2006 - 2015		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ACRES PLANTED											
	CROP NO. DOUBLE										
Y Corn Irr	1 0	591.00	591.00	591.00	591.00	591.00	591.00	591.00	591.00	591.00	591.00
White Corn	2 0	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Cotton	3 0	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
Cotton seed	4 3	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
CRP	5 0	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00
Wheat Dry	6 0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley	7 0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats	8 0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PLANTED ACRES		1,305.00	1,305.00	1,305.00	1,305.00	1,305.00	1,305.00	1,305.00	1,305.00	1,305.00	1,305.00
ACRES HARVESTED											
Y Corn Irr		591.00	591.00	591.00	591.00	591.00	591.00	591.00	591.00	591.00	591.00
White Corn		120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Cotton		490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
Cotton seed		490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
CRP		104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00
Wheat Dry		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DETERMINISTIC CROP YIELDS											
Y Corn Irr		190.00	191.75	193.51	195.29	197.09	198.90	200.73	202.58	204.44	206.32
White Corn		185.00	187.15	189.32	191.51	193.73	195.98	198.26	200.55	202.88	205.23
Cotton		750.00	753.60	757.22	760.85	764.50	768.17	771.86	775.57	779.29	783.03
Cotton seed		0.63	0.63	0.64	0.64	0.64	0.65	0.65	0.65	0.65	0.66
CRP		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wheat Dry		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CROP PRODUCTION											
Y Corn Irr		112,290	113,324	114,364	115,416	116,480	117,550	118,631	119,725	120,824	121,935
White Corn		22,200	22,458	22,718	22,981	23,248	23,518	23,791	24,066	24,346	24,628
Cotton		367,500	369,264	371,038	372,816	374,605	376,403	378,211	380,029	381,852	383,685
Cotton seed		309	309	314	314	314	318	318	318	318	323
CRP		104	104	104	104	104	104	104	104	104	104
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
OWNER/OPERATOR PRODUCTION											
Y Corn Irr		112,290	113,324	114,364	115,416	116,480	117,550	118,631	119,725	120,824	121,935
White Corn		16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259	18,471
Cotton		275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389	287,764
Cotton seed		232	232	235	235	235	239	239	239	239	243
CRP		104	104	104	104	104	104	104	104	104	104
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
CARRY-IN STOCKS OF FEEDSTUFFS											
Y Corn Irr		0	0	0	0	0	0	0	0	0	0
White Corn		0	0	0	0	0	0	0	0	0	0
Cotton		0	0	0	0	0	0	0	0	0	0
Cotton seed		0	0	0	0	0	0	0	0	0	0
CRP		0	0	0	0	0	0	0	0	0	0
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
QUANTITY STORAGE LOST TO SPOilage											
Y Corn Irr		0	0	0	0	0	0	0	0	0	0
White Corn		0	0	0	0	0	0	0	0	0	0
Cotton		0	0	0	0	0	0	0	0	0	0
Cotton seed		0	0	0	0	0	0	0	0	0	0
CRP		0	0	0	0	0	0	0	0	0	0
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
PRODUCTION PLUS CARRY-IN											
Y Corn Irr		112,290	113,324	114,364	115,416	116,480	117,550	118,631	119,725	120,824	121,935
White Corn		16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259	18,471
Cotton		275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389	287,764
Cotton seed		232	232	235	235	235	239	239	239	239	243
CRP		104	104	104	104	104	104	104	104	104	104
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0

Table 7 - D. Base Farm Scenario

ADDITIONAL CROP PRODUCTION AND POLICY RESULTS FOR YEARS SIMULATED 2006 - 2015

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
QUANTITY OF FEED DEMANDED BY LIVESTOCK ON THE FARM										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
DEFICIT FEEDS PURCHASED FOR LIVESTOCK										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
PRODUCTION HELD OVER FOR NEXT YEAR										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
OWNER/OPERATOR PRODUCTION SOLD THIS YEAR										
Y Corn Irr	112,290	113,324	114,364	115,416	116,480	117,550	118,631	119,725	120,824	121,935
White Corn	16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259	18,471
Cotton	275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389	287,764
Cotton seed	232	232	235	235	235	239	239	239	239	243
CRP	104	104	104	104	104	104	104	104	104	104
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
RECEIPTS DEFERRED FROM PREVIOUS YEAR										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
OPERATOR'S CASH RECEIPTS EXCLUDING GOV'T PAYMENTS, BY CROP ENTERPRISE										
Y Corn Irr	291,954	308,242	322,508	335,862	344,781	351,474	354,708	359,174	363,680	367,025
White Corn	45,788	48,341	50,605	52,742	54,225	55,384	56,028	56,856	57,699	58,367
Cotton	137,812	146,782	147,488	148,195	148,905	152,443	156,012	162,463	166,106	169,780
Cotton seed	22,270	23,521	24,508	24,508	24,687	25,371	25,615	25,756	25,452	25,533
CRP	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL RECEIPTS FOR CROPS	500,944	530,006	548,228	564,426	575,718	587,792	595,483	607,368	616,057	623,826
DIRECT PAYMENTS RECEIVED BY OWNER/OPERATOR										
Y Corn Irr	3,015	3,015	3,015	3,015	3,015	3,015	3,015	3,015	3,015	3,015
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769
Barley	50	50	50	50	50	50	50	50	50	50
Oats	29	29	29	29	29	29	29	29	29	29
TOTAL DIRECT PAYMENTS	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125
COUNTER-CYCLICAL PAYMENTS BY MARKETING YEAR										
Y Corn Irr	2,940	1,666	529	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	10,834	10,834	10,834	10,834	10,834	10,676	9,532	8,167	7,291	6,391
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	1,265	81	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0

Table 7 - D. Base Farm Scenario

ADDITIONAL CROP PRODUCTION AND POLICY RESULTS FOR YEARS SIMULATED 2006 - 2015

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
COUNTER-CYCLICAL PAYMENTS RECEIVED BY OWNER/OPERATOR IN CURRENT YEAR										
Y Corn Irr	3,828	2,494	1,268	344	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	10,830	10,834	10,834	10,834	10,834	10,778	10,275	9,054	7,860	6,976
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	703	851	52	0	0	0	0	0	0	0
Barley	-11	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL CCPs	15,351	14,179	12,154	11,177	10,834	10,778	10,275	9,054	7,860	6,976
LOCAL PRICES FOR CROPS										
Y Corn Irr	2.6000	2.7200	2.8200	2.9100	2.9600	2.9900	2.9900	3.0000	3.0100	3.0100
White Corn	2.7500	2.8700	2.9700	3.0600	3.1100	3.1400	3.1400	3.1500	3.1600	3.1600
Cotton	0.5000	0.5300	0.5300	0.5300	0.5300	0.5400	0.5500	0.5700	0.5800	0.5900
Cotton seed	96.1900	101.5900	104.2000	104.2000	104.9600	106.2100	107.2300	107.8200	106.5500	105.2700
CRP	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat Dry	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
NATIONAL CROP PRICES										
Y Corn Irr	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
White Corn	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
Cotton	0.4832	0.5112	0.5148	0.5135	0.5145	0.5220	0.5365	0.5538	0.5649	0.5763
Cotton seed	88.6735	94.0761	96.6834	96.6790	97.4425	98.6928	99.7127	100.3036	99.0344	97.7515
CRP	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat Dry	3.3028	3.3938	3.4478	3.5497	3.6061	3.6612	3.6927	3.7217	3.7511	3.7723
Barley	2.6017	2.6578	2.7324	2.7507	2.7660	2.7621	2.7488	2.7573	2.7728	2.7882
Oats	1.6382	1.6902	1.7403	1.7869	1.8230	1.8439	1.8512	1.8585	1.8627	1.8663
MARKETING LOAN GAINS										
Y Corn Irr	4,408	0	0	0	0	0	0	0	0	0
White Corn	654	0	0	0	0	0	0	0	0	0
Cotton	32,784	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL MKTG LOAN GAINS	37,845	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
CROP INSURANCE PREMIUMS PAID										
Y Corn Irr	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138
White Corn	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054
Cotton	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL PREMIUMS PAID	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658
WEIGHTED AVG. APH YIELD FOR BASIC UNIT COVERED CROPS										
Y Corn Irr	180	195	202	201	200	199	199	199	200	201
White Corn	183	183	184	184	183	187	192	194	195	195
Cotton	163	196	235	282	338	406	487	585	702	765
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0

Table 8 - 1A. Base Farm Scenario

REVENUE AND EXPENSE SUMMARY FOR UNIT 1.

Owned land

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UNIT 1. INCOME (NET OF SHARE LEASE)										
VALUE OF CROPS PRODUCED	295,074	311,362	325,628	338,982	347,901	354,594	357,828	362,294	366,800	370,145
DIRECT PAYMENTS	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197
COUNTER-CYCLICAL PAYMENTS	10,611	10,122	8,871	8,398	8,239	8,197	7,814	6,886	5,978	5,305
MARKETING LOAN PAYMENTS	4,408	0	0	0	0	0	0	0	0	0
CROP INSURANCE INDEMNITY	0	0	0	0	0	0	0	0	0	0
OTHER ANNUAL FARM INCOME	0	0	0	0	0	0	0	0	0	0
TOTAL UNIT REVENUE	321,290	332,681	345,696	358,577	367,337	373,988	376,840	380,377	383,975	386,647
UNIT EXPENSES (NET OF SHARE LEASE)										
CROP PROD & HARVEST COSTS										
SEED COSTS	21,867	22,764	23,160	23,403	23,553	23,790	24,040	24,367	24,657	24,948
FERTILIZER COSTS	35,460	33,322	32,146	30,969	29,740	29,067	29,256	29,920	30,516	31,099
HERBICIDE COSTS	17,730	17,508	17,407	17,358	17,278	17,306	17,439	17,624	17,763	17,886
INSECTICIDE COSTS	20,685	20,594	20,713	21,022	21,333	21,751	22,271	22,786	23,212	23,565
FUNGICIDE COSTS	0	0	0	0	0	0	0	0	0	0
CUSTOM APPLICATIONS	0	0	0	0	0	0	0	0	0	0
SCOUTING / OTHER COSTS	0	0	0	0	0	0	0	0	0	0
IRRIGATION FUEL COSTS	88,650	86,930	85,148	82,883	79,742	77,517	76,471	77,862	79,389	80,921
FUEL & LUBE COSTS	5,910	5,795	5,677	5,526	5,316	5,168	5,098	5,191	5,293	5,395
HARVESTING COSTS	9,455	9,357	9,249	9,086	8,822	8,655	8,616	8,854	9,111	9,372
CROP INSURANCE PREMIUMS	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138
BOLL WEEVIL PROGRAM COSTS	0	0	0	0	0	0	0	0	0	0
HIRED LABOR	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL CROP EXPENSES	212,895	209,408	206,637	203,384	198,922	196,393	196,330	199,743	203,078	206,322
CASH RENT FOR CROPLAND	0	0	0	0	0	0	0	0	0	0
RENT STATE/PRIVATE PASTURE	0	0	0	0	0	0	0	0	0	0
RENT STOCKER PASTURE	0	0	0	0	0	0	0	0	0	0
UNIT EXPENSES	212,895	209,408	206,637	203,384	198,922	196,393	196,330	199,743	203,078	206,322
UNIT CONTRIBUTION TO UNALLOCATED OVERHEAD/FIXED COSTS										
108,395	123,274	139,058	155,192	168,416	177,596	180,510	180,634	180,898	180,325	180,325
ALLOCATION OF OVERHEAD EXPENSES										
HIRED LABOR	0	0	0	0	0	0	0	0	0	0
MANAGEMENT	0	0	0	0	0	0	0	0	0	0
OTHER TAXES	3,386	3,455	3,595	3,667	3,761	3,847	3,955	4,092	4,272	4,467
ACCOUNTANT & LEGAL FEES	0	0	0	0	0	0	0	0	0	0
MAINTENANCE	16,367	16,704	17,168	17,635	18,035	18,368	18,728	19,047	19,425	19,802
UTILITIES	0	0	0	0	0	0	0	0	0	0
FUEL & LUBE	0	0	0	0	0	0	0	0	0	0
LIABILITY INSURANCE	3,347	3,371	3,430	3,487	3,522	3,560	3,616	3,668	3,717	3,755
MISCELLANEOUS COSTS	790	797	815	832	842	849	860	873	889	903
OTHER FARM EXPENSES	0	0	0	0	0	0	0	0	0	0
CROP STORAGE COSTS	0	0	0	0	0	0	0	0	0	0
CONSERVATION & ENVIRONMENT	0	0	0	0	0	0	0	0	0	0
INTEREST COST LONG-TERM DEBT	15,760	15,385	15,063	14,675	14,275	13,827	12,022	8,836	5,402	1,660
INTEREST COST INTERMEDIATE	0	0	3,002	4,124	3,321	2,423	1,444	378	0	795
INTEREST COST OPERATING DEBT	6,598	7,139	7,107	2,003	6,631	6,747	6,859	7,167	7,442	7,604
INTEREST COST CARRYOVER DEBT	0	3,215	2,020	210	0	0	0	0	0	0
DEPRECIATION	13,343	32,043	36,724	21,167	20,309	20,267	10,813	675	8,832	0
TOTAL ALLOCATED EXPENSES	59,592	82,109	88,924	67,802	74,015	70,988	58,296	44,735	49,979	38,986
UNIT NET INCOME	48,802	41,164	50,134	87,391	94,401	106,608	122,214	135,900	130,918	141,339

Table 8 - 1B. Base Farm Scenario

ADDITIONAL CROP INFORMATION FOR UNIT 1.
Owned land

YEARS 2006 - 2015		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
ACRES PLANTED		CROP NO. DOUBLE											
Y Corn Irr	1	0	591.0	591.0	591.0	591.0	591.0	591.0	591.0	591.0	591.0		
White Corn	2	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Cotton	3	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Cotton seed	4	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
CRP	5	0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0		
Wheat Dry	6	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Barley	7	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Oats	8	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
TOTAL PLANTED ACRES			695.0	695.0	695.0	695.0	695.0	695.0	695.0	695.0	695.0		
ACRES HARVESTED													
Y Corn Irr			591.0	591.0	591.0	591.0	591.0	591.0	591.0	591.0	591.0		
White Corn			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Cotton			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Cotton seed			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
CRP			104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0		
Wheat Dry			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Barley			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Oats			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
CROP YIELDS													
Y Corn Irr			190.00	191.75	193.51	195.29	197.09	198.90	200.73	202.58	204.44	206.32	
White Corn			185.00	187.15	189.32	191.51	193.73	195.98	198.26	200.55	202.88	205.23	
Cotton			750.00	753.60	757.22	760.85	764.50	768.17	771.86	775.57	779.29	783.03	
Cotton seed			0.63	0.63	0.64	0.64	0.64	0.65	0.65	0.65	0.65	0.66	
CRP			1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Wheat Dry			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Barley			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Oats			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL CROP PRODUCTION													
Y Corn Irr			112,290	113,324	114,364	115,416	116,480	117,550	118,631	119,725	120,824	121,935	
White Corn			0	0	0	0	0	0	0	0	0	0	
Cotton			0	0	0	0	0	0	0	0	0	0	
Cotton seed			0	0	0	0	0	0	0	0	0	0	
CRP			104	104	104	104	104	104	104	104	104	104	
Wheat Dry			0	0	0	0	0	0	0	0	0	0	
Barley			0	0	0	0	0	0	0	0	0	0	
Oats			0	0	0	0	0	0	0	0	0	0	
OWNER/OPERATOR SHARE OF PRODUCTION													
Y Corn Irr			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
White Corn			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Cotton			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Cotton seed			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
CRP			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Wheat Dry			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Barley			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Oats			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
OWNER/OPERATOR PRODUCTION													
Y Corn Irr			112,290	113,324	114,364	115,416	116,480	117,550	118,631	119,725	120,824	121,935	
White Corn			0	0	0	0	0	0	0	0	0	0	
Cotton			0	0	0	0	0	0	0	0	0	0	
Cotton seed			0	0	0	0	0	0	0	0	0	0	
CRP			104	104	104	104	104	104	104	104	104	104	
Wheat Dry			0	0	0	0	0	0	0	0	0	0	
Barley			0	0	0	0	0	0	0	0	0	0	
Oats			0	0	0	0	0	0	0	0	0	0	
LOCAL CROP PRICES													
Y Corn Irr		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Y Corn Irr		2.4186	2.6000	2.7200	2.8200	2.9100	2.9600	2.9900	2.9900	3.0000	3.0100	3.0100	
White Corn		2.5686	2.7500	2.8700	2.9700	3.0600	3.1100	3.1400	3.1400	3.1500	3.1600	3.1600	
Cotton		0.4948	0.5000	0.5300	0.5300	0.5300	0.5300	0.5400	0.5500	0.5700	0.5800	0.5900	
Cotton seed		102.7865	96.1900	101.5900	104.2000	104.2000	104.9600	106.2100	107.2300	107.8200	106.5500	105.2700	
CRP		30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	
Wheat Dry		-0.3923	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Barley		-0.3082	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Oats		-0.3163	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
WEIGHTED AVERAGE FEED PRICES AND WEIGHTS FOR T-1 AND T													
		T-1	T	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Y Corn Irr		0.6670	0.3330	2.4791	2.6400	2.7533	2.8500	2.9267	2.9700	2.9900	2.9933	3.0033	3.0100
White Corn		0.6670	0.3330	2.6291	2.7900	2.9033	3.0000	3.0767	3.1200	3.1400	3.1433	3.1533	3.1600
Cotton		0.5830	0.4170	0.4970	0.5125	0.5300	0.5300	0.5300	0.5342	0.5442	0.5583	0.5742	0.5842
Cotton seed		0.7500	0.2500	101.1374	97.5400	102.2425	104.2000	104.3900	105.2725	106.4650	107.3775	107.5025	106.2300
CRP		0.0000	1.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat Dry		0.5000	0.5000	-0.1961	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley		0.5000	0.5000	-0.1541	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats		0.5000	0.5000	-0.1582	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Table 8 - 1B. Base Farm Scenario

ADDITIONAL CROP INFORMATION FOR UNIT 1.
Owned land

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
MARKET VALUE OF CROP PRODUCTION										
Y Corn Irr	291,954	308,242	322,508	335,862	344,781	351,474	354,708	359,174	363,680	367,025
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL MARKET VALUE OF CROPS	295,074	311,362	325,628	338,982	347,901	354,594	357,828	362,294	366,800	370,145
BASE ACRES										
Y Corn Irr	42.8	42.8	42.8	42.8	42.8	42.8	42.8	42.8	42.8	42.8
White Corn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cotton	155.5	155.5	155.5	155.5	155.5	155.5	155.5	155.5	155.5	155.5
Cotton seed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CRP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wheat Dry	328.0	328.0	328.0	328.0	328.0	328.0	328.0	328.0	328.0	328.0
Barley	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oats	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PAYMENT ACRES FOR DECOUPLED PAYMENTS										
Y Corn Irr	36.4	36.4	36.4	36.4	36.4	36.4	36.4	36.4	36.4	36.4
White Corn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cotton	132.2	132.2	132.2	132.2	132.2	132.2	132.2	132.2	132.2	132.2
Cotton seed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CRP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wheat Dry	278.8	278.8	278.8	278.8	278.8	278.8	278.8	278.8	278.8	278.8
Barley	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oats	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FARM PROGRAM YIELDS FOR DIRECT PAYMENTS										
Y Corn Irr	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00
White Corn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotton	454.00	454.00	454.00	454.00	454.00	454.00	454.00	454.00	454.00	454.00
Cotton seed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wheat Dry	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Barley	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DIRECT PAYMENT RATES										
Y Corn Irr	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
White Corn	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Cotton	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Barley	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400
Oats	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240
DIRECT PAYMENTS RECEIVED NET OF LANDLORD SHARE										
Y Corn Irr	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	4,002	4,002	4,002	4,002	4,002	4,002	4,002	4,002	4,002	4,002
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	5,799	5,799	5,799	5,799	5,799	5,799	5,799	5,799	5,799	5,799
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL DIRECT PAYMENTS	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197	11,197
FARM PROGRAM YIELDS FOR COUNTER-CYCLICAL PAYMENTS										
Y Corn Irr	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00
White Corn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotton	454.00	454.00	454.00	454.00	454.00	454.00	454.00	454.00	454.00	454.00
Cotton seed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wheat Dry	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Barley	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COUNTER-CYCLICAL PAYMENT RATES FOR MKT YEAR -- FIRST COL. REFLECTS PORTION OF 2005 CCP RATE TO BE PAID IN 2006										
Y Corn Irr	0.2600	0.2731	0.1547	0.0491	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
White Corn	0.2600	0.2731	0.1547	0.0491	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Cotton	0.0892	0.1373	0.1373	0.1373	0.1373	0.1373	0.1353	0.1208	0.1035	0.0924
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	0.0200	0.0972	0.0062	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley	-0.0525	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Table 8 - 1B. Base Farm Scenario

ADDITIONAL CROP INFORMATION FOR UNIT 1.
Owned land

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
COUNTER-CYCLICAL PAYMENTS NET OF LANDLORD SHARE -- BY CROP YEAR										
Y Corn Irr	1,361	771	245	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	8,239	8,239	8,239	8,239	8,239	8,119	7,249	6,211	5,545	4,861
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	1,084	69	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
COUNTER-CYCLICAL PAYMENTS NET OF LANDLORD SHARE -- RECEIVED IN CALENDAR YEAR										
Y Corn Irr	1,772	1,155	587	159	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	8,236	8,239	8,239	8,239	8,239	8,197	7,814	6,886	5,978	5,305
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	602	729	45	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL COUNTER-CYCLICAL PMTS	10,611	10,122	8,871	8,398	8,239	8,197	7,814	6,886	5,978	5,305
LOAN RATES										
Y Corn Irr	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500
White Corn	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500
Cotton	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
Barley	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500
Oats	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300
TARGET PRICES										
Y Corn Irr	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300
White Corn	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300
Cotton	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200
Barley	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400
Oats	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400
NATIONAL CROP PRICES										
Y Corn Irr	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
White Corn	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
Cotton	0.4832	0.5112	0.5148	0.5135	0.5145	0.5220	0.5365	0.5538	0.5649	0.5763
Cotton seed	88.6735	94.0761	96.6834	96.6790	97.4425	98.6928	99.7127	100.3036	99.0344	97.7515
CRP	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat Dry	3.3028	3.3938	3.4478	3.5497	3.6061	3.6612	3.6927	3.7217	3.7511	3.7723
Barley	2.6017	2.6578	2.7324	2.7507	2.7660	2.7621	2.7488	2.7573	2.7728	2.7882
Oats	1.6382	1.6902	1.7403	1.7869	1.8230	1.8439	1.8512	1.8585	1.8627	1.8663
MARKETING LOAN, POP PAYMENTS										
Y Corn Irr	0.0393	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
White Corn	0.0393	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Cotton	0.1189	0.0957	0.0927	0.0938	0.0930	0.0867	0.0747	0.0603	0.0511	0.0417
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
QUANTITY ELIGIBLE FOR MARKETING LOAN OR LDP										
Y Corn Irr	112,290	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
MARKETING LOAN GAINS										
Y Corn Irr	4,408	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL MKTG LOAN GAINS	4,408	0	0	0	0	0	0	0	0	0

Table 8 - 1B. Base Farm Scenario

ADDITIONAL CROP INFORMATION FOR UNIT 1.
Owned land

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CROP INSURANCE PREMIUMS PAID										
Y Corn Irr	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL PREMIUMS PAID	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138
APH CROP INSURANCE YIELD										
Y Corn Irr	180.00	195.00	202.00	201.00	200.00	199.00	199.00	199.00	200.00	201.00
White Corn	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Cotton	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00
Cotton seed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wheat Dry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CROP INSURANCE INDEMNITY NET OF LANDLORD SHARE										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL INDEMNITIES	0	0	0	0	0	0	0	0	0	0
CROP INSURANCE YIELD HISTORY "-1" INDICATES NO RECORD										
YEARS 1996 - 2005	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Y Corn Irr	-1	-1	-1	-1	-1	-1	-1	-1	197	231
White Corn	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Cotton	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Cotton seed	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
YIELD HISTORY USED FOR FUTURE YIELD RISK										
YEARS 1996 - 2005	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Y Corn Irr	185	190	220	208	160	150	180	195	197	231
White Corn	180	175	210	200	155	145	185	191	198	207
Cotton	54	50	56	53	46	38	43	39	31	50
Cotton seed	54	50	56	53	46	38	43	39	31	50
CRP	1	1	1	1	1	1	1	1	1	1
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0

Table 8 - 2A. Base Farm Scenario

REVENUE AND EXPENSE SUMMARY FOR UNIT 2.

Shared land

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UNIT 2. INCOME (NET OF SHARE LEASE)										
VALUE OF CROPS PRODUCED	205,870	218,644	222,601	225,444	227,817	233,198	237,655	245,074	249,257	253,681
DIRECT PAYMENTS	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928
COUNTER-CYCLICAL PAYMENTS	4,740	4,056	3,283	2,779	2,595	2,581	2,461	2,168	1,882	1,671
MARKETING LOAN PAYMENTS	33,437	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
CROP INSURANCE INDEMNITY	0	0	0	0	0	0	0	0	0	0
OTHER ANNUAL FARM INCOME	0	0	0	0	0	0	0	0	0	0
TOTAL UNIT REVENUE	247,976	253,133	255,612	258,378	260,459	264,195	265,235	268,370	269,711	271,271
UNIT EXPENSES (NET OF SHARE LEASE)										
CROP PROD & HARVEST COSTS										
SEED COSTS	10,320	10,743	10,930	11,045	11,116	11,228	11,346	11,500	11,637	11,774
FERTILIZER COSTS	21,900	20,579	19,853	19,126	18,367	17,952	18,069	18,479	18,847	19,206
HERBICIDE COSTS	23,200	22,910	22,777	22,713	22,609	22,645	22,819	23,061	23,243	23,404
INSECTICIDE COSTS	20,750	20,659	20,779	21,088	21,400	21,820	22,341	22,857	23,285	23,639
FUNGICIDE COSTS	0	0	0	0	0	0	0	0	0	0
CUSTOM APPLICATIONS	1,470	1,441	1,412	1,374	1,322	1,285	1,268	1,291	1,316	1,342
SCOUTING / OTHER COSTS	3,675	3,678	3,697	3,719	3,730	3,764	3,818	3,877	3,922	3,960
IRRIGATION FUEL COSTS	47,400	46,480	45,528	44,317	42,637	41,447	40,888	41,632	42,448	43,267
FUEL & LUBE COSTS	6,100	5,982	5,859	5,703	5,487	5,334	5,262	5,358	5,463	5,568
HARVESTING COSTS	66,929	65,924	64,861	63,418	61,288	59,845	59,302	60,653	62,119	63,603
CROP INSURANCE PREMIUMS	13,520	13,520	13,520	13,520	13,520	13,520	13,520	13,520	13,520	13,520
BOLL WEEVIL PROGRAM COSTS	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880
HIRED LABOR	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL CROP EXPENSES	221,144	217,797	215,096	211,904	207,356	204,721	204,513	208,108	211,680	215,164
CASH RENT FOR CROPLAND	0	0	0	0	0	0	0	0	0	0
RENT STATE/PRIVATE PASTURE	0	0	0	0	0	0	0	0	0	0
RENT STOCKER PASTURE	0	0	0	0	0	0	0	0	0	0
UNIT EXPENSES	221,144	217,797	215,096	211,904	207,356	204,721	204,513	208,108	211,680	215,164
UNIT CONTRIBUTION TO UNALLOCATED OVERHEAD/FIXED COSTS	26,831	35,336	40,516	46,474	53,102	59,474	60,722	60,263	58,032	56,108
ALLOCATION OF OVERHEAD EXPENSES										
HIRED LABOR	0	0	0	0	0	0	0	0	0	0
MANAGEMENT	0	0	0	0	0	0	0	0	0	0
OTHER TAXES	2,614	2,629	2,659	2,642	2,667	2,718	2,783	2,887	3,000	3,134
ACCOUNTANT & LEGAL FEES	0	0	0	0	0	0	0	0	0	0
MAINTENANCE	12,633	12,710	12,694	12,707	12,787	12,975	13,182	13,438	13,644	13,893
UTILITIES	0	0	0	0	0	0	0	0	0	0
FUEL & LUBE	0	0	0	0	0	0	0	0	0	0
LIABILITY INSURANCE	2,583	2,565	2,536	2,513	2,497	2,515	2,545	2,588	2,611	2,635
MISCELLANEOUS COSTS	610	606	603	600	597	600	605	616	624	633
OTHER FARM EXPENSES	0	0	0	0	0	0	0	0	0	0
CROP STORAGE COSTS	0	0	0	0	0	0	0	0	0	0
CONSERVATION & ENVIRONMENT	0	0	0	0	0	0	0	0	0	0
INTEREST COST LONG-TERM DEBT	12,164	11,706	11,138	10,574	12,475	10,545	8,461	6,234	3,795	1,165
INTEREST COST INTERMEDIATE	0	0	2,220	2,972	2,355	1,711	1,017	267	0	558
INTEREST COST OPERATING DEBT	5,093	5,432	5,255	1,443	4,701	4,766	4,827	5,056	5,227	5,335
INTEREST COST CARRYOVER DEBT	0	2,446	1,493	152	0	0	0	0	0	0
DEPRECIATION	10,298	24,381	27,154	15,252	14,400	14,317	7,610	476	6,204	0
TOTAL ALLOCATED EXPENSES	45,994	62,476	65,752	48,856	52,480	50,147	41,031	31,562	35,106	27,352
UNIT NET INCOME	-19,163	-27,140	-25,236	-2,381	622	9,326	19,691	28,700	22,925	28,756

Table 8 - 2B. Base Farm Scenario

ADDITIONAL CROP INFORMATION FOR UNIT 2.
Shared land

YEARS 2006 - 2015		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ACRES PLANTED CROP NO. DOUBLE											
Y Corn Irr	1	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
White Corn	2	0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Cotton	3	0	490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0
Cotton seed	4	3	490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0
CRP	5	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wheat Dry	6	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Barley	7	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oats	8	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL PLANTED ACRES			610.0	610.0	610.0	610.0	610.0	610.0	610.0	610.0	610.0
ACRES HARVESTED											
Y Corn Irr		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
White Corn		120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Cotton		490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0
Cotton seed		490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0	490.0
CRP		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wheat Dry		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Barley		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oats		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CROP YIELDS											
Y Corn Irr		190.00	192.20	194.43	196.69	198.97	201.28	203.61	205.98	208.36	210.78
White Corn		185.00	187.15	189.32	191.51	193.73	195.98	198.26	200.55	202.88	205.23
Cotton		750.00	753.60	757.22	760.85	764.50	768.17	771.86	775.57	779.29	783.03
Cotton seed		0.63	0.63	0.64	0.64	0.64	0.65	0.65	0.65	0.65	0.66
CRP		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wheat Dry		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CROP PRODUCTION											
Y Corn Irr		0	0	0	0	0	0	0	0	0	0
White Corn		22,200	22,458	22,718	22,981	23,248	23,518	23,791	24,066	24,346	24,628
Cotton		367,500	369,264	371,038	372,816	374,605	376,403	378,211	380,029	381,852	383,685
Cotton seed		309	309	314	314	314	318	318	318	318	323
CRP		0	0	0	0	0	0	0	0	0	0
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
OWNER/OPERATOR SHARE OF PRODUCTION											
Y Corn Irr		0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
White Corn		0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
Cotton		0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
Cotton seed		0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
CRP		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Wheat Dry		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Barley		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Oats		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
OWNER/OPERATOR PRODUCTION											
Y Corn Irr		0	0	0	0	0	0	0	0	0	0
White Corn		16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259	18,471
Cotton		275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389	287,764
Cotton seed		232	232	235	235	235	239	239	239	239	243
CRP		0	0	0	0	0	0	0	0	0	0
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
LOCAL CROP PRICES											
Y Corn Irr	2005	2.4186	2.6000	2.7200	2.8200	2.9100	2.9600	2.9900	3.0000	3.0100	3.0100
White Corn		2.5686	2.7500	2.8700	2.9700	3.0600	3.1100	3.1400	3.1500	3.1600	3.1600
Cotton		0.4948	0.5000	0.5300	0.5300	0.5300	0.5400	0.5500	0.5700	0.5800	0.5900
Cotton seed		102.7865	96.1900	101.5900	104.2000	104.9600	106.2100	107.2300	107.8200	106.5500	105.2700
CRP		30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat Dry		-0.3923	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley		-0.3082	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats		-0.3163	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
WEIGHTED AVERAGE FEED PRICES AND WEIGHTS FOR T-1 AND T											
			2006	2007	2008	2009	2010	2011	2012	2013	2014
Y Corn Irr	T-1	0.6670	0.3330	2.4791	2.6400	2.7533	2.8500	2.9267	2.9700	2.9933	3.0033
White Corn	T	0.6670	0.3330	2.6291	2.7900	2.9033	3.0000	3.0767	3.1200	3.1400	3.1433
Cotton		0.5830	0.4170	0.4970	0.5125	0.5300	0.5300	0.5300	0.5342	0.5442	0.5583
Cotton seed		0.7500	0.2500	101.1374	97.5400	102.2425	104.2000	104.3900	105.2725	106.4650	107.3775
CRP		0.0000	1.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat Dry		0.5000	0.5000	-0.1961	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley		0.5000	0.5000	-0.1541	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats		0.5000	0.5000	-0.1582	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Table 8 - 2B. Base Farm Scenario

ADDITIONAL CROP INFORMATION FOR UNIT 2.
Shared land

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
MARKET VALUE OF CROP PRODUCTION										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	45,788	48,341	50,605	52,742	54,225	55,384	56,028	56,856	57,699	58,367
Cotton	137,812	146,782	147,488	148,195	148,905	152,443	156,012	162,463	166,106	169,780
Cotton seed	22,270	23,521	24,508	24,508	24,687	25,371	25,615	25,756	25,452	25,533
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL MARKET VALUE OF CROPS	205,870	218,644	222,601	225,444	227,817	233,198	237,655	245,074	249,257	253,681
BASE ACRES										
Y Corn Irr	90.7	90.7	90.7	90.7	90.7	90.7	90.7	90.7	90.7	90.7
White Corn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cotton	58.7	58.7	58.7	58.7	58.7	58.7	58.7	58.7	58.7	58.7
Cotton seed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CRP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wheat Dry	68.6	68.6	68.6	68.6	68.6	68.6	68.6	68.6	68.6	68.6
Barley	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Oats	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9
PAYMENT ACRES FOR DECOUPLED PAYMENTS										
Y Corn Irr	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1
White Corn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cotton	49.9	49.9	49.9	49.9	49.9	49.9	49.9	49.9	49.9	49.9
Cotton seed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CRP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wheat Dry	58.3	58.3	58.3	58.3	58.3	58.3	58.3	58.3	58.3	58.3
Barley	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Oats	18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6	18.6
FARM PROGRAM YIELDS FOR DIRECT PAYMENTS										
Y Corn Irr	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
White Corn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotton	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00
Cotton seed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wheat Dry	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Barley	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00
Oats	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00
DIRECT PAYMENT RATES										
Y Corn Irr	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
White Corn	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Cotton	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667	0.0667
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Barley	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400
Oats	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240
DIRECT PAYMENTS RECEIVED NET OF LANDLORD SHARE										
Y Corn Irr	1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	970	970	970	970	970	970	970	970	970	970
Barley	50	50	50	50	50	50	50	50	50	50
Oats	29	29	29	29	29	29	29	29	29	29
TOTAL DIRECT PAYMENTS	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928
FARM PROGRAM YIELDS FOR COUNTER-CYCLICAL PAYMENTS										
Y Corn Irr	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
White Corn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotton	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00
Cotton seed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wheat Dry	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Barley	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00
Oats	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00
COUNTER-CYCLICAL PAYMENT RATES FOR MKT YEAR -- FIRST COL. REFLECTS PORTION OF 2005 CCP RATE TO BE PAID IN 2006										
Y Corn Irr	0.2600	0.2731	0.1547	0.0491	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
White Corn	0.2600	0.2731	0.1547	0.0491	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Cotton	0.0892	0.1373	0.1373	0.1373	0.1373	0.1373	0.1353	0.1208	0.1035	0.0924
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	0.0200	0.0972	0.0062	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley	-0.0525	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Table 8 - 2B. Base Farm Scenario

ADDITIONAL CROP INFORMATION FOR UNIT 2.
Shared land

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
COUNTER-CYCLICAL PAYMENTS NET OF LANDLORD SHARE -- BY CROP YEAR										
Y Corn Irr	1,579	894	284	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	2,595	2,595	2,595	2,595	2,595	2,557	2,283	1,956	1,746	1,531
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	181	12	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
COUNTER-CYCLICAL PAYMENTS NET OF LANDLORD SHARE -- RECEIVED IN CALENDAR YEAR										
Y Corn Irr	2,056	1,339	681	185	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	2,594	2,595	2,595	2,595	2,595	2,581	2,461	2,168	1,882	1,671
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	101	122	8	0	0	0	0	0	0	0
Barley	-11	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL COUNTER-CYCLICAL PMTS	4,740	4,056	3,283	2,779	2,595	2,581	2,461	2,168	1,882	1,671
LOAN RATES										
Y Corn Irr	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500
White Corn	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500
Cotton	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
Barley	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500
Oats	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300	1.3300
TARGET PRICES										
Y Corn Irr	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300
White Corn	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300	2.6300
Cotton	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240	0.7240
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200	3.9200
Barley	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400	2.2400
Oats	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400
NATIONAL CROP PRICES										
Y Corn Irr	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
White Corn	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
Cotton	0.4832	0.5112	0.5148	0.5135	0.5145	0.5220	0.5365	0.5538	0.5649	0.5763
Cotton seed	88.6735	94.0761	96.6834	96.6790	97.4425	98.6928	99.7127	100.3036	99.0344	97.7515
CRP	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat Dry	3.3028	3.3938	3.4478	3.5497	3.6061	3.6612	3.6927	3.7217	3.7511	3.7723
Barley	2.6017	2.6578	2.7324	2.7507	2.7660	2.7621	2.7488	2.7573	2.7728	2.7882
Oats	1.6382	1.6902	1.7403	1.7869	1.8230	1.8439	1.8512	1.8585	1.8627	1.8663
MARKETING LOAN, POP PAYMENTS										
Y Corn Irr	0.0393	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
White Corn	0.0393	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Cotton	0.1189	0.0957	0.0927	0.0938	0.0930	0.0867	0.0747	0.0603	0.0511	0.0417
Cotton seed	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
CRP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheat Dry	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
QUANTITY ELIGIBLE FOR MARKETING LOAN OR LDP										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	16,650	0	0	0	0	0	0	0	0	0
Cotton	275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389	287,764
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
MARKETING LOAN GAINS										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	654	0	0	0	0	0	0	0	0	0
Cotton	32,784	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL MKTG LOAN GAINS	33,437	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991

Table 8 - 2B. Base Farm Scenario

ADDITIONAL CROP INFORMATION FOR UNIT 2.
Shared land

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CROP INSURANCE PREMIUMS PAID										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054
Cotton	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL PREMIUMS PAID	13,520	13,520	13,520	13,520	13,520	13,520	13,520	13,520	13,520	13,520
APH CROP INSURANCE YIELD										
Y Corn Irr	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
White Corn	183.00	183.00	184.00	184.00	183.00	187.00	192.00	194.00	195.00	195.00
Cotton	163.00	196.00	235.00	282.00	338.00	406.00	487.00	585.00	702.00	765.00
Cotton seed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wheat Dry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CROP INSURANCE INDEMNITY NET OF LANDLORD SHARE										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL INDEMNITIES	0	0	0	0	0	0	0	0	0	0
CROP INSURANCE YIELD HISTORY "-1" INDICATES NO RECORD										
YEARS 1996 - 2005	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Y Corn Irr	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
White Corn	-1	-1	-1	200	155	145	185	191	198	207
Cotton	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Cotton seed	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
YIELD HISTORY USED FOR FUTURE YIELD RISK										
YEARS 1996 - 2005	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Y Corn Irr	185	190	220	208	160	150	180	195	197	231
White Corn	180	175	210	200	155	145	185	191	198	207
Cotton	54	50	56	53	46	38	43	39	31	50
Cotton seed	54	50	56	53	46	38	43	39	31	50
CRP	1	1	1	1	1	1	1	1	1	1
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0

Table 9 - A. Alternative 1

INCOME STATEMENT FOR YEARS 2006 - 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CASH INCOME (NET OF SHARE LEASE)										
CASH RECEIPTS FOR CROPS	500,944	530,006	548,228	564,426	575,718	587,792	595,483	910,777	923,994	935,340
DECOUPLED DIRECT PAYMENTS	15,125	15,125	15,125	15,125	15,125	15,125	15,125	26,811	26,811	26,811
DECOUPLED CCPs	15,351	14,179	12,154	11,177	10,834	10,778	10,275	9,054	7,860	6,976
MARKETING LOAN PAYMENTS	37,845	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
MPCI CROP INSURANCE INDEMNITY	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL CASH RECEIPTS	589,265	605,815	621,308	636,954	647,796	658,183	662,074	983,842	993,310	1,001,118
CASH FARM EXPENSE (NET OF SHARE LEASE)										
CROP PROD & HARVEST COSTS										
SEED COSTS	32,187	33,507	34,090	34,448	34,668	35,018	35,386	56,111	56,779	57,449
FERTILIZER COSTS	57,360	53,901	51,998	50,095	48,107	47,019	47,325	74,500	75,982	77,434
HERBICIDE COSTS	40,930	40,418	40,184	40,071	39,887	39,951	40,259	55,327	55,764	56,149
INSECTICIDE COSTS	41,435	41,253	41,492	42,110	42,733	43,571	44,612	64,573	65,781	66,780
FUNGICIDE COSTS	0	0	0	0	0	0	0	0	0	0
CUSTOM APPLICATION	1,470	1,441	1,412	1,374	1,322	1,285	1,268	1,291	1,316	1,342
SCOUTING & OTHER	3,675	3,678	3,697	3,719	3,730	3,764	3,818	3,877	3,922	3,960
IRRIGATION FUEL COSTS	136,050	133,411	130,676	127,200	122,379	118,964	117,358	147,526	150,417	153,320
FUEL & LUBE COSTS	12,010	11,777	11,536	11,229	10,803	10,502	10,360	14,861	15,152	15,445
HARVESTING COSTS	76,384	75,280	74,110	72,504	70,110	68,500	67,918	76,986	78,944	80,929
CROP INSURANCE PREMIUMS	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658
BOLL WEEVIL COSTS	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880
HIRED LABOR COSTS	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL OF PROD COSTS	434,039	427,205	421,733	415,288	406,278	401,113	400,843	527,591	536,596	545,346
CASH RENT FOR CROPLAND	0	0	0	0	0	0	0	0	0	0
RENT PASTURE	0	0	0	0	0	0	0	0	0	0
MANAGEMENT COSTS	0	0	0	0	0	0	0	0	0	0
MANAGEMENT BONUS	0	0	0	0	0	0	0	0	0	0
ADDITIONAL MGMT. COSTS	0	0	0	0	0	0	0	0	0	0
HIRED LABOR COSTS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAXES	6,000	6,083	6,254	6,310	6,428	6,565	6,738	9,711	10,078	10,492
PERSONAL PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0
SALES TAXES FOR INPUTS	0	0	0	0	0	0	0	0	0	0
OTHER TAXES	0	0	0	0	0	0	0	0	0	0
ACCOUNTANT & LEGAL FEES	0	0	0	0	0	0	0	0	0	0
UNALLOCATED MAINTENANCE	29,000	29,415	29,862	30,343	30,822	31,343	31,910	32,485	33,069	33,694
UTILITIES	0	0	0	0	0	0	0	0	0	0
OTHER FUEL & LUBE	0	0	0	0	0	0	0	0	0	0
LIABILITY INSURANCE	5,930	5,935	5,966	6,000	6,019	6,074	6,160	6,255	6,328	6,390
MISCELLANEOUS COSTS	1,400	1,404	1,418	1,432	1,439	1,449	1,466	1,490	1,513	1,536
LESS EXPENSES PREVIOUSLY PAID	0	0	0	0	0	0	0	0	0	0
PLUS PREPAID EXPENSES	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL OF CASH COSTS	476,369	470,042	465,233	459,373	450,987	446,545	447,117	577,531	587,585	597,459
INTEREST ON LONG-TERM DEBT	27,924	23,666	19,116	14,254	11,242	7,819	4,105	51,756	47,212	42,364
INTEREST ON INTERMED. DEBT	0	0	5,222	7,096	5,676	4,134	2,461	10,638	8,315	7,843
INTEREST ON OPERATING DEBT	11,691	12,571	12,362	8,917	11,919	11,900	12,055	15,514	15,994	13,975
INTEREST ON CARRYOVER DEBT	0	10,536	13,747	16,554	18,908	17,064	14,303	10,702	422	0
TOTAL CASH EXPENSES	515,984	516,815	515,681	506,194	498,732	487,462	480,041	666,141	659,527	661,640
NET CASH FARM INCOME	73,281	88,999	105,627	130,760	149,064	170,721	182,033	317,700	333,783	339,478
ACCRUAL ADJUSTMENTS AND DEPRECIATION										
+/- CHANGE IN CROP INVENTORY	0	0	0	0	0	0	0	0	0	0
+/- CHANGE IN DEFERRED RECVBLS	0	0	0	0	0	0	0	0	0	0
+/- CHANGE IN LVSTK INVENTORY	0	0	0	0	0	0	0	0	0	0
+/- CHANGE IN PREPAID EXPENSES	0	0	0	0	0	0	0	0	0	0
+/- CHNG BASE VALU RAISED LVST	0	0	0	0	0	0	0	0	0	0
- BASIS BREEDING LVSTK SOLD	0	0	0	0	0	0	0	0	0	0
+ PURCHASED BREEDING LVSTK	0	0	0	0	0	0	0	0	0	0
- DEPRECIATION	-23,642	-56,425	-63,878	-36,420	-34,708	-34,584	-56,803	-23,897	-30,959	-14,861
NET FARM INCOME	49,640	32,575	41,749	94,341	114,356	136,137	125,230	293,803	302,824	324,618
SUMMARY OF RECEIPTS & COSTS PER CROP ACRE										
CASH RECEIPTS (\$/ACRE)	404	415	426	436	444	451	453	674	680	686
CASH EXPENSES (\$/ACRE)	353	354	353	347	342	334	329	456	452	453
NET CASH INCOME (\$/ACRE)	50	61	72	90	102	117	125	218	229	233

Table 9 - B. Alternative 1

CASHFLOW STATEMENT FOR YEARS 2006 - 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING CASH	17,351	0	0	0	0	0	0	0	0	96,563
PLUS:										
NET CASH FARM INCOME	73,281	88,999	105,627	130,760	149,064	170,721	182,033	317,700	333,783	339,478
OFF-FARM SALARY FARMER	0	0	0	0	0	0	0	0	0	0
OFF-FARM SALARY SPOUSE	0	0	0	0	0	0	0	0	0	0
NON-TAXABLE INCOME	0	0	0	0	0	0	0	0	0	0
INTEREST ON CASH RESERVES	420	0	0	0	0	0	0	0	0	2,499
INVESTMENT EARNINGS/DIVIDENDS	1,550	1,628	1,709	1,794	1,884	1,978	2,077	2,181	2,290	3,155
NEW CAPITAL INVESTED IN FARM	0	0	0	132,258	0	0	0	0	0	0
CORPORATE DIVIDENDS EARNED	0	0	0	0	0	0	0	0	0	0
PARTNERSHIP CASH DRAWS	0	0	0	0	0	0	0	0	0	0
PAYMENTS FOR CAPITAL	0	0	0	0	0	0	0	0	0	0
SELL MACH./LIVESTOCK/CROPS	0	0	0	0	0	0	0	0	0	0
PROCEEDS FROM ASSETS SOLD	0	0	0	0	0	0	0	0	0	0
TOTAL CASH AVAILABLE	92,603	90,627	107,336	264,813	150,948	172,699	184,110	319,881	336,073	441,695
MINUS:										
DOWN PYMT NON-MACH PURCHASE	0	0	0	0	0	0	0	0	0	0
CASH DIFFERENCE MACH REPLACED	0	15,324	6,635	0	0	0	0	0	0	0
PAYOFF MACHINERY BOUGHT										
REG. PRINCIPAL PAY. LONG-TERM	12,164	16,422	20,972	25,834	5,269	8,692	12,406	13,458	17,036	21,884
ACC. PRINCIPAL PAY. LONG-TERM	50,000	50,000	50,000	182,258	35,000	35,000	35,000	40,000	40,000	40,000
REG. PRINCIPAL PAY. INTR-TERM	101,405	0	10,341	16,647	18,067	19,609	21,282	26,712	20,855	25,193
ACC. PRINCIPAL PAY. INTR-TERM	0	0	0	0	0	0	0	0	0	0
PAY OPERATING LOAN CARRYOVER	0	108,066	140,420	167,547	192,545	172,711	143,315	105,963	4,124	0
FIXED INVESTMENT CONTRIBUTION	6,050	6,128	6,209	6,294	6,384	6,478	6,577	6,681	6,790	7,655
ADDITIONAL INVESTMENTS	0	0	0	0	0	0	0	0	15,000	15,000
CASH PAID TO PRNTNSHIP/CORPS	0	0	0	0	0	0	0	0	0	0
FAMILY WITHDRAWALS	21,600	30,363	33,235	33,885	34,527	35,246	36,042	36,902	37,775	38,666
FEDERAL INCOME TAX PAYMENTS	2,435	142	1,172	11,562	16,528	22,108	19,300	73,326	76,427	85,075
STATE INCOME TAX PAYMENTS	0	0	0	0	0	0	0	0	0	0
SELF-EMPLOYMENT+SOC SEC TAXES	7,014	4,603	5,899	13,330	15,339	16,170	16,151	20,963	21,502	22,396
TOTAL CASH OUTFLOWS	200,668	231,047	274,883	457,358	323,660	316,014	290,074	324,005	239,510	255,869
SURPLUS OR DEFICIT CASH	-108,066	-140,420	-167,547	-192,545	-172,711	-143,315	-105,963	-4,124	96,563	185,825
ENDING YEAR CASH RESERVE	0	0	0	0	0	0	0	0	96,563	185,825

Table 9 - C. Alternative 1

CURRENT MARKET VALUE, YEAR ENDING BALANCE SHEET FOR 2005 AND FOR SIMULATED YEARS 2006 - 2015

YEARS 2005 - 2015	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ASSETS:											
ENDING YEAR CASH	17,351	0	0	0	0	0	0	0	0	96,563	185,825
DEFERRED RECVBLS	0	0	0	0	0	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0	0	0	0	0	0	0
CROP INVENTORY	0	0	0	0	0	0	0	0	0	0	0
CROPS IN CCC	0	0	0	0	0	0	0	0	0	0	0
LIVESTOCK	0	0	0	0	0	0	0	0	0	0	0
REAL ESTATE	1,349,000	1,367,750	1,406,117	1,418,633	1,445,237	1,476,025	1,514,921	2,183,357	2,265,976	2,358,853	2,462,726
OTHER LONG-TERM	52,500	60,700	69,642	79,398	90,043	101,664	114,352	128,210	143,350	174,895	208,730
FARM MACHINERY	355,500	355,500	421,455	447,630	434,201	421,175	408,540	510,484	495,169	495,351	480,490
TOTAL	1,774,351	1,783,950	1,897,215	1,945,661	1,969,481	1,998,863	2,037,813	2,822,051	2,904,494	3,125,662	3,337,771
LIABILITIES:											
LONG-TERM DEBT	407,650	345,486	279,064	208,092	132,258	91,989	48,296	608,890	555,432	498,396	436,512
INTERMEDIATE DEBT	101,405	0	61,296	83,139	66,493	48,426	28,817	121,735	95,023	89,204	64,012
SHORT-TERM DEBT	0	108,066	140,420	167,547	192,545	172,711	143,315	105,963	4,124	0	0
CCC LOANS	0	0	0	0	0	0	0	0	0	0	0
DEFERRED TAXES	25,853	58,965	71,584	81,147	88,586	96,456	105,583	121,330	135,011	151,358	166,939
TOTAL	534,908	512,517	552,365	539,925	479,881	409,582	326,011	957,919	789,590	738,958	667,462
NOMINAL NET WORTH	1,239,443	1,271,433	1,344,850	1,405,736	1,489,600	1,589,282	1,711,801	1,864,132	2,114,905	2,386,704	2,670,310
REAL NET WORTH	1,239,443	1,245,282	1,300,858	1,333,240	1,385,682	1,450,916	1,530,896	1,630,294	1,806,517	1,991,577	2,176,856
CUMULATIVE % CHANGE NET WORTH		0.471	4.955	7.568	11.799	17.062	23.515	31.534	45.752	60.683	75.632
ANNUAL % CHANGE NET WORTH		0.471	4.463	2.489	3.933	4.708	5.512	6.493	10.809	10.244	9.303
CURRENT RATIO		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.993	1.910
WORKING CAPITAL		-148,153	-196,071	-231,378	-232,799	-212,966	-183,570	-208,527	-97,542	-720	88,542
DEBT / ASSET		0.287	0.291	0.278	0.244	0.205	0.160	0.339	0.272	0.236	0.200
EQUITY / ASSETS		0.713	0.709	0.722	0.756	0.795	0.840	0.661	0.728	0.764	0.800
DEBT / EQUITY		0.403	0.411	0.384	0.322	0.258	0.190	0.514	0.373	0.310	0.250
RATE OF RETURN ON ASSETS		0.050	0.049	0.039	0.071	0.082	0.093	0.076	0.152	0.146	0.144
RATE OF RETURN ON EQUITY		0.039	0.033	0.018	0.063	0.075	0.088	0.084	0.175	0.163	0.159
TERM DEBT COVERAGE RATIO		0.510	0.565	0.501	0.450	0.478	0.557	0.675	1.194	2.616	2.562
OPERATING EXPENSE / RECEIPTS		0.808	0.776	0.749	0.721	0.696	0.678	0.675	0.587	0.592	0.597
DEPREC. EXPENSE / RECEIPTS		0.040	0.093	0.103	0.057	0.054	0.053	0.086	0.024	0.031	0.015
INTEREST EXPENSE / RECEIPTS		0.067	0.077	0.081	0.074	0.074	0.062	0.050	0.090	0.072	0.064
NET FARM INCOME / RECEIPTS		0.084	0.054	0.067	0.148	0.177	0.207	0.189	0.299	0.305	0.324
SUMMARY OF THE DEFERRED TAX LIABILITY											
CONTINGENT CAPITAL GAINS											
REAL ESTATE	149,000	167,750	206,117	218,633	245,237	276,025	314,921	375,357	457,976	550,853	654,726
INVESTMENTS	0	0	0	0	0	0	0	0	0	0	0
MACHINERY	23,356	225,351	271,111	322,344	345,335	367,017	388,966	433,513	442,095	458,199	458,199
LIVESTOCK	0	0	0	0	0	0	0	0	0	0	0
TOTAL CONT. GAINS	172,356	393,101	477,228	540,978	590,572	643,042	703,887	808,870	900,071	1,009,052	1,112,925
TOTAL LIABILITY	25,853	58,965	71,584	81,147	88,586	96,456	105,583	121,330	135,011	151,358	166,939

Table 9 - D. Alternative 1

ADDITIONAL CROP PRODUCTION AND POLICY RESULTS FOR YEARS SIMULATED 2006 - 2015

YEARS 2006 - 2015		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ACRES PLANTED CROP NO. DOUBLE											
YellowCorn	1	0	591.00	591.00	591.00	591.00	591.00	591.00	1,082.00	1,082.00	1,082.00
White Corn	2	0	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Cotton	3	0	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
Cotton seed	4	3	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
CRP	5	0	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00
Wheat	6	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley	7	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats	8	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PLANTED ACRES			1,305.00	1,305.00	1,305.00	1,305.00	1,305.00	1,305.00	1,796.00	1,796.00	1,796.00
ACRES HARVESTED											
YellowCorn			591.00	591.00	591.00	591.00	591.00	591.00	1,082.00	1,082.00	1,082.00
White Corn			120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Cotton			490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
Cotton seed			490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
CRP			104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00
Wheat			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DETERMINISTIC CROP YIELDS											
YellowCorn			190.00	191.75	193.51	195.29	197.09	198.90	200.73	204.12	206.22
White Corn			185.00	187.15	189.32	191.51	193.73	195.98	198.26	200.55	202.88
Cotton			750.00	753.60	757.22	760.85	764.50	768.17	771.86	775.57	779.29
Cotton seed			0.63	0.63	0.64	0.64	0.64	0.65	0.65	0.65	0.66
CRP			1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wheat			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CROP PRODUCTION											
YellowCorn			112,290	113,324	114,364	115,416	116,480	117,550	118,631	220,861	223,129
White Corn			22,200	22,458	22,718	22,981	23,248	23,518	23,791	24,066	24,346
Cotton			367,500	369,264	371,038	372,816	374,605	376,403	378,211	380,029	381,852
Cotton seed			309	309	314	314	314	318	318	318	323
CRP			104	104	104	104	104	104	104	104	104
Wheat			0	0	0	0	0	0	0	0	0
Barley			0	0	0	0	0	0	0	0	0
Oats			0	0	0	0	0	0	0	0	0
OWNER/OPERATOR PRODUCTION											
YellowCorn			112,290	113,324	114,364	115,416	116,480	117,550	118,631	220,861	223,129
White Corn			16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259
Cotton			275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389
Cotton seed			232	232	235	235	235	239	239	239	243
CRP			104	104	104	104	104	104	104	104	104
Wheat			0	0	0	0	0	0	0	0	0
Barley			0	0	0	0	0	0	0	0	0
Oats			0	0	0	0	0	0	0	0	0
CARRY-IN STOCKS OF FEEDSTUFFS											
YellowCorn			0	0	0	0	0	0	0	0	0
White Corn			0	0	0	0	0	0	0	0	0
Cotton			0	0	0	0	0	0	0	0	0
Cotton seed			0	0	0	0	0	0	0	0	0
CRP			0	0	0	0	0	0	0	0	0
Wheat			0	0	0	0	0	0	0	0	0
Barley			0	0	0	0	0	0	0	0	0
Oats			0	0	0	0	0	0	0	0	0
QUANTITY STORAGE LOST TO SPOILAGE											
YellowCorn			0	0	0	0	0	0	0	0	0
White Corn			0	0	0	0	0	0	0	0	0
Cotton			0	0	0	0	0	0	0	0	0
Cotton seed			0	0	0	0	0	0	0	0	0
CRP			0	0	0	0	0	0	0	0	0
Wheat			0	0	0	0	0	0	0	0	0
Barley			0	0	0	0	0	0	0	0	0
Oats			0	0	0	0	0	0	0	0	0
PRODUCTION PLUS CARRY-IN											
YellowCorn			112,290	113,324	114,364	115,416	116,480	117,550	118,631	220,861	223,129
White Corn			16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259
Cotton			275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389
Cotton seed			232	232	235	235	235	239	239	239	243
CRP			104	104	104	104	104	104	104	104	104
Wheat			0	0	0	0	0	0	0	0	0
Barley			0	0	0	0	0	0	0	0	0
Oats			0	0	0	0	0	0	0	0	0

Table 9 - D. Alternative 1

ADDITIONAL CROP PRODUCTION AND POLICY RESULTS FOR YEARS SIMULATED 2006 - 2015

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
QUANTITY OF FEED DEMANDED BY LIVESTOCK ON THE FARM										
YellowCorn	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
DEFICIT FEEDS PURCHASED FOR LIVESTOCK										
YellowCorn	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
PRODUCTION HELD OVER FOR NEXT YEAR										
YellowCorn	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
OWNER/OPERATOR PRODUCTION SOLD THIS YEAR										
YellowCorn	112,290	113,324	114,364	115,416	116,480	117,550	118,631	220,861	223,129	225,428
White Corn	16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259	18,471
Cotton	275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389	287,764
Cotton seed	232	232	235	235	235	239	239	239	239	243
CRP	104	104	104	104	104	104	104	104	104	104
Wheat	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
RECEIPTS DEFERRED FROM PREVIOUS YEAR										
YellowCorn	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
OPERATOR'S CASH RECEIPTS EXCLUDING GOV'T PAYMENTS, BY CROP ENTERPRISE										
YellowCorn	291,954	308,242	322,508	335,862	344,781	351,474	354,708	662,583	671,618	678,539
White Corn	45,788	48,341	50,605	52,742	54,225	55,384	56,028	56,856	57,699	58,367
Cotton	137,812	146,782	147,488	148,195	148,905	152,443	156,012	162,463	166,106	169,780
Cotton seed	22,270	23,521	24,508	24,508	24,687	25,371	25,615	25,756	25,452	25,533
CRP	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Wheat	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL RECEIPTS FOR CROPS	500,944	530,006	548,228	564,426	575,718	587,792	595,483	910,777	923,994	935,340
DIRECT PAYMENTS RECEIVED BY OWNER/OPERATOR										
YellowCorn	3,015	3,015	3,015	3,015	3,015	3,015	3,015	14,700	14,700	14,700
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769
Barley	50	50	50	50	50	50	50	50	50	50
Oats	29	29	29	29	29	29	29	29	29	29
TOTAL DIRECT PAYMENTS	15,125	15,125	15,125	15,125	15,125	15,125	15,125	26,811	26,811	26,811
COUNTER-CYCLICAL PAYMENTS BY MARKETING YEAR										
YellowCorn	2,940	1,666	529	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	10,834	10,834	10,834	10,834	10,834	10,676	9,532	8,167	7,291	6,391
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	1,265	81	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0

Table 9 - D. Alternative 1

ADDITIONAL CROP PRODUCTION AND POLICY RESULTS FOR YEARS SIMULATED 2006 - 2015

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
COUNTER-CYCLICAL PAYMENTS RECEIVED BY OWNER/OPERATOR IN CURRENT YEAR										
YellowCorn	3,828	2,494	1,268	344	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	10,830	10,834	10,834	10,834	10,834	10,778	10,275	9,054	7,860	6,976
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	703	851	52	0	0	0	0	0	0	0
Barley	-11	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL CCPs	15,351	14,179	12,154	11,177	10,834	10,778	10,275	9,054	7,860	6,976
LOCAL PRICES FOR CROPS										
YellowCorn	2.6000	2.7200	2.8200	2.9100	2.9600	2.9900	2.9900	3.0000	3.0100	3.0100
White Corn	2.7500	2.8700	2.9700	3.0600	3.1100	3.1400	3.1400	3.1500	3.1600	3.1600
Cotton	0.5000	0.5300	0.5300	0.5300	0.5300	0.5400	0.5500	0.5700	0.5800	0.5900
Cotton seed	96.1900	101.5900	104.2000	104.2000	104.9600	106.2100	107.2300	107.8200	106.5500	105.2700
CRP	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
NATIONAL CROP PRICES										
YellowCorn	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
White Corn	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
Cotton	0.4832	0.5112	0.5148	0.5135	0.5145	0.5220	0.5365	0.5538	0.5649	0.5763
Cotton seed	88.6735	94.0761	96.6834	96.6790	97.4425	98.6928	99.7127	100.3036	99.0344	97.7515
CRP	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat	3.3028	3.3938	3.4478	3.5497	3.6061	3.6612	3.6927	3.7217	3.7511	3.7723
Barley	2.6017	2.6578	2.7324	2.7507	2.7660	2.7621	2.7488	2.7573	2.7728	2.7882
Oats	1.6382	1.6902	1.7403	1.7869	1.8230	1.8439	1.8512	1.8585	1.8627	1.8663
MARKETING LOAN GAINS										
YellowCorn	4,408	0	0	0	0	0	0	0	0	0
White Corn	654	0	0	0	0	0	0	0	0	0
Cotton	32,784	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL MKTG LOAN GAINS	37,845	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
CROP INSURANCE PREMIUMS PAID										
YellowCorn	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138
White Corn	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054
Cotton	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL PREMIUMS PAID	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658
WEIGHTED AVG. APH YIELD FOR BASIC UNIT COVERED CROPS										
YellowCorn	180	195	202	201	200	199	199	157	166	178
White Corn	183	183	184	184	183	187	192	194	195	195
Cotton	163	196	235	282	338	406	487	585	702	765
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0

Table 10 - A. Alternative 2

INCOME STATEMENT FOR YEARS 2006 - 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CASH INCOME (NET OF SHARE LEASE)										
CASH RECEIPTS FOR CROPS	500,944	530,006	817,440	845,459	864,894	883,290	894,401	910,777	923,994	935,340
DECOUPLED DIRECT PAYMENTS	15,125	15,125	26,811	26,811	26,811	26,811	26,811	26,811	26,811	26,811
DECOUPLED CCPs	15,351	14,179	12,871	12,509	10,834	10,778	10,275	9,054	7,860	6,976
MARKETING LOAN PAYMENTS	37,845	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
MPCI CROP INSURANCE INDEMNITY	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL CASH RECEIPTS	589,265	605,815	902,923	931,005	948,657	965,366	972,678	983,842	993,310	1,001,118
CASH FARM EXPENSE (NET OF SHARE LEASE)										
CROP PROD & HARVEST COSTS										
SEED COSTS	32,187	33,507	53,331	53,891	54,235	54,783	55,358	56,111	56,779	57,449
FERTILIZER COSTS	57,360	53,901	78,705	75,824	72,814	71,168	71,631	73,257	74,715	76,142
HERBICIDE COSTS	40,930	40,418	54,645	54,492	54,242	54,329	54,747	55,327	55,764	56,149
INSECTICIDE COSTS	41,435	41,253	58,701	59,575	60,457	61,642	63,115	64,573	65,781	66,780
FUNGICIDE COSTS	0	0	0	0	0	0	0	0	0	0
CUSTOM APPLICATION	1,470	1,441	1,412	1,374	1,322	1,285	1,268	1,291	1,316	1,342
SCOUTING & OTHER	3,675	3,678	3,697	3,719	3,730	3,764	3,818	3,877	3,922	3,960
IRRIGATION FUEL COSTS	136,050	133,411	201,416	196,059	188,628	183,365	180,890	184,182	187,792	191,416
FUEL & LUBE COSTS	12,010	11,777	16,252	15,819	15,220	14,795	14,595	14,861	15,152	15,445
HARVESTING COSTS	76,384	75,280	81,831	80,107	77,509	75,776	75,180	76,986	78,944	80,929
CROP INSURANCE PREMIUMS	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658
BOLL WEEVIL COSTS	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880
HIRED LABOR COSTS	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL OF PROD COSTS	434,039	427,205	582,528	573,398	560,696	553,446	553,141	563,004	572,703	582,151
CASH RENT FOR CROPLAND	0	0	0	0	0	0	0	0	0	0
RENT PASTURE	0	0	0	0	0	0	0	0	0	0
MANAGEMENT COSTS	0	0	0	0	0	0	0	0	0	0
MANAGEMENT BONUS	0	0	0	0	0	0	0	0	0	0
ADDITIONAL MGMT. COSTS	0	0	0	0	0	0	0	0	0	0
HIRED LABOR COSTS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAXES	6,000	6,083	8,977	9,018	9,149	9,304	9,509	9,808	10,178	10,594
PERSONAL PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0
SALES TAXES FOR INPUTS	0	0	0	0	0	0	0	0	0	0
OTHER TAXES	0	0	0	0	0	0	0	0	0	0
ACCOUNTANT & LEGAL FEES	0	0	0	0	0	0	0	0	0	0
UNALLOCATED MAINTENANCE	29,000	29,415	29,862	30,343	30,822	31,343	31,910	32,485	33,069	33,694
UTILITIES	0	0	0	0	0	0	0	0	0	0
OTHER FUEL & LUBE	0	0	0	0	0	0	0	0	0	0
LIABILITY INSURANCE	5,930	5,935	5,966	6,000	6,019	6,074	6,160	6,255	6,328	6,390
MISCELLANEOUS COSTS	1,400	1,404	1,418	1,432	1,439	1,449	1,466	1,490	1,513	1,536
LESS EXPENSES PREVIOUSLY PAID	0	0	0	0	0	0	0	0	0	0
PLUS PREPAID EXPENSES	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL OF CASH COSTS	476,369	470,042	628,751	620,192	608,125	601,617	602,186	613,041	623,792	634,365
INTEREST ON LONG-TERM DEBT	27,924	27,091	67,544	65,739	69,632	65,728	61,492	56,896	51,909	46,499
INTEREST ON INTERMED. DEBT	0	0	11,907	12,653	10,009	7,139	4,025	645	0	1,353
INTEREST ON OPERATING DEBT	11,691	16,013	16,364	7,418	15,777	15,672	14,218	13,192	11,549	9,559
INTEREST ON CARRYOVER DEBT	0	5,661	17,160	12,094	4,822	0	0	0	0	0
TOTAL CASH EXPENSES	515,984	518,807	741,727	718,095	708,366	690,156	681,920	683,775	687,249	691,776
NET CASH FARM INCOME	73,281	87,007	161,195	212,910	240,291	275,210	290,757	300,067	306,060	309,342
ACCRUAL ADJUSTMENTS AND DEPRECIATION										
+/- CHANGE IN CROP INVENTORY	0	0	0	0	0	0	0	0	0	0
+/- CHANGE IN DEFERRED RECVBLS	0	0	0	0	0	0	0	0	0	0
+/- CHANGE IN LVSTK INVENTORY	0	0	0	0	0	0	0	0	0	0
+/- CHANGE IN PREPAID EXPENSES	0	0	0	0	0	0	0	0	0	0
+/- CHNG BASE VALU RAISED LVST	0	0	0	0	0	0	0	0	0	0
- BASIS BREEDING LVSTK SOLD	0	0	0	0	0	0	0	0	0	0
+ PURCHASED BREEDING LVSTK	0	0	0	0	0	0	0	0	0	0
- DEPRECIATION	-23,642	-71,136	-88,886	-53,926	-51,047	-50,923	-26,592	-1,151	-15,037	0
NET FARM INCOME	49,640	15,871	72,309	158,984	189,244	224,287	264,165	298,916	291,024	309,342
SUMMARY OF RECEIPTS & COSTS PER CROP ACRE										
CASH RECEIPTS (\$/ACRE)	404	415	618	638	650	661	666	674	680	686
CASH EXPENSES (\$/ACRE)	353	355	508	492	485	473	467	468	471	474
NET CASH INCOME (\$/ACRE)	50	60	110	146	165	188	199	206	210	212

Table 10 - B. Alternative 2

CASHFLOW STATEMENT FOR YEARS 2006 - 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING CASH	17,351	0	0	0	0	2,382	68,381	127,477	210,009	303,962
PLUS:										
NET CASH FARM INCOME	73,281	87,007	161,195	212,910	240,291	275,210	290,757	300,067	306,060	309,342
OFF-FARM SALARY FARMER	0	0	0	0	0	0	0	0	0	0
OFF-FARM SALARY SPOUSE	0	0	0	0	0	0	0	0	0	0
NON-TAXABLE INCOME	0	0	0	0	0	0	0	0	0	0
INTEREST ON CASH RESERVES	420	0	0	0	0	59	1,703	3,212	5,371	7,865
INVESTMENT EARNINGS/DIVIDENDS	1,550	1,628	1,709	1,794	1,884	2,728	3,615	4,545	5,523	6,549
NEW CAPITAL INVESTED IN FARM	0	0	0	353,763	0	0	0	0	0	0
CORPORATE DIVIDENDS EARNED	0	0	0	0	0	0	0	0	0	0
PARTNERSHIP CASH DRAWS	0	0	0	0	0	0	0	0	0	0
PAYMENTS FOR CAPITAL	0	0	0	0	0	0	0	0	0	0
SELL MACH./LIVESTOCK/CROPS	0	0	0	0	0	0	0	0	0	0
PROCEEDS FROM ASSETS SOLD	0	0	0	0	0	0	0	0	0	0
TOTAL CASH AVAILABLE	92,603	88,635	162,904	568,467	242,175	280,379	364,456	435,302	526,963	627,718
MINUS:										
DOWN PYMT NON-MACH PURCHASE	0	121,600	0	0	0	0	0	0	0	0
CASH DIFFERENCE MACH REPLACED	0	34,939	6,635	0	0	0	0	0	0	0
PAYOFF MACHINERY BOUGHT										
REG. PRINCIPAL PAY. LONG-TERM	12,164	12,997	23,942	25,748	25,931	29,835	34,071	38,667	43,654	49,064
ACC. PRINCIPAL PAY. LONG-TERM	0	0	0	353,763	20,000	20,000	20,000	20,000	20,000	20,000
REG. PRINCIPAL PAY. INTR-TERM	101,405	0	23,576	31,010	33,654	36,524	39,639	7,535	0	2,512
ACC. PRINCIPAL PAY. INTR-TERM	0	0	0	0	0	0	0	0	0	0
PAY OPERATING LOAN CARRYOVER	0	58,066	175,282	122,408	49,104	0	0	0	0	0
FIXED INVESTMENT CONTRIBUTION	6,050	6,128	6,209	6,294	6,384	7,228	8,115	9,045	10,023	11,049
ADDITIONAL INVESTMENTS	0	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000
CASH PAID TO PRTNSHIP/CORPS	0	0	0	0	0	0	0	0	0	0
FAMILY WITHDRAWALS	21,600	30,363	33,235	33,885	34,527	35,246	36,042	36,902	37,775	38,666
FEDERAL INCOME TAX PAYMENTS	2,435	-2,418	6,216	28,152	37,848	49,633	64,241	77,043	75,364	82,867
STATE INCOME TAX PAYMENTS	0	0	0	0	0	0	0	0	0	0
SELF-EMPLOYMENT+SOC SEC TAXES	7,014	2,243	10,217	16,311	17,344	18,531	19,872	21,100	21,186	21,987
TOTAL CASH OUTFLOWS	150,668	263,917	285,312	617,571	239,794	211,997	236,979	225,293	223,001	241,146
SURPLUS OR DEFICIT CASH	-58,066	-175,282	-122,408	-49,104	2,382	68,381	127,477	210,009	303,962	386,572
ENDING YEAR CASH RESERVE	0	0	0	0	2,382	68,381	127,477	210,009	303,962	386,572

Table 10 - C. Alternative 2

CURRENT MARKET VALUE, YEAR ENDING BALANCE SHEET FOR 2005 AND FOR SIMULATED YEARS 2006 - 2015

YEARS 2005 - 2015	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ASSETS:											
ENDING YEAR CASH	17,351	0	0	0	0	2,382	68,381	127,477	210,009	303,962	386,572
DEFERRED RECVBLS	0	0	0	0	0	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0	0	0	0	0	0	0
CROP INVENTORY	0	0	0	0	0	0	0	0	0	0	0
CROPS IN CCC	0	0	0	0	0	0	0	0	0	0	0
LIVESTOCK	0	0	0	0	0	0	0	0	0	0	0
REAL ESTATE	1,349,000	1,367,750	2,018,373	2,027,644	2,056,928	2,091,875	2,137,976	2,205,081	2,288,288	2,381,837	2,486,468
OTHER LONG-TERM	52,500	60,700	69,642	79,398	90,043	116,664	145,102	175,497	208,002	242,779	280,008
FARM MACHINERY	355,500	355,500	519,529	542,761	526,479	510,684	495,364	480,503	466,088	467,142	453,127
TOTAL	1,774,351	1,783,950	2,607,544	2,649,804	2,673,450	2,721,604	2,846,823	2,988,558	3,172,386	3,395,720	3,606,176
LIABILITIES:											
LONG-TERM DEBT	407,650	395,486	868,889	844,947	819,200	773,269	723,434	669,362	610,695	547,041	477,977
INTERMEDIATE DEBT	101,405	0	139,755	148,362	117,352	83,698	47,174	7,535	0	15,037	12,524
SHORT-TERM DEBT	0	58,066	175,282	122,408	49,104	0	0	0	0	0	0
CCC LOANS	0	0	0	0	0	0	0	0	0	0	0
DEFERRED TAXES	25,853	58,965	74,429	86,815	96,854	107,384	119,640	131,465	141,956	156,147	169,739
TOTAL	534,908	512,517	1,258,355	1,202,533	1,082,510	964,350	890,247	808,362	752,652	718,225	660,240
NOMINAL NET WORTH	1,239,443	1,271,433	1,349,189	1,447,271	1,590,939	1,757,254	1,956,577	2,180,195	2,419,735	2,677,495	2,945,936
REAL NET WORTH	1,239,443	1,245,282	1,305,055	1,372,633	1,479,952	1,604,264	1,749,803	1,906,711	2,066,898	2,234,226	2,401,549
CUMULATIVE % CHANGE NET WORTH		0.471	5.294	10.746	19.405	29.434	41.177	53.836	66.760	80.261	93.760
ANNUAL % CHANGE NET WORTH		0.471	4.800	5.178	7.818	8.400	9.072	8.967	8.401	8.096	7.489
CURRENT RATIO		0.000	0.000	0.000	0.000	0.017	0.491	1.229	2.198	3.057	3.888
WORKING CAPITAL		-98,153	-302,252	-257,558	-188,331	-136,845	-70,845	23,734	114,446	204,533	287,143
DEBT / ASSET		0.287	0.483	0.454	0.405	0.354	0.313	0.270	0.237	0.212	0.183
EQUITY / ASSETS		0.713	0.517	0.546	0.595	0.646	0.687	0.730	0.763	0.788	0.817
DEBT / EQUITY		0.403	0.933	0.831	0.680	0.549	0.455	0.371	0.311	0.268	0.224
RATE OF RETURN ON ASSETS		0.050	0.034	0.063	0.096	0.109	0.118	0.131	0.138	0.128	0.127
RATE OF RETURN ON EQUITY		0.039	0.020	0.037	0.104	0.116	0.130	0.146	0.154	0.140	0.137
TERM DEBT COVERAGE RATIO		0.510	0.878	0.657	0.841	1.227	1.777	1.734	2.220	2.454	2.294
OPERATING EXPENSE / RECEIPTS		0.808	0.776	0.696	0.666	0.641	0.623	0.619	0.623	0.628	0.634
DEPREC. EXPENSE / RECEIPTS		0.040	0.117	0.098	0.058	0.054	0.053	0.027	0.001	0.015	0.000
INTEREST EXPENSE / RECEIPTS		0.067	0.080	0.125	0.105	0.106	0.092	0.082	0.072	0.064	0.057
NET FARM INCOME / RECEIPTS		0.084	0.026	0.080	0.171	0.199	0.232	0.272	0.304	0.293	0.309
SUMMARY OF THE DEFERRED TAX LIABILITY											
CONTINGENT CAPITAL GAINS											
REAL ESTATE	149,000	167,750	210,373	219,644	248,927	283,875	329,977	397,081	480,288	573,837	678,469
INVESTMENTS	0	0	0	0	0	0	0	0	0	0	0
MACHINERY	23,356	225,351	285,822	359,122	396,765	432,018	467,620	479,352	466,088	467,142	453,127
LIVESTOCK	0	0	0	0	0	0	0	0	0	0	0
TOTAL CONT. GAINS	172,356	393,101	496,195	578,766	645,692	715,893	797,597	876,433	946,376	1,040,979	1,131,596
TOTAL LIABILITY	25,853	58,965	74,429	86,815	96,854	107,384	119,640	131,465	141,956	156,147	169,739

Table 10 - D. Alternative 2

ADDITIONAL CROP PRODUCTION AND POLICY RESULTS FOR YEARS SIMULATED 2006 - 2015

YEARS 2006 - 2015		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ACRES PLANTED	CROP NO. DOUBLE										
Y Corn Irr	1 0	591.00	591.00	1,082.00	1,082.00	1,082.00	1,082.00	1,082.00	1,082.00	1,082.00	1,082.00
White Corn	2 0	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Cotton	3 0	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
Cotton seed	4 3	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
CRP	5 0	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00
Wheat Dry	6 0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley	7 0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats	8 0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL PLANTED ACRES		1,305.00	1,305.00	1,796.00	1,796.00	1,796.00	1,796.00	1,796.00	1,796.00	1,796.00	1,796.00
ACRES HARVESTED											
Y Corn Irr		591.00	591.00	1,082.00	1,082.00	1,082.00	1,082.00	1,082.00	1,082.00	1,082.00	1,082.00
White Corn		120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Cotton		490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
Cotton seed		490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00	490.00
CRP		104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00
Wheat Dry		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DETERMINISTIC CROP YIELDS											
Y Corn Irr		190.00	191.75	193.93	195.93	197.94	199.98	202.04	204.12	206.22	208.34
White Corn		185.00	187.15	189.32	191.51	193.73	195.98	198.26	200.55	202.88	205.23
Cotton		750.00	753.60	757.22	760.85	764.50	768.17	771.86	775.57	779.29	783.03
Cotton seed		0.63	0.63	0.64	0.64	0.64	0.65	0.65	0.65	0.65	0.66
CRP		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wheat Dry		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barley		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oats		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CROP PRODUCTION											
Y Corn Irr		112,290	113,324	209,830	211,991	214,174	216,378	218,604	220,861	223,129	225,428
White Corn		22,200	22,458	22,718	22,981	23,248	23,518	23,791	24,066	24,346	24,628
Cotton		367,500	369,264	371,038	372,816	374,605	376,403	378,211	380,029	381,852	383,685
Cotton seed		309	309	314	314	314	318	318	318	318	323
CRP		104	104	104	104	104	104	104	104	104	104
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
OWNER/OPERATOR PRODUCTION											
Y Corn Irr		112,290	113,324	209,830	211,991	214,174	216,378	218,604	220,861	223,129	225,428
White Corn		16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259	18,471
Cotton		275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389	287,764
Cotton seed		232	232	235	235	235	239	239	239	239	243
CRP		104	104	104	104	104	104	104	104	104	104
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
CARRY-IN STOCKS OF FEEDSTUFFS											
Y Corn Irr		0	0	0	0	0	0	0	0	0	0
White Corn		0	0	0	0	0	0	0	0	0	0
Cotton		0	0	0	0	0	0	0	0	0	0
Cotton seed		0	0	0	0	0	0	0	0	0	0
CRP		0	0	0	0	0	0	0	0	0	0
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
QUANTITY STORAGE LOST TO SPOILAGE											
Y Corn Irr		0	0	0	0	0	0	0	0	0	0
White Corn		0	0	0	0	0	0	0	0	0	0
Cotton		0	0	0	0	0	0	0	0	0	0
Cotton seed		0	0	0	0	0	0	0	0	0	0
CRP		0	0	0	0	0	0	0	0	0	0
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0
PRODUCTION PLUS CARRY-IN											
Y Corn Irr		112,290	113,324	209,830	211,991	214,174	216,378	218,604	220,861	223,129	225,428
White Corn		16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259	18,471
Cotton		275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389	287,764
Cotton seed		232	232	235	235	235	239	239	239	239	243
CRP		104	104	104	104	104	104	104	104	104	104
Wheat Dry		0	0	0	0	0	0	0	0	0	0
Barley		0	0	0	0	0	0	0	0	0	0
Oats		0	0	0	0	0	0	0	0	0	0

Table 10 - D. Alternative 2

ADDITIONAL CROP PRODUCTION AND POLICY RESULTS FOR YEARS SIMULATED 2006 - 2015

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
QUANTITY OF FEED DEMANDED BY LIVESTOCK ON THE FARM										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
DEFICIT FEEDS PURCHASED FOR LIVESTOCK										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
PRODUCTION HELD OVER FOR NEXT YEAR										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
OWNER/OPERATOR PRODUCTION SOLD THIS YEAR										
Y Corn Irr	112,290	113,324	209,830	211,991	214,174	216,378	218,604	220,861	223,129	225,428
White Corn	16,650	16,844	17,039	17,236	17,436	17,638	17,843	18,050	18,259	18,471
Cotton	275,625	276,948	278,278	279,612	280,954	282,302	283,659	285,022	286,389	287,764
Cotton seed	232	232	235	235	235	239	239	239	239	243
CRP	104	104	104	104	104	104	104	104	104	104
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
RECEIPTS DEFERRED FROM PREVIOUS YEAR										
Y Corn Irr	0	0	0	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	0	0	0	0	0	0
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
OPERATOR'S CASH RECEIPTS EXCLUDING GOV'T PAYMENTS, BY CROP ENTERPRISE										
Y Corn Irr	291,954	308,242	591,719	616,894	633,956	646,971	653,626	662,583	671,618	678,539
White Corn	45,788	48,341	50,605	52,742	54,225	55,384	56,028	56,856	57,699	58,367
Cotton	137,812	146,782	147,488	148,195	148,905	152,443	156,012	162,463	166,106	169,780
Cotton seed	22,270	23,521	24,508	24,508	24,687	25,371	25,615	25,756	25,452	25,533
CRP	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL RECEIPTS FOR CROPS	500,944	530,006	817,440	845,459	864,894	883,290	894,401	910,777	923,994	935,340
DIRECT PAYMENTS RECEIVED BY OWNER/OPERATOR										
Y Corn Irr	3,015	3,015	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769	6,769
Barley	50	50	50	50	50	50	50	50	50	50
Oats	29	29	29	29	29	29	29	29	29	29
TOTAL DIRECT PAYMENTS	15,125	15,125	26,811	26,811	26,811	26,811	26,811	26,811	26,811	26,811
COUNTER-CYCLICAL PAYMENTS BY MARKETING YEAR										
Y Corn Irr	2,940	1,666	2,578	0	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	10,834	10,834	10,834	10,834	10,834	10,676	9,532	8,167	7,291	6,391
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	1,265	81	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0

Table 10 - D. Alternative 2

ADDITIONAL CROP PRODUCTION AND POLICY RESULTS FOR YEARS SIMULATED 2006 - 2015

YEARS 2006 - 2015	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
COUNTER-CYCLICAL PAYMENTS RECEIVED BY OWNER/OPERATOR IN CURRENT YEAR										
Y Corn Irr	3,828	2,494	1,985	1,676	0	0	0	0	0	0
White Corn	0	0	0	0	0	0	0	0	0	0
Cotton	10,830	10,834	10,834	10,834	10,834	10,778	10,275	9,054	7,860	6,976
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	703	851	52	0	0	0	0	0	0	0
Barley	-11	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL CCPs	15,351	14,179	12,871	12,509	10,834	10,778	10,275	9,054	7,860	6,976
LOCAL PRICES FOR CROPS										
Y Corn Irr	2.6000	2.7200	2.8200	2.9100	2.9600	2.9900	2.9900	3.0000	3.0100	3.0100
White Corn	2.7500	2.8700	2.9700	3.0600	3.1100	3.1400	3.1400	3.1500	3.1600	3.1600
Cotton	0.5000	0.5300	0.5300	0.5300	0.5300	0.5400	0.5500	0.5700	0.5800	0.5900
Cotton seed	96.1900	101.5900	104.2000	104.2000	104.9600	106.2100	107.2300	107.8200	106.5500	105.2700
CRP	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat Dry	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Barley	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Oats	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
NATIONAL CROP PRICES										
Y Corn Irr	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
White Corn	2.0769	2.1953	2.3009	2.3835	2.4358	2.4619	2.4659	2.4773	2.4838	2.4914
Cotton	0.4832	0.5112	0.5148	0.5135	0.5145	0.5220	0.5365	0.5538	0.5649	0.5763
Cotton seed	88.6735	94.0761	96.6834	96.6790	97.4425	98.6928	99.7127	100.3036	99.0344	97.7515
CRP	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Wheat Dry	3.3028	3.3938	3.4478	3.5497	3.6061	3.6612	3.6927	3.7217	3.7511	3.7723
Barley	2.6017	2.6578	2.7324	2.7507	2.7660	2.7621	2.7488	2.7573	2.7728	2.7882
Oats	1.6382	1.6902	1.7403	1.7869	1.8230	1.8439	1.8512	1.8585	1.8627	1.8663
MARKETING LOAN GAINS										
Y Corn Irr	4,408	0	0	0	0	0	0	0	0	0
White Corn	654	0	0	0	0	0	0	0	0	0
Cotton	32,784	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL MKTG LOAN GAINS	37,845	26,505	25,801	26,226	26,119	24,487	21,191	17,200	14,644	11,991
CROP INSURANCE PREMIUMS PAID										
Y Corn Irr	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138	13,138
White Corn	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054	2,054
Cotton	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466	11,466
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0
TOTAL PREMIUMS PAID	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658	26,658
WEIGHTED AVG. APH YIELD FOR BASIC UNIT COVERED CROPS										
Y Corn Irr	180	195	158	167	178	191	199	199	200	201
White Corn	183	183	184	184	183	187	192	194	195	195
Cotton	163	196	235	282	338	406	487	585	702	765
Cotton seed	0	0	0	0	0	0	0	0	0	0
CRP	0	0	0	0	0	0	0	0	0	0
Wheat Dry	0	0	0	0	0	0	0	0	0	0
Barley	0	0	0	0	0	0	0	0	0	0
Oats	0	0	0	0	0	0	0	0	0	0

Appendix I: The FARM Assistance Projection

FARM Assistance develops a financial and economic projection for a farmer or rancher assuming a strategic plan of action (long term plan of operation). The initial projection is called the “baseline.” One purpose of the baseline is to give the manager a sense of where the business may be headed financially. More importantly, the baseline provides a benchmark against which to compare projections of alternative strategic actions.

We use a computer program that starts with information provided by the producer describing the activities and current situation of the farm/ranch. The program then generates an economic environment in which the farm operates over the next ten years. The economic environment consists of specific factors such as commodity prices, yields, inflation, interest costs, etc.

In no way are we suggesting that we know what the economic conditions will be for the next ten years. However, a great deal of scientific research and expertise are gathered annually to develop an “educated guess” projection for the next ten years. One such projection is developed by the FAPRI¹ and AFPC² research teams. This projection, however, is only one of the many possible outcomes that could happen over the next ten years.

Simply put, the future is risky.

The unique advantage of the FARM Assistance projection is that it illustrates the **risk** associated with the future financial success of the business. The process of operating the farm’s strategic plan over the next ten years is actually repeated 100 times. During each repetition the farm faces a different set of prices and yields.

The 100 different possible futures are developed using tested statistical methods so that the risk reflects the past conditions experienced by the farm. This method also insures that the average of the 100 economic conditions matches the FAPRI / AFPC projection. In this way we use their expertise, and at the same time realistically expose the farm to a risky future.

The result is 100 potential financial outcomes for the farm. In this sense, the FARM Assistance projection is not a single projection, rather it is a picture of the range of possible outcomes that a farm or ranch could expect to face over the next ten years. Using this range the FARM Assistance analysis describes the risk in the financial future of a farm or ranch.

¹Food and Agricultural Policy Research Institute, University of Missouri

²Agricultural and Food Policy Center, Texas A&M University

Appendix II: The FARM Assistance Analysis

The objective of the FARM Assistance analysis is to compare and contrast the expected outcomes of different strategic actions for a farm or ranch. This type of analysis is often referred to as investment analysis or capital budgeting. The idea is that the farm manager has an investment, a set of capital resources, and/or an opportunity at his disposal. The key question is: what is the best plan to follow given my current situation as well as the opportunities and risks that I face?

An investment analysis is typically focused on two main issues, **financial profitability** and **financial feasibility**. The first is the issue of which plan is more profitable or beneficial, that is, which will lead to more net worth in the end. A more profitable plan can also be one that provides for a greater standard of living along the way. Second is the issue of whether the plan is feasible. Will it cash flow or is it possible? Finally, the risk associated with both of these measures is a critical factor the producer should consider when making a strategic decision.

The projected change in the *financial position* of a business is a significant indication of the plan's profitability. For this reason the analysis will often focus on the change in real net worth over the time period and compare the projected ending real net worth of each alternative. The feasibility of each plan is usually highlighted by pointing out the annual cash position and the probability of refinancing.

Other financial measures are often included to better explain various aspects of the results. In addition, tracking some of these financial measures may uncover new opportunities or weaknesses of the operation that could be exploited for greater profits. The FARM Assistance specialist can also tailor the report to include measures that the producer feels are important when making a strategic decision.

It's Your Decision

Because the FARM Assistance analysis compares the ranges of possibilities for different strategic actions, it is rarely clear that one plan is better than another. It may be that the one plan is expected to generate more net worth but it is less feasible in terms of cash flow. In other cases, an alternative plan may have a higher average net worth but more downside risk. You must also weigh other factors in your decision such as the level of work or stress associated with a particular strategic plan.

For these reasons the FARM Assistance analysis will make no recommendations. The decision made is up to the individual and will depend on personal preferences and the level of risk each individual is willing to take. It is our mission to objectively present the information that will be the most valuable in helping you make your decision.

Appendix III: FINANCIAL MEASURES

Financial measures are used to quantify the financial position and financial performance of a business. Five categories of financial measures are typically used to analyze the financial well-being of a farm or ranch. A FARM Assistance analysis relies on these measures to explain the potential impact of alternative scenarios.

Financial position refers to the status of a business at a particular time. An analysis of the position of a farm/ranch considers the total assets owned and the total debts owed by the individual, partnership, or corporation. The timing, or term structure, of debt obligations is also an important part of the assessment of the financial position of a business.

Liquidity measures the ability of a farm business to meet its short term financial obligations without disrupting the normal operations of the business.

Working Capital is the cash or cash equivalents available in excess of short term debt obligations.

Ending Cash Reserves is the total cash on hand at the end of the year.

Solvency is a comparison of the value of owned assets to the amount of debts owed.

Debt/Asset Ratio measures the amount of debt owed for every dollar of assets.

Net Worth is a measure of the owner's interest or equity in the assets of the business. It is the dollar amount left over if all assets were sold and all debts paid.

Real Net Worth is the net worth projected for a future year adjusted for anticipated inflation in order to compare its purchasing power with today's dollar.

Financial performance refers to the ability of a business to be productive and generate earnings over a period of time. Measures of financial performance include measures of earnings as well as measures of how earnings are generated. Performance also includes the operation's ability to bear the business and financial risks associated with conducting business.

Profitability measures the extent to which a business generates income from the use of its resources.

Rate of Return on Assets measures the annual percentage return generated by the productivity of the business's assets.

Net Cash Farm Income (NCFI) is the total of all operating cash inflows and outflows. It does not include non-operating items such as family living, taxes, or principal payments on debts.

Net Farm Income is the same as NCFI but includes adjustments for non-cash items such as changes in inventory storage and depreciation expense.

Repayment capacity measures the ability of a borrower to repay term debt.

Term Debt Coverage Ratio measures the extent to which an individual's net income sources exceed his financial debt obligations.

Probability of Refinancing is a variable unique to the FARM Assistance analysis. It measures the likelihood that an individual will not be able to meet all financial obligations in a particular year and thus be forced to refinance or roll over his operating note.

Financial efficiency measures the intensity with which various assets or parts of the business are used to generate gross revenues. The following operational ratios indicate what percentage of revenues went for operating expenses, equipment depreciation, the expense of borrowed capital, and profit.

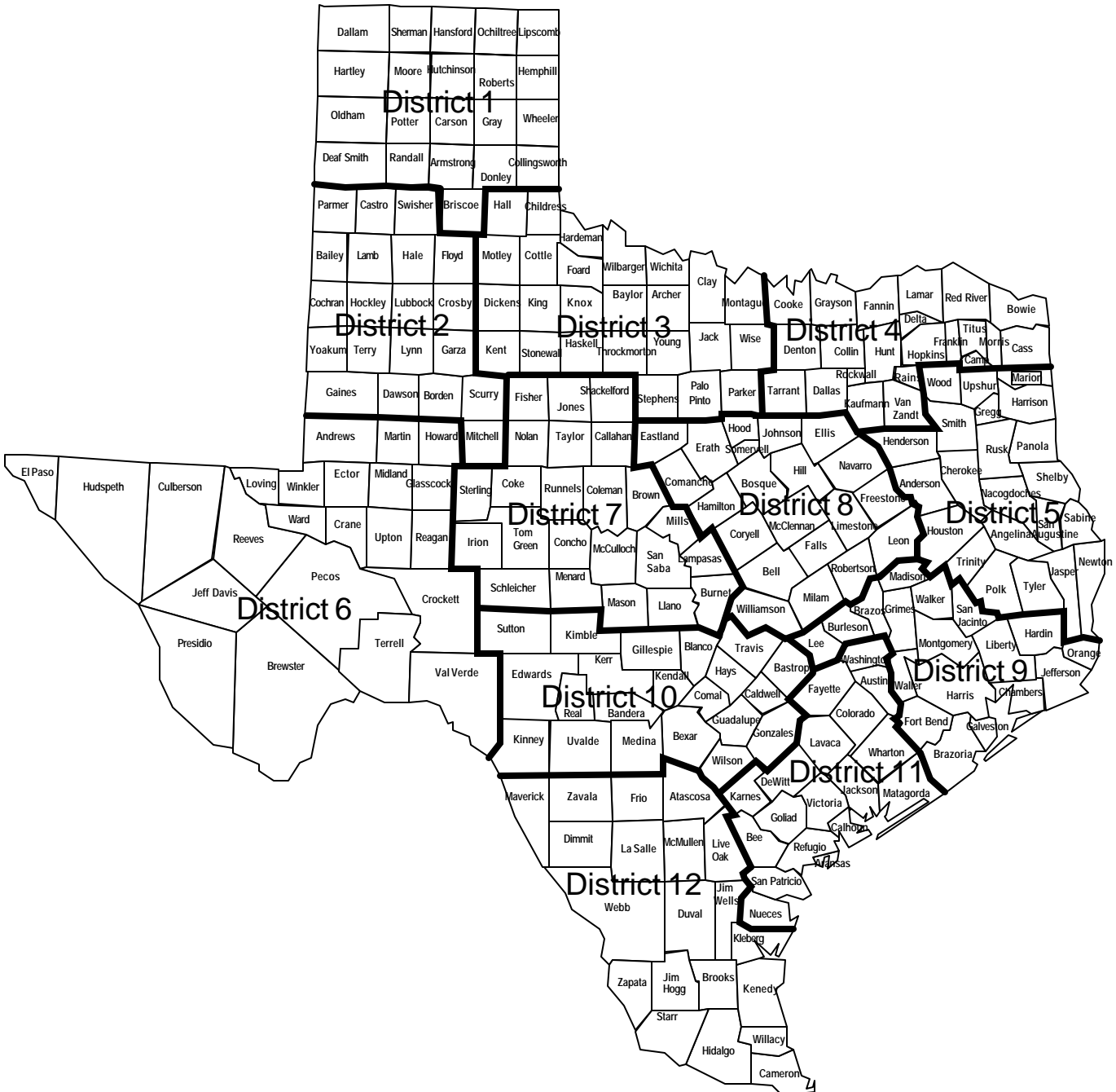
Operating Expense / Receipts Ratio

Depreciation Expense / Receipts Ratio

Interest Expense / Receipts Ratio

Net Farm Income / Receipts Ratio

Your District will be highlighted.



Texas Cooperative Extension District Boundaries

**Average Financial Performance
Comparison Report
By Type of Farm**

	Crop Farms	Livestock Ranches	Diversified Farms	All Farms and Ranches	Sample Report 2006
Number of Producers	129	49	26	204	
ProScore Rating	9.91	-2.94	1.17	5.71	-3.16
NCFI per Acre	\$45.48	\$7.59	\$16.87	\$32.73	\$60.38
Probab of Refinancing	33	39	46	36	91
Crop Rcpts/PI Acre	\$205.53	\$7.07	\$79.20	\$141.45	\$385.01
Expense to Rcpts	0.74	0.83	0.75	0.76	0.80
Interest Exp to Rcpts	0.07	0.10	0.10	0.08	0.07
Depreciation to Rcpts	0.07	0.11	0.07	0.08	0.04
Real Estate per Acre	\$274.91	\$500.06	\$379.94	\$342.38	\$949.83
Machinery per Acre	\$198.40	\$85.84	\$125.72	\$162.10	\$246.88
Long Term Debt/ Acre	\$77.72	\$82.07	\$64.33	\$77.06	\$274.65
Interm Debt per Acre	\$46.38	\$21.20	\$23.18	\$37.38	\$0.00
Debt to Asset Ratio %	38.76	30.21	34.90	36.20	28.39
Family Living	\$31,745	\$21,318	\$31,572	\$29,900	\$21,600
Off Farm Income	\$10,321	\$9,888	\$8,381	\$9,970	\$0
10 Yr Avg ROA %	8.66	3.87	5.01	7.04	8.30
10 Yr Av Chg RNW %	6.14	1.32	2.11	4.47	4.74

Determination of Farm Type:

Crop Farm: Crop sales account for 75% or more of all farm receipts

Livestock Ranch: Livestock sales account for 75% or more of all farm receipts

Diversified Farm: All others

September 2005

Financial Performance Comparison Report by District Groups

Comparison of All Farms and Ranches

	District 1	District 2	District 3, 6, 7 & 10	Districts 4, 5, 8 & 9	Districts 11 & 12	State	Sample Report 2006
Number of Producers	73	34	46	11	40	204	
ProScore Rating	6.38	13.44	-0.18	4.09	5.12	5.71	-3.16
NCFI per Acre	\$32.04	\$47.80	\$12.48	\$18.47	\$48.41	\$32.73	\$60.38
Probab of Refinancing	42	24	40	31	34	36	91
Crop Rcpts/PI Acre	\$122.27	\$177.46	\$59.19	\$92.84	\$253.34	\$141.45	\$385.01
Expense to Rcpts	0.71	0.77	0.79	0.92	0.78	0.76	0.80
Interest Exp to Rcpts	0.06	0.05	0.13	0.09	0.08	0.08	0.07
Depreciation to Rcpts	0.08	0.06	0.07	0.18	0.08	0.08	0.04
Real Estate per Acre	\$261.47	\$170.34	\$485.97	\$1,048.36	\$277.00	\$342.38	\$949.83
Machinery per Acre	\$131.82	\$174.65	\$137.09	\$161.83	\$235.51	\$162.10	\$246.88
Long Term Debt/ Acre	\$82.27	\$45.31	\$88.41	\$93.55	\$76.93	\$77.06	\$274.65
Interm Debt per Acre	\$22.23	\$56.38	\$21.51	\$29.57	\$69.26	\$37.38	\$0.00
Debt to Asset Ratio %	37.38	38.35	34.17	26.12	37.35	36.20	28.39
Family Living	\$28,905	\$32,196	\$28,222	\$22,592	\$33,723	\$29,900	\$21,600
Off Farm Income	\$7,609	\$11,065	\$12,583	\$15,751	\$8,750	\$9,970	\$0
10 Yr Avg ROA %	7.70	9.76	4.33	5.79	7.01	7.04	8.30
10 Yr Av Chg RNW %	4.97	7.50	2.18	5.29	3.37	4.47	4.74

Comparison of Crop Farms

	District 1	District 2	District 3, 6, 7 & 10	Districts 4, 5, 8 & 9	Districts 11 & 12	State	Sample Report 2006
Number of Producers	50	29	13	6	31	129	
ProScore Rating	8.61	15.51	7.26	14.81	6.92	9.91	-3.16
NCFI per Acre	\$34.45	\$50.80	\$43.11	\$43.26	\$59.72	\$45.48	\$60.38
Probab of Refinancing	41	22	33	27	32	33	91
Crop Rcpts/PI Acre	\$156.52	\$201.77	\$165.49	\$165.21	\$311.13	\$205.53	\$385.01
Expense to Rcpts	0.68	0.77	0.74	0.74	0.80	0.74	0.80
Interest Exp to Rcpts	0.07	0.05	0.14	0.04	0.07	0.07	0.07
Depreciation to Rcpts	0.09	0.05	0.03	0.06	0.07	0.07	0.04
Real Estate per Acre	\$281.46	\$167.13	\$404.78	\$370.86	\$292.15	\$274.91	\$949.83
Machinery per Acre	\$153.64	\$193.49	\$200.53	\$172.30	\$279.33	\$198.40	\$246.88
Long Term Debt/ Acre	\$99.11	\$48.27	\$62.82	\$15.15	\$89.13	\$77.72	\$274.65
Interm Debt per Acre	\$24.94	\$60.56	\$39.80	\$50.30	\$69.70	\$46.38	\$0.00
Debt to Asset Ratio %	36.91	40.38	41.70	29.71	40.69	38.76	28.39
Family Living	\$31,200	\$31,381	\$29,955	\$25,000	\$35,389	\$31,745	\$21,600
Off Farm Income	\$9,276	\$10,657	\$15,211	\$6,167	\$10,446	\$10,321	\$0
10 Yr Avg ROA %	8.24	10.61	7.62	11.79	7.35	8.66	8.30
10 Yr Av Chg RNW %	5.94	8.08	5.60	7.78	4.54	6.14	4.74

*Refer to the following map which highlights your district or group of districts.

Financial and Production Record-Keeping

Keeping Good Records

Keeping good records of your financial and production activities may seem like more trouble than it's worth, but an accurate record keeping system can be a valuable management tool and could be the difference between going out of business and financial success. While many producers keep records only because they are required, the benefits of farm and ranch record keeping go well beyond getting your taxes filed and obtaining next year's operating loan.

The benefits of good records

What may seem like a tedious tracking of historical facts is actually the foundation for making solid decisions about your future. Often times, people claim that the benefit of good records is that you can create accurate financial statements or calculate breakeven costs. While these are valuable components in farm and ranch management, the goal is not to simply obtain specific figures or financial statements. The point is what you actually do with this information as you plan for the future. It's really about decision making and having the best information possible to make those decisions. A good record of your operation helps you make future decisions based on facts rather than perception and memory.

An unrealistic yield expectation is the best example of the difference between fact and perception. In the course of conducting hundreds of FARM Assistance analysis, we have found that expected yields and actual experience can be quite different. For example, a producer might say he expects or budgets for a 600-pound cotton yield, but the crop insurance records suggest his average over the last 10 years is only 525 pounds. That 75 pounds could be the difference between a land purchase looking like a good decision, but turning out to be a bad one..

How much detail do I need?

Generally, the more information or detail you track, the more you will spend in time and money. The technology and software is available to maintain extremely detailed records. With Global Positioning Systems, monitored harvesters, and variable rate equipment you can track yields from every square yard of a field and make seed, fertilizer, and chemical rate decisions base on soil productivity. However, the dollar returns made possibly by such a system may not justify the time and capital expense required to manage it. At the other extreme, if you are making guesses on a blank cash flow worksheet your loan officer printed for you, it is likely you haven't spent enough time or money on a record keeping system. The object is to get more in value from the information than you spend in time and money collecting and analyzing it.

I've never kept any records

The objective above is far easier to understand than it is to implement. If you have never used a formal record-keeping system, the required investment of time and money are apparent, but the rewards and value are less clear until you've experienced it.

Don't start by just keeping records; start with solid business planning.

Begin to make specific operational plans for next year; use a computer spreadsheet or just a notebook. Your plans don't have to be complex, just write down an acreage plan or herd management plans. The next step is to begin putting dollar expectations to these plans, budgeting. During this budgeting process, ask yourself what information about past performance would be helpful in planning for next year. For example, you could take a guess for expected yields, but an average of the last 5 years would be more accurate. As you begin making more formal plans and budgets, the need for better records will become obvious, and you'll adapt your record keeping system to fit your personal planning needs. If you've just completed your FARM Assistance analysis, you are a step ahead, and can probably already imagine ways to improve your records, your plans, and therefore improve the FARM Assistance projection for your operation.

So why should you do all this planning? Simple. Mistakes are much less expensive if you can stop them before they happen.

What kind of system do I use?

The answer to this question is closely tied to how much information you plan to record and analyze. Record keeping systems can range from very simple to extremely complex. As you move up in complexity, a record keeping system becomes more difficult to learn and manage while becoming much easier to summarize and retrieve information.

No Record Keeping System

The most simplistic system would be to rely on your own memory and never write down anything. Obviously our memories are less than accurate and even fail at times, making this system less dependable. Even the best of memories couldn't handle anything more than a small part-time operation. Managing a farm or ranch without a record keeping system of some sort is not a viable option.

Hand Written Records

Before computers, a hand written record keeping system was the standard and it is still a viable option. The key to making this type of system work is filing records and paper work in a well-organized fashion. If you can't find something then it was a waste of time to keep it. The advantage of this system is that data entry is quick and painless. For example, flipping to a particular page in a notebook and jotting down a yield takes only a few seconds. In addition, pre-printed information from FSA or crop insurance agents is quickly and easily tucked away in the appropriate file folder or notebook. The drawback, compared to using a computer, is the difficulty in actually using these records for analysis and planning. Summarizing and analyzing hand-written records requires the additional steps of copying numbers by hand and running a calculator. These extra steps can be cumbersome and increase the potential for mistakes.

Customized Computer Files

Moving to a computer has several advantages, even if your computer knowledge and skills are modest. A computer spreadsheet, such as Microsoft Excel, is one of the most flexible software tools available. At one extreme, it can be used for simple data storage. At the same time, a spreadsheet has the ability to perform complex functions such as automatically linking past performance with future budget plans, or creating graphical images of your records. The ability to quickly and accurately summarize data is a big advantage to using spreadsheet software. For example, the total for a set of expenses can be linked such that the total automatically updates when any of the components are updated. With a pen & paper, you would have to run the adding machine every time you made a change to the expense budget just to keep an accurate total.

One characteristic of spreadsheets is that the starting point is essentially a blank canvas. On one hand, starting from scratch may be intimidating for people less familiar with a computer, but most spreadsheet packages come with examples and templates to get you started. The advantage is that you can design the file to do exactly what you want it to do, no more and no less. The flexibility also allows you to adapt the file over time as your needs and computer skills change. One word of caution: computers are not perfect. While it is rare, they can lock up, crash, or just quit working without warning. Before you start any record keeping or planning system on the computer, decide how you will keep backup files. CD's, 3 ¼ disks, zip disks, or USB drives are all good options for keeping backup files separate from the computer.

Commercial Software

Another option for the computer is commercial software. Quicken and QuickBooks are probably the most popular small business accounting packages available. These software systems are extremely powerful and flexible. Because of the flexibility, the learning curve to use these systems can take some time, but it is usually worth it once you become familiar with the software. Summarizing data with commercial software is quick and simple. Most are specifically designed to create quick comparisons with tables, charts, and figures. While commercial accounting packages are excellent at tracking financial records, one drawback is the inability to track production data. A good farm management setup would include a commercial accounting package in combination with your own spreadsheet system to track production data.

Regardless of the type of record keeping system you choose, the important step is to get started. Keep only that data you know you will use for planning and financing purposes. As you develop your business planning system, your record keeping system will evolve from necessity, and the benefits will be clear.

Resources

The Texas Cooperative Extension – Agricultural Economics unit offers many resources to help with record keeping and planning. We offer several programs and resources related to farm/ranch management and marketing. Specifically concerning record keeping, we have budgeting programs and spreadsheet templates available. In addition, we periodically offer QuickBooks training in various locations around the state. Your FARM Assistance specialist can provide you with more specific information or find our programs on the web at: agecoext.tamu.edu

Farm and Ranch Safety Resources

Biological & Agricultural Engineering Department,

Texas A&M University System
201 Scoates Hall
College Station, Texas 77843-2117
Phone: 979/845-3931
Fax: 979/845-3932
<http://agsafety.tamu.edu/Index2.html>

The National Safety Council

1121 Spring Lake Dr.
Itasca, IL 60143-3201
(800) 621-7619
(630) 285-1121
(630) 285-1315 fax
<http://www.nsc.org/issues/agrisafe.htm>

Progressive Farmer Farm Safety Day Camps

481 South 8th Avenue East Hartley, IA 51346
Phone: 888-257-3529
Fax: 712-928-1428
<http://farmsafetyday.ae.iastate.edu/>

Texas Department of Agriculture

P.O. Box 12847
Austin, TX 78711
Phone: (512) 463-7476
Fax: (512) 463-1104
http://www.agr.state.tx.us/producer_info/safety/adm_howsafe.htm

Environmental Safety Resources

TEX * A * Syst

Blackland Research Center

720 E. Blackland Rd.

Temple, TX 76502

Phone: 254-774-6040

<http://waterhome.brc.tamus.edu/texasyst/index.html>

Farm*A*Syst Home*A*Syst

303 Hiram Smith Hall

1545 Observatory Drive

Madison, WI 53706-1289

Phone: 608-262-0024

<http://www.uwex.edu/farmasyst/>

National Council for Science and the Environment

1707 H Street NW, Suite 200

Washington, D.C. 20006

Phone: 202-553-5810

<http://ncseonline.org/>

Texas Commission on Environmental Quality

P.O. Box 13087

Austin, TX 78711-3087

Phone: 512/239-1000

<http://www.tceq.state.tx.us/>