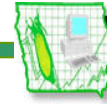


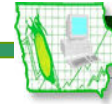
# 2008 Analysis Presentation

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

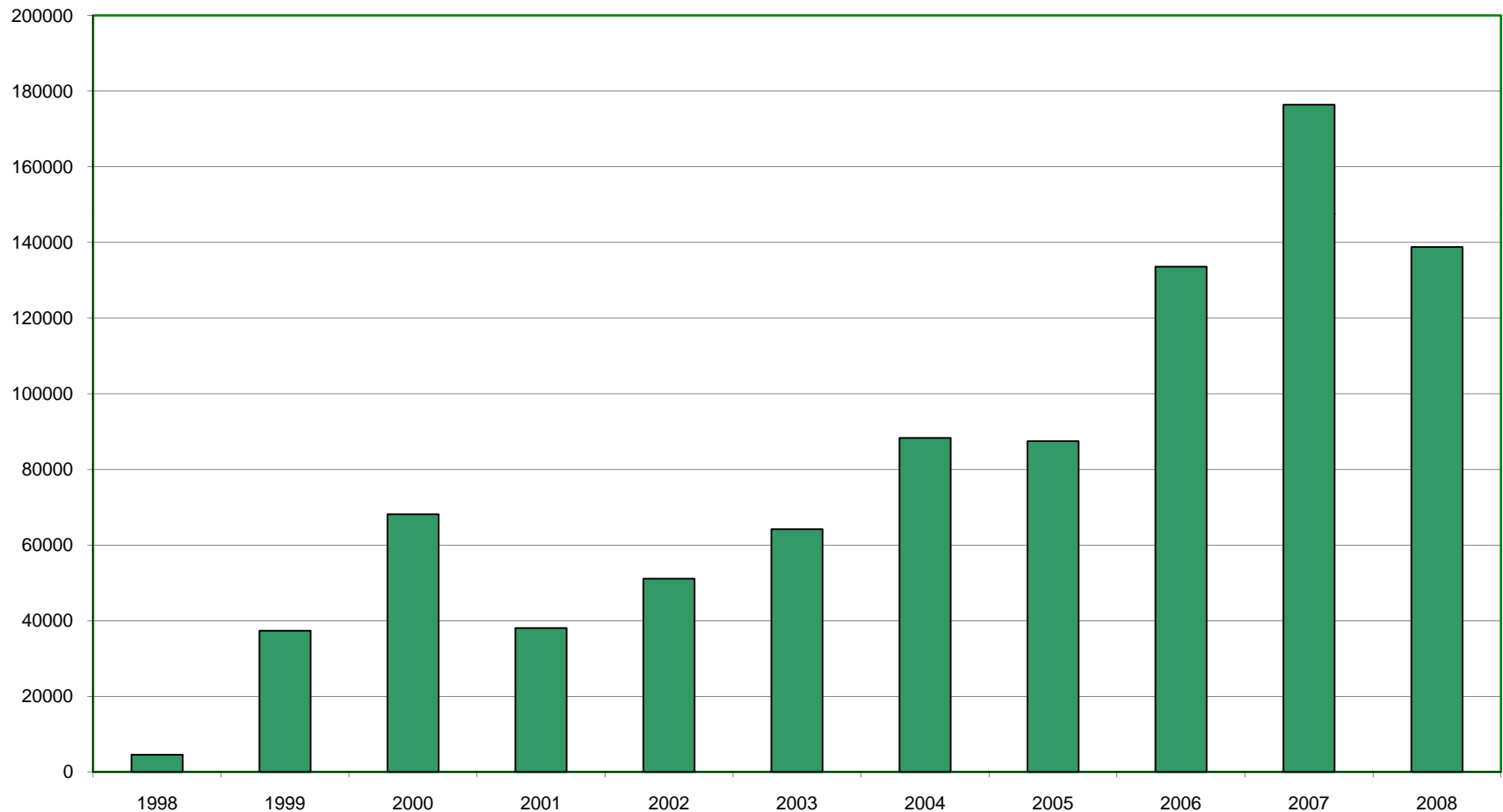


# Presentation Summary

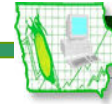
- ➔ General Information
- ➔ Corn Enterprise Data
- ➔ Soybean Enterprise Data
- ➔ Pork Production Data
  - Farrow to Finish & Feeder Pig
- ➔ Beef Production Data
  - Cow/Calf & Feeder Cattle
- ➔ Financial Data



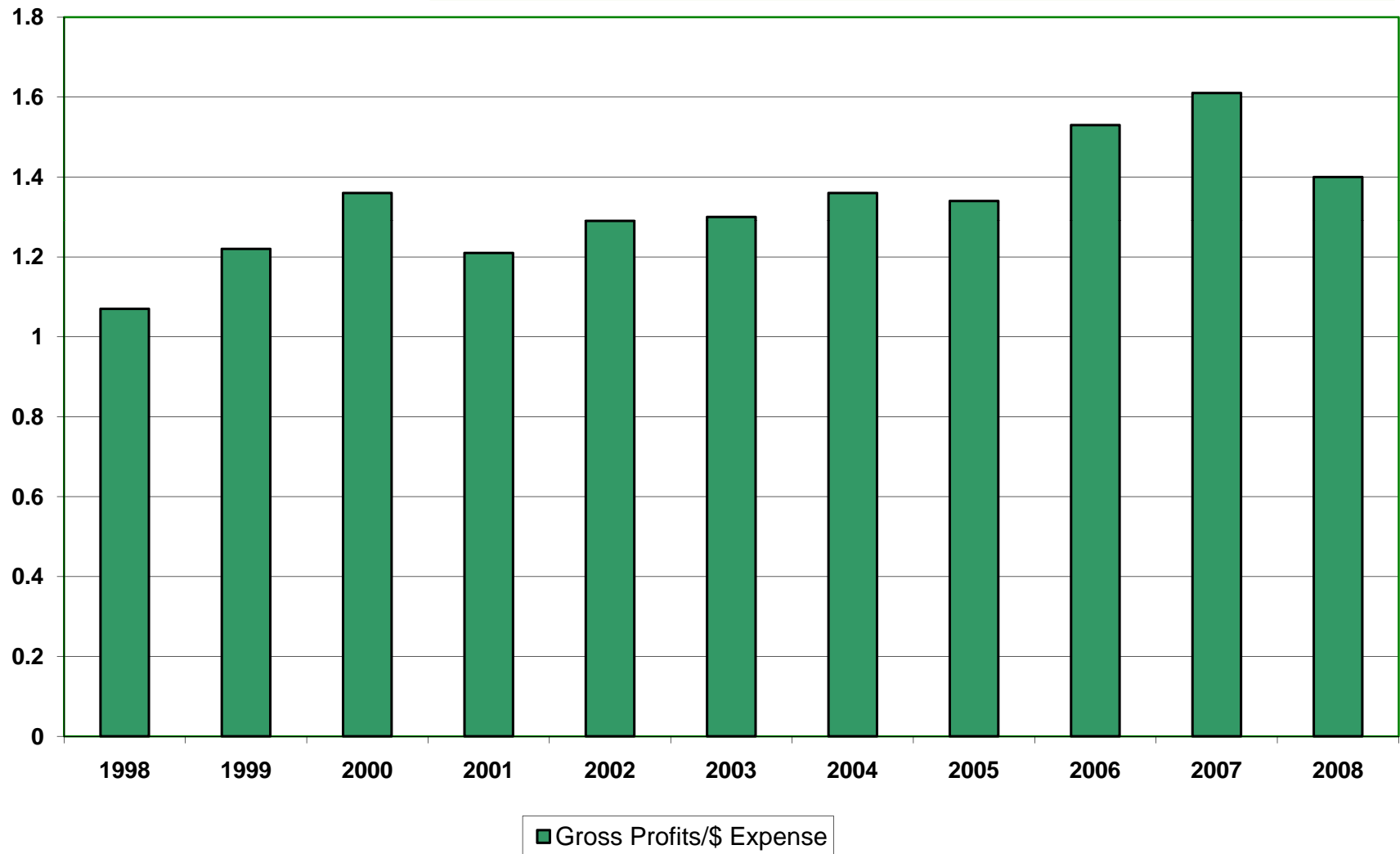
# Accrued Net Farm Income

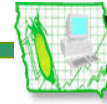


Accrued Net Farm Income includes the value of home used products, change in inventory (both value and volume on hand will affect this), and a depreciation charge based on 10% straight line rate with a 10% salvage value on all depreciable items.



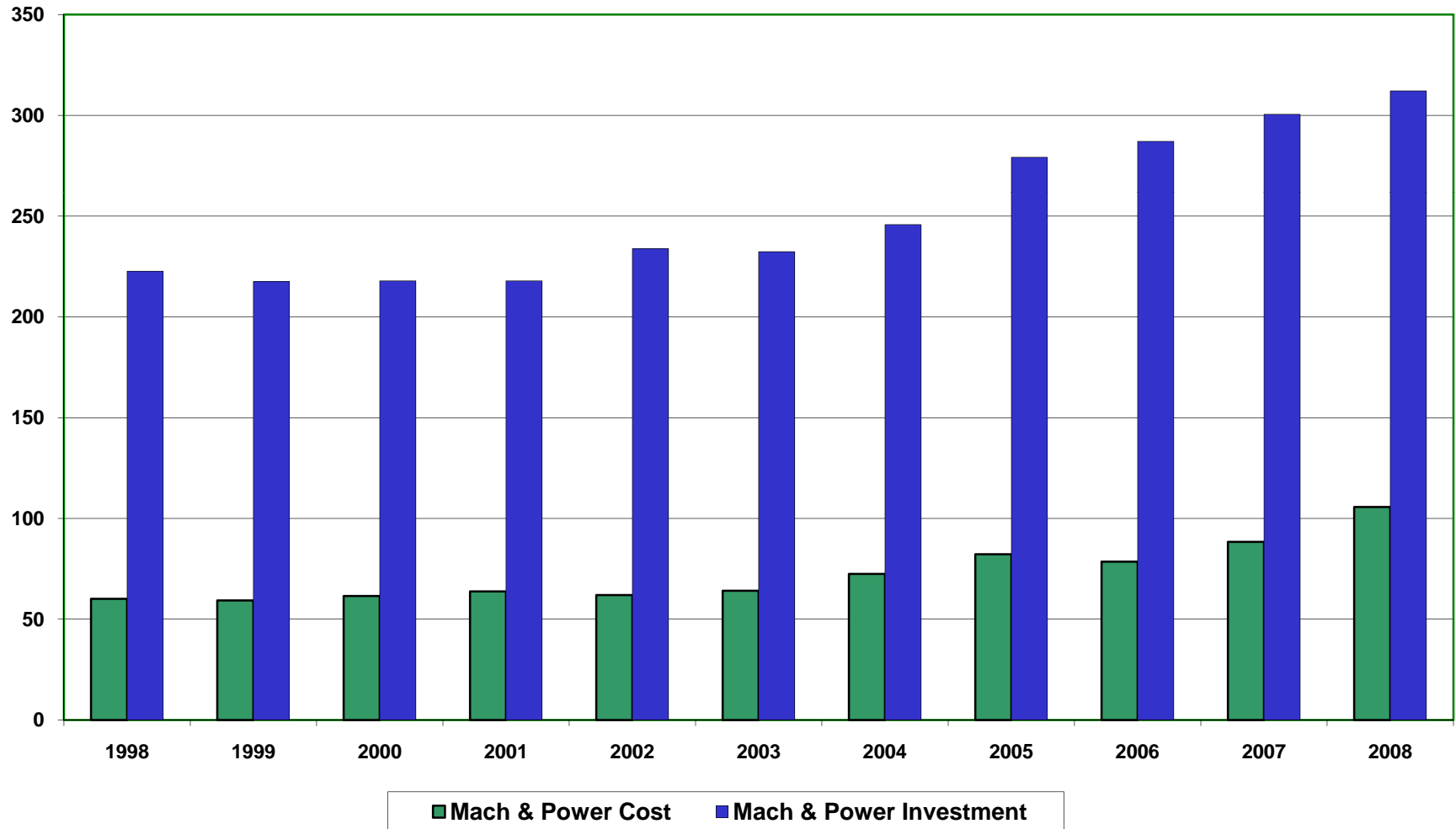
# Gross Profit Per \$1 of Expense

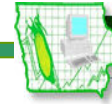




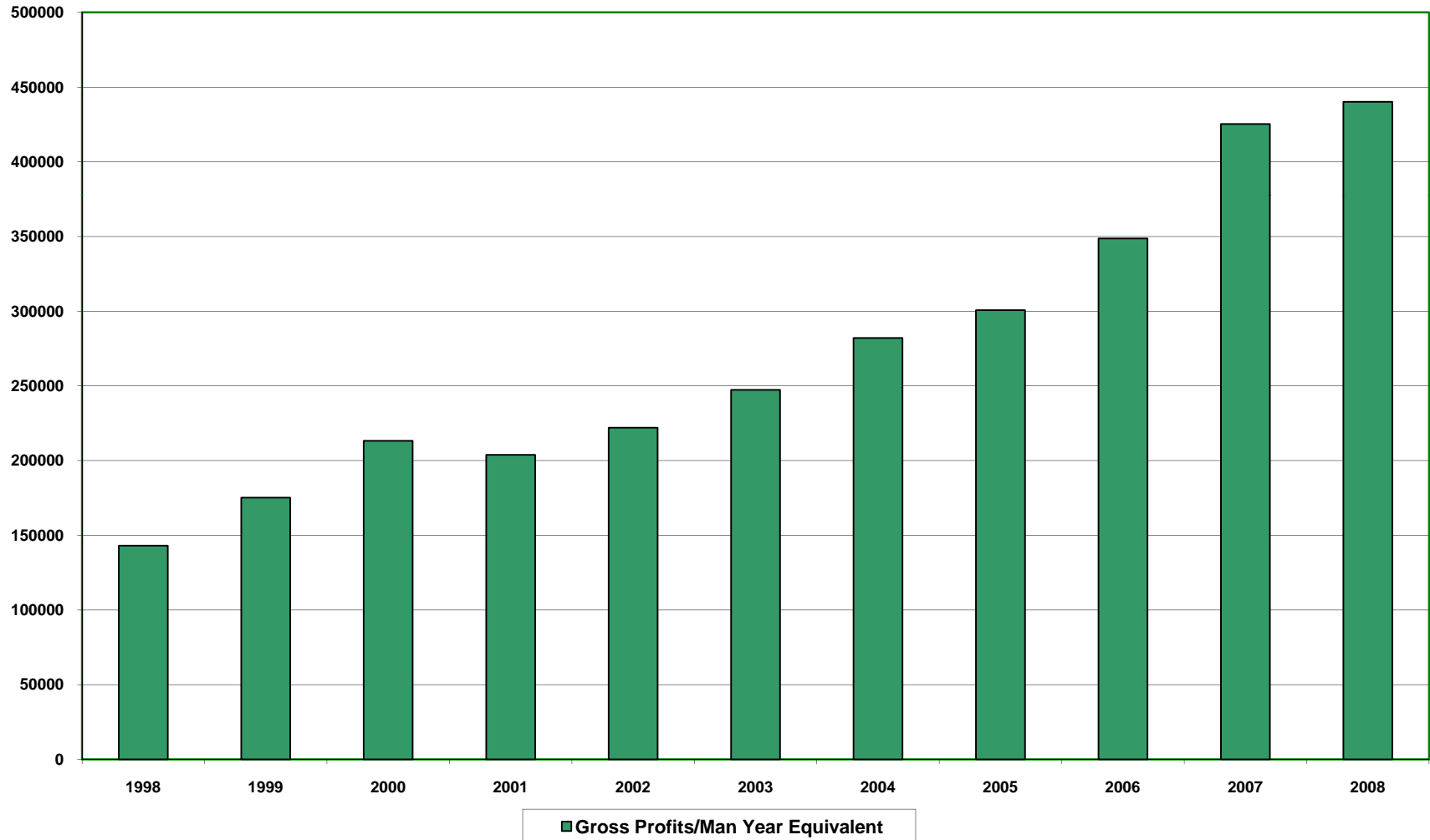
# Power Mach Cost vs Invest. Cost

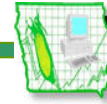
(Per Acre)





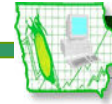
# Gross Profit Per Man



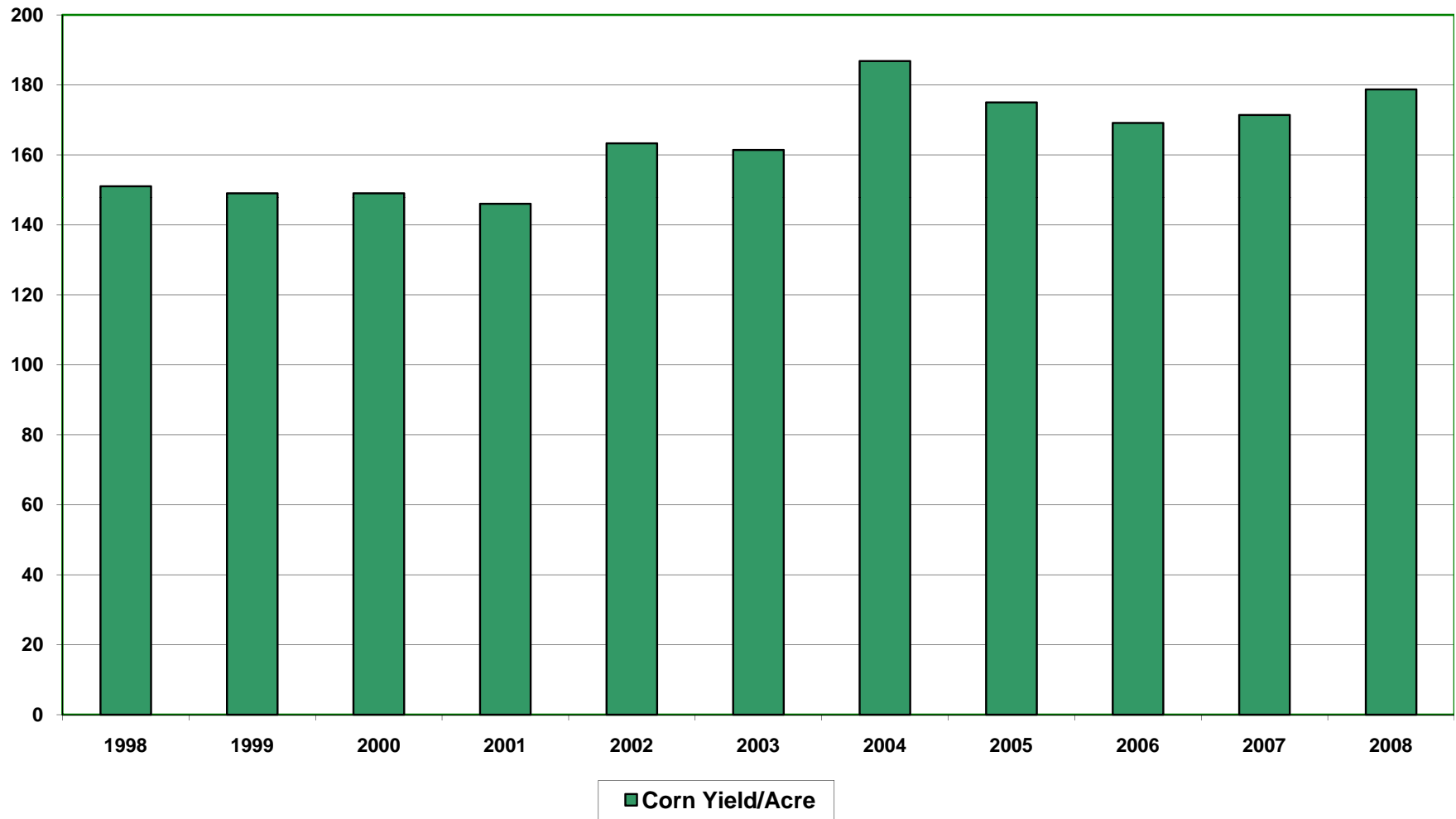


## IFBA Statewide Data

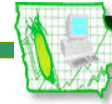
# Corn Enterprise



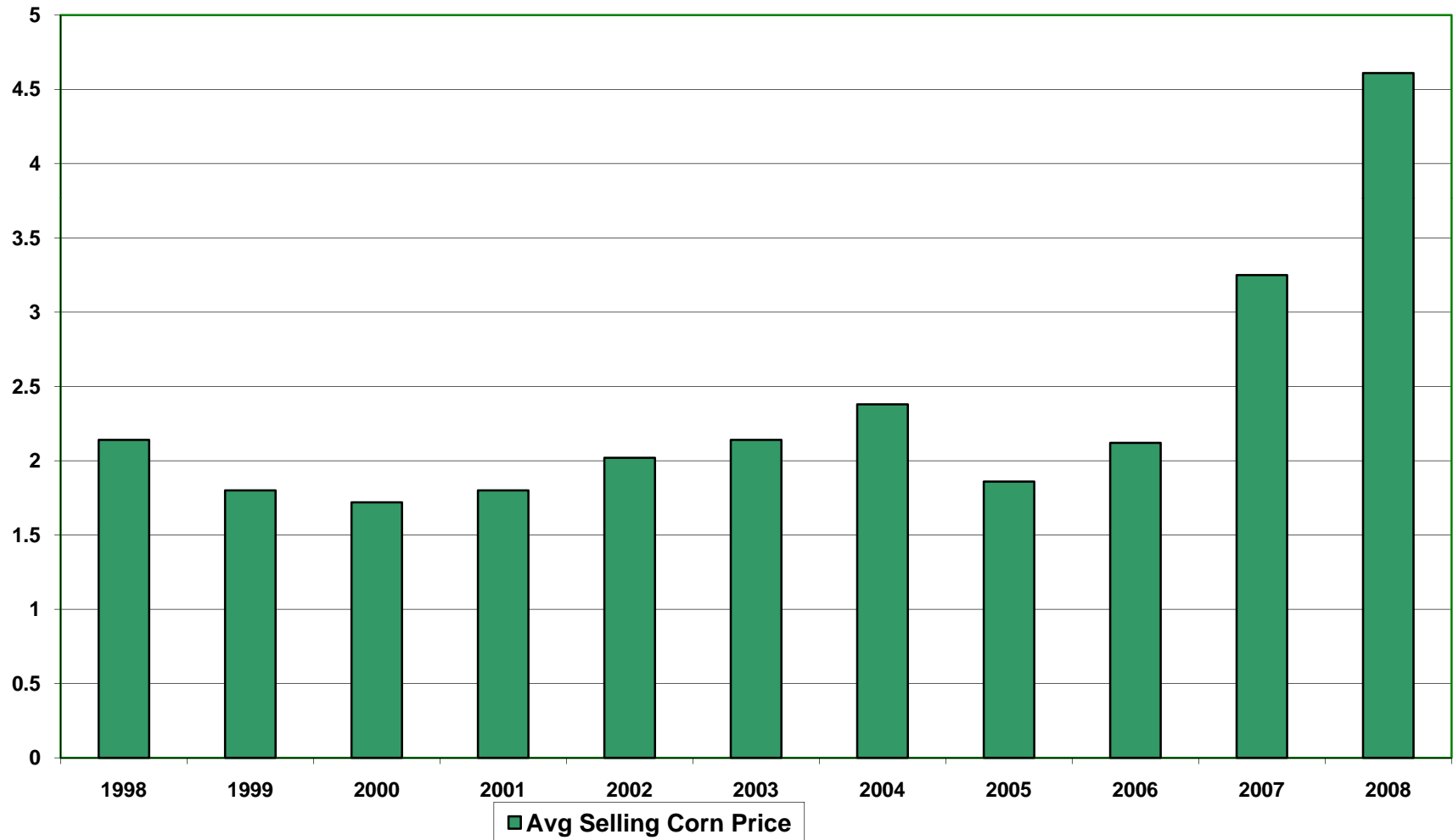
# Corn Yields

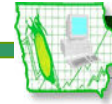




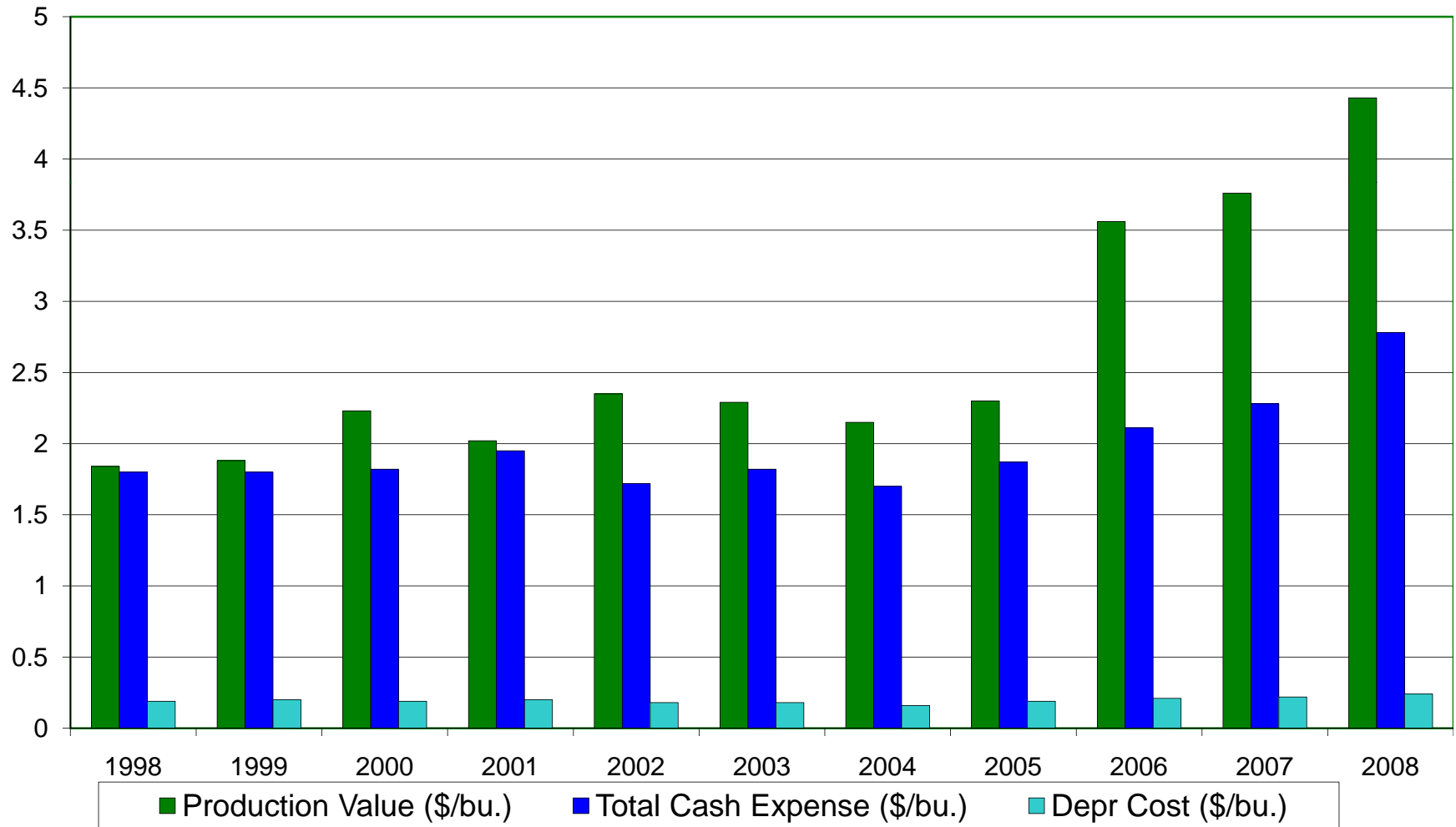


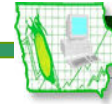
# Avg. Corn Selling Price



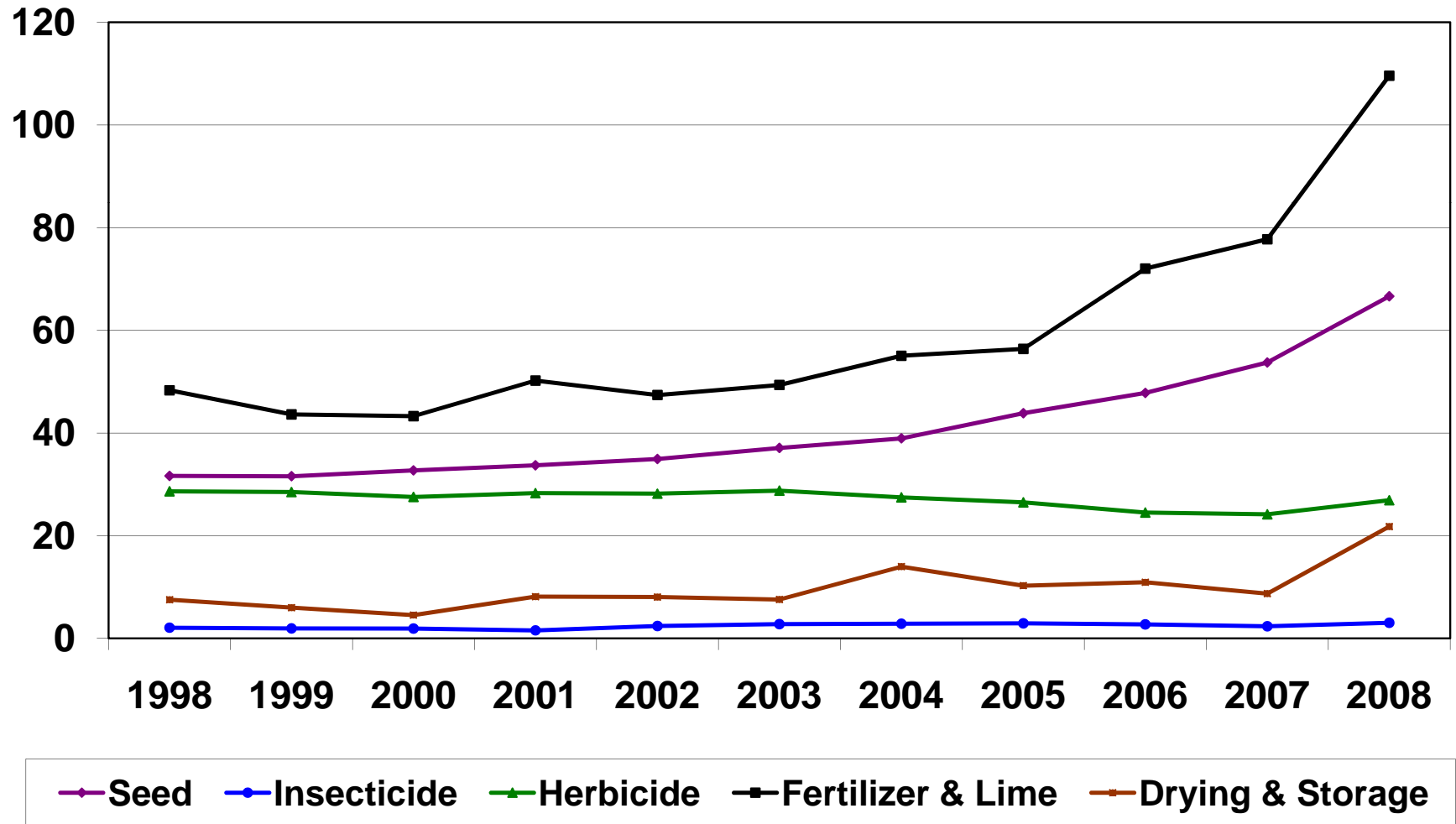


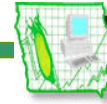
# Corn Production Value vs Expenses





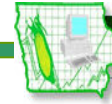
# Direct Corn Expenses



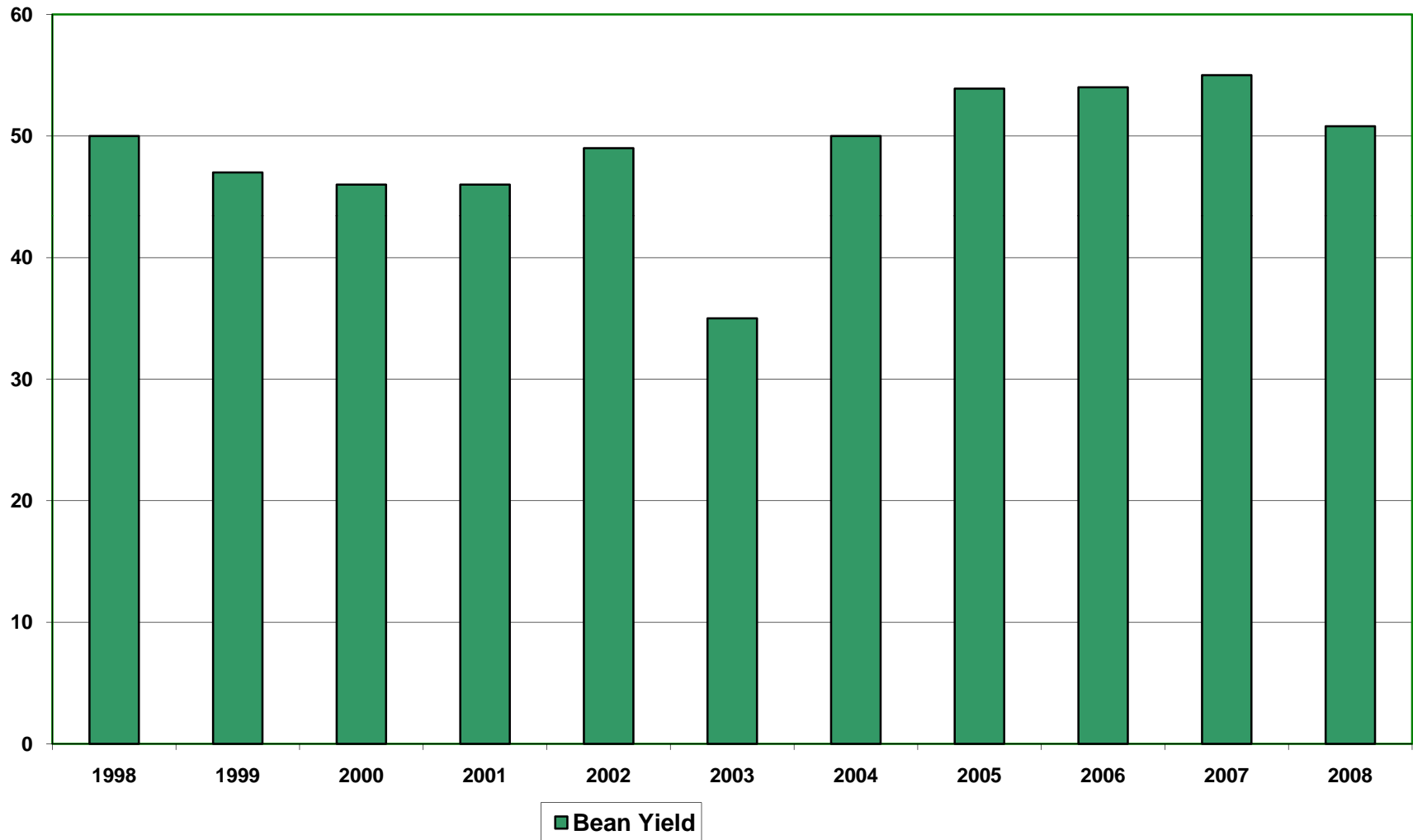


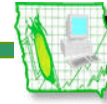
# IFBA Statewide Data

# Bean Enterprise

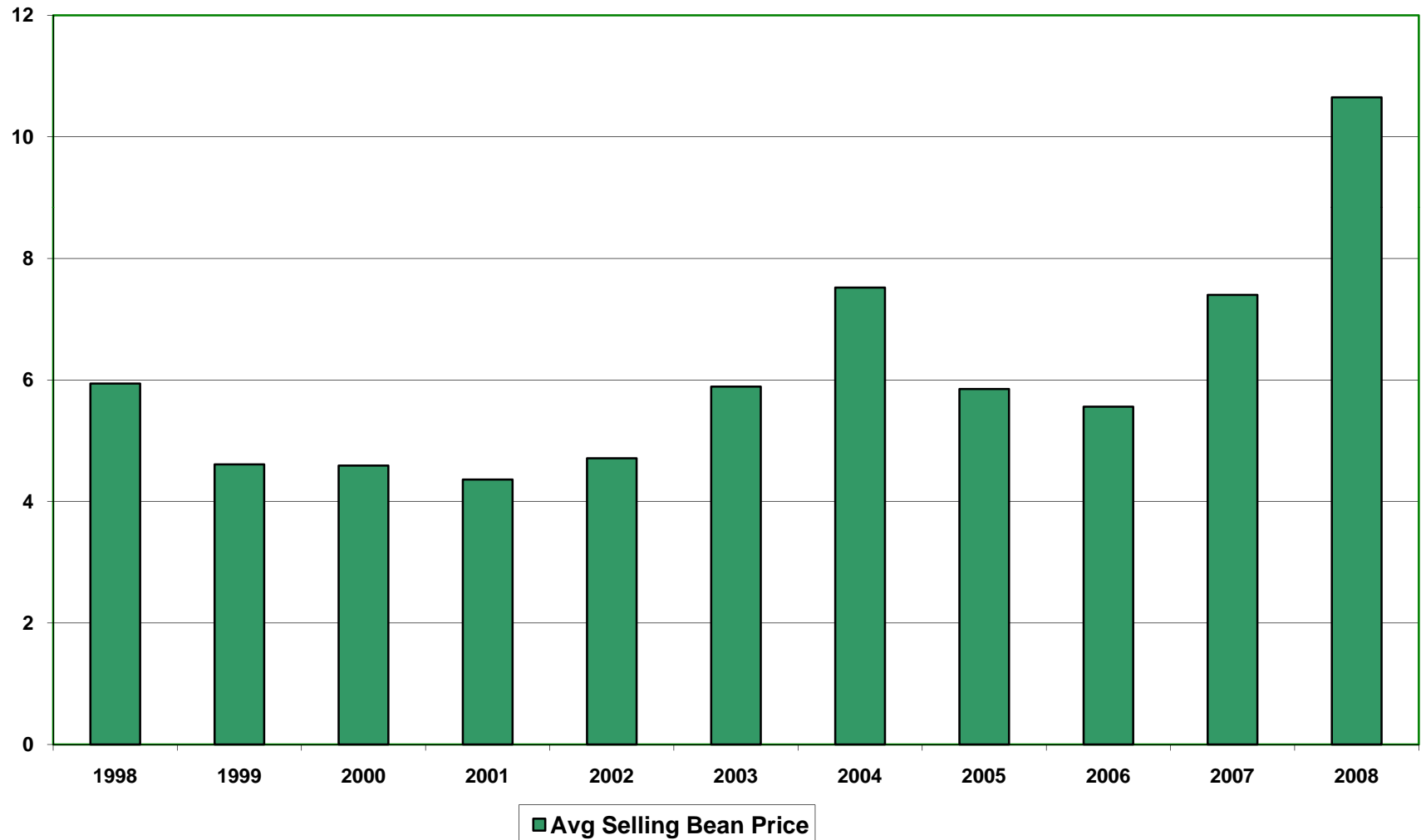


# Bean Yields



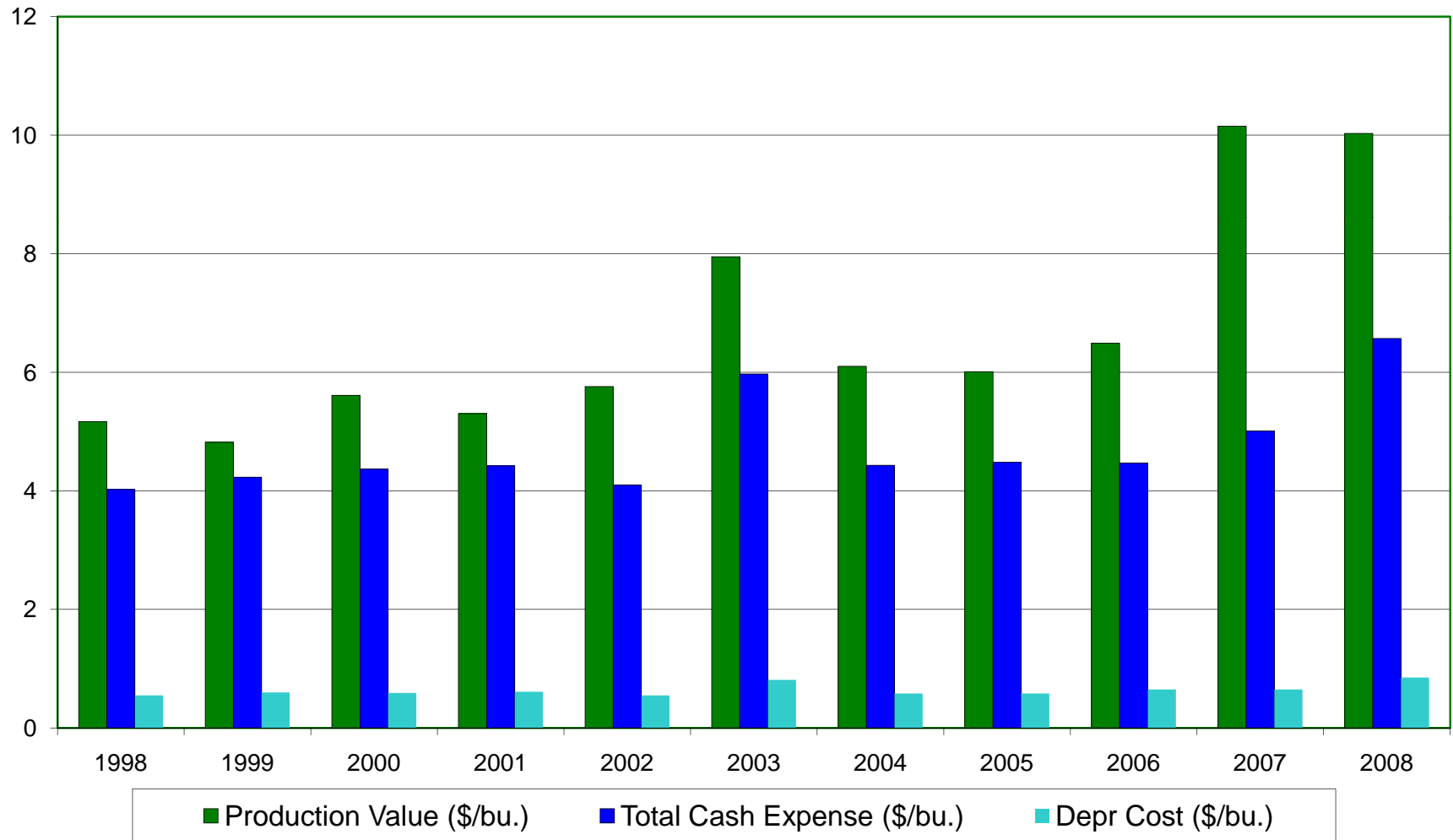


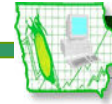
# Avg. Bean Selling Price



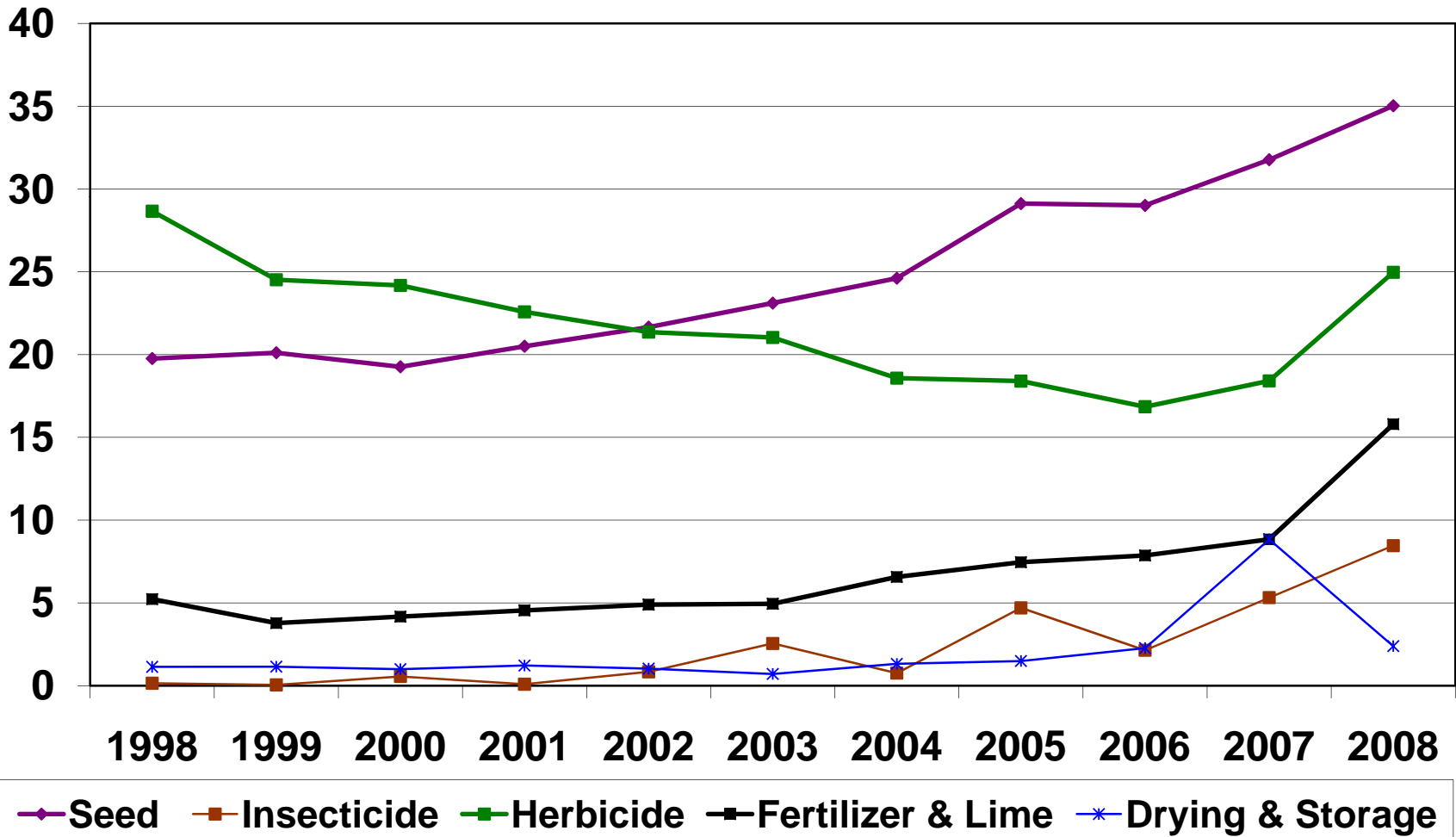


# Bean Production Value vs Expenses

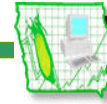




# Direct Bean Expenses

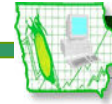




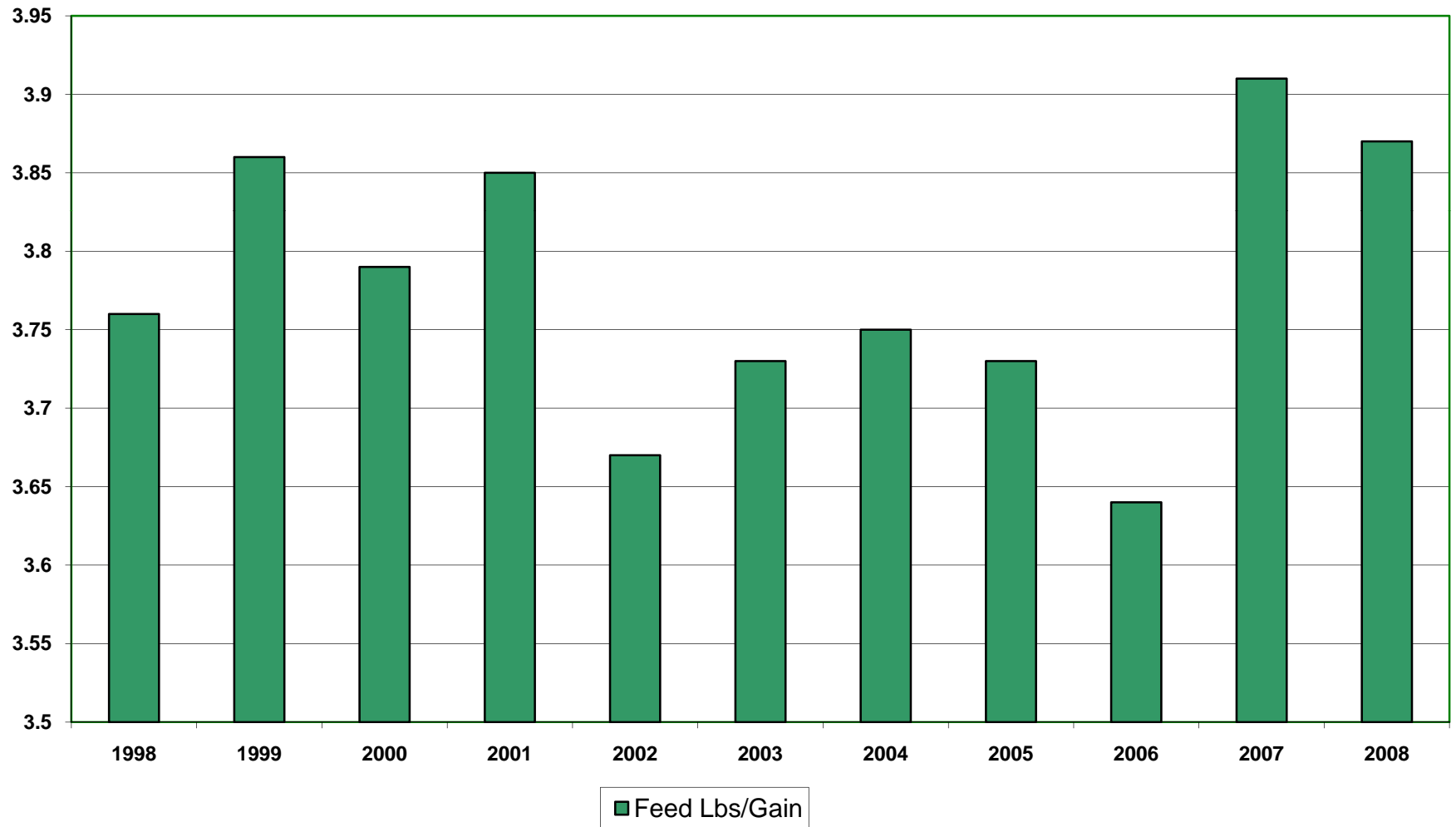


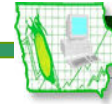
# IFBA Statewide Data

## Hog Enterprises

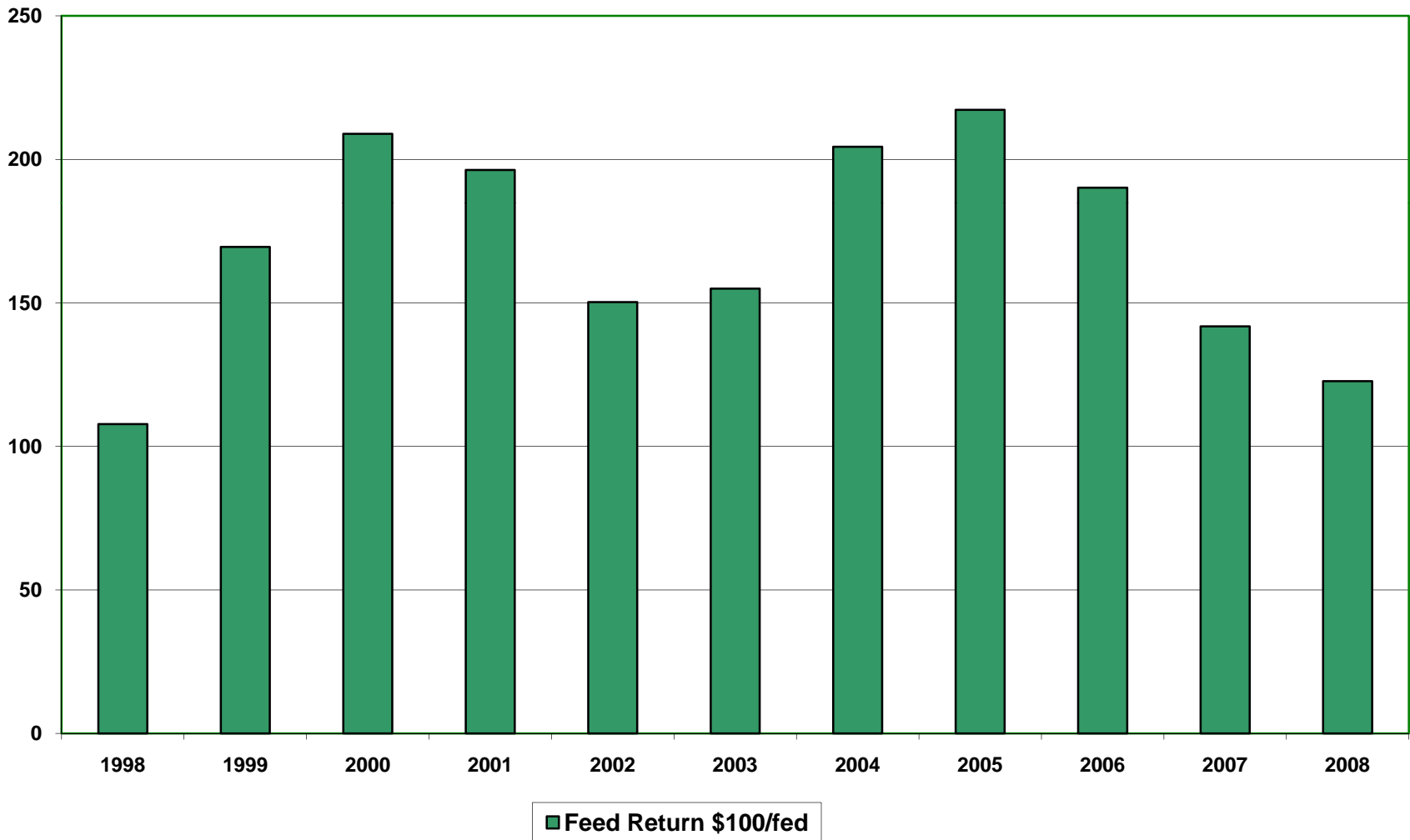


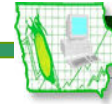
# Farrow/Finish Feed Conv.



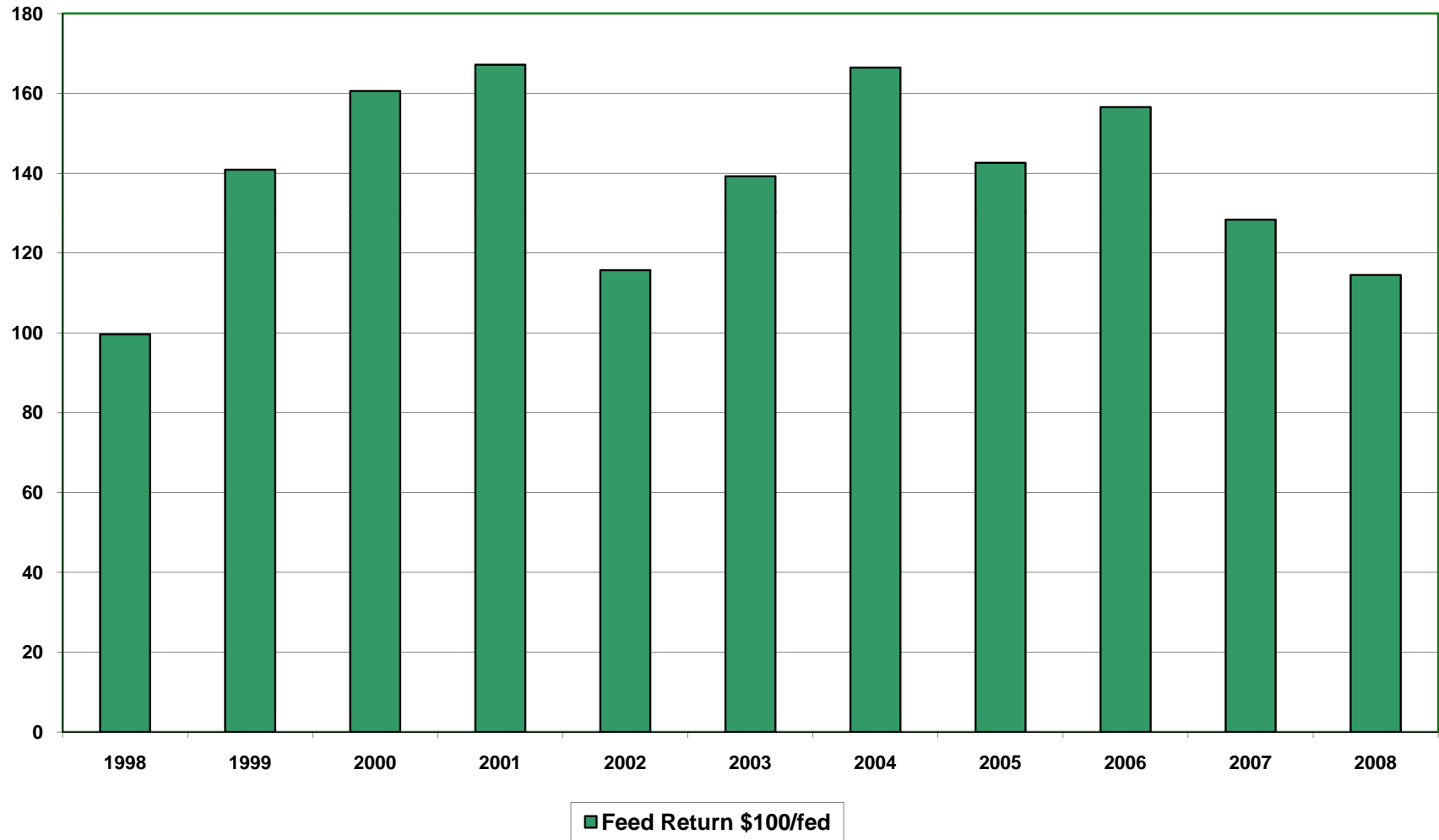


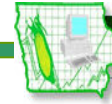
# Farrow/Finish Returns



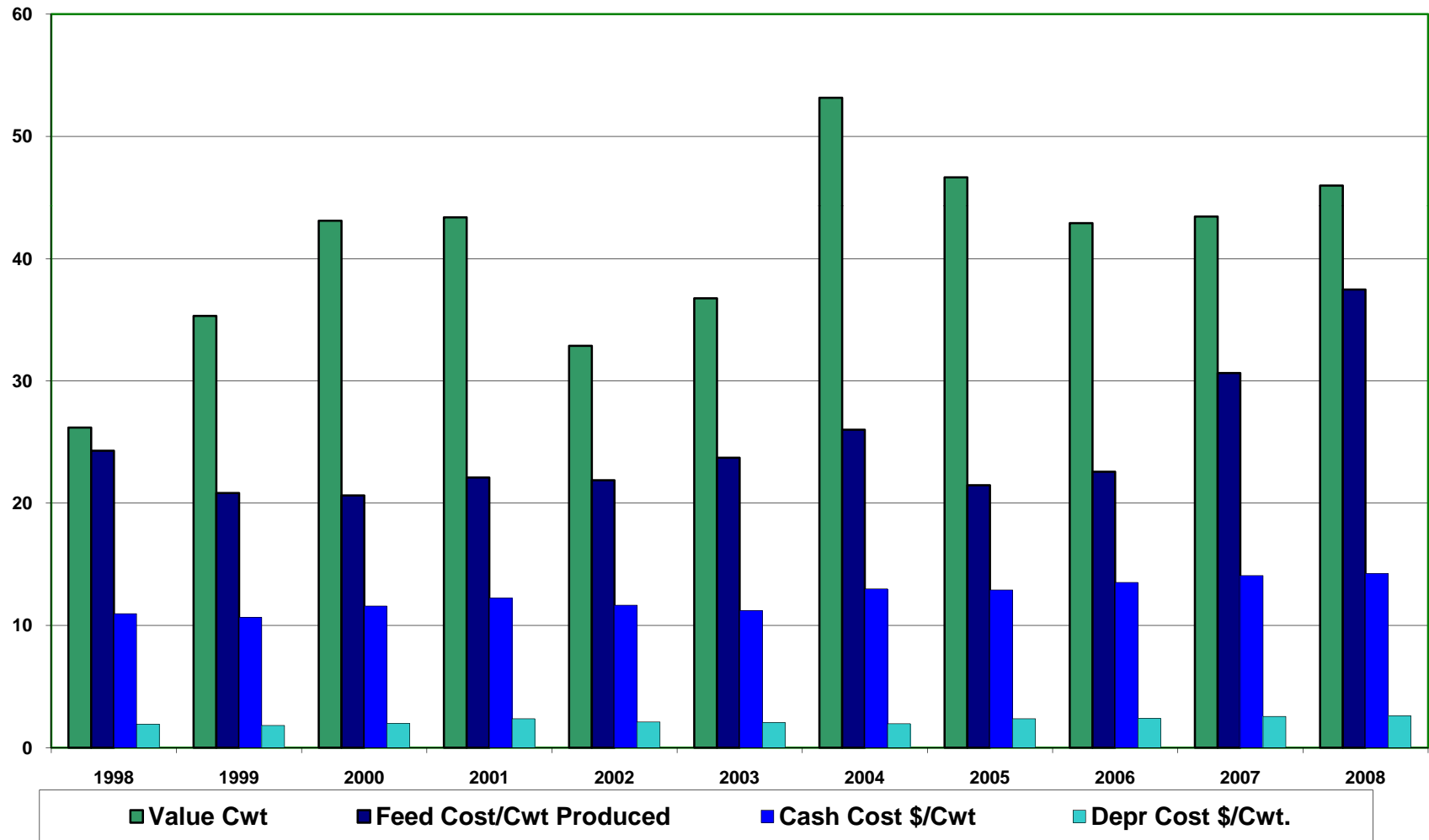


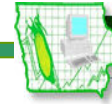
# Feeder Pig Returns



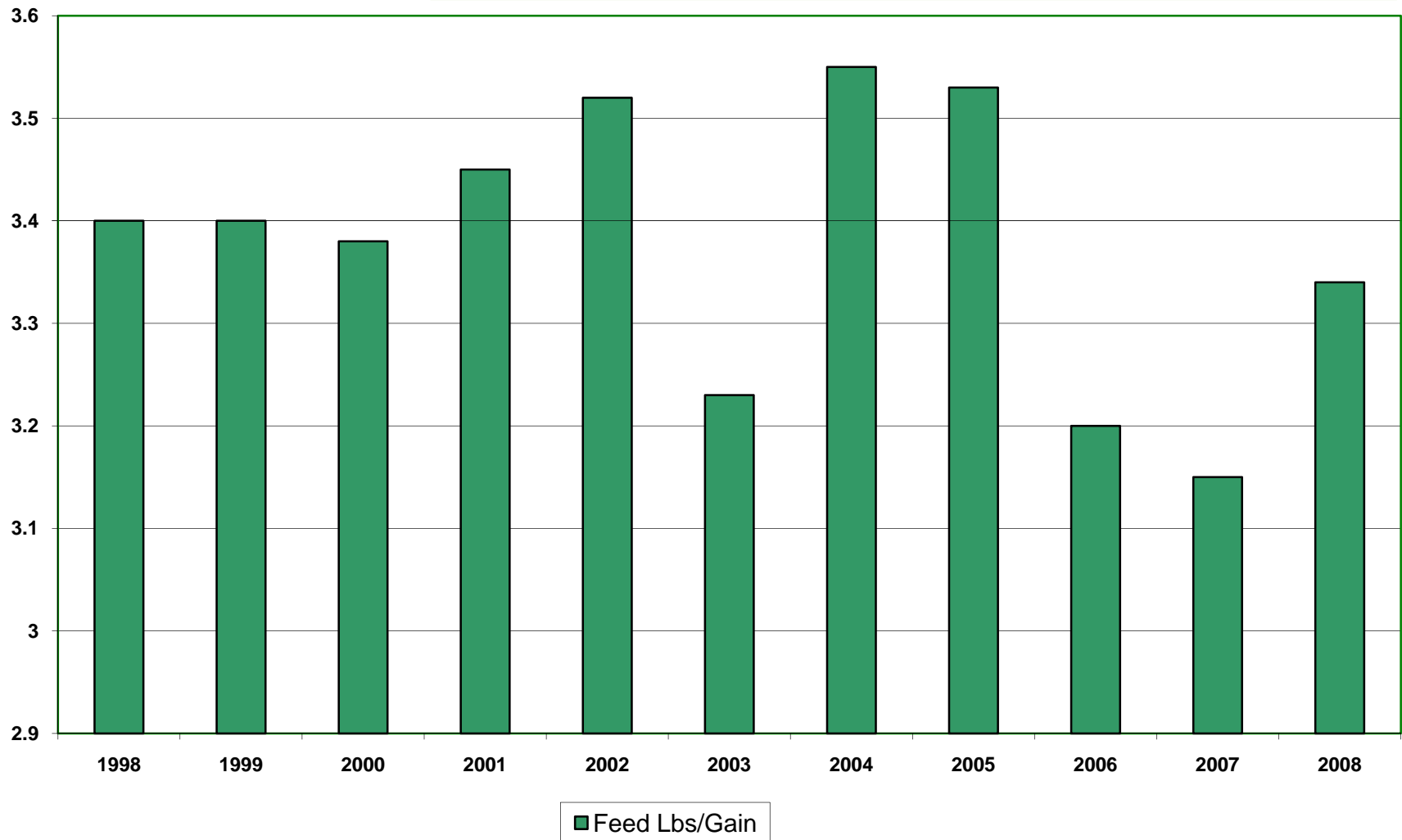


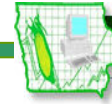
# Farrow/Finish Profitability



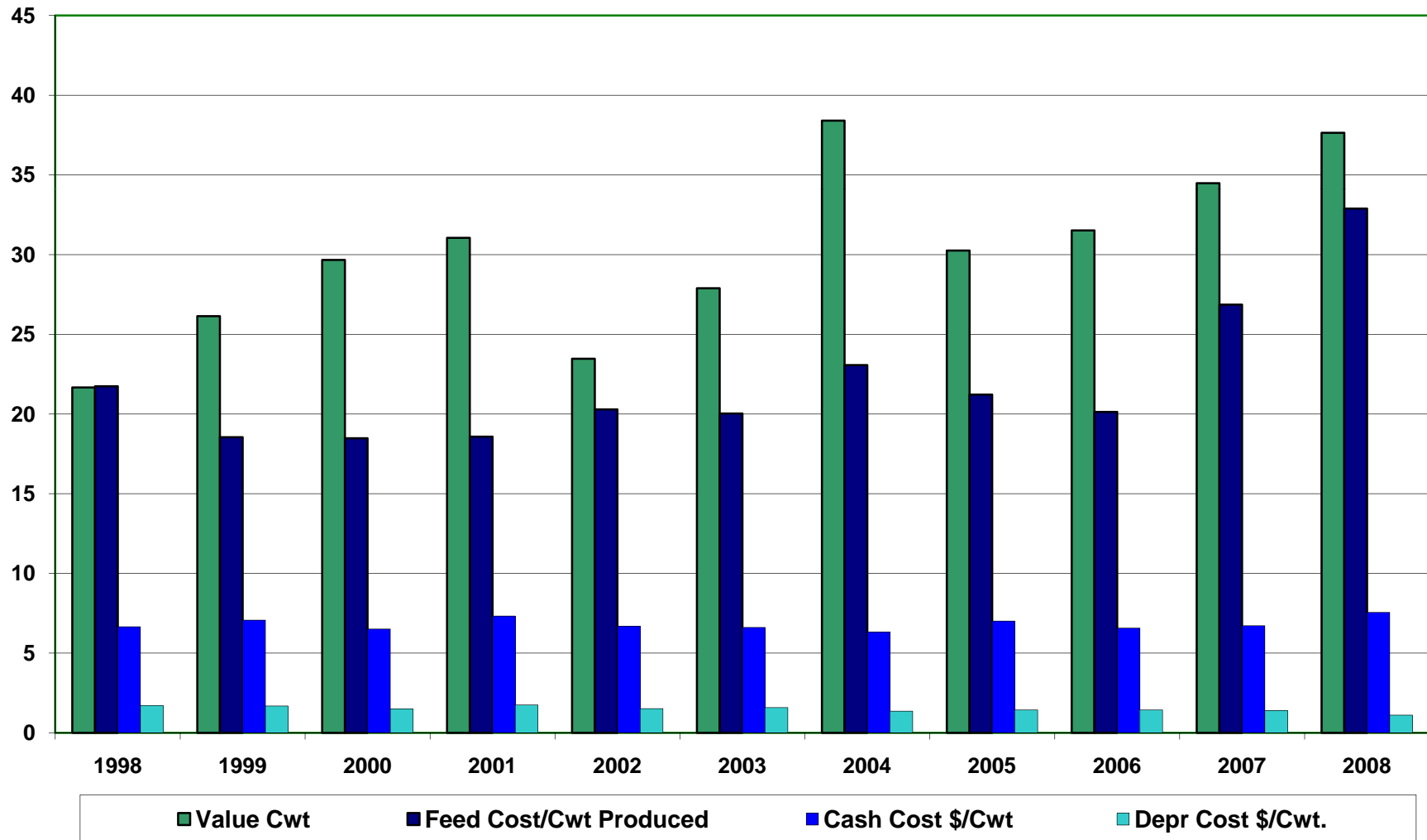


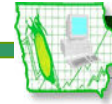
# Feeder Pig Feed Conv.





# Feeder Pig Profitability

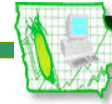




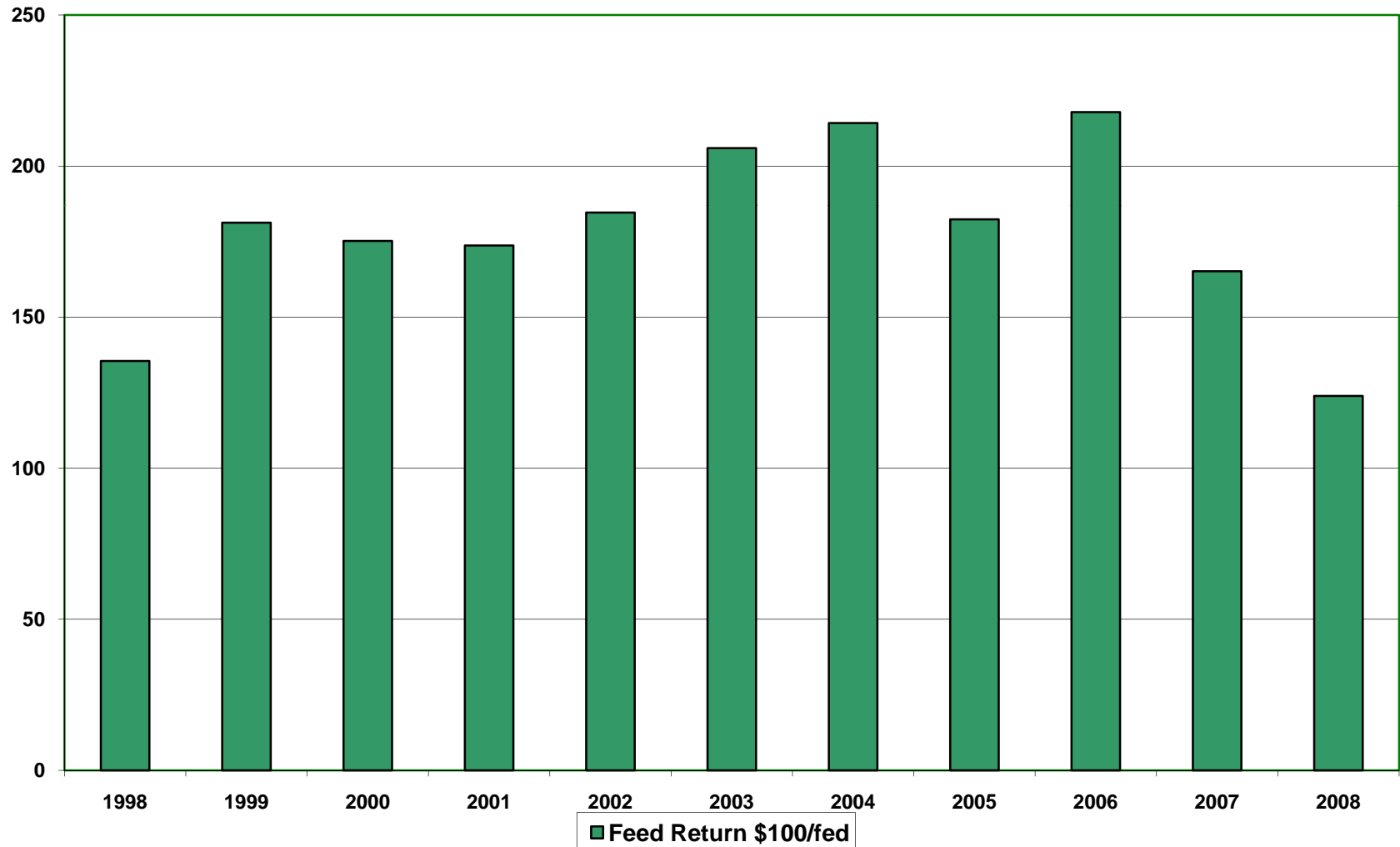
# IFBA Statewide Data

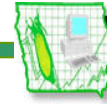
## Cattle Enterprises



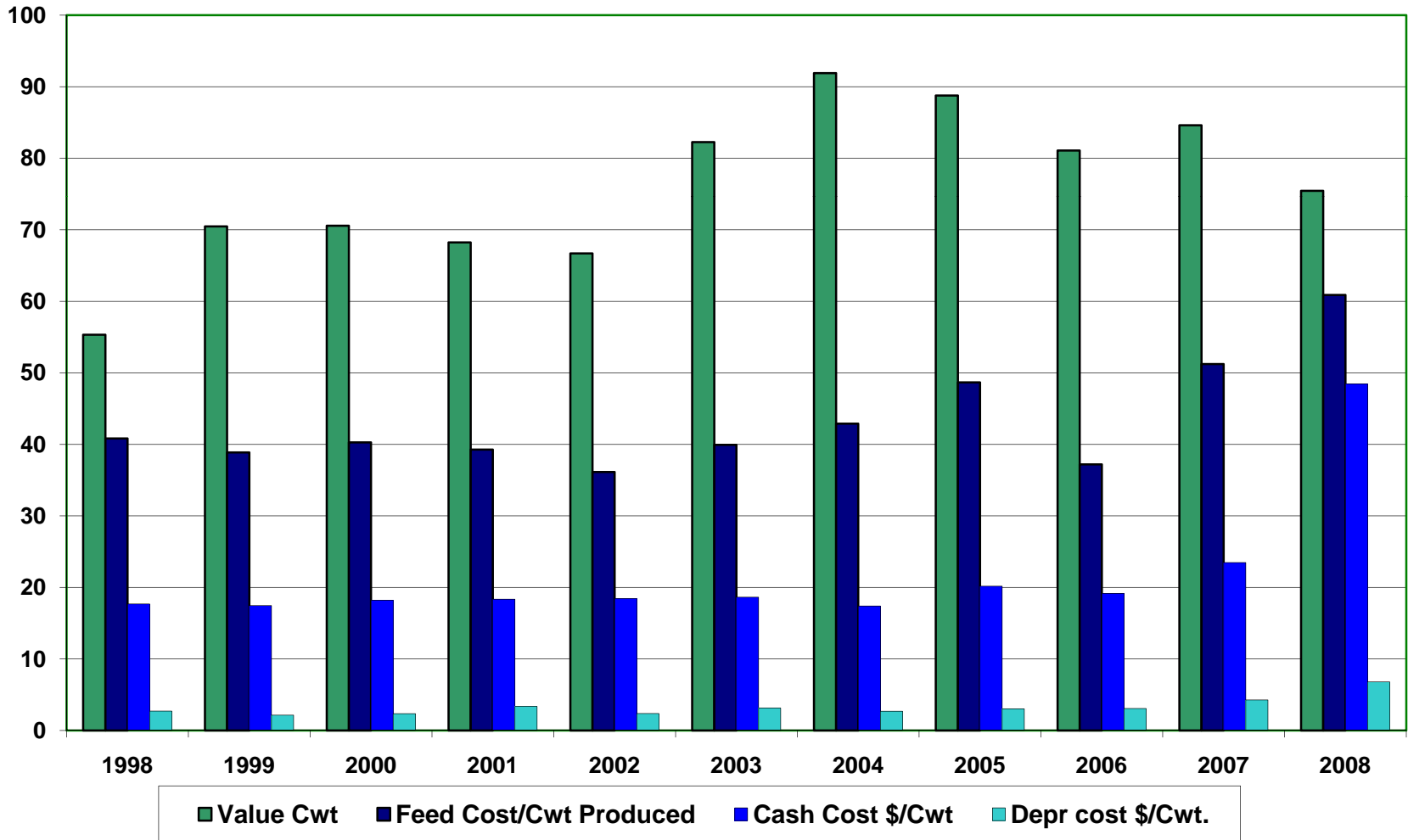


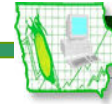
# Cow/Calf Feed Returns



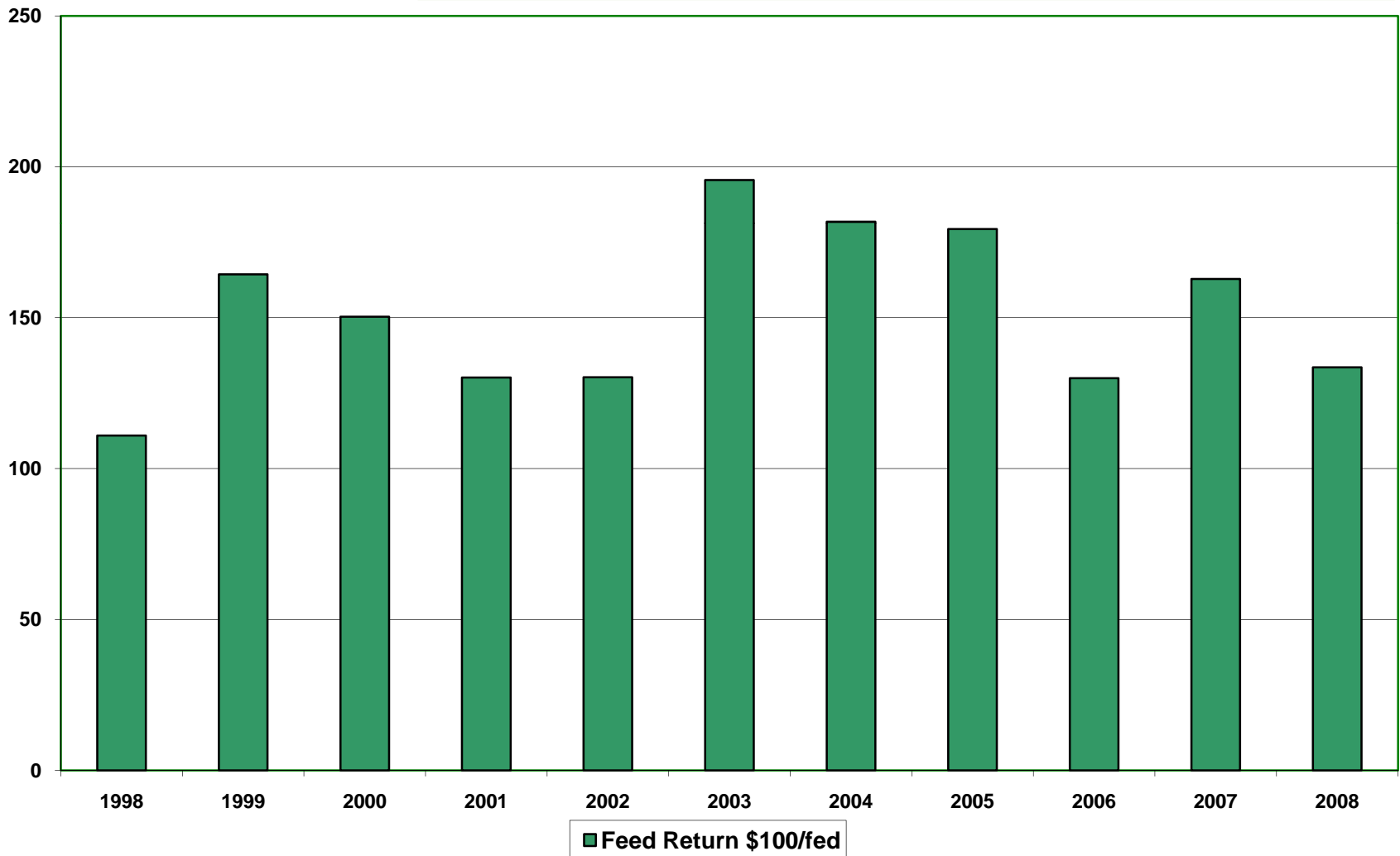


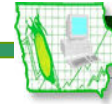
# Cow/Calf Profitability



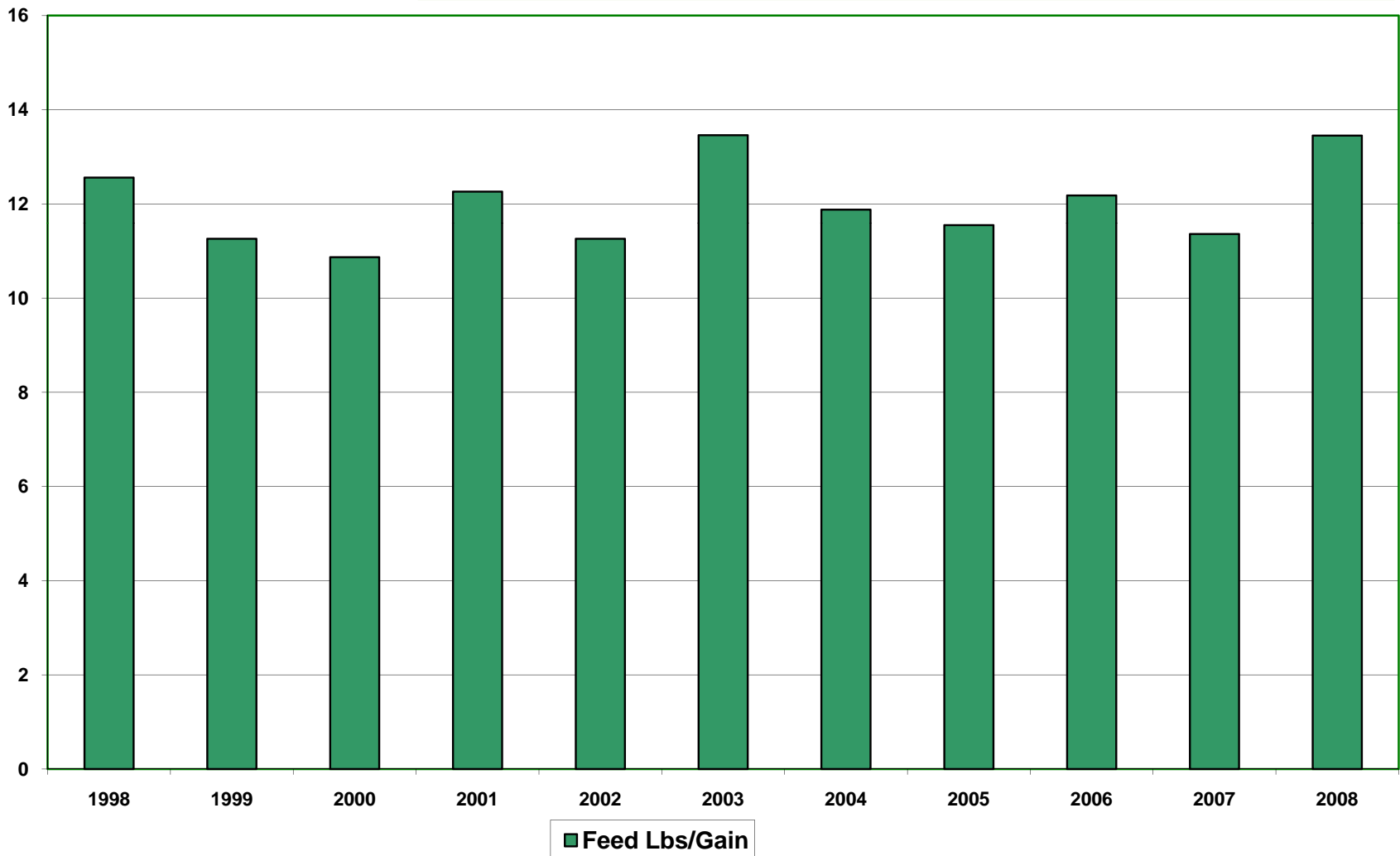


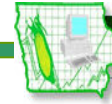
# Feeder Cattle Returns



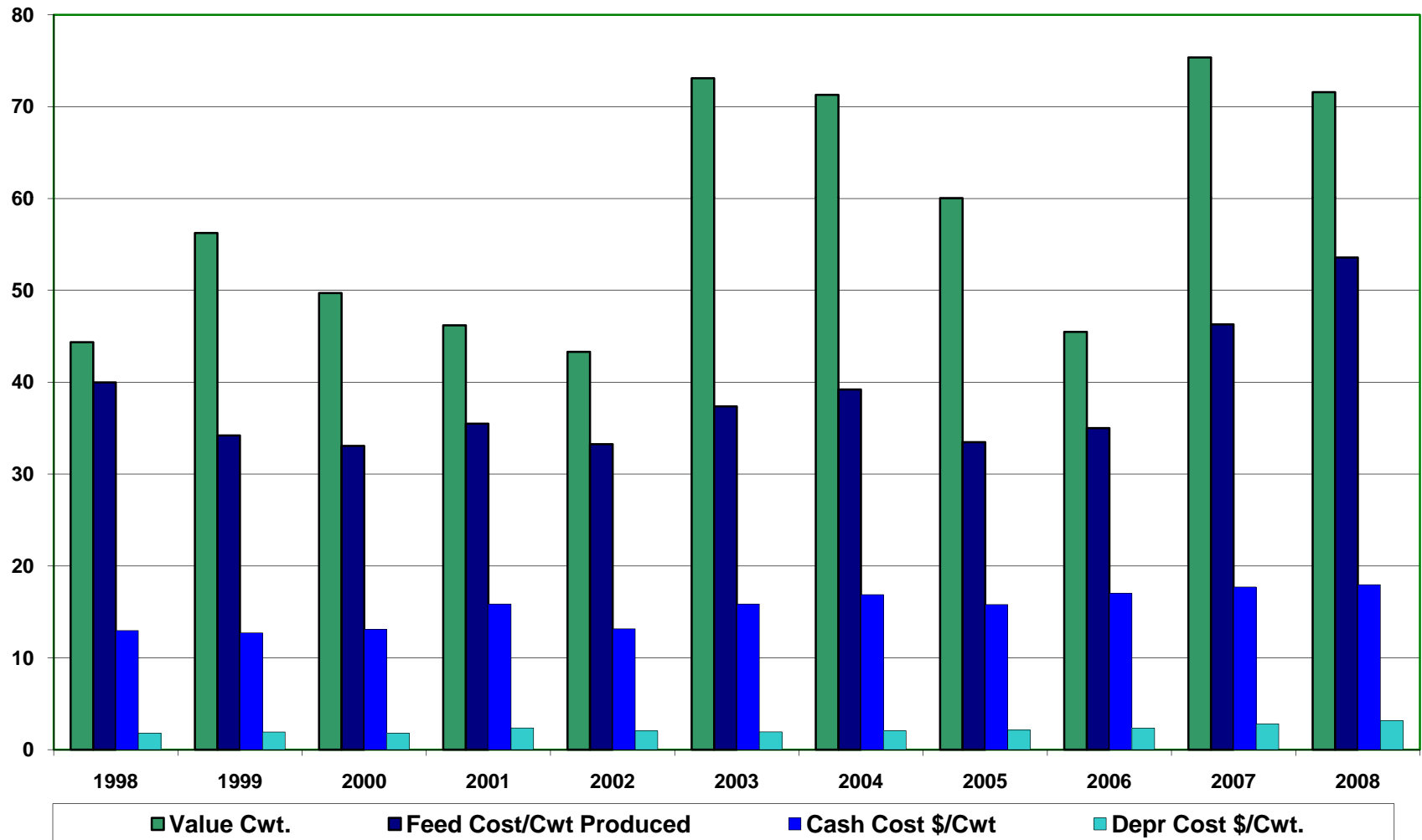


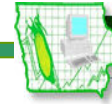
# Feeder Cattle Feed Conv.





# Feeder Cattle Profitability

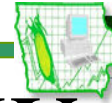




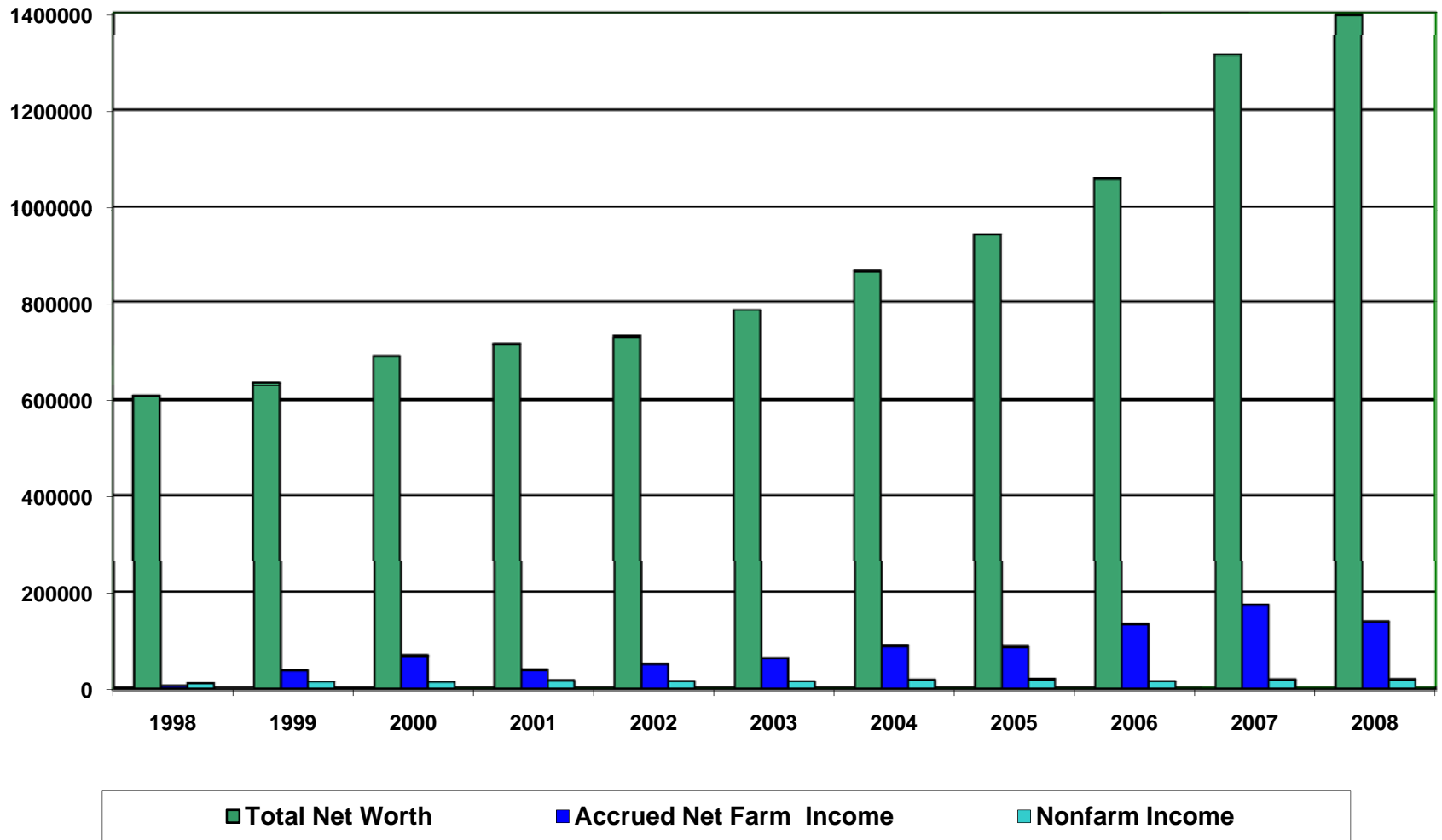
# IFBA Statewide Data

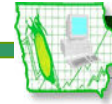
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# Financial Data

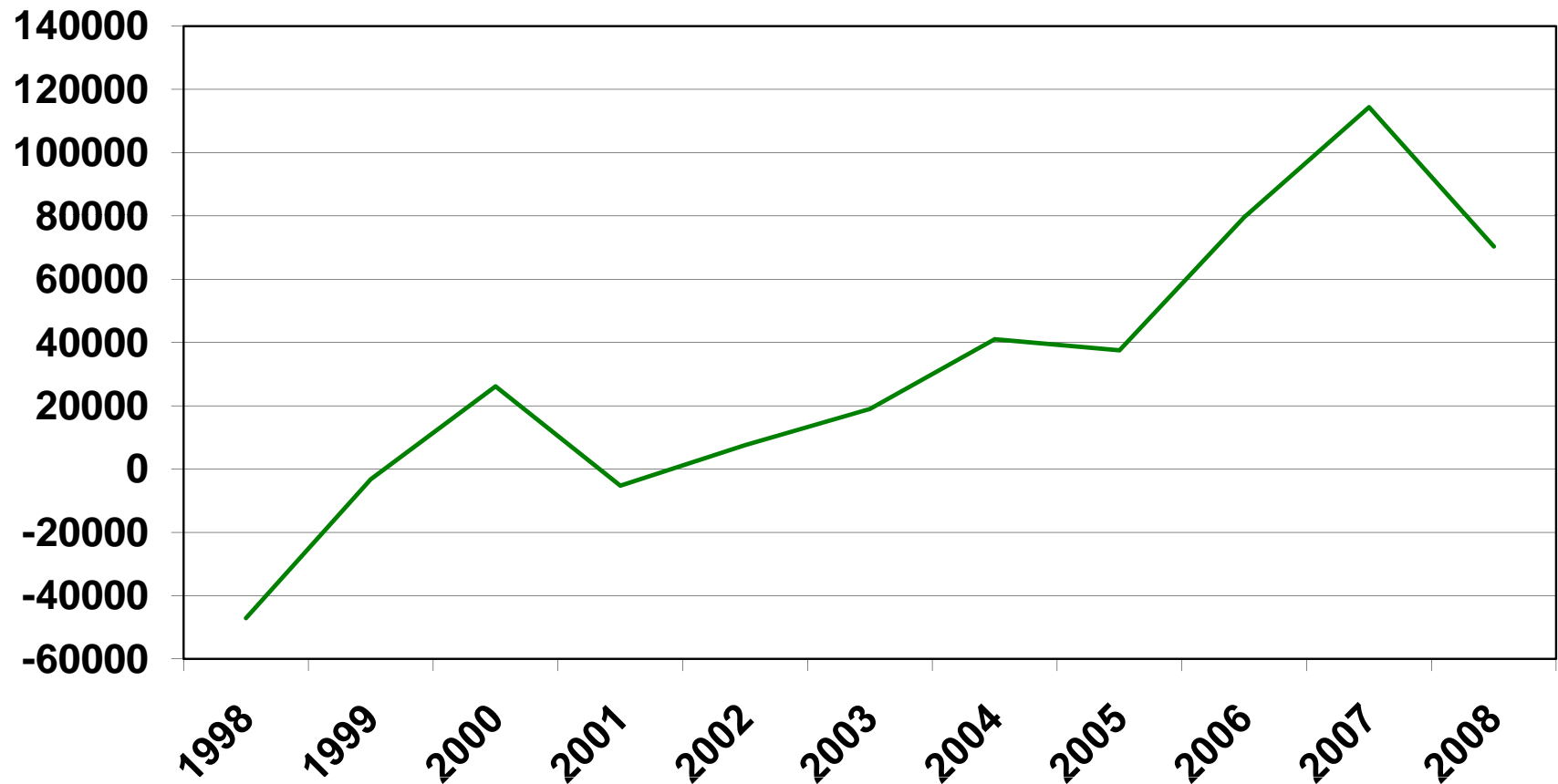


# Income vs Net Worth





# Management Return



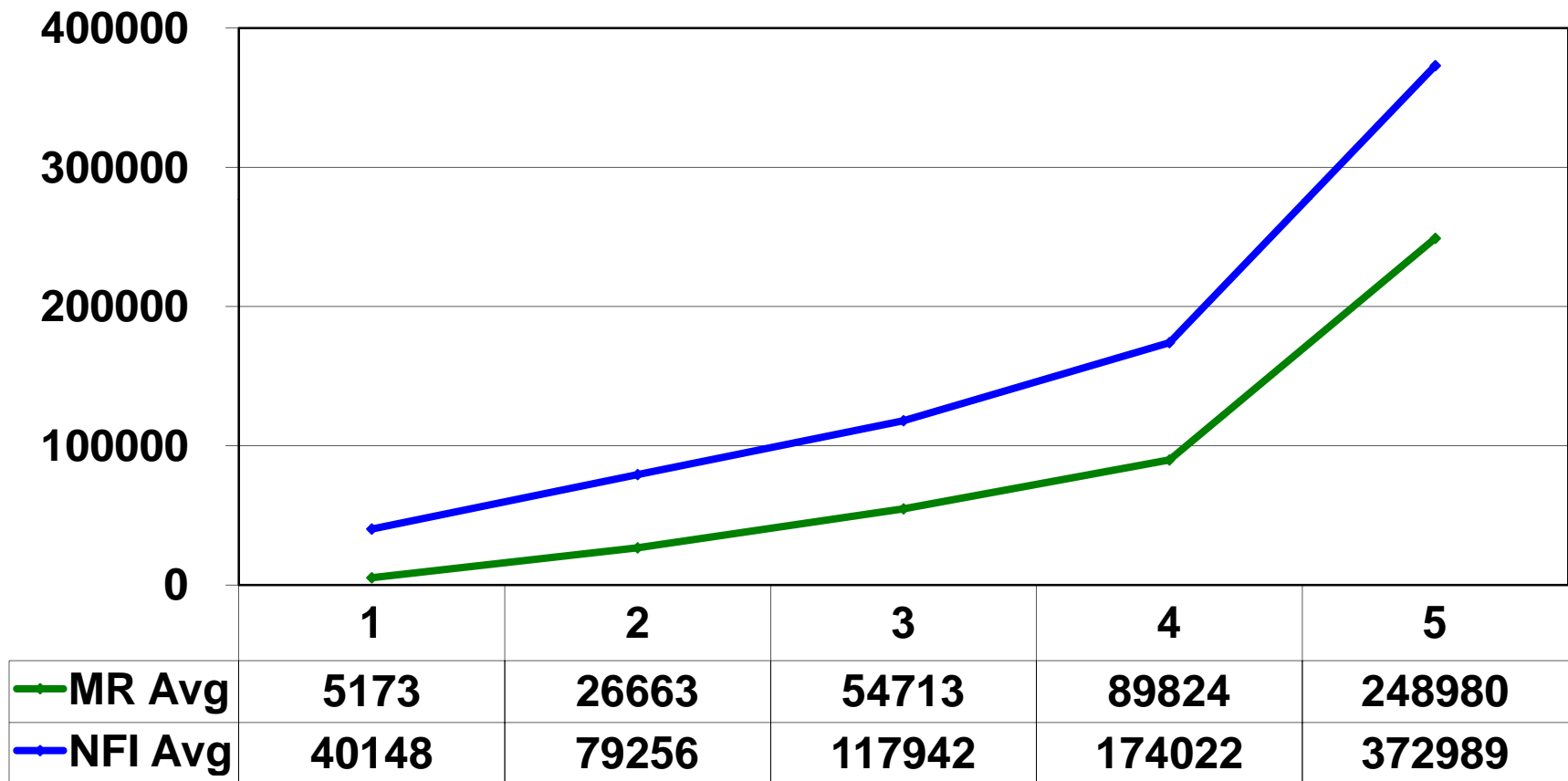
Management Return takes Net Farm Income and subtracts out the following opportunity costs:

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



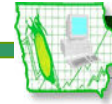


# Management Return vs Accrued Net Farm Income for 2006; by Size Group

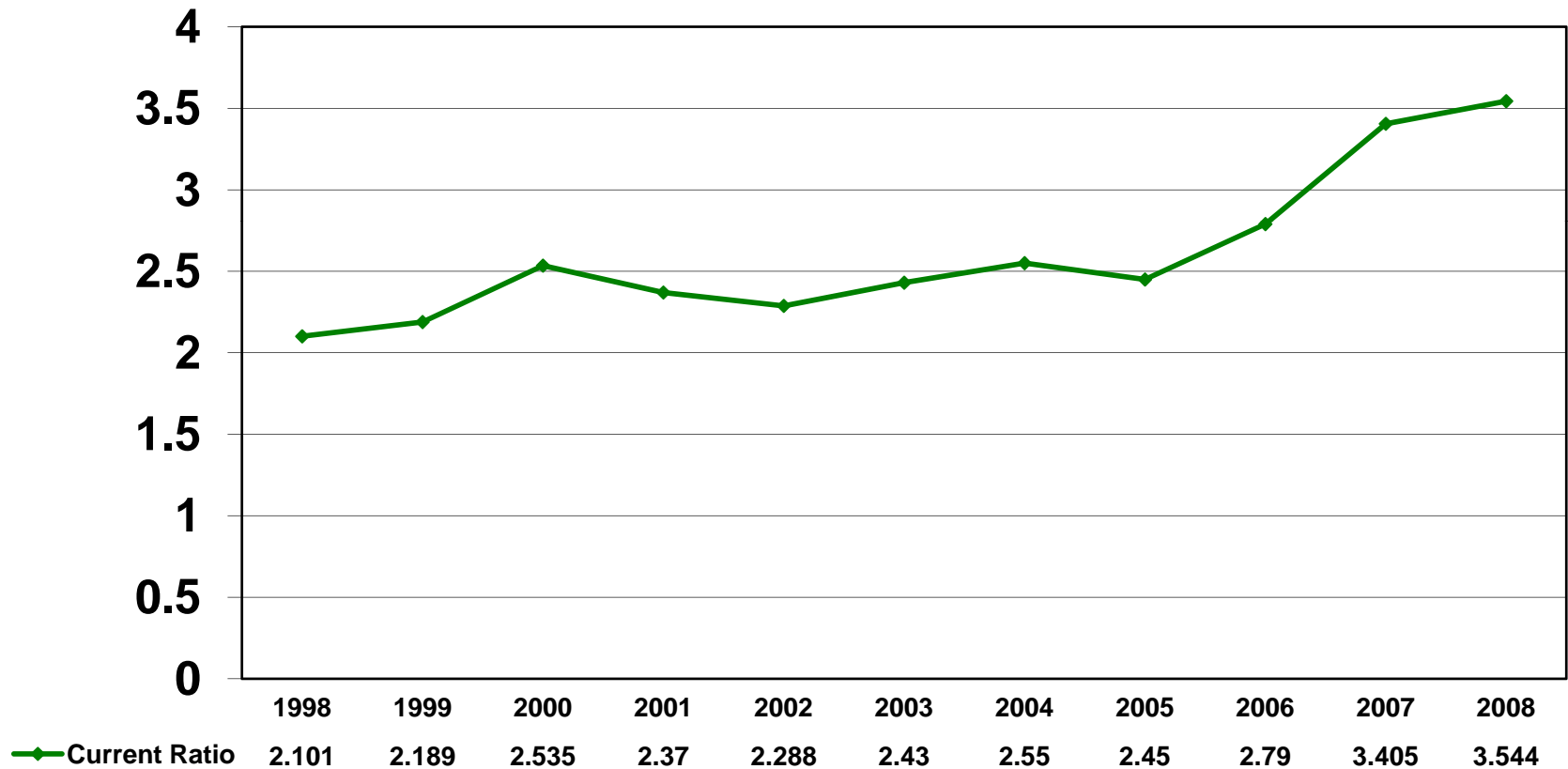


Size groups 1 to 5 are based on Acres:

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

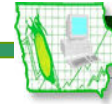


# Current Ratio (CA/CL)

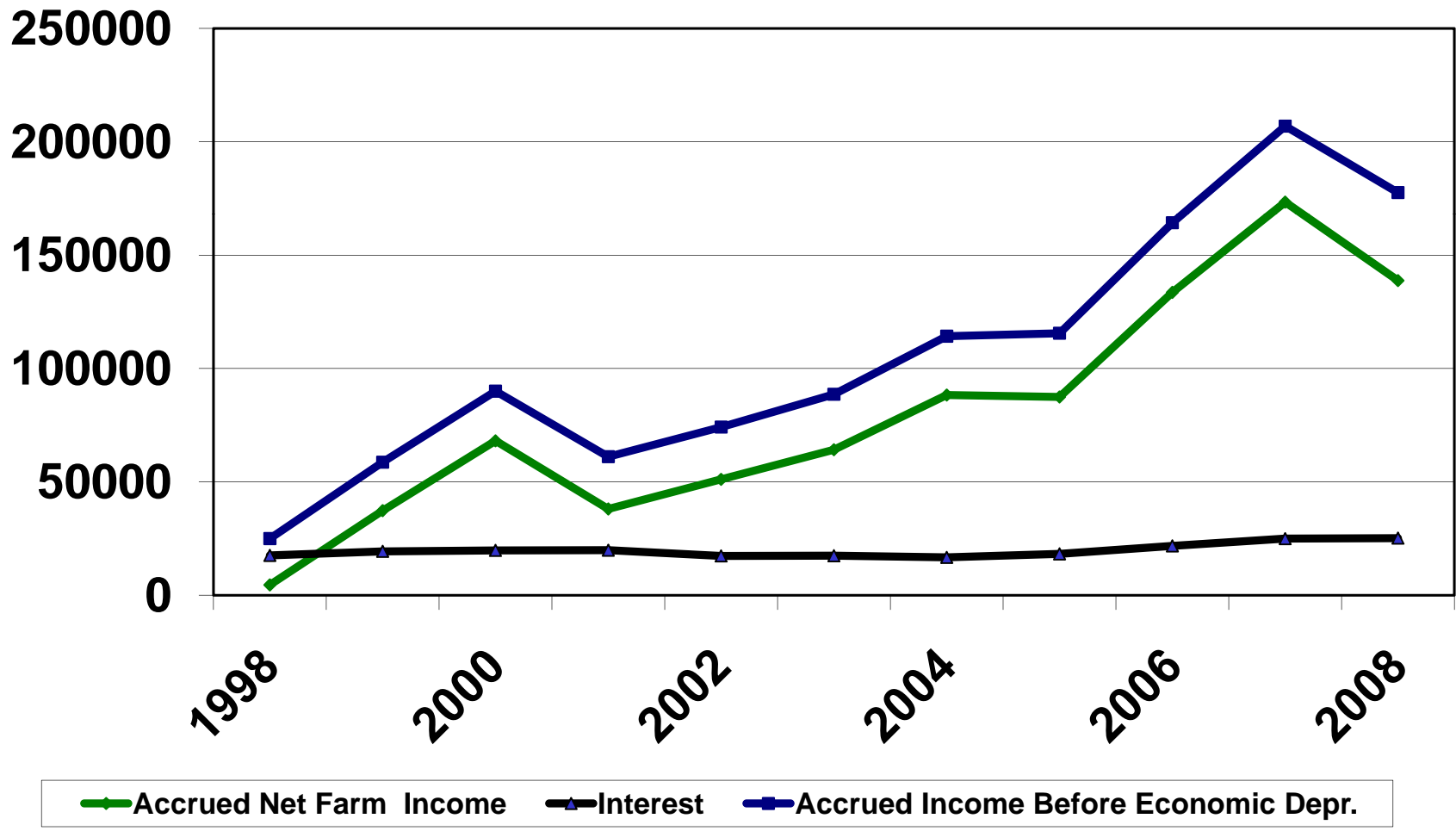


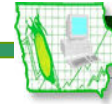
This ratio looks at the net payment obligation in the next 12 month from cash or assets quickly converted to cash.

Analysis: 2.0 Excellent, 1.5 Fair, 1.0 Weak

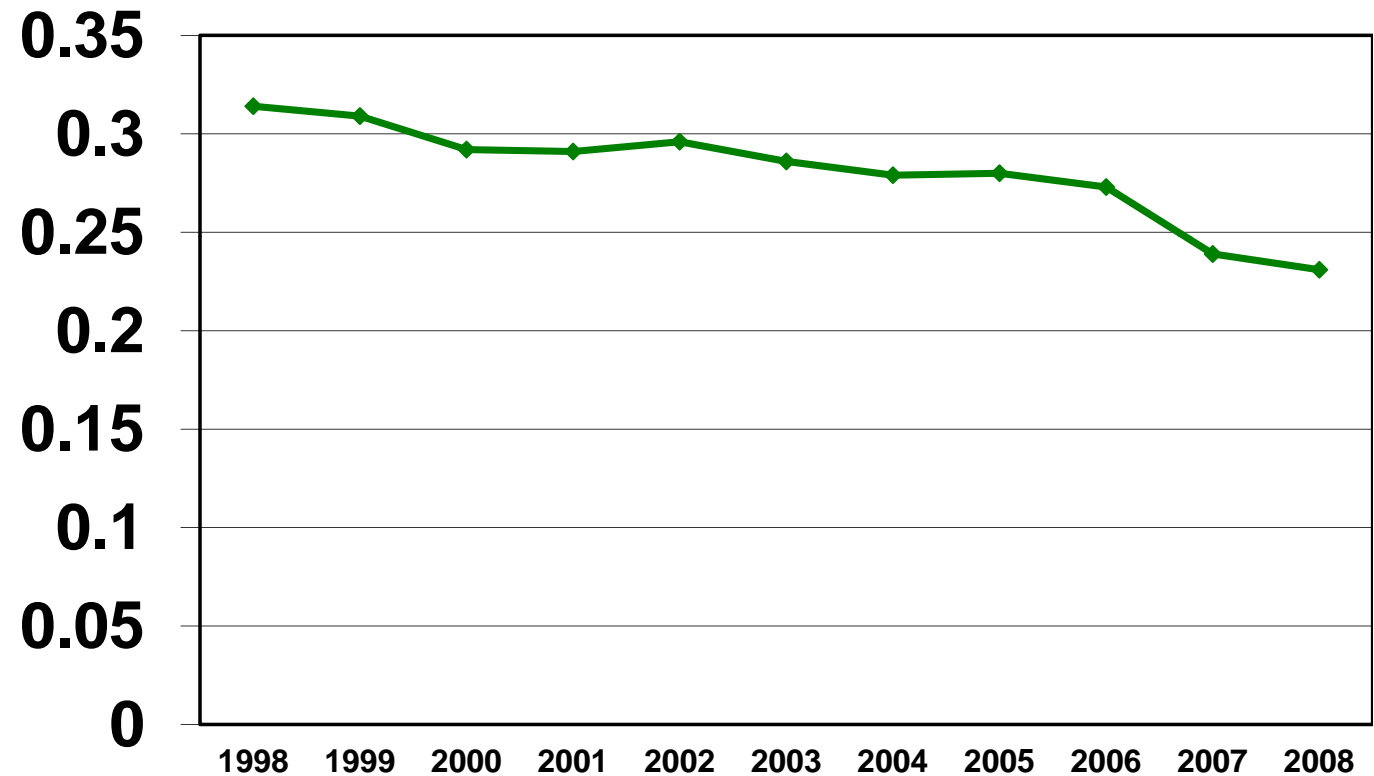


## Net Farm Income, Income before Depreciation, and Interest Paid





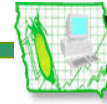
# Debt to Asset Ratio (TL/TA)



◆ Debt to Asset Ratio TL/TA 0.314 0.309 0.292 0.291 0.296 0.286 0.279 0.28 0.273 0.239 0.231

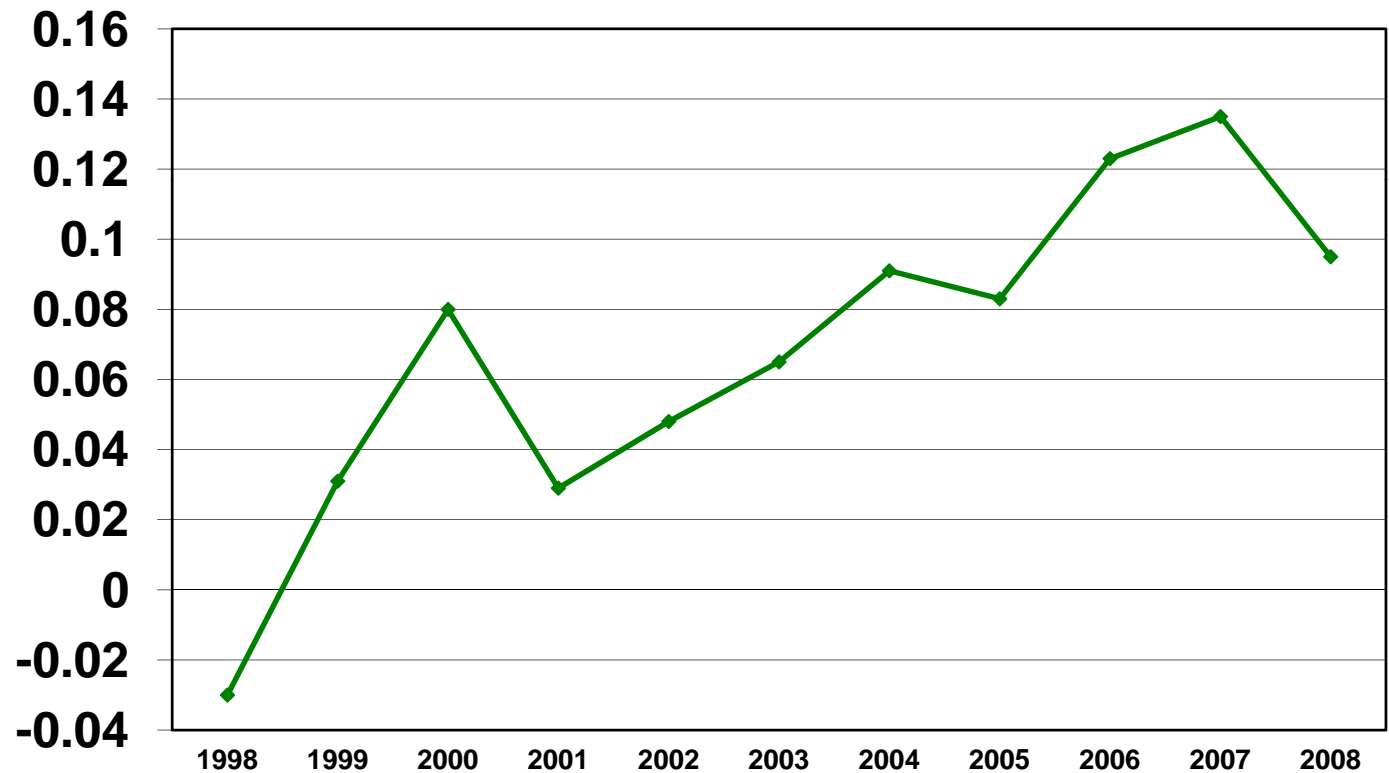
This represents the proportion of total farm assets owed to creditors, a higher ratio would be an indication of greater risk.

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



# Rate of Return on Equity

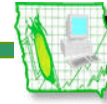
Return on Equity (NFI-UL)/NW



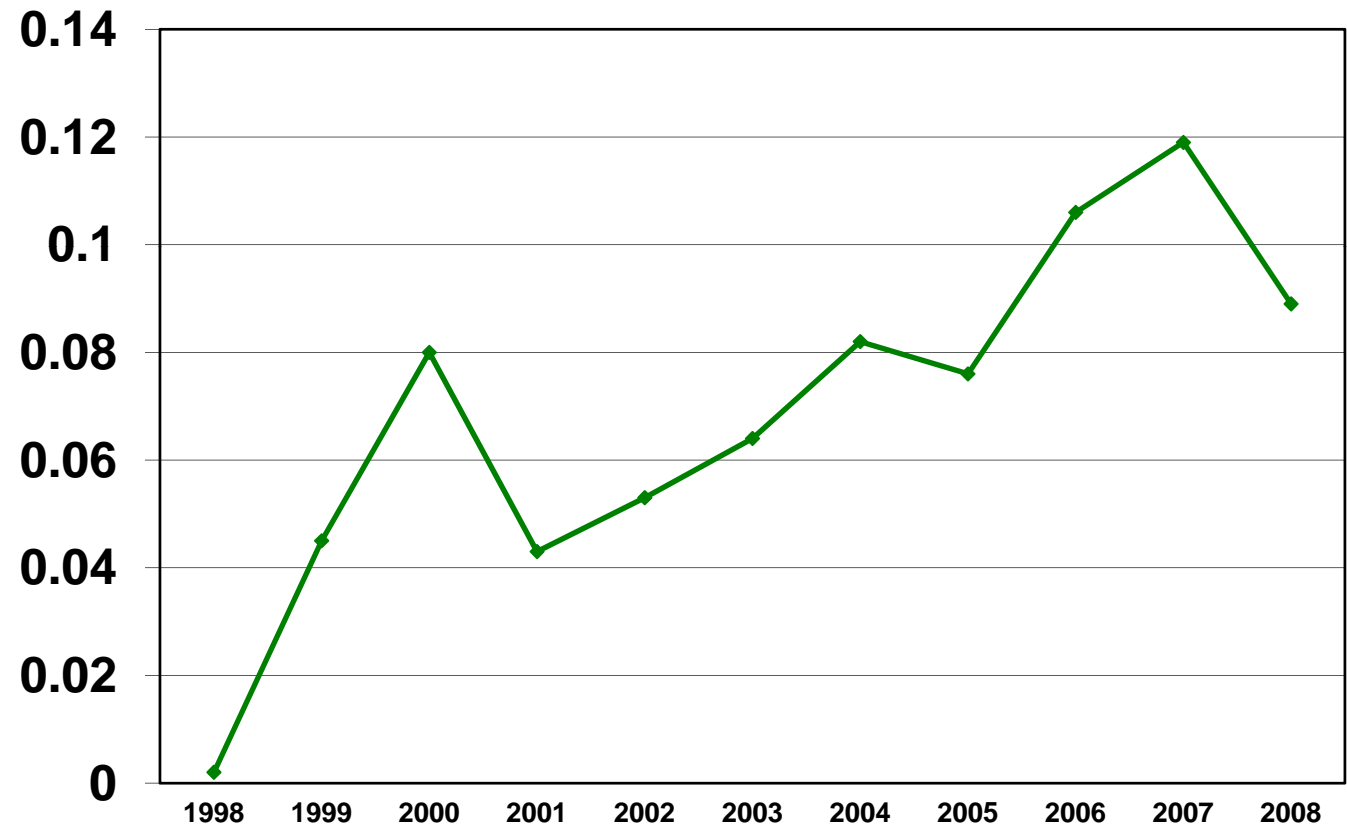
◆ Return on Equity (NFI-UL)/NW -0.03 0.031 0.08 0.029 0.048 0.065 0.091 0.083 0.123 0.135 0.095

Represents rate of return on your equity, ((Net Farm Income - unpaid family labor) / Total Farm Net Worth)

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



# Rate of Return on Investment



◆ Return on Investment (NFI+IN-UL)/TA

0.002 0.045 0.08 0.043 0.053 0.064 0.082 0.076 0.106 0.119 0.089

Represents rate of return on all assets, ((Net Farm Income + interest pd - unpaid family labor) / Total Assets)

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