

# ADVANCE REPORT

# FARM INCOME & PRODUCTION COSTS

## Commercial Farms

- *Production Costs*
- *Income*
- *Investments*



for

2006

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AE-4566

*April 2007*



UNIVERSITY OF ILLINOIS  
EXTENSION

College of Agricultural, Consumer and Environmental Sciences

# Farm Income and Production Costs

## for 2006:

### Advance Report

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This publication is prepared in the Department of Agricultural and Consumer Economics, College of Agricultural, Consumer and Environmental Sciences, University of Illinois at Urbana-Champaign by Dale H. Lattz, Extension Specialist, Farm Management; Dwight D. Raab, Extension Specialist, Farm Business Analysis; and Charles E. Cagley, State Coordinator, Illinois FBFM Association, for use by FBFM field staff at meetings held in March 2007 and distributed to University of Illinois Extension staff. All data is based on Illinois Farm Business Records kept in cooperation with the Illinois Farm Business Farm Management (FBFM) Association and this department. An update of this report will be published in the 82<sup>nd</sup> *Annual Summary of Illinois Farm Business Records for 2006*.

The Illinois Farm Business Farm Management Association, in cooperation with University of Illinois Extension and the Department of Agricultural and Consumer Economics, has been providing farm recordkeeping and business analysis services to Illinois farm operators for over 80 years.

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Urbana, Illinois

April 2007

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## DEFINITIONS

***Operator's Share Net Farm Income***—The sum of operator's share of gross sales plus net change in inventory and capital accounts less all expenses for items purchased, including interest paid and annual depreciation. This is the accrual earnings available to pay living expenses, pay income and social security taxes, and make principal payments on term debt.

***Operator's Share Labor and Management Income***—The wage (salary) for the operator of this farm, whether tenant-, part-owner-, or owner-operated, earned for labor and management performed. It is net farm income reduced by a charge for unpaid family labor used (non-operators), and 8.0 percent interest on equity capital (2.35 percent on current value of bare land to reflect a normalized annual net rent).

***Crop Returns***—The sum of grain and feed sales, value of all feed fed, government farm program payments, crop insurance proceeds, and change in feed and grain inventories less value of purchased feed on the total farm.

***Return above Feed Cost***—The sum of livestock and livestock products sold, change in inventories less value of livestock purchased, and market value (opportunity cost) for all feeds fed.

***Return per \$1.00 of All Cost***—The overall farm efficiency ratio (profit margin) showing total value of all farm production per \$1.00 of all non-feed cost on the total farm.

***Grain Farms***—Farms on which the value of the feed fed to livestock was *less* than 40 percent of the crop returns.

***Hog or Beef Farms***—Farms on which the value of feed fed was *more* than 40 percent of the crop returns and either hog or beef cattle enterprises received *more* than half of the value of the feed fed.

***Dairy Farms***—Farms on which the value of feed fed was *more* than 40 percent of the crop returns and where dairy enterprises received *more* than a third of the value of feed fed.

## HIGHLIGHTS FOR 2006

Average farm operator returns for labor and management on 2,640 Illinois farms was higher for all geographic areas in the state in 2006 compared to 2005 and above the average for the last five years. The average return to the operator's labor and management income in 2006 was \$72,818. The 2006 returns were \$34,031 above the 2005 average of \$38,787 and \$21,185 above the average for the last five years. A reasonable charge for the farm operator's debt-free capital invested in machinery, equipment, land, and inventory averaged \$30,485. Combining this amount with the return to the operator's labor and management resulted in average operator net farm income of \$103,303. Significantly higher corn yields and higher corn and soybean prices were the main factors leading to the higher incomes. Returns to the major livestock enterprises were equal to or below the last five-year average, which effected earnings negatively on livestock farms. Higher grain prices resulted in lower farm program payments compared to the year before. Thus, total government payments received in 2006 by producers were below payments received in 2004 and 2005 and the lowest since 2002 and 2003. Farm earnings were highest in the northeast, north central and west central areas of the state. Earnings were lowest in the northwestern part of the state.

Corn yields were significantly above the relatively low yields recorded the year before. Corn yields were 25 bushels per acre higher in 2006 compared to yields recorded in 2005. Soybean yields were 1 bushel per acre higher than in 2005. The average corn yield on the 2,640 farms was 173 bushels per acre. Soybean yields averaged 52 bushels per acre. Corn and soybean yields were generally highest in the central and northern parts of the state. The average corn yield was the third highest on record and the average soybean yield was the second highest. Year-end in-

ventory price for the 2006 corn crop of \$3.30 per bushel was \$1.35 per bushel higher than a year earlier. Soybeans were inventoried at \$6.25 per bushel, 35 cents higher than December 31, 2005. The average sales price received for the 2005 corn crop sold in 2006 was above their inventory price while the average soybean sales price received was below the inventory price. Crop returns averaged \$481 per tillable acre, \$74 per acre higher than the 2005 crop returns.

Returns to all the major livestock enterprises were lower than the year before. Also, returns to all five enterprises in 2006 were equal to or below the last five-year average. All livestock enterprises recorded lower returns compared to the year before and all enterprises except the beef cow enterprise recorded higher feed costs. Lower market hog prices and higher feed costs were the main factors for the lower hog returns. Even with the lower returns and higher feed costs, returns for farrow-to-finish hog producers were estimated to be about \$2 to \$3 per hundredweight above the breakeven level in covering total costs in 2006. Dairy producers experienced lower returns due to lower milk prices and higher feed costs, \$1,501 returns above feed per cow in 2006 compared to \$2,196 in 2005. Milk prices were 13 percent lower compared to the year before. Returns to feeder cattle enterprises were at their lowest level for any year in the last five years. Returns were lower due to continued high prices paid for replacement cattle, lower end-of-year inventory prices, and higher feed costs. Slaughter cattle prices received were about \$25 per hundredweight lower than prices paid for replacement cattle. Returns above feed per cow decreased for beef cow enterprises due to lower end-of-year inventory values. Returns were below the last five-year average.

Estimates in net worth change can be made by adjusting net farm income for nonfarm income, withdrawals for family living, and income and social security tax paid. This amount would be a modified-cost-basis change in net worth, which excludes changes due to inflation. As seen on page 5, estimated changes in net worth showed increases in all areas of the state. Changes in net worth among individual farm operators will vary greatly due to differences in farm and nonfarm income and family living withdrawals.

Average amount of interest paid per farm is shown on pages 3 and 6. Average operator interest paid in 2006 was \$22,373, up \$4,105 from 2005. On a per-acre basis, interest paid has decreased from \$23 in 2000 to \$17 in 2004 but increased to \$22 in 2006. Interest paid as a percentage of gross farm returns was 5.1 percent in 2006 compared to 5.2 percent in 2005.

Some key financial factors, such as the current, debt-to-asset, and debt-to-equity ratios, can be found on pages 10 to 14 by type of farm. This type of information is useful in providing some benchmarks when evaluating the financial efficiency of a farm operation.

Returns and costs for crops and livestock enterprises can be seen on pages 25 to 31 and 33 to 40. Returns to farrow-to-finish hog producers were lower than the year before. Total returns averaged \$42.50 per hundredweight in 2006 compared to \$45.37 the year before. Feed costs increased, averaging \$23.25 per hundredweight. The average price received per hundredweight for slaughter cattle and the price paid for replacement feeder cattle was slightly lower than the year before. Due to the continued high prices for replacement feeder cattle and lower year-end inventory values, returns to the feeder cattle enterprise were lower than the year before. Dairy returns were lower due to higher feed costs and lower milk prices. The price received for milk decreased 13 percent.

Total economic costs per acre to produce corn and soybeans in 2006 increased as compared to 2005 in all areas of the state. The main factors for the increase in per acre costs were due to higher fertilizer, seed, machinery and nonland interest costs. Cost per bushel to produce corn decreased in all areas of the state except for southern Illinois due to higher corn yields. Cost per bushel to raise soybeans decreased slightly in northern Illinois but increased in all other areas of the state primarily because of the higher costs in 2006. Soybean yields were 4 bushels per acre higher in northern Illinois and similar to the previous year in central and southern Illinois. Total economic costs per acre to raise corn and soybeans on these farms averaged \$488 and \$375, respectively.

From a sample of pure grain farms in the state, the total economic costs per bushel of corn produced were \$2.80 with an average yield of 174 bushels per acre. The total costs per bushel of soybeans were \$7.09 with an average yield of 53 bushels per acre. This compared with costs per bushel of \$3.05 and \$6.84 for corn and soybeans, respectively, in 2005. Even with the relatively high yield, this was the second highest cost per bushel to grow corn since 1998. The 2006 cost to grow soybeans was slightly above the last five-year average and slightly below the last ten-year average. The variation in yields and costs the past few years makes it important to analyze these costs over more than one year. The 2002-06 five-year average to produce corn and soybeans on these farms is \$2.64 per bushel for corn and \$7.07 per bushel for soybeans.

In summary, farm earnings were considerably higher in 2006 compared to 2005 and above the average for the last five years. Good corn and soybean yields along with higher grain prices were the main reasons for the higher incomes, and more than offset higher costs. Livestock returns were lower due to lower product prices and higher feed costs.

# ILLINOIS FARM BUSINESS FARM MANAGEMENT ASSOCIATION

cooperating with nine local farm management associations and the  
 Department of Agricultural and Consumer Economics, College of Agricultural, Consumer and Environmental Sciences,  
 University of Illinois at Urbana-Champaign

STATE TOTAL--5,891 cooperating farmers and 57 member field staff\*  
 July 1, 2006, distribution of cooperators by counties and associations

Associations and Field Staff

Associations and Field Staff

**BLACKHAWK**

615  
 Jeffery L. Johnson  
 Alan A. Petersohn  
 Rodney B. Gieseke  
 David A. Goodell  
 Timothy F. Smith  
 Tonya M. Wiersema  
 Branden K. Alexander

**NORTHEASTERN**

206  
 David J. O'Brien  
 Michael G. Bossert

**WESTERN**

738  
 Gary R. Goodwin  
 Roberta Boarman  
 Robert Rhea  
 Susan M. Sharon  
 Miriam M. Mock  
 Bradley L. Zwilling  
 Kenneth E. Dau

**ILLINOIS VALLEY**

668  
 Danny L. Stetson  
 John A. Hudson  
 Bradley G. Lenschow  
 James P. McCabe  
 Scott M. Newport  
 Suzannah Hettel

**SANGAMON VALLEY**

583  
 Aaron Liesman  
 James E. Phelan  
 Kevin E. Coultas  
 John Kloppenburg  
 Todd F. Behrends

**PIONEER**

1,114  
 Gary Freeman  
 Maurice E. Sprout  
 Kent V. Meister  
 Darren L. Bray  
 Michael C. Heiser  
 Brian J. Pulley  
 Nathan A. Waibel  
 Jeffrey A. Marquis  
 Lowell J. Stoller  
 Jacob M. Springer  
 Anne Wolf

**LINCOLN**

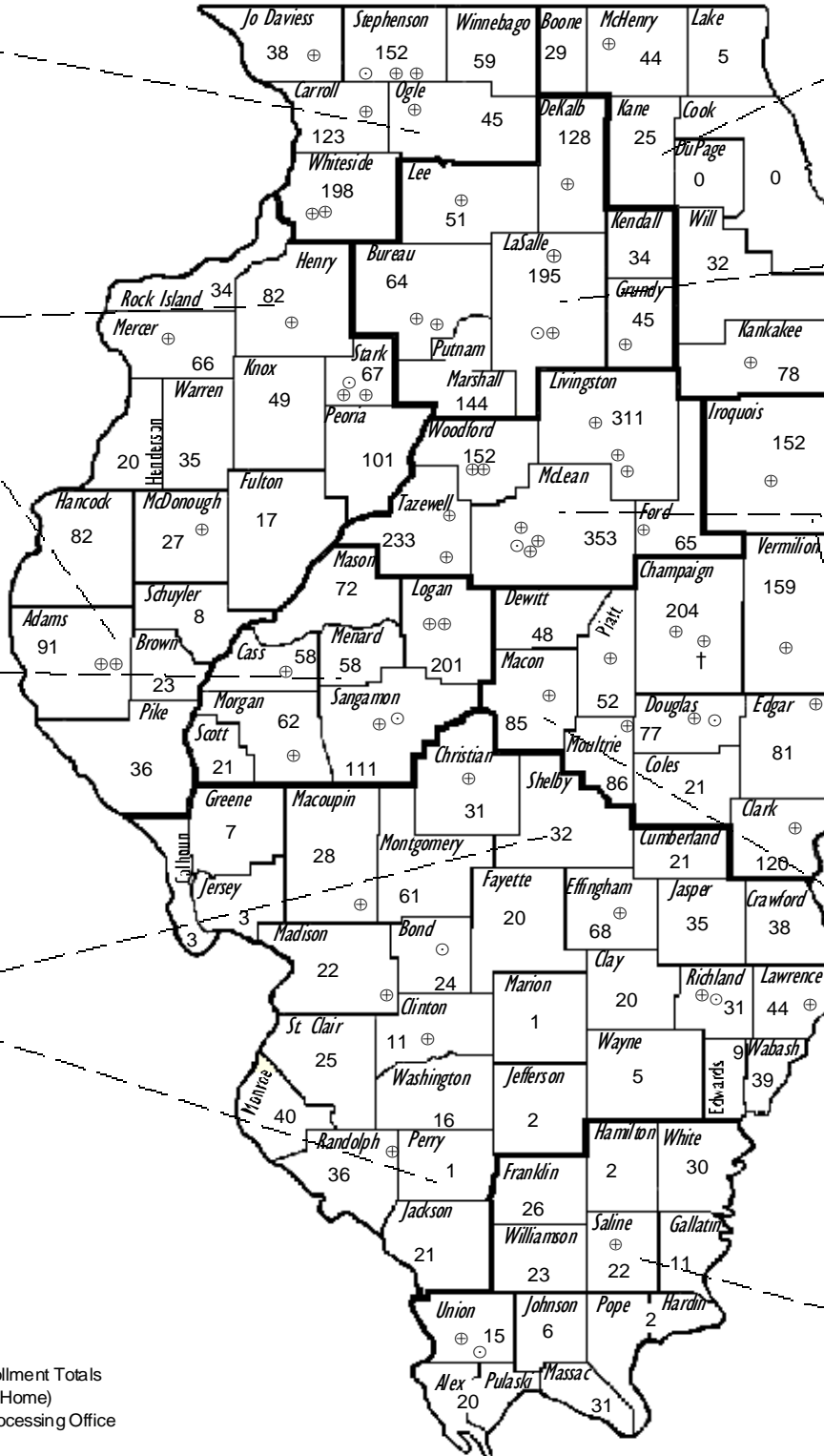
694  
 Michael E. Schmitz  
 Thomas J. Nolte  
 Dathel W. Davidson  
 Daniel A. Doan  
 Randall J. Harmon  
 Mitchel W. Fickling  
 Amy A. Cope  
 Michael P. Bruns

**EAST CENTRAL**

1,085  
 James E. Cullison  
 Bruce E. Burk  
 Donald E. Becker  
 Mitchell A. Fruhling  
 Jeffrey D. Lewis  
 Robert Daggett  
 Richard Thomas  
 Gary L. Knoblett  
 Christopher A. Leman  
 Michael L. Clark

**SHAWNEE**

188  
 Robert D. Kieseoms  
 Douglas E. Hileman



\* Numbers are Enrollment Totals  
 57 ⊕ Field Staff Office (Home)  
 10 ○ District Record Processing Office  
 † State Office

**Average Size, Income, Returns, and Costs on Illinois FBFM Record-Keeping Farms  
by Type of Farm—2002 to 2006\***

Year	Number of Farms	Tillable Acres (TA)	All Operators		Crop Returns/TA	Livestock Ret. Above Feed/TA	Net Mach. & Labor Cost/TA**
			Net Farm Income	Labor-Mgmt. Income			
			\$	\$	\$	\$	\$
<b>All Farms</b>							
2006	2,640	1,005	103,303	72,818	481	19	114
2005	2,940	977	62,940	38,787	407	31	111
2004	3,015	959	97,514	77,906	423	39	108
2003	3,018	923	70,640	55,678	382	29	103
2002	3,165	895	27,204	12,976	337	20	113
<b>Grain Farms</b>							
2006	2,352	1,068	109,569	78,899	481	5	105
2005	2,587	1,034	60,273	36,472	407	9	100
2004	2,602	1,018	94,046	74,696	424	10	96
2003	2,573	989	72,637	57,993	382	7	92
2002	2,677	959	29,619	15,677	337	4	102
<b>Hog Farms</b>							
2006	72	661	108,461	66,149	503	400	269
2005	103	782	122,184	89,912	408	343	218
2004	126	790	209,968	185,569	424	458	214
2003	125	749	73,182	51,359	374	353	230
2002	159	773	4,116	(15,839)	330	204	205
<b>Dairy Farms</b>							
2006	58	427	57,073	17,120	505	354	399
2005	83	426	103,370	72,012	405	568	384
2004	97	408	108,395	83,953	429	515	371
2003	90	372	60,600	42,492	380	372	328
2002	99	339	31,408	12,760	353	340	357
<b>Beef Farms</b>							
2006	33	424	12,243	(13,600)	490	79	251
2005	42	498	50,733	15,830	379	152	201
2004	51	510	66,784	37,246	396	159	203
2003	62	482	72,456	51,200	353	181	183
2002	59	500	10,576	(11,509)	316	59	179

\*In 2006, 89% of the farms were classified as grain, 3% as hog, 2% as dairy, 1% as beef, and 5% as part-time or other types.

\*\*This is net above custom work income.

**Summary of Income, Corn Yields, Crop and Livestock Returns by  
Farm Type and Location, Average per Farm—2003 to 2006**

	Northern Illinois					Central Illinois				Southern Illinois				
	Grain	Hog	Beef	Dairy	All*	Grain	Grain	Hog	All*	Grain	Hog	Beef	Dairy	All*
						<i>SPR 86-00</i>	<i>SPR 56-85</i>							
<b>Operator's Share of Net Farm Income</b>														
2006	\$112,352	\$126,803	\$14,434	\$48,730	\$105,882	\$119,344	\$87,719	\$107,251	\$107,961	\$109,190	\$125,611	\$4,107	\$105,450	\$107,499
2005	\$44,523	\$115,093	\$49,183	\$98,974	\$51,031	\$74,914	\$53,338	\$119,070	\$69,564	\$69,802	\$128,386	\$60,030	\$135,836	\$75,057
2004	\$78,485	\$182,603	\$73,509	\$100,494	\$84,575	\$108,362	\$84,361	\$236,028	\$105,185	\$107,815	\$169,789	\$43,718	\$154,859	\$110,922
2003	\$58,217	\$54,445	\$83,210	\$53,729	\$59,042	\$86,568	\$62,459	\$94,263	\$78,063	\$86,245	\$91,087	\$27,646	\$93,891	\$84,911
<b>Corn Yields</b>														
2006	181	177	168	171	180	178	168	175	174	141	144	136	121	140
2005	142	148	142	142	142	157	144	148	152	134	133	102	119	133
2004	183	185	176	176	183	189	180	191	186	165	176	157	158	165
2003	171	169	162	146	169	186	171	180	180	132	133	100	122	130
<b>Crop Returns per Tillable Acre</b>														
2006	\$511	\$546	\$465	\$527	\$511	\$488	\$448	\$517	\$476	\$407	\$403	\$378	\$411	\$406
2005	\$403	\$417	\$378	\$461	\$407	\$426	\$387	\$412	\$412	\$361	\$350	\$268	\$340	\$358
2004	\$428	\$432	\$404	\$428	\$427	\$436	\$408	\$415	\$425	\$373	\$389	\$296	\$368	\$372
2003	\$379	\$375	\$379	\$391	\$379	\$404	\$367	\$384	\$389	\$327	\$334	\$215	\$370	\$326
<b>Livestock Returns above Feed Cost per Tillable Acre</b>														
2006	\$5	\$434	\$52	\$396	\$40	\$4	\$5	\$407	\$21	\$3	\$388	\$98	\$272	\$30
2005	\$10	\$444	\$171	\$563	\$71	\$6	\$10	\$378	\$28	\$6	\$317	\$197	\$395	\$40
2004	\$10	\$530	\$174	\$542	\$84	\$7	\$13	\$493	\$30	\$6	\$344	\$85	\$726	\$55
2003	\$9	\$273	\$199	\$407	\$60	\$4	\$9	\$339	\$19	\$4	\$304	\$62	\$370	\$40
<b>Return per \$1.00 of All Costs</b>														
2006	\$1.09	\$1.11	\$0.78	\$0.92	\$1.07	\$1.11	\$1.05	\$1.05	\$1.09	\$1.05	\$1.06	\$0.70	\$0.99	\$1.05
2005	\$0.94	\$1.11	\$0.93	\$1.06	\$0.96	\$1.03	\$0.97	\$1.11	\$1.01	\$0.99	\$1.11	\$0.94	\$1.07	\$1.00
2004	\$1.06	\$1.33	\$1.00	\$1.11	\$1.07	\$1.14	\$1.10	\$1.33	\$1.14	\$1.12	\$1.30	\$0.93	\$1.28	\$1.13
2003	\$1.01	\$1.00	\$1.08	\$1.01	\$1.01	\$1.11	\$1.04	\$1.06	\$1.08	\$1.09	\$1.09	\$0.85	\$1.06	\$1.08

\* Average size of farm in 2006 is 893 tillable acres for northern Illinois, 1,064 for central, and 1,211 for southern.

**Net Farm Income and Other Selected Factors  
Illinois FBFM Association—2006<sup>1</sup>**

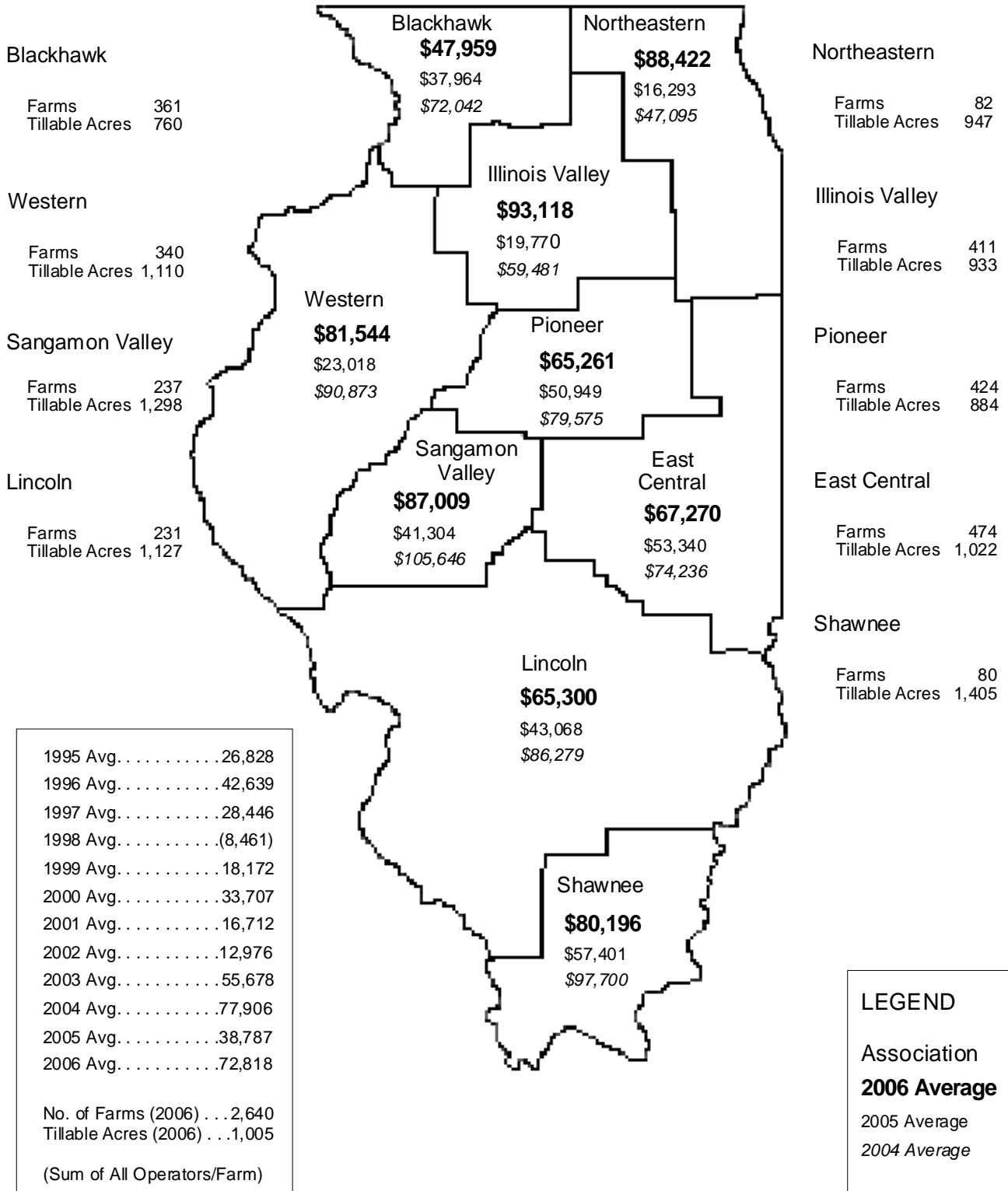
	Black-hawk	East Central	Illinois Valley	Lincoln	North-eastern	Pioneer
Number of Farms	361	474	411	231	82	424
Tillable Acres	760	1,022	933	1,127	947	884
Corn Yield	177	172	188	138	166	179
Soybean Yield	54	54	54	47	48	54
Crop Returns/TA	\$500	\$473	\$543	\$415	\$464	\$469
Income before Depreciation	\$101,295	\$112,391	\$147,825	\$135,384	\$131,322	\$113,190
Depreciation	24,403	21,006	25,727	35,589	20,250	19,752
Net Farm Income	76,892	91,385	122,098	99,795	111,072	93,438
Capital Purchases	\$50,491	\$36,677	\$45,792	\$57,704	\$38,205	\$37,602
Interest Paid	27,953	16,471	24,814	24,359	20,379	15,230

	Sangamon Valley	Shawnee	Western	2006 State Average	2005 State Average
Number of Farms	237	80	340	2,640	2,940
Tillable Acres	1,298	1,405	1,110	1,005	977
Corn Yield	175	149	174	173	148
Soybean Yield	53	47	51	52	51
Crop Returns/TA	\$481	\$415	\$488	\$481	\$407
Income before Depreciation	\$153,353	\$154,906	\$154,777	\$129,543	\$86,689
Depreciation	30,268	34,852	34,456	26,240	23,749
Net Farm Income	123,085	120,054	120,321	103,303	62,940
Capital Purchases	\$48,885	\$65,547	\$49,621	\$45,659	\$44,110
Interest Paid	23,586	24,045	28,528	22,373	18,268

<sup>1</sup> Sum of all operators per farm.

**Illinois FBFM Association**

**Operators' Share of Labor and Management Income per Farm—2004, 2005, and 2006**  
(Sum of All Operators/Farm)

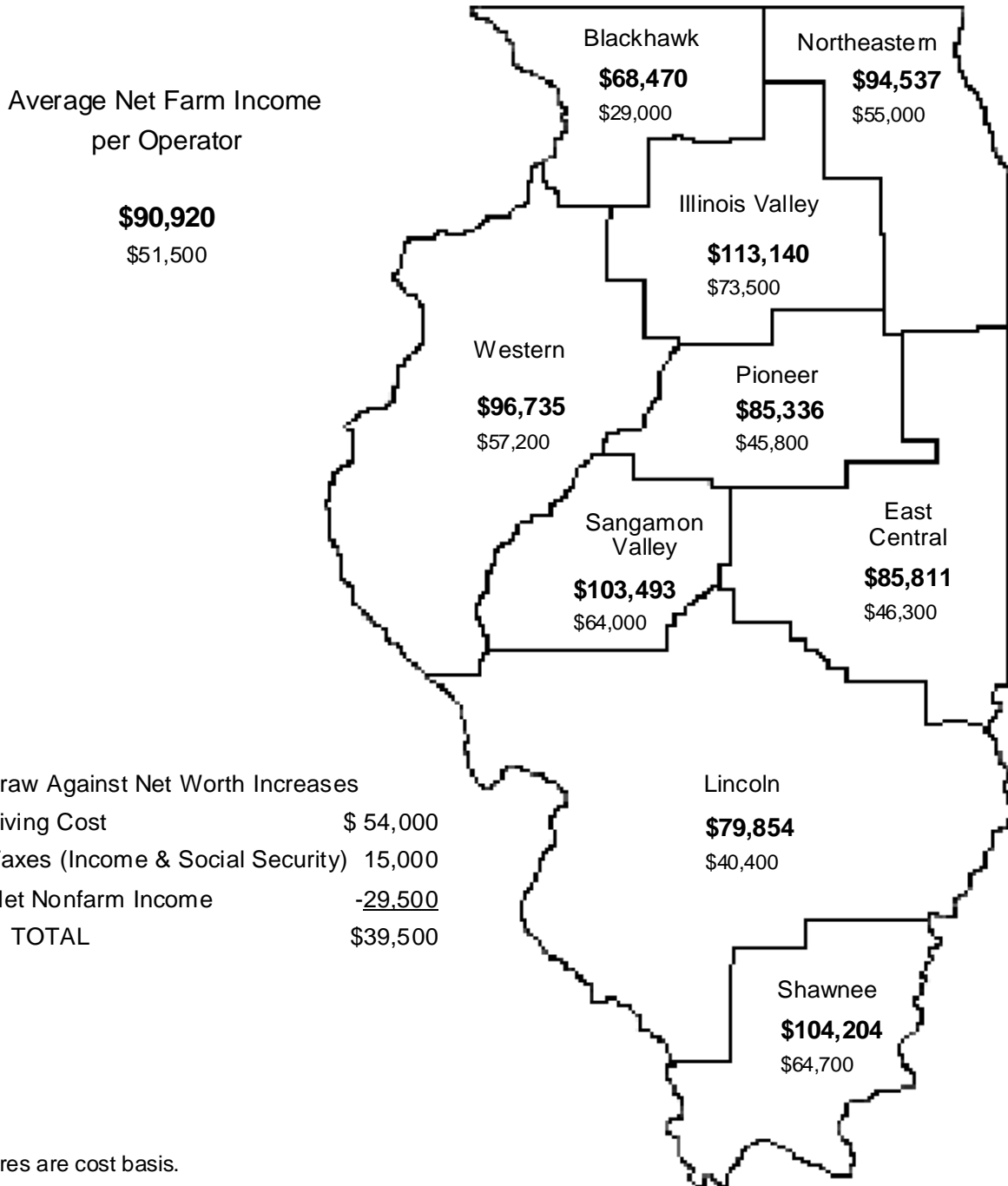


**LEGEND**

Association  
**2006 Average**  
 2005 Average  
 2004 Average

**Illinois FBFM Association**  
**Net Farm Income per Operator and**  
**Estimated Change in Net Worth After Living Expenses and Taxes—2006**

Top figures are net farm income per operator.  
 Bottom figures are the estimated change in net worth.



All figures are cost basis.

## Capital Debt Repayment Capacity (CDRC), Illinois Farm Operators—2002 to 2006

	2002	2003	2004	2005	2006
Net Farm Income . . . . .	\$27,204	\$70,640	\$97,514	\$62,940	\$103,303
+ Net Nonfarm Income <sup>1</sup> . . . . .	24,716	25,919	27,280	27,810	29,614
- Family Living <sup>2</sup> . . . . .	(43,970)	(47,619)	(52,695)	(52,457)	(53,717)
- Income & Social Security Taxes <sup>2</sup> . . . . .	<u>(8,880)</u>	<u>(6,814)</u>	<u>(7,387)</u>	<u>(9,316)</u>	<u>(9,226)</u>
Change in Net Worth <sup>3</sup> . . . . .	(\$930)	\$42,126	\$64,712	\$28,977	\$69,974
+ Depreciation . . . . .	<u>\$30,759</u>	<u>\$21,028</u>	<u>\$22,523</u>	<u>\$23,749</u>	<u>\$26,240</u>
Funds Available for Debt Repayment . . . . .	\$29,829	\$63,154	\$87,235	\$52,726	\$96,214
Capital Purchases . . . . .	\$31,092	\$35,869	\$50,163	\$44,110	\$45,659
Cash Interest Paid . . . . .	\$16,994	\$16,921	\$16,427	\$18,268	\$22,373

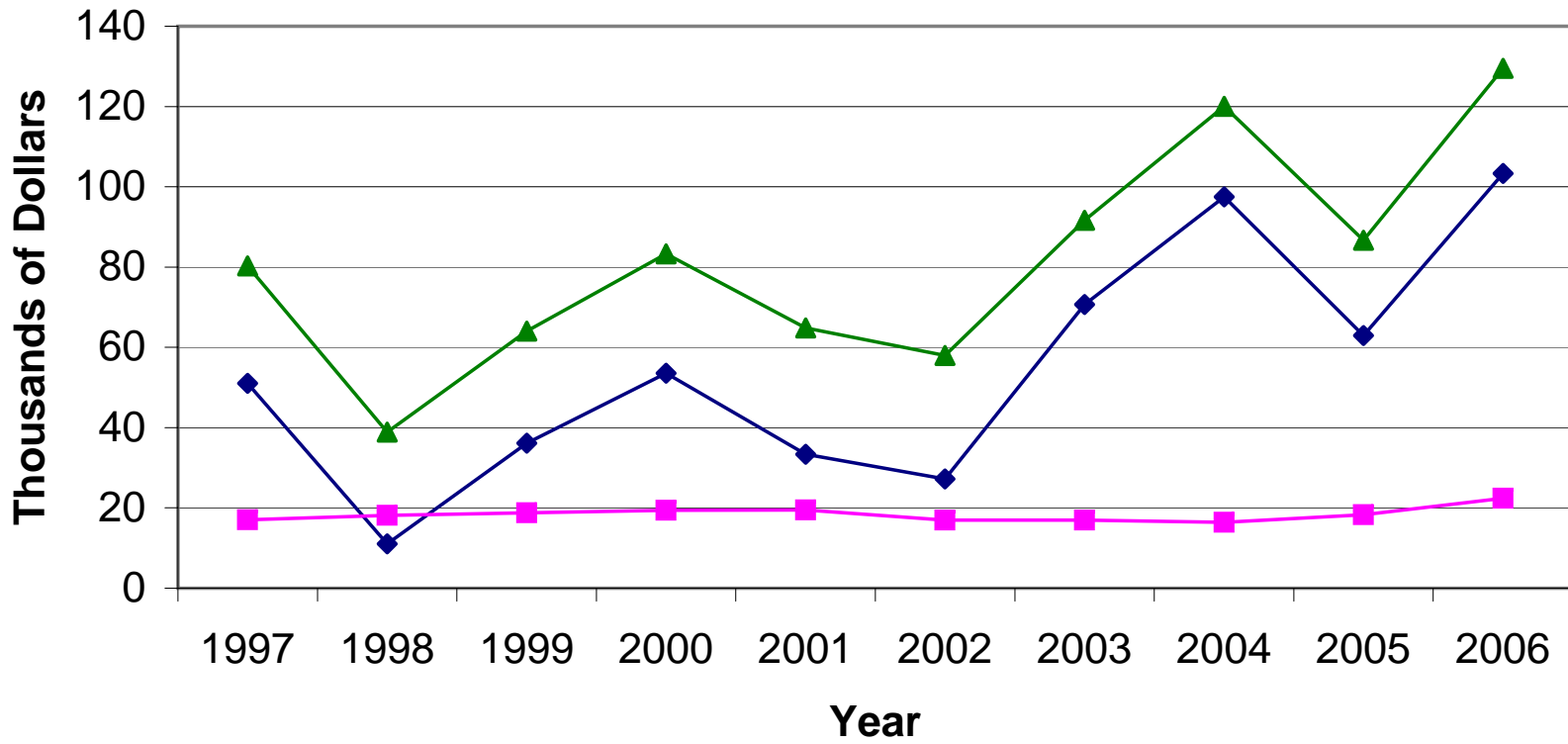
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<sup>1</sup> Actual net nonfarm income received.

<sup>2</sup> Actual amounts less 10 percent used.

<sup>3</sup> Cost basis—no change in land value included.

## Operator's Net Farm Income, Income before Depreciation and Interest Paid



—◆— Net Farm Income —■— Interest Paid —▲— Income Before Depreciation

### Selected Financial Factors, Operator Only—2006

Item	Farm Type				
	Grain	Hog	Dairy	Beef	All
Number of Farms .....	2,352	72	58	33	2,640
Tillable Acres .....	1,068	661	427	424	1,005
Gross Farm Returns/Operator Acre .....	\$501	\$921	\$876	\$584	\$515
Total Nonfeed Costs/Operator Acre .....	\$449	\$872	\$938	\$696	\$467
Management Returns/Operator Acre .....	\$55	\$52	(\$62)	(\$111)	\$51
Net Farm Income per Operator .....	\$97,032	\$87,150	\$42,686	\$6,031	\$90,920
Labor & Management Income per Operator .....	\$69,875	\$54,530	\$15,915	(\$14,025)	\$64,272
Capital Purchases .....	\$45,934	\$64,015	\$63,807	\$34,516	\$45,659
Farm Production per Man Year .....	\$386,856	\$266,279	\$157,610	\$157,709	\$364,731
Production per \$1.00 Nonfeed Costs .....	\$1.12	\$1.06	\$0.93	\$0.84	\$1.10
Percent of Farm Production					
Cash Operating Expenses .....	69.1	72.9	76.9	86.1	69.7
Depreciation .....	5.1	6.1	7.4	8.6	5.4
Operator Income .....	25.7	21.0	15.7	5.3	25.0

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**Selected FBFM Factors, Operator Only—1997 to 2006**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Number of Farms	3,287	3,126	3,195	3,143	3,072	3,165	3,018	3,015	2,940	2,640
Total Acres	840	857	885	902	934	947	974	1,010	1,027	1,058
Tillable Acres	790	805	833	850	879	895	923	959	977	1,005
Corn Yield	137	150	150	156	159	145	172	184	148	173
Soybean Yield	48	49	47	47	48	47	38	53	51	52
Wheat Yield	62	51	62	62	64	52	69	63	64	69
% Tillable Land in Corn/Corn Silage	49	48	49	49	49	49	50	52	54	52
Total Cash Operating Income	\$266,383	\$252,431	\$263,153	\$277,733	\$296,275	\$276,889	\$316,260	\$367,239	\$374,808	\$389,786
Crop and Livestock Inventory Change	4,722	(22,658)	(3,603)	14,988	(529)	3,569	22,837	22,141	403	67,785
Misc. Income and Change in Acct. Rec.	8,637	1,505	929	316	(1,632)	1,562	(1,915)	6,866	5,327	(14,757)
Less: Purchased Feed and PIK Certs.	(21,304)	(15,046)	(13,347)	(14,838)	(15,421)	(14,730)	(16,709)	(19,389)	(14,536)	(13,913)
Purchased Livestock	<u>(12,821)</u>	<u>(10,966)</u>	<u>(11,919)</u>	<u>(14,238)</u>	<u>(15,795)</u>	<u>(13,753)</u>	<u>(15,250)</u>	<u>(16,234)</u>	<u>(16,113)</u>	<u>(14,295)</u>
<b>Gross Farm Returns</b>	<b>\$245,617</b>	<b>\$205,266</b>	<b>\$235,213</b>	<b>\$263,961</b>	<b>\$262,898</b>	<b>\$253,537</b>	<b>\$305,223</b>	<b>\$360,623</b>	<b>\$349,889</b>	<b>\$414,606</b>
Total Operating Expense	\$166,876	\$167,915	\$172,515	\$182,254	\$199,804	\$197,181	\$215,539	\$242,942	\$266,019	\$288,076
Income before Depreciation	78,741	37,351	62,698	81,707	63,094	56,356	89,684	117,681	83,870	126,530
Less Depreciation (Plus Capital Acct. Adj.)	<u>27,674</u>	<u>26,301</u>	<u>26,579</u>	<u>28,166</u>	<u>29,698</u>	<u>29,152</u>	<u>19,044</u>	<u>20,167</u>	<u>21,725</u>	<u>24,004</u>
<b>Net Farm Income</b>	<b>\$51,067</b>	<b>\$11,050</b>	<b>\$36,119</b>	<b>\$53,541</b>	<b>\$33,396</b>	<b>\$27,204</b>	<b>\$70,640</b>	<b>\$97,514</b>	<b>\$62,145</b>	<b>\$102,526</b>
Net Farm Income as % GFR	20.8	5.4	15.4	20.3	12.7	10.7	23.1	27.0	17.8	24.7
<b>Operator's Labor and Mgmt. Income</b>	<b>\$28,452</b>	<b>(\$8,461)</b>	<b>\$18,172</b>	<b>\$33,707</b>	<b>\$16,712</b>	<b>\$12,976</b>	<b>\$55,678</b>	<b>\$77,906</b>	<b>\$38,787</b>	<b>\$72,818</b>
Interest Expense	\$17,007	\$18,123	\$18,774	\$19,416	\$19,491	\$16,994	\$16,921	\$16,427	\$18,268	\$22,373
Interest Expense as % of GFR	6.9	8.8	8.0	7.4	7.4	6.7	5.5	4.6	5.2	5.4
Gross Farm Returns/Tillable Acre	\$311	\$255	\$282	\$311	\$299	\$283	\$331	\$376	\$358	\$413
Total Operating Expense/Tillable Acre	\$211	\$209	\$207	\$214	\$227	\$220	\$234	\$253	\$272	\$287
Depreciation/Tillable Acre	\$35	\$33	\$32	\$33	\$34	\$33	\$21	\$21	\$22	\$24
Net farm Income/Tillable Acre	\$65	\$14	\$43	\$63	\$38	\$30	\$77	\$102	\$64	\$102
<b>Total Investment</b>										
Crops and Feed	\$160,286	\$144,940	\$133,190	\$135,015	\$143,355	\$143,976	\$155,083	\$177,242	\$186,107	\$221,028
Livestock (Market & Breeding Stock)	29,923	25,634	24,086	26,820	30,224	27,521	27,223	32,553	32,868	29,190
Machinery (Book Value)	57,326	53,991	54,146	54,210	56,272	54,580	61,487	76,887	91,374	104,476
Buildings (Book Value)	22,768	21,655	22,111	22,253	23,038	23,259	26,135	27,768	31,713	34,476
Land	<u>444,478</u>	<u>464,708</u>	<u>475,183</u>	<u>483,148</u>	<u>511,097</u>	<u>544,009</u>	<u>564,278</u>	<u>637,063</u>	<u>698,471</u>	<u>729,032</u>
<b>Total</b>	<b>\$714,781</b>	<b>\$710,928</b>	<b>\$708,716</b>	<b>\$721,446</b>	<b>\$763,986</b>	<b>\$793,345</b>	<b>\$834,206</b>	<b>\$951,513</b>	<b>\$1,040,533</b>	<b>\$1,118,202</b>

## Financial Characteristics of Illinois FBFM Grain Farms

	2006	2005	2004	2003	4-Year Average	My Farm
Number of Farms	2,306	2,383	2,383	2,399	<b>2,368</b>	
<b>Liquidity</b>						
Working Capital	\$187,829	\$132,178	\$135,183	\$110,804	<b>\$141,499</b>	
Current Ratio						
Upper Quartile	NA	3.80	3.93	3.74	<b>3.82</b>	
Median	1.92	1.68	1.68	1.59	<b>1.72</b>	
<b>Solvency</b>						
Net Worth (Market)	\$1,253,536	\$1,107,418	\$1,011,071	\$905,278	<b>\$1,069,326</b>	
Debt/Equity Ratio (%)						
Upper Quartile	NA	15.0	15.9	16.0	<b>15.6</b>	
Median	33.8	37.7	39.4	40.0	<b>37.7</b>	
Debt/Total Asset Ratio (%)						
Upper Quartile	NA	13.2	13.9	14.3	<b>13.8</b>	
Median	25.4	27.4	28.5	29.2	<b>27.6</b>	
<b>Profitability</b>						
Net Farm Income	\$90,379	\$53,846	\$82,971	\$65,329	<b>\$73,131</b>	
Return on Farm Assets (%)						
Upper Quartile	NA	6.8	10.7	8.5	<b>8.7</b>	
Median	6.1	3.2	6.4	4.6	<b>5.1</b>	
Return on Farm Equity (%)						
Upper Quartile	NA	8.2	15.7	11.4	<b>11.8</b>	
Median	6.2	2.6	7.3	4.2	<b>5.1</b>	
<b>Repayment Capacity</b>						
Debt/Farm Operating Income	4.63	6.24	3.96	4.76	<b>4.90</b>	
<b>Financial Efficiency (as a % of Gross Farm Returns)</b>						
Interest Expense Ratio						
Upper Quartile	NA	2.1	1.9	2.1	<b>2.0</b>	
Median	4.6	4.6	3.9	4.6	<b>4.4</b>	
Operating Expense Ratio						
Upper Quartile	NA	60.9	54.1	54.2	<b>56.4</b>	
Median	62.5	69.5	62.3	63.0	<b>64.3</b>	
Depreciation Expense Ratio						
Upper Quartile	NA	3.8	3.4	3.7	<b>3.6</b>	
Median	5.6	6.1	5.6	6.3	<b>5.9</b>	
Farm Operating Income Ratio						
Upper Quartile	NA	28.7	36.0	34.7	<b>33.1</b>	
Median	26.0	18.6	27.5	24.9	<b>24.3</b>	
Asset Turnover Ratio						
Upper Quartile	NA	0.44	0.50	0.47	<b>0.47</b>	
Median	0.32	0.29	0.33	0.31	<b>0.31</b>	

NA = not available yet.  
Preliminary data for 2006

## Financial Characteristics of Illinois FBFM Hog Farms

	2006	2005	2004	2003	4-Year Average	My Farm
Number of Farms	61	74	100	103	<b>85</b>	
<b>Liquidity</b>						
Working Capital	\$188,117	\$209,222	\$214,312	\$102,154	<b>\$178,451</b>	
Current Ratio						
Upper Quartile	NA	5.02	2.98	3.37	<b>3.79</b>	
Median	1.87	1.73	1.90	1.56	<b>1.77</b>	
<b>Solvency</b>						
Net Worth (Market)	\$1,243,921	\$1,239,313	\$1,201,904	\$998,738	<b>\$1,170,969</b>	
Debt/Equity Ratio						
Upper Quartile	NA	17.8	22.8	17.7	<b>19.4</b>	
Median	52.5	49.5	53.1	59.7	<b>53.7</b>	
Debt/Total Asset Ratio						
Upper Quartile	NA	15.7	19.1	16.2	<b>17.0</b>	
Median	34.8	33.6	35.9	39.2	<b>35.9</b>	
<b>Profitability</b>						
Net Farm Income	\$81,710	\$95,307	\$189,089	\$57,743	<b>\$105,962</b>	
Return on Farm Assets						
Upper Quartile	NA	8.8	19.3	6.8	<b>11.6</b>	
Median	4.8	4.8	12.5	3.6	<b>6.4</b>	
Return on Farm Equity						
Upper Quartile	NA	12.3	31.5	7.6	<b>17.1</b>	
Median	5.1	4.6	18.5	0.8	<b>7.3</b>	
<b>Repayment Capacity</b>						
Debt/Farm Operating Income	7.19	5.06	3.12	9.10	<b>6.1</b>	
<b>Financial Efficiency (as a % of Gross Farm Returns)</b>						
Interest Expense Ratio						
Upper Quartile	NA	2.2	2.8	3.0	<b>2.7</b>	
Median	6.3	5.4	5.2	7.2	<b>6.0</b>	
Operating Expense Ratio						
Upper Quartile	NA	55.1	45.4	57.9	<b>52.8</b>	
Median	63.2	63.7	53.1	66.9	<b>61.7</b>	
Depreciation Expense Ratio						
Upper Quartile	NA	3.7	3.0	4.4	<b>3.7</b>	
Median	6.3	6.1	4.7	7.7	<b>6.2</b>	
Farm Operating Income Ratio						
Upper Quartile	NA	32.6	44.9	28.8	<b>35.4</b>	
Median	19.8	25.3	37.2	18.2	<b>25.1</b>	
Asset Turnover Ratio						
Upper Quartile	NA	0.43	0.50	0.43	<b>0.45</b>	
Median	0.29	0.31	0.38	0.28	<b>0.32</b>	

NA = not available yet.

Preliminary data for 2006

## Financial Characteristics of Illinois FBFM Beef Farms

	2006	2005	2004	2003	4-Year Average	My Farm
Number of Farms	25	25	30	33	<b>28</b>	
<b>Liquidity</b>						
Working Capital	\$142,331	\$227,510	\$201,836	\$121,619	<b>\$173,324</b>	
Current Ratio						
Upper Quartile	NA	4.86	8.22	2.51	<b>5.20</b>	
Median	1.86	1.68	1.85	1.51	<b>1.73</b>	
<b>Solvency</b>						
Net Worth (Market)	\$1,150,970	\$1,469,791	\$1,244,480	\$951,669	<b>\$1,204,228</b>	
Debt/Equity Ratio						
Upper Quartile	NA	7.3	4.0	24.5	<b>11.9</b>	
Median	38.6	22.4	33.8	46.1	<b>35.2</b>	
Debt/Total Asset Ratio						
Upper Quartile	NA	6.8	3.8	19.6	<b>10.1</b>	
Median	27.9	18.3	25.3	31.6	<b>25.8</b>	
<b>Profitability</b>						
Net Farm Income	\$41,385	\$50,800	\$64,329	\$82,502	<b>\$59,754</b>	
Return on Farm Assets						
Upper Quartile	NA	6.8	7.5	12.1	<b>8.8</b>	
Median	1.5	2.9	3.4	4.6	<b>3.1</b>	
Return on Farm Equity						
Upper Quartile	NA	7.4	12.6	20.0	<b>13.3</b>	
Median	(0.2)	1.5	3.5	4.9	<b>2.4</b>	
<b>Repayment Capacity</b>						
Debt/Farm Operating Income	13.0	9.80	5.60	4.17	<b>6.51</b>	
<b>Financial Efficiency (as a % of Gross Farm Returns)</b>						
Interest Expense Ratio						
Upper Quartile	NA	2.1	1.0	3.3	<b>2.1</b>	
Median	7.7	6.1	4.8	5.9	<b>6.1</b>	
Operating Expense Ratio						
Upper Quartile	NA	55.1	59.5	49.2	<b>54.6</b>	
Median	63.0	66.1	63.1	56.0	<b>62.1</b>	
Depreciation Expense Ratio						
Upper Quartile	NA	5.0	4.0	4.0	<b>4.3</b>	
Median	8.1	6.6	6.2	4.9	<b>6.5</b>	
Farm Operating Income Ratio						
Upper Quartile	NA	31.3	30.4	40.2	<b>34.0</b>	
Median	17.3	22.6	25.0	29.5	<b>23.6</b>	
Asset Turnover Ratio						
Upper Quartile	NA	0.31	0.35	0.41	<b>0.36</b>	
Median	0.23	0.19	0.21	0.34	<b>0.24</b>	

NA = not available yet.  
Preliminary data for 2006

## Financial Characteristics of Illinois FBFM Dairy Farms

	2006	2005	2004	2003	4-Year Average	My Farm
Number of Farms	62	69	78	64	<b>68</b>	
<b>Liquidity</b>						
Working Capital	\$64,914	\$60,367	\$46,679	\$36,036	<b>\$51,999</b>	
Current Ratio						
Upper Quartile	NA	3.59	2.58	3.07	<b>3.08</b>	
Median	1.37	1.65	1.73	1.44	<b>1.55</b>	
<b>Solvency</b>						
Net Worth (Market)	\$894,147	\$847,422	\$675,722	\$604,534	<b>\$755,456</b>	
Debt/Equity Ratio						
Upper Quartile	NA	18.7	15.1	16.7	<b>16.8</b>	
Median	38.1	38.5	42.7	48.2	<b>41.9</b>	
Debt/Total Asset Ratio						
Upper Quartile	NA	15.8	14.3	15.4	<b>15.2</b>	
Median	27.6	27.8	31.6	34.2	<b>30.3</b>	
<b>Profitability</b>						
Net Farm Income	\$52,845	\$80,367	\$92,318	\$52,264	<b>\$69,449</b>	
Return on Farm Assets						
Upper Quartile	NA	12.0	13.1	8.7	<b>11.3</b>	
Median	3.2	6.1	9.6	4.5	<b>5.9</b>	
Return on Farm Equity						
Upper Quartile	NA	15.2	22.5	10.9	<b>16.2</b>	
Median	1.2	6.5	11.4	3.1	<b>5.6</b>	
<b>Repayment Capacity</b>						
Debt/Farm Operating Income	6.64	4.01	3.46	4.32	<b>4.61</b>	
<b>Financial Efficiency (as a % of Gross Farm Returns)</b>						
Interest Expense Ratio						
Upper Quartile	NA	2.5	2.2	2.7	<b>2.5</b>	
Median	6.3	5.1	4.8	5.1	<b>5.3</b>	
Operating Expense Ratio						
Upper Quartile	NA	49.4	47.3	51.7	<b>49.5</b>	
Median	63.1	61.8	57.5	62.5	<b>61.2</b>	
Depreciation Expense Ratio						
Upper Quartile	NA	3.6	3.2	2.6	<b>3.1</b>	
Median	6.4	5.4	4.9	4.3	<b>5.3</b>	
Farm Operating Income Ratio						
Upper Quartile	NA	39.0	43.3	37.3	<b>39.9</b>	
Median	25.6	27.2	33.5	27.7	<b>28.5</b>	
Asset Turnover Ratio						
Upper Quartile	NA	0.45	0.56	0.45	<b>0.49</b>	
Median	0.29	0.29	0.38	0.33	<b>0.32</b>	

NA = not available yet.

Preliminary data for 2006

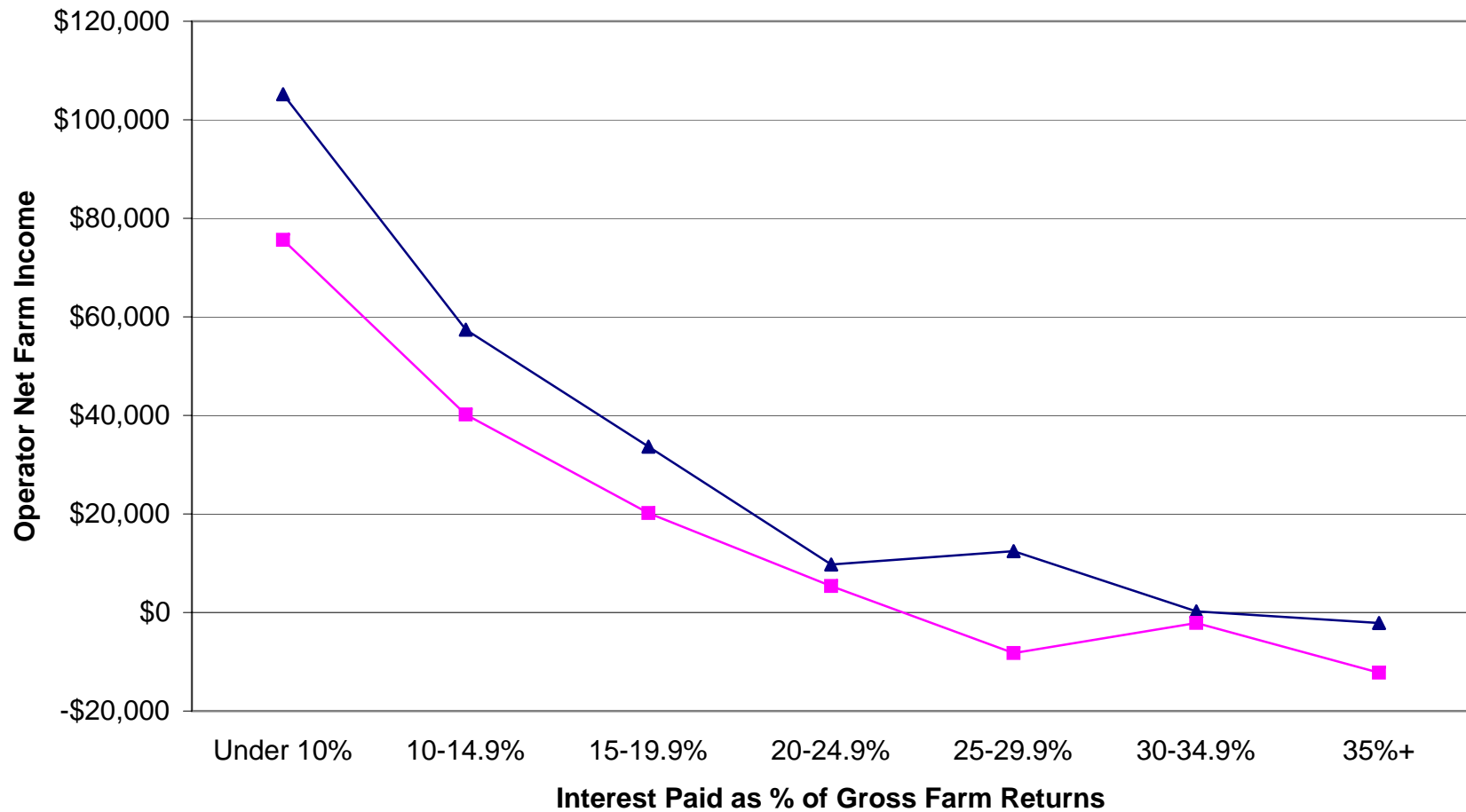
## Illinois FBFM Association Farms by Interest Paid as Percent of Gross Farm Returns—1997 to 2006<sup>1</sup>

		Operator Interest Paid as % of Gross Farm Returns								
Year	Under 10	10–14.9	15–19.9	20–24.9	25–29.9	30–34.9	35+	All		
Number of farms . . . . .	1997	3,022	573	266	101	39	20	25	4,046	
	1998	2,357	609	332	162	88	48	63	3,659	
	1999	2,577	651	296	122	58	39	35	3,778	
	2000	2,724	565	241	118	51	21	32	3,752	
	2001	2,664	551	255	121	58	21	43	3,713	
	2002	2,856	499	207	94	50	18	32	3,756	
	2003	3,204	395	139	50	30	9	23	3,850	
	2004	3,341	272	86	36	10	8	11	3,764	
	2005	3,033	350	115	43	11	8	24	3,584	
	2006	2,821	334	115	45	13	9	26	3,364	
Percent of farms . . . . .	1997	75	14	6	2	1	1	1	100	
	1998	65	17	9	4	2	1	2	100	
	1999	68	17	8	3	2	1	1	100	
	2000	73	15	6	3	1	1	1	100	
	2001	72	15	7	3	2	1	1	100	
	2002	76	13	6	2	1	*	*	100	
	2003	83	10	4	1	*	*	*	100	
	2004	89	7	2	1	*	*	*	100	
	2005	85	10	3	1	*	*	*	100	
	2006	84	10	3	1	*	*	*	100	
Net Farm Income . . . . .	1997	58,785	35,742	19,643	8,021	(1,242)	(6,655)	(36,958)	50,202	
	1998	26,200	7,000	(2,229)	(21,893)	(45,224)	(35,417)	(65,547)	14,190	
	1999	46,212	28,518	13,029	1,309	(6,174)	(18,065)	(22,223)	37,011	
	2000	61,020	38,050	27,035	13,931	(2,156)	276	(38,549)	51,849	
	2001	42,043	21,789	4,684	1,367	(2,528)	(38,957)	(44,147)	32,994	
	2002	35,763	14,420	3,265	(15,283)	(25,645)	(29,582)	(55,756)	27,949	
	2003	73,740	40,994	25,607	12,051	(3,753)	23,173	(5,018)	66,649	
	2004	97,086	53,150	36,018	15,023	4,867	12,290	3,460	91,079	
	2005	66,434	34,873	2,354	5,298	(29,217)	(16,856)	(1,645)	59,627	
	2006	105,161	57,387	33,678	9,754	12,442	238	(2,128)	95,226	
Average Operator Interest Paid and Interest Paid as % of Gross Farm Returns - All Farms										
	1997—\$16,077	6.9%	1999—\$17,796	8.2%	2001—\$18,200	7.4%	2003—\$15,613	5.5%	2005—\$16,845	5.2%
	1998—\$17,247	8.6%	2000—\$18,432	7.6%	2002—\$16,356	6.7%	2004—\$15,126	4.6%	2006—\$20,627	5.1%

<sup>1</sup> Interest paid and net farm income by operator.

\* Less than 1%.

## Operator's Net Farm Income by Interest Paid as a Percent of Gross Farm Returns



▲ 2006 ■ 2002-2006 Avg.

### Illinois FBFM Management Returns per Tillable Acre by Farm Type<sup>1</sup>

	Northern and Central Illinois				Southern Illinois			
	Dairy	Beef	Hog	Grain	Dairy	Beef	Hog	Grain
1961–65	4	8	20	12	14	11	22	13
1966–70	5	(5)	12	3	17	3	17	6
1971–75	4	9	76	51	21	19	51	29
1976–80	(4)	(74)	(11)	(17)	40	(56)	(4)	5
1981–85	(107)	(101)	(58)	(16)	(65)	(111)	(48)	(32)
1986–90	(5)	(23)	17	5	46	(31)	38	15
1991–95	(22)	(44)	6	25	26	(54)	7	26
1996–00	(34)	(47)	(10)	8	(14)	(112)	(29)	(10)
2001–05	28	(10)	47	18	67	(66)	11	7
1999	(20)	5	0	(3)	9	(114)	(33)	(34)
2000	(72)	(72)	72	9	(16)	(94)	61	21
2001	5	(80)	8	(14)	56	(117)	17	(9)
2002	(62)	(59)	(80)	(6)	(82)	(132)	(110)	(59)
2003	4	85	21	39	55	(10)	28	42
2004	91	22	227	56	248	(3)	176	55
2005	78	(37)	75	11	106	(17)	86	12
2006 <sup>2</sup>	(84)	(93)	48	70	23	(207)	49	37

<sup>1</sup> 1995 and later, data is operator's management returns per operator tillable acre. Prior to 1995, data is total farm management returns per total farm tillable acre.

<sup>2</sup> Estimated from preliminary data.

## Summary of Farm and Family Sources and Uses of Dollars—1996 to 2006

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Number of Families	699	924	912	938	1,087	1,175	1,216	1,102	1,225	1,209	1,196
Total Tillable Operator Acres	515	564	554	581	591	596	623	668	699	694	725
Net Farm Income	\$62,203	\$48,205	\$10,292	\$38,091	\$49,960	\$29,678	\$32,168	\$66,290	\$93,704	\$55,030	\$94,756
<b>SOURCES OF DOLLARS</b>											
Nontaxable Receipts	\$36,931	\$35,229	\$33,527	\$34,025	\$42,542	\$39,162	\$38,503	\$38,042	\$53,396	\$48,633	\$48,772
Net Nonfarm Income	15,349	16,368	17,992	19,170	22,424	23,374	24,716	25,919	27,280	27,810	29,614
Money Borrowed	149,545	165,118	181,966	185,424	172,889	194,479	198,884	240,363	246,566	252,685	262,230
Total Farm Receipts	<u>231,331</u>	<u>253,842</u>	<u>236,394</u>	<u>249,956</u>	<u>260,066</u>	<u>266,422</u>	<u>257,579</u>	<u>305,957</u>	<u>351,327</u>	<u>351,457</u>	<u>364,712</u>
<b>TOTAL SOURCE ALL DOLLARS</b>	<b>\$433,156</b>	<b>\$470,557</b>	<b>\$469,879</b>	<b>\$488,575</b>	<b>\$497,921</b>	<b>\$523,437</b>	<b>\$519,682</b>	<b>\$610,281</b>	<b>\$678,569</b>	<b>\$680,585</b>	<b>\$705,328</b>
<b>USES OF DOLLARS—FARM</b>											
Interest Paid	\$15,169	\$16,203	\$17,782	\$19,585	\$19,213	\$19,297	\$17,194	\$17,713	\$17,491	\$18,303	\$21,386
Other Farm Expenses	150,041	168,498	158,153	166,255	174,594	185,154	182,720	218,726	252,258	260,479	265,931
Mach. & Bldg. Purchases	<u>29,887</u>	<u>36,458</u>	<u>31,073</u>	<u>23,232</u>	<u>29,877</u>	<u>30,557</u>	<u>29,699</u>	<u>35,291</u>	<u>46,156</u>	<u>42,495</u>	<u>40,029</u>
<b>TOTAL FARM EXPENDITURES</b>	<b>\$195,097</b>	<b>\$221,159</b>	<b>\$207,008</b>	<b>\$209,072</b>	<b>\$223,684</b>	<b>\$235,008</b>	<b>\$229,613</b>	<b>\$271,730</b>	<b>\$315,905</b>	<b>\$321,277</b>	<b>\$327,346</b>
Principal Payments	\$134,754	\$144,677	\$156,891	\$182,933	\$166,890	\$179,988	\$183,423	\$225,968	\$229,008	\$230,072	\$245,450
Income & Social Security Taxes	11,263	11,724	13,859	11,046	10,998	11,475	9,867	7,571	8,208	10,351	10,251
Savings & Investment	48,112	48,440	47,327	40,252	48,826	48,866	47,915	52,076	66,885	60,541	62,540
<b>LIVING EXPENSES</b>											
Contributions	\$1,383	\$1,507	\$1,489	\$1,448	\$1,597	\$1,567	\$1,454	\$1,583	\$1,816	\$2,058	\$1,888
Medical	5,119	5,170	5,392	5,613	5,561	5,710	6,335	6,581	7,320	7,433	7,665
Life Insurance	2,555	2,427	2,544	2,575	2,701	2,660	2,590	2,681	2,753	2,900	2,978
Expendables	<u>29,443</u>	<u>30,200</u>	<u>30,651</u>	<u>31,218</u>	<u>32,685</u>	<u>33,275</u>	<u>34,096</u>	<u>37,314</u>	<u>40,700</u>	<u>40,352</u>	<u>42,463</u>
Total Noncapital	\$38,500	\$39,304	\$40,076	\$40,854	\$42,544	\$43,212	\$44,475	\$48,159	\$52,589	\$52,743	\$54,994
Capital	<u>5,457</u>	<u>5,283</u>	<u>4,714</u>	<u>4,371</u>	<u>4,982</u>	<u>4,885</u>	<u>4,380</u>	<u>4,749</u>	<u>5,960</u>	<u>5,542</u>	<u>4,692</u>
<b>TOTAL LIVING EXPENSE</b>	<b>\$43,957</b>	<b>\$44,587</b>	<b>\$44,790</b>	<b>\$45,225</b>	<b>\$47,526</b>	<b>\$48,097</b>	<b>\$48,855</b>	<b>\$52,908</b>	<b>\$58,549</b>	<b>\$58,285</b>	<b>\$59,686</b>
<b>TOTAL USE ALL DOLLARS</b>	<b>\$433,183</b>	<b>\$470,587</b>	<b>\$469,875</b>	<b>\$488,528</b>	<b>\$497,924</b>	<b>\$523,434</b>	<b>\$519,673</b>	<b>\$610,253</b>	<b>\$678,555</b>	<b>\$680,526</b>	<b>\$705,273</b>
Interest as % of Farm Receipts	6.6	6.4	7.5	7.8	7.4	7.2	6.7	5.8	5.0	5.2	5.9
Total Family Living/Opr. TA	\$85	\$79	\$81	\$78	\$80	\$81	\$78	\$79	\$84	\$84	\$82
Nonfarm Income/Opr. TA	<u>30</u>	<u>29</u>	<u>32</u>	<u>33</u>	<u>38</u>	<u>39</u>	<u>40</u>	<u>39</u>	<u>39</u>	<u>40</u>	<u>41</u>
Net Family Living/Opr. TA	\$56	\$50	\$48	\$45	\$42	\$41	\$39	\$40	\$45	\$44	\$41
Net Farm Cash/Opr. TA	<u>48</u>	<u>37</u>	<u>28</u>	<u>51</u>	<u>43</u>	<u>33</u>	<u>29</u>	<u>40</u>	<u>39</u>	<u>29</u>	<u>37</u>
Cash Surplus (Deficit)/Opr. TA	(\$7)	(\$13)	(\$20)	\$7	\$0	(\$8)	(\$10)	(\$0)	(\$6)	(\$15)	(\$4)

### Equivalent Cash Rent Based on Landlord's Crop-Share Data—1981 to 2006

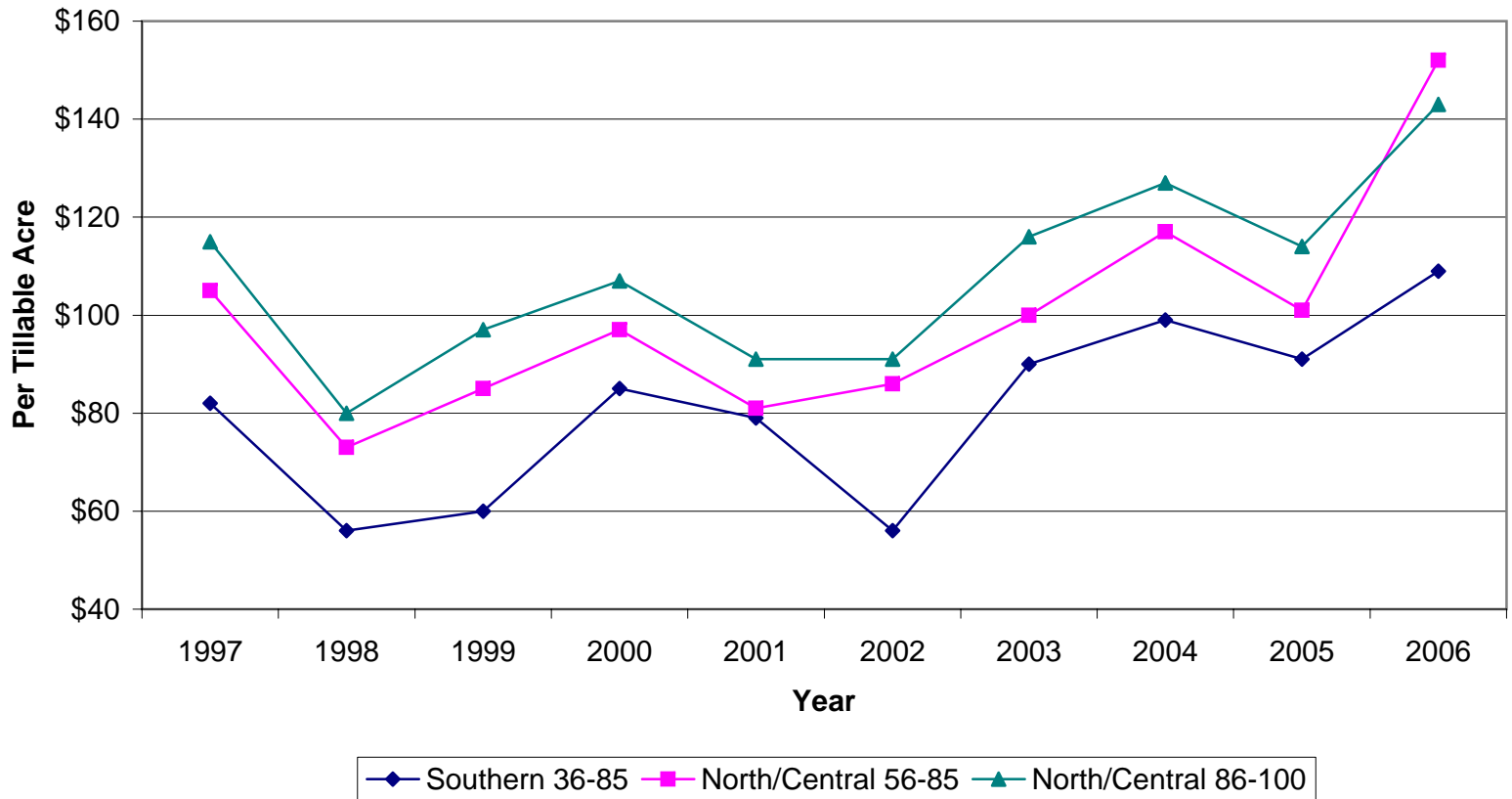
	Gross Returns	Expenses	Net Rents	Taxes, Bldg., & Misc. Expenses	Equivalent Gross Cash Rents <sup>1</sup>
(per tillable acre)					
<b>86–100 SPR</b>					
1981	153.51	61.18	92.33	27.00	119.32
1982	155.27	62.69	92.58	28.04	120.62
1983	162.41	59.02	102.39	29.67	132.06
1984	156.45	67.47	88.98	30.31	119.29
1985	179.40	69.19	110.20	29.64	139.84
1987	147.66	57.85	89.81	27.38	117.19
1988	122.49	61.33	61.16	27.14	88.30
1989	160.32	65.07	95.25	27.41	122.66
1990	161.19	64.97	96.22	27.00	123.22
1991	146.53	65.74	80.79	25.71	106.50
1992	173.68	65.84	107.84	25.64	133.48
1993	187.86	66.11	121.75	25.85	147.60
1994	177.45	67.67	109.78	26.04	135.82
1995	183.44	78.93	104.51	33.94	138.45
1996	211.41	85.18	126.23	36.76	162.99
1997	202.03	87.42	114.61	37.33	151.94
1998	168.45	88.08	80.37	37.54	117.91
1999	183.90	86.99	96.91	40.24	137.15
2000	195.55	88.18	107.37	41.21	148.58
2001	181.81	90.58	91.23	42.04	133.27
2002	179.81	89.26	90.55	39.92	130.47
2003	203.30	87.45	115.85	36.36	152.21
2004	221.45	94.52	126.93	38.59	165.52
2005	217.19	102.83	114.36	39.78	154.14
2006	246.90	104.22	142.68	40.88	183.56
<b>56–85 SPR</b>					
1981	143.67	61.32	82.34	26.63	108.98
1982	148.91	64.60	84.31	27.20	111.51
1983	138.81	59.59	79.22	28.76	107.98
1984	135.45	63.33	72.12	28.47	100.59
1985	158.69	65.75	92.94	29.82	122.76
1986	127.56	60.48	67.08	27.99	95.07
1987	133.53	55.88	77.65	26.36	104.01
1988	102.06	57.38	44.68	24.23	68.91
1989	146.12	56.93	89.19	24.60	113.79
1990	146.95	61.33	85.62	23.86	109.48
1991	114.58	55.30	59.28	22.53	81.81
1992	155.86	55.33	100.53	21.29	121.82
1993	158.87	58.25	100.62	25.13	125.75
1994	161.54	61.33	100.21	21.13	121.34
1995	167.26	70.21	97.05	27.97	125.02
1996	182.63	77.27	105.36	30.45	135.81
1997	186.20	81.33	104.87	32.32	137.19
1998	154.75	81.76	72.99	32.31	105.30
1999	164.00	79.00	85.00	34.41	119.41
2000	178.64	81.65	96.99	36.71	133.70
2001	171.43	86.19	85.24	37.93	123.17
2002	171.89	83.23	88.66	35.09	123.75
2003	186.27	84.22	102.05	32.13	134.18
2004	209.05	88.76	120.29	34.35	154.64
2005	200.09	98.41	101.68	35.65	137.33
2006	232.78	98.34	134.44	36.67	171.11

<sup>1</sup> Net rents plus taxes, building repairs, depreciation, and miscellaneous expenses.

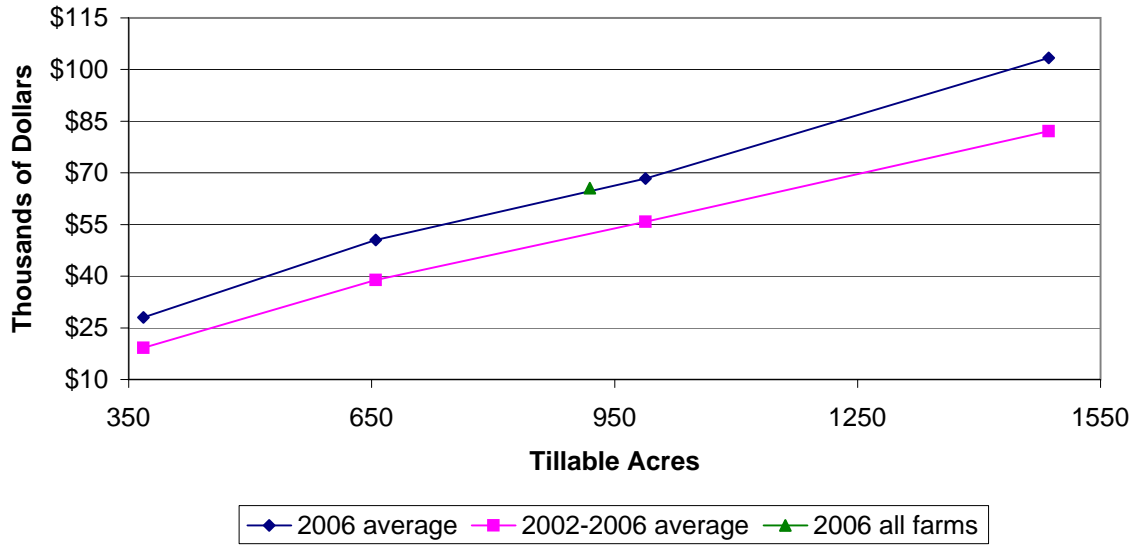
Source: Landlord Shares and Farm Returns reports AE-4693; AE-4657; AERR 205, 203, 199, 197, 190, 187; and unpublished data, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign. For years 1995 and after, landlord's income and expenses estimated from operator data from FBFM record summaries.

Prepared by Dale H. Lantz and R. A. Hinton, Extension Specialists, Farm Management, Department of Agricultural and Consumer Economics, College of Agricultural, Consumer and Environmental Sciences, University of Illinois at Urbana-Champaign.

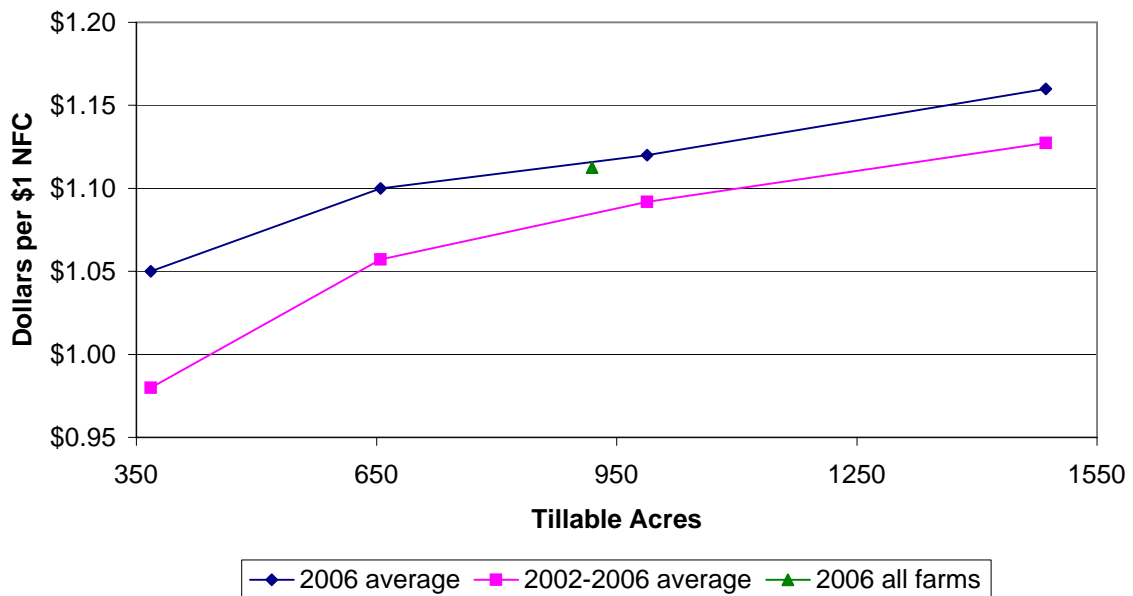
**Landlord's Net Rent per Tillable Acre  
on Full Tenant Farms, Crop-Share Lease  
1997 to 2006**



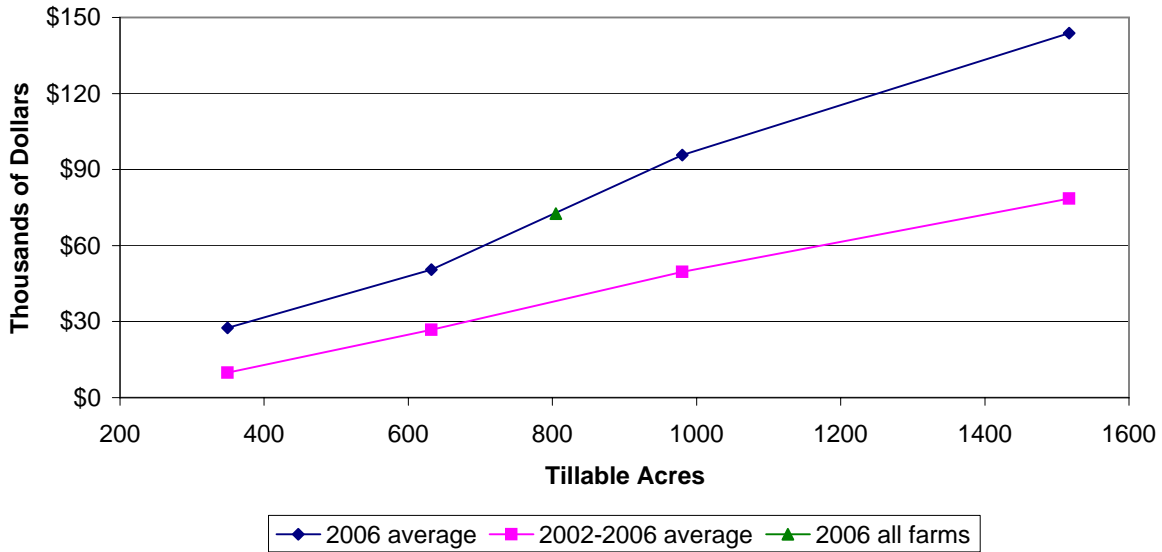
## Central Illinois Grain Farms Operator's Share of Labor and Management Earnings



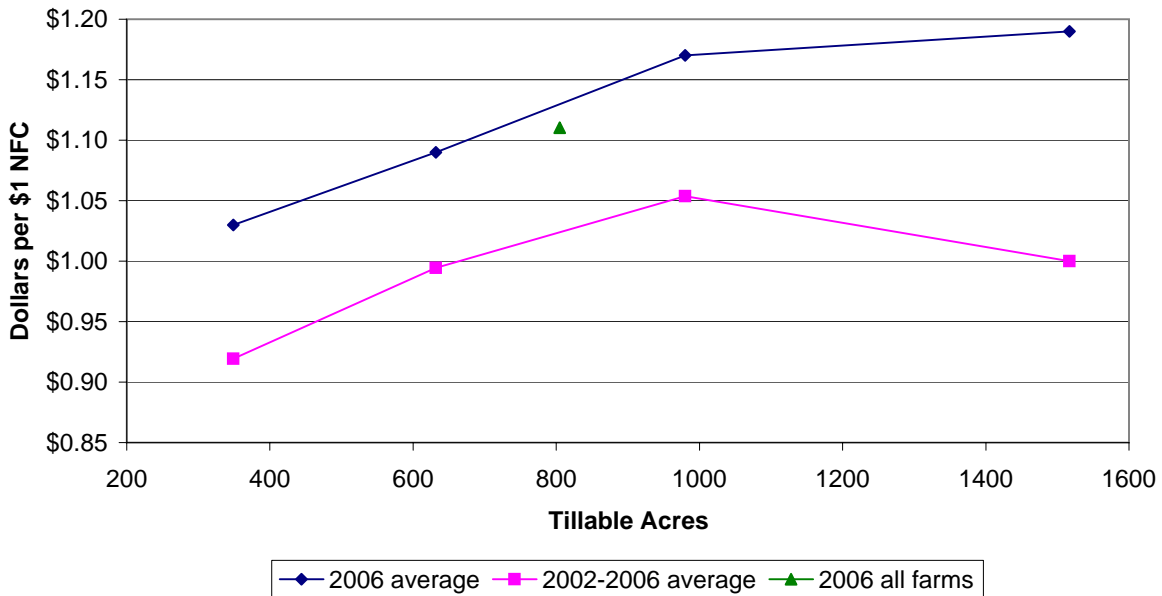
## Central Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



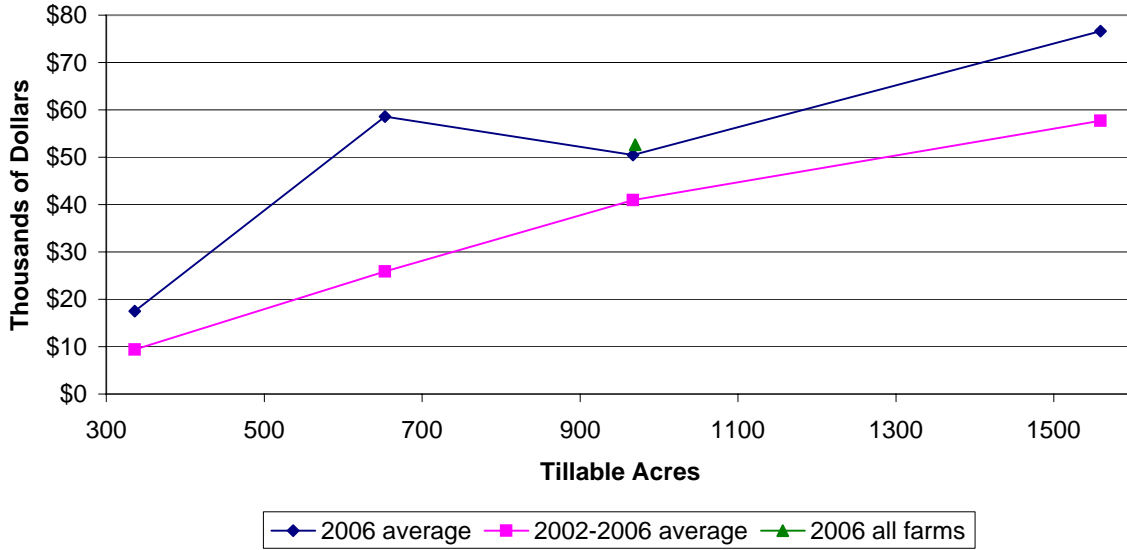
## Northern Illinois Grain Farms Operator's Share of Labor and Management Earnings



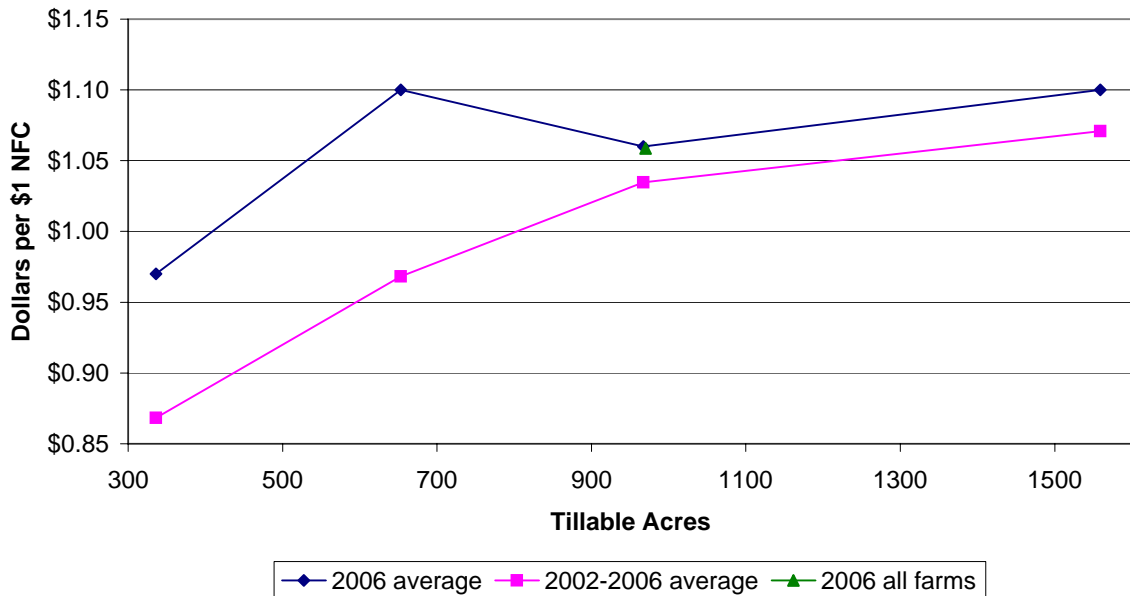
## Northern Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



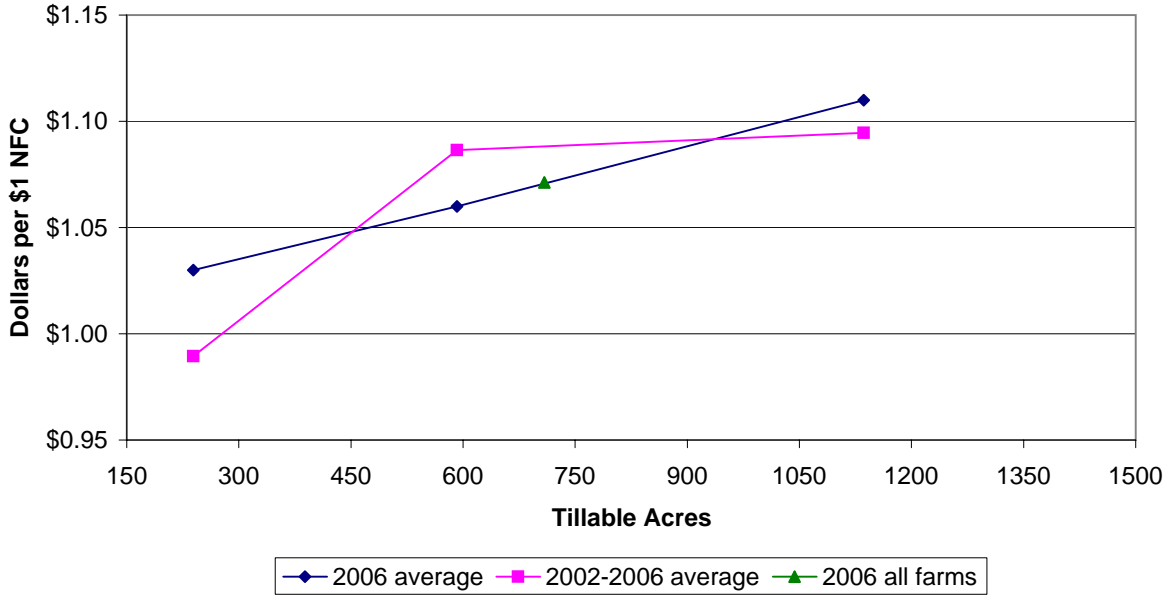
## Southern Illinois Grain Farms Operator's Share of Labor and Management Earnings



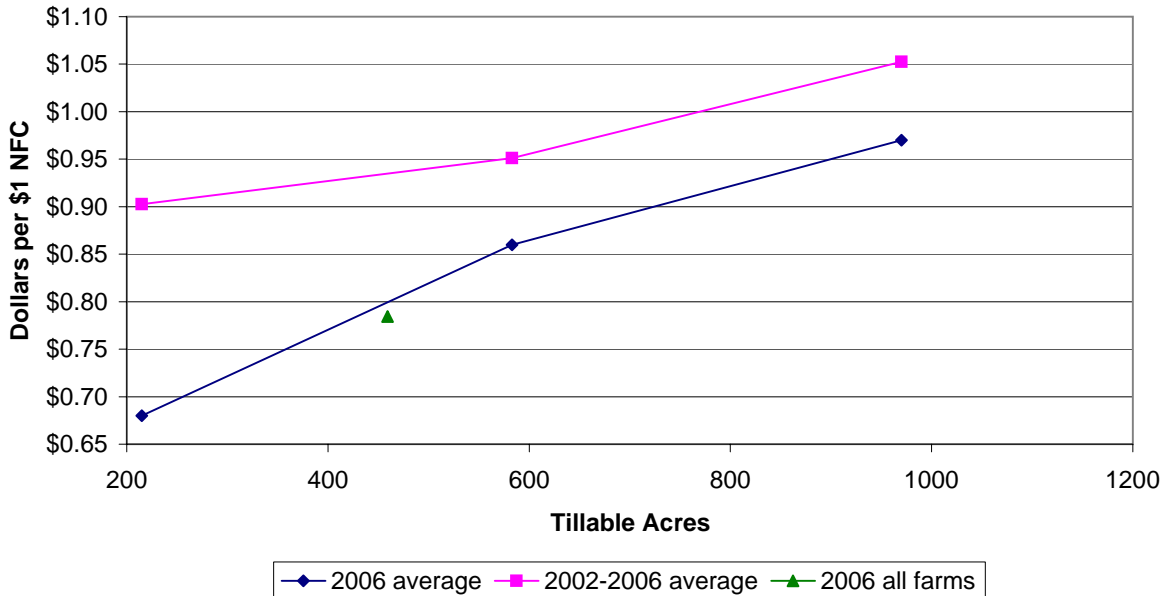
## Southern Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



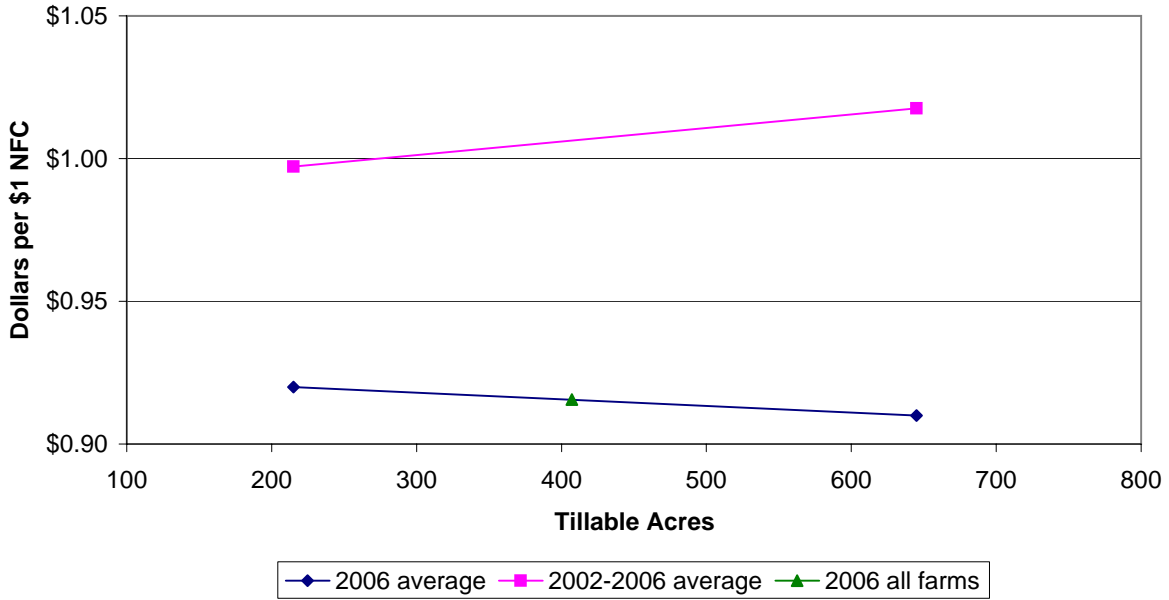
## North and Central Illinois Hog Farms Value of Production per \$1.00 of Nonfeed Cost



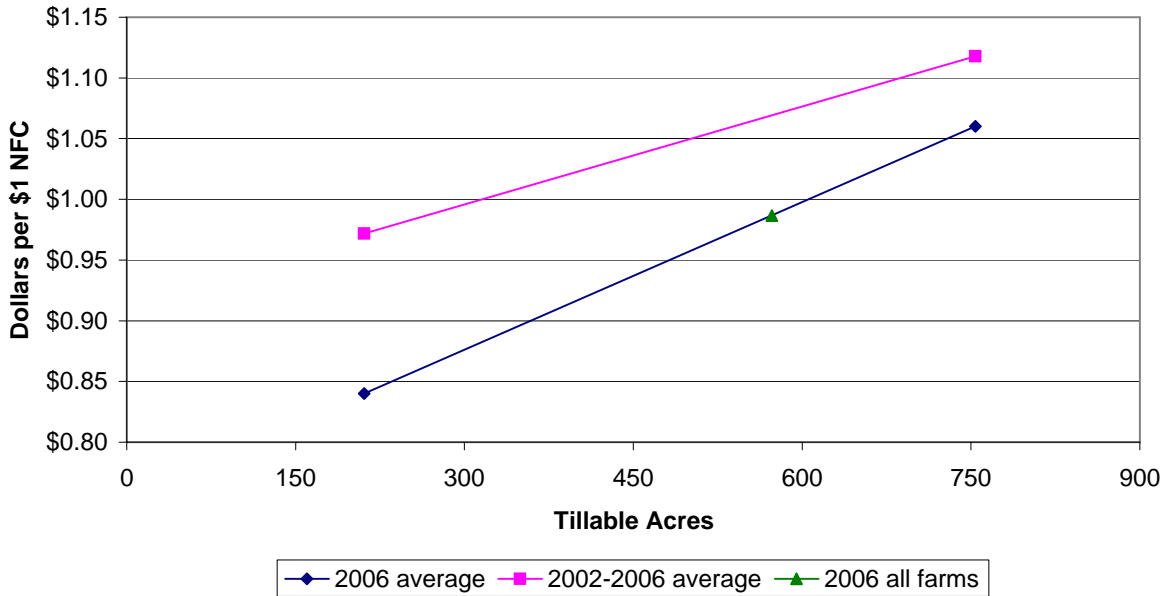
## North and Central Illinois Beef Farms Value of Production per \$1.00 of Nonfeed Cost



## North and Central Illinois Dairy Farms Value of Production per \$1.00 of Nonfeed Cost



## Southern Illinois Dairy Farms Value of Production per \$1.00 of Nonfeed Cost



**Per Acre Cost to Grow Corn and Soybeans  
Northern Illinois Grain Farms—No Livestock (56–100 SPR)**

	Corn		Projected 2007		Soybeans		Projected 2007	
	2005	2006	Average Farm	My Farm	2005	2006	Average Farm	My Farm
Number of Farms .....	410	392			410	392		
Acres of Crop .....	718	731			395	437		
% Land in Crop .....	63.2	61.0			34.8	36.5		
<b>NONLAND COSTS</b>								
Variable Costs								
Soil Fertility .....	\$74	\$77	\$78		\$23	\$23	\$23	
Pesticides .....	43	37	38		31	23	24	
Seed .....	43	47	48		29	35	35	
Drying .....	11	15	12		3	4	3	
Machinery Repair, Fuel & Hire .....	43	50	50	—	37	42	42	—
Total Variable .....	\$214	\$226	\$226		\$123	\$127	\$127	
% Change .....	7%	6%	0%		5%	3%	0%	
Other Nonland Costs								
Labor .....	\$31	\$32	\$33		\$29	\$30	\$31	
Building .....	10	11	10		6	6	6	
Storage .....	5	4	5		3	3	4	
Machinery Depreciation .....	19	21	20		16	18	17	
Nonland Interest .....	30	43	45		27	38	40	
Overhead .....	27	32	33	—	27	32	33	—
Total Other .....	\$122	\$143	\$146		\$108	\$127	\$131	
Total Nonland Costs .....	\$336	\$369	\$372		\$231	\$254	\$258	
% Change .....	6%	10%	1%		4%	10%	2%	
<b>LAND COSTS</b>								
Taxes .....	\$24	\$24	\$24		\$24	\$24	\$24	
Adjusted Net Rent .....	105	109	110	—	105	109	110	—
Total Land Costs .....	\$129	\$133	\$134		\$129	\$133	\$134	
<b>TOTAL—ALL COSTS</b> .....	\$465	\$502	\$506		\$360	\$387	\$392	
% Change .....	5%	8%	1%		3%	8%	1%	
Yield per Acre, Bushel .....	145	183			49	53		
Nonland Costs per Bushel .....	\$2.32	\$2.02			\$4.71	\$4.79		
All Costs per Bushel .....	\$3.21	\$2.74			\$7.35	\$7.30		
Average Yield Past 4 Years .....	165	172	172		46	47	47	
All Costs per Bushel .....	\$2.82	\$2.92	\$2.94		\$7.83	\$8.23	\$8.34	

**Per Acre Cost to Grow Corn and Soybeans  
Central Illinois Grain Farms—No Livestock (86–100 SPR)**

	Corn		Projected 2007		Soybeans		Projected 2007	
	2005	2006	Average Farm	My Farm	2005	2006	Average Farm	My Farm
Number of Farms .....	621	590			621	590		
Acres of Crop .....	631	628			509	537		
% Land in Crop .....	54.1	52.7			43.6	45.2		
<b>NONLAND COSTS</b>								
Variable Costs								
Soil Fertility .....	\$78	\$82	\$82		\$25	\$26	\$26	
Pesticides .....	43	40	41		32	25	26	
Seed .....	43	45	46		30	32	33	
Drying .....	9	11	9		2	2	2	
Machinery Repair, Fuel & Hire .....	<u>36</u>	<u>38</u>	<u>38</u>	—	<u>31</u>	<u>33</u>	<u>33</u>	—
Total Variable .....	\$209	\$216	\$216		\$120	\$118	\$120	
% Change .....	12%	3%	0%		10%	-2%	2%	
Other Nonland Costs								
Labor .....	\$35	\$35	\$35		\$33	\$33	\$33	
Building .....	7	7	7		5	4	4	
Storage .....	9	8	9		4	4	4	
Machinery Depreciation .....	20	20	20		17	18	18	
Nonland Interest .....	32	43	45		29	39	40	
Overhead .....	<u>23</u>	<u>28</u>	<u>29</u>	—	<u>22</u>	<u>27</u>	<u>28</u>	—
Total Other .....	\$126	\$141	\$145		\$110	\$125	\$127	
Total Nonland Costs .....	\$335	\$357	\$361		\$230	\$243	\$247	
% Change .....	11%	7%	1%		8%	6%	2%	
<b>LAND COSTS</b>								
Taxes .....	\$25	\$26	\$26		\$25	\$26	\$26	
Adjusted Net Rent .....	<u>112</u>	<u>117</u>	<u>118</u>	—	<u>112</u>	<u>117</u>	<u>118</u>	—
Total Land Costs .....	\$137	\$143	\$144		\$137	\$143	\$144	
<b>TOTAL—ALL COSTS</b> .....	\$472	\$500	\$505		\$367	\$386	\$391	
% Change .....	9%	6%	1%		7%	5%	1%	
Yield per Acre, Bushel .....	160	180			55	55		
Nonland Costs per Bushel .....	\$2.09	\$1.98			\$4.18	\$4.42		
All Costs per Bushel .....	\$2.95	\$2.78			\$6.67	\$7.02		
Average Yield Past 4 Years .....	172	179	179		51	52	52	
All costs per bushel .....	\$2.74	\$2.79	\$2.82		\$7.20	\$7.42	\$7.52	

**Per Acre Cost to Grow Corn and Soybeans  
Central Illinois Grain Farms—No Livestock (Low Soil Rating of 56–85 SPR)**

	Corn		Projected 2007		Soybeans		Projected 2007	
	2005	2006	Average Farm	My Farm	2005	2006	Average Farm	My Farm
Number of Farms .....	336	308			336	308		
Acres of Crop .....	674	668			532	572		
% Land in Crop .....	53.9	51.9			42.5	44.7		
<b>NONLAND COSTS</b>								
Variable Costs								
Soil Fertility .....	\$78	\$79	\$79		\$25	\$25	\$25	
Pesticides .....	41	37	38		31	24	25	
Seed .....	43	47	48		30	33	33	
Drying .....	7	10	9		2	3	3	
Machinery Repair, Fuel & Hire .....	39	41	40	—	32	35	35	—
Total Variable .....	\$208	\$214	\$214		\$120	\$120	\$121	
% Change .....	12%	3%	0%		10%	0%	1%	
Other Nonland Costs								
Labor .....	\$34	\$34	\$34		\$32	\$32	\$32	
Building .....	9	8	8		5	5	5	
Storage .....	8	6	7		3	3	3	
Machinery Depreciation .....	20	21	21		17	18	18	
Nonland Interest .....	30	41	43		26	36	38	
Overhead .....	24	28	29	—	23	27	28	—
Total Other .....	\$125	\$138	\$142		\$106	\$121	\$124	
Total Nonland Costs .....	\$333	\$352	\$356		\$226	\$241	\$245	
% Change .....	11%	6%	1%		8%	7%	2%	
<b>LAND COSTS</b>								
Taxes .....	\$21	\$20	\$20		\$21	\$20	\$20	
Adjusted Net Rent .....	94	100	101	—	94	100	101	—
Total Land Costs .....	\$115	\$120	\$121		\$115	\$120	\$121	
<b>TOTAL—ALL COSTS</b> .....	\$448	\$472	\$477		\$341	\$361	\$366	
% Change .....	9%	5%	1%		7%	6%	1%	
Yield per Acre, Bushel .....	147	172			50	52		
Nonland Costs per Bushel .....	\$2.27	\$2.05			\$4.52	\$4.63		
All Costs per Bushel .....	\$3.05	\$2.74			\$6.82	\$6.94		
Average Yield Past 4 Years .....	163	168	168		47	48	48	
All Costs per Bushel .....	\$2.75	\$2.81	\$2.84		\$7.26	\$7.52	\$7.63	

**Per Acre Cost to Grow Corn and Soybeans  
Southern Illinois Grain Farms—No Livestock**

	Corn		Projected 2007		Soybeans		Projected 2007	
	2005	2006	Average Farm	My Farm	2005	2006	Average Farm	My Farm
Number of Farms .....	198	192			198	192		
Acres of Crop .....	712	651			669	706		
% Land in Crop .....	47.4	43.0			44.5	46.6		
<b>NONLAND COSTS</b>								
Variable Costs								
Soil Fertility .....	\$77	\$81	\$80		\$23	\$25	\$24	
Pesticides .....	41	41	42		29	30	30	
Seed .....	44	47	48		28	31	32	
Drying .....	4	6	6		2	3	3	
Machinery Repair, Fuel & Hire .....	<u>41</u>	<u>42</u>	<u>42</u>	—	<u>39</u>	<u>40</u>	<u>40</u>	—
Total Variable .....	\$207	\$217	\$218		\$121	\$129	\$129	
% Change .....	16%	5%	0%		10%	7%	0%	
Other Nonland Costs								
Labor .....	\$34	\$34	\$35		\$32	\$33	\$34	
Building .....	10	10	10		5	5	5	
Storage .....	3	3	3		1	1	1	
Machinery Depreciation .....	23	25	25		19	21	22	
Nonland Interest .....	28	39	40		24	33	34	
Overhead .....	<u>22</u>	<u>27</u>	<u>28</u>	—	<u>21</u>	<u>26</u>	<u>27</u>	—
Total Other .....	\$120	\$138	\$141		\$102	\$119	\$123	
Total Nonland Costs .....	\$327	\$355	\$359		\$223	\$248	\$252	
% Change .....	13%	9%	1%		9%	11%	2%	
<b>LAND COSTS</b>								
Taxes .....	\$14	\$15	\$15		\$14	\$15	\$15	
Adjusted Net Rent .....	<u>76</u>	<u>78</u>	<u>80</u>		<u>76</u>	<u>78</u>	<u>80</u>	—
Total Land Costs .....	\$90	\$93	\$95		\$90	\$93	\$95	
<b>TOTAL—ALL COSTS</b> .....	\$417	\$448	\$454		\$313	\$341	\$347	
% Change .....	11%	7%	1%		8%	9%	2%	
Yield per Acre, Bushel .....	138	144			49	48		
Nonland Costs per Bushel .....	\$2.37	\$2.47			\$4.55	\$5.17		
All Costs per Bushel .....	\$3.02	\$3.11			\$6.39	\$7.10		
Average Yield Past 4 Years .....	135	147	147		43	47	47	
All Costs per Bushel .....	\$3.09	\$3.05	\$3.09		\$7.28	\$7.26	\$7.38	

**Illinois  
Cost to Grow Corn—1972 to Date**

Year	Yield	Total Cost/A	Cost per Bushel	Illinois Annual Avg. Price*	Management Margin
1972	133	\$149	\$1.12	\$1.59	\$0.47
1973	130	167	1.28	2.64	1.36
1974	103	218	2.11	3.02	0.91
1975	148	254	1.72	2.56	0.84
1976	143	288	2.01	2.14	0.13
1977	121	300	2.48	2.09	-0.39
1978	132	308	2.33	2.30	-0.03
1979	148	349	2.36	2.57	0.21
1980	94	385	4.09	3.14	-0.95
1981	138	390	2.83	2.53	-0.30
1982	145	380	2.62	2.66	0.04
1983	86	374	4.35	3.26	-1.09
1984	129	364	2.83	2.65	-0.18
1985	153	356	2.33	2.27	-0.06
1986	149	341	2.29	1.54	-0.75
1987	145	329	2.28	1.96	-0.32
1988	78	324	4.15	2.59	-1.56
1989	140	322	2.30	2.40	0.10
1990	137	332	2.42	2.36	-0.06
1991	113	320	2.83	2.46	-0.37
1992	163	321	1.97	2.11	0.14
1993	138	345	2.50	2.57	0.07
1994	170	360	2.12	2.27	0.15
1995	122	395	3.24	3.30	0.06
1996	146	414	2.84	2.79	-0.05
1997	138	432	3.13	2.53	-0.60
1998	149	427	2.87	2.04	-0.83
1999	152	407	2.68	1.91	-0.77
2000	158	416	2.63	1.91	-0.72
2001	161	420	2.61	2.04	-0.57
2002	145	401	2.76	2.35	-0.41
2003	174	395	2.27	2.50	0.23
2004	184	425	2.31	2.18	-0.13
2005	150	458	3.05	2.12	-0.93
2006	174	488	2.80	3.20 **	0.40
2002–2006 Avg.	165	433	2.64	2.47	-0.17
1997–2006 Avg.	159	427	2.71	2.28	-0.43

\* Seasonal average annual price for corresponding crop year.

\*\* Estimated

1997 to 2006 average cost per bushel to grow soybeans was 2.62 times the cost per bushel to grow corn in the same period.

**Illinois  
Cost to Grow Soybeans—1972 to Date**

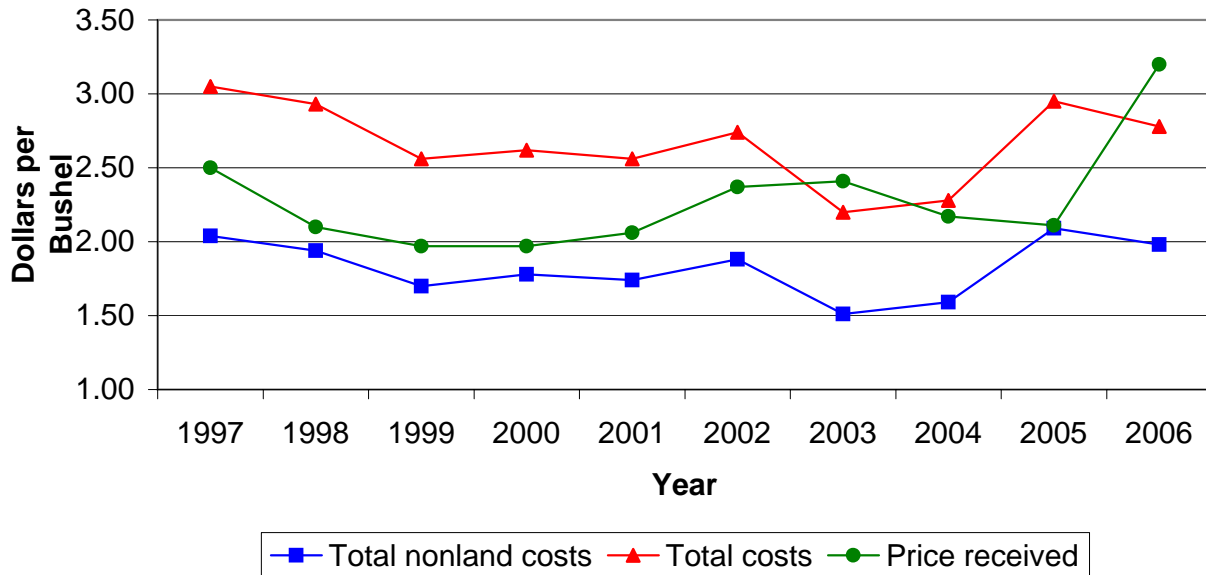
Year	Yield	Total Cost/A	Cost per Bushel	Illinois Annual Avg. Price*	Management Margin
1972	45	\$129	\$2.87	\$4.47	\$1.60
1973	40	141	3.52	5.84	2.32
1974	31	178	5.74	6.49	0.75
1975	45	205	4.56	5.11	0.55
1976	42	231	5.50	7.05	1.55
1977	46	248	5.39	6.01	0.62
1978	43	255	5.93	6.75	0.82
1979	45	283	6.29	6.46	0.17
1980	40	310	7.75	7.62	-0.13
1981	42	308	7.33	6.15	-1.18
1982	43	297	6.91	5.89	-1.02
1983	35	296	8.46	7.94	-0.52
1984	37	289	7.80	5.85	-1.95
1985	49	276	5.63	5.17	-0.46
1986	45	264	5.87	4.91	-0.96
1987	44	260	5.92	6.00	0.08
1988	28	261	9.32	7.45	-1.87
1989	46	257	5.59	5.76	0.17
1990	45	265	5.89	5.85	-0.04
1991	41	258	6.29	5.70	-0.59
1992	47	255	5.43	5.69	0.26
1993	46	280	6.09	6.49	0.40
1994	50	291	5.82	5.61	-0.21
1995	43	317	7.37	6.88	-0.49
1996	44	334	7.59	7.55	-0.04
1997	48	351	7.31	6.56	-0.75
1998	48	347	7.22	5.01	-2.21
1999	48	333	6.94	4.75	-2.19
2000	47	341	7.29	4.62	-2.67
2001	48	338	6.99	4.55	-2.44
2002	48	326	6.79	5.66	-1.13
2003	38	320	8.42	7.35	-1.07
2004	54	333	6.23	5.90	-0.33
2005	52	353	6.84	5.81	-1.03
2006	53	375	7.09	6.20 **	-0.89
2002–2006 Avg.	49	341	7.07	6.18	-0.89
1997–2006 Avg.	48	342	7.11	5.64	-1.47

\* Seasonal average annual price for corresponding crop year.

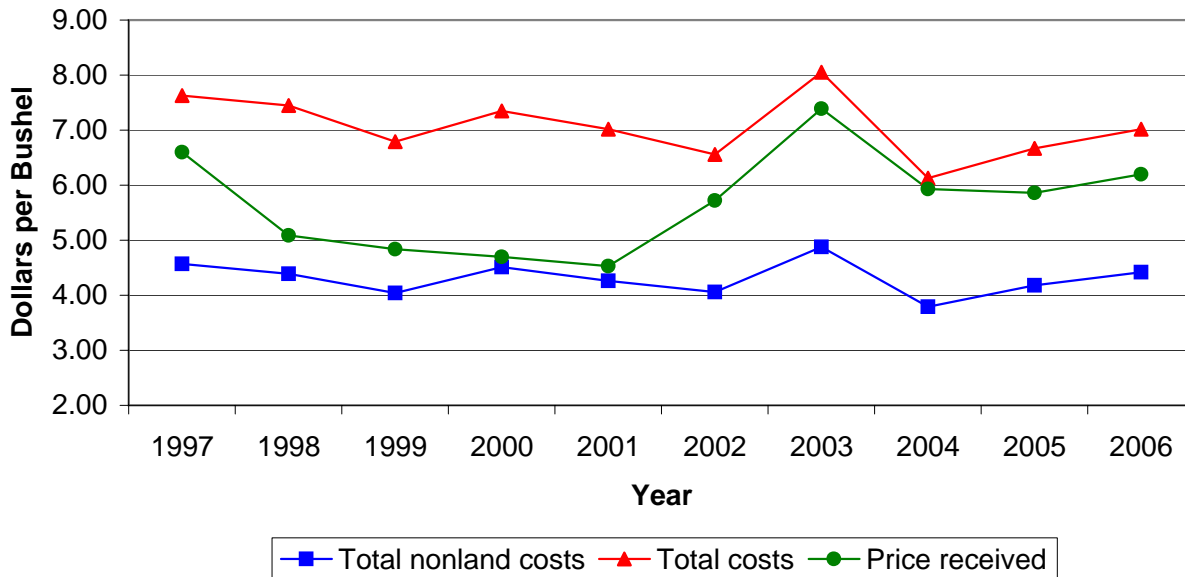
\*\* Estimated

1997 to 2006 average cost per bushel to grow soybeans was 2.62 times the cost per bushel to grow corn in the same period.

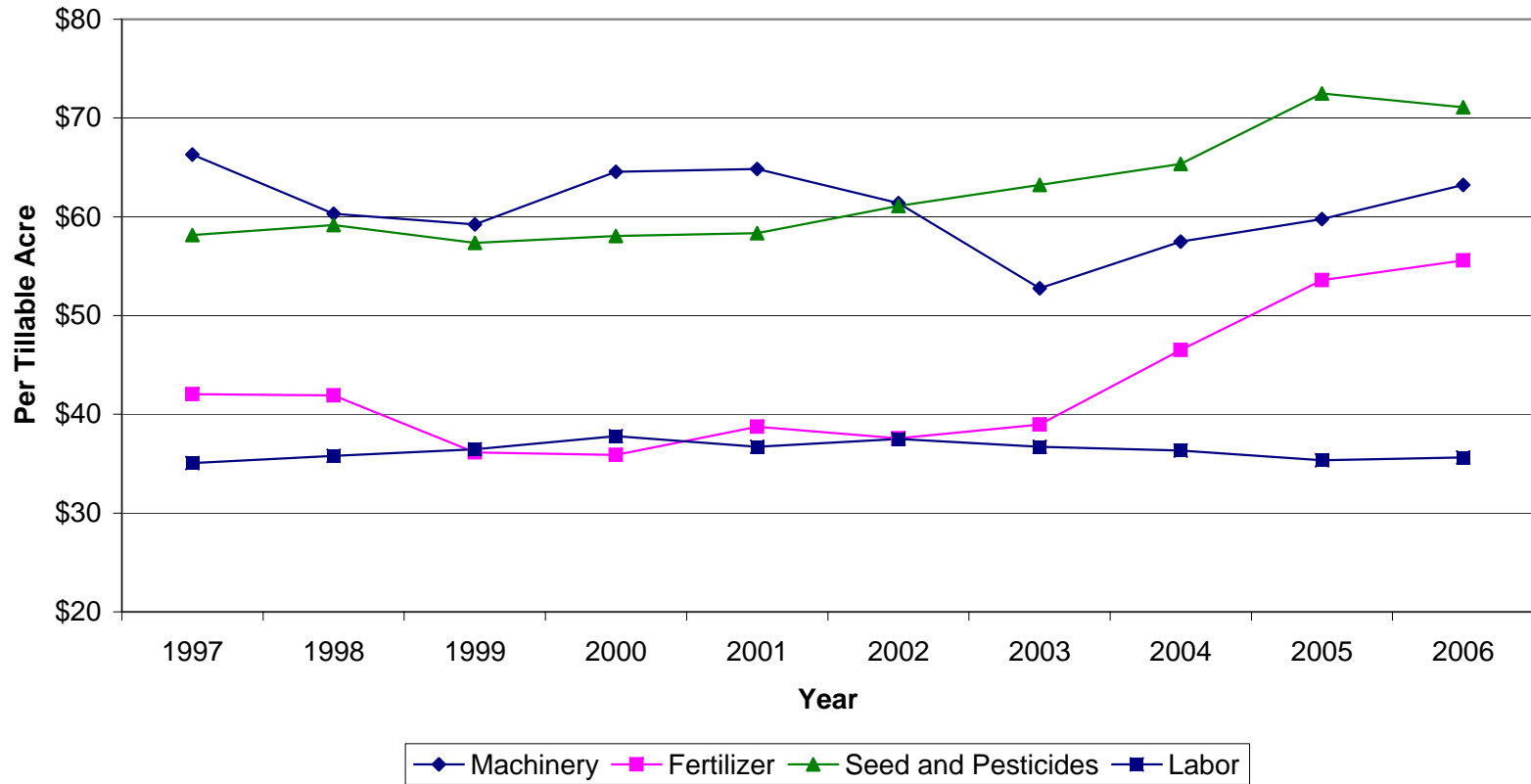
### Costs and Returns per Bushel of Corn, Central Illinois Grain Farms 1997 to 2006



### Costs and Returns per Bushel of Soybeans, Central Illinois Grain Farms 1997 to 2006



### Trends in Selected Operating Costs per Acre, Central Illinois Pure-Grain Farms 1997 to 2006



### Livestock Enterprise Standards of Performance—2006

Farrow-to-Finish Hog Enterprise	Average Farm	High 1/3 Return	Litters Farrowed			Average Farm
			10-149	150-349	350+	
Number of Farms	85	28	32	21	32	5
Pounds of Pork Produced	795,927	1,214,644	176,511	471,896	1,627,989	430,336
Pounds of Pork per Litter	2,147	2,163	2,301	2,048	2,151	214
Total Returns	338,268	545,166	71,522	205,153	692,371	646,550
Value of Feed Fed	185,034	261,443	46,651	119,403	366,487	185,114
Returns per \$100 Feed Fed	183	209	153	172	189	349
Returns above Feed per Litter	413	505	324	372	431	229
Number of Litters Farrowed	371	562	77	230	757	2,011
Pigs Farrowed per Litter	10.18	10.49	9.65	9.59	10.35	10.51
Pigs Weaned per Litter	8.74	9.10	8.37	8.19	8.88	9.51
Weaning Survival Rate %	86	87	87	85	86	91
Litters Farrowed per Female Year	2.03	2.19	1.52	1.78	2.19	2.37
Pigs Weaned per Female Year	18.44	20.05	12.62	14.88	20.61	23.16
Number of Crates	40	53	16	26	65	140
Pigs Weaned per Crate	85.6	99.4	38.6	71.4	97.6	129.4
Death Loss Total—% of Pounds Produced	3.4	2.9	2.3	2.5	3.7	4.5
Weight per Market Hog Sold	264	262	266	261	265	13
Weight per Breeding Hog Sold	479	488	493	452	484	34.33
Price Received / 100 Pounds - Market	45.76	46.74	45.10	47.92	45.42	263.22
Price Received / 100 Pounds - Breeding	33.10	34.66	31.06	33.08	33.49	150.24
Total Return per 100 Pounds Produced	42.50	44.88	40.52	43.47	42.53	43.02
Feed Cost per 100 Pounds Produced	23.25	21.52	26.43	25.30	22.51	6.95
Pounds of Feed per 100 Pounds Produced:						
Farm Grains	251	234	289	257	245	425
Supplement	86	82	79	88	87	194
Total Concentrates	337	316	368	345	332	619
Cost per 100 Pounds of Supplement	14.41	14.03	17.53	16.21	13.75	12.72
Cost per 100 Pounds of Concentrates	6.90	6.82	7.18	7.34	6.78	6.95

Feeder Cattle Enterprise	Average Farm	High 1/3 Return	Purchase Weight			Average Farm
			1-500	500-749	750+	
Number of Farms	129	43	35	68	16	17
Total Pounds Produced	135,018	200,472	54,945	169,304	254,563	450,021
Total Returns	66,293	109,358	30,726	84,731	118,671	124,645
Value of Feed Fed	53,333	63,250	26,298	64,626	92,267	103,304
Returns per \$100 Feed Fed	124	173	117	131	129	121
Average Weight Purchased	657	677	341	623	834	56
Price Paid per 100 Pounds	110.41	108.74	127.08	111.08	107.10	91.13
Price Paid per Head	725	737	433	692	893	50.60
Average Weight Sold	1,272	1,288	1,245	1,254	1,325	265
Price Received per 100 Pounds	85.01	85.68	83.92	84.49	86.33	45.80
Total Return per 100 Pounds	49.10	54.55	55.92	50.05	46.62	27.70
Feed Cost per 100 Pounds	39.50	31.55	47.86	38.17	36.25	22.96
Death Loss: Numbers	5	4	5	5	3	130
Pounds	2,829	2,768	2,172	3,463	2,995	12,094
% of Pounds Produced	2.1	1.4	4.0	2.0	1.2	2.7
Pounds of Feed per 100 Pounds Produced:						
Grain	659	625	662	613	737	162
Supplement	46	35	58	49	30	162
Total Concentrates	704	659	720	662	766	324
Hay & Dry Roughage	66	41	95	69	37	9.87
Corn Silage	290	241	244	297	261	7.42
Other Silage	77	71	28	78	94	7.09
Hay Equivalent—Tons	0.11	0.09	0.12	0.12	0.09	
Cost per 100 Pounds of Supplement	14.41	13.49	19.71	13.38	14.13	
Cost per 100 Pounds of Concentrates	4.50	3.93	5.57	4.60	3.78	

Feeder Pig Producing Enterprise	Average Farm	High 1/3 Return	Purchase Weight		Average Farm
			<20	35+	
Number of Farms			65	17	
Pounds of Pork Produced			1,091,685	450,021	
Pounds of Pork per Litter			355,110	124,645	
Total Returns			213,494	103,304	
Value of Feed Fed			166	121	
Returns per \$100 Feed Fed			13	56	
Average Weight Purchased			255.34	91.13	
Price Paid per 100 Pounds			32.40	50.60	
Price Paid per Pig			266	265	
Average Weight Sold			45.41	45.80	
Price Received per 100 Pounds			32.53	27.70	
Total Return per 100 Pounds			19.56	22.96	
Feed Cost per 100 Pounds			352	130	
Death Loss: Numbers			27,943	12,094	
Pounds			2.6	2.7	
% of Pounds Produced			184	162	
Pounds of Feed per 100 Pounds Produced:			80	162	
Grain			264	324	
Supplement			14.58	9.87	
Total Concentrates			7.42	7.09	
Cost per 100 Pounds of Supplement					
Cost per 100 Pounds of Concentrates					

(table continues on p. 34)

**Livestock Enterprise Standards of Performance—2006 (cont.)**

Beef Cow Enterprise	Pounds of Beef Produced per Cow			High Return <600	Average All Farms	Sheep Enterprise	Average Farm
	<600	600-900	900+				
Number of Farms	71	74	61	23	204	Number of Farms	9
Number of Cows in Herd	58	47	49	83	50	Number of Ewes in Flock	65
Number of Calves Born	52	45	49	77	47	Number of Lambs Born	93
Calving %	88	96	100	93	94	% Lamb Crop	143
Total Pounds Produced	31,001	34,022	54,415	48,445	37,675	Total Pounds Produced	11,779
Total Returns	27,459	26,536	38,421	44,823	29,292	Total Returns	9,034
Value of Feed Fed	19,974	20,079	27,687	26,126	21,485	Value of Feed Fed	7,729
<b>Returns per \$100 Feed Fed</b>	<b>137</b>	<b>132</b>	<b>139</b>	<b>172</b>	<b>136</b>	<b>Returns per \$100 Feed Fed</b>	<b>117</b>
Returns above Feed per Cow	128	136	219	226	155	Returns above Feed per Ewe	20
Pounds of Beef per Cow in Herd	531	718	1,108	586	748	Pounds Produced per Ewe in Flock	181
Death Loss Total—% of Pounds Produced	6.1	5.0	3.7	5.0	4.8	Death Loss Total—% of Pounds Produced	7.5
Market Survival Rate %	91.4	93.5	94.8	92.3	93.2	Market Survival Rate %	
Breeding Survival Rate %	97.8	98.2	98.0	97.9	98.0	Breeding Survival Rate %	93.6
<b>Weight per Market Animal Sold</b>	<b>629</b>	<b>697</b>	<b>1,100</b>	<b>664</b>	<b>773</b>	<b>Weight per Market Animal Sold</b>	<b>134</b>
Price Received / 100 Pounds Sold—Market	106.13	106.96	87.83	103.79	99.71	Price Received / 100 Pounds Sold—Market	99.94
Price Received / 100 Pounds Sold—Breeding	77.17	55.87	57.19	94.08	62.23	Price Received / 100 Pounds Sold—Breeding	65.96
Feed Cost per 100 Pounds Produced	64.43	59.02	50.88	53.93	57.03	Feed Cost per 100 Pounds Produced	65.62
Pounds of Feed per 100 Pounds Produced:						Pounds of Feed per 100 Pounds Produced:	
Grain	144	187	319	193	225	Grain	344
Supplement	38	45	47	36	43	Supplement	104
Total Concentrates	182	232	366	229	268	Total Concentrates	448
Hay & Dry Roughage	806	728	523	635	668	Hay & Dry Roughage	691
Corn Silage	647	523	334	466	494	Other Silage	2
Other Silage	189	27	89	181	76	Pasture Days	4
Pasture Days	34	29	18	30	27	Hay Equiv.	0.39
Pasture Days per Animal Unit	127	150	126	129	135	Pasture Days per Animal Unit	17
Hay Equivalent per Cow—Tons	5.2	5.8	6.3	4.8	5.7	Hay Equivalent per Ewe—Tons	0.7
Cost per 100 Pounds of Concentrates	7.04	6.72	6.05	5.69	6.52	Cost per 100 Pounds of Concentrates	8.19

Dairy Cattle Enterprise	Average Farm	Number of Cows			High 1/3 80-149 Cows
		40-79	80-149	150+	
Number of Farms	90	32	37	12	12
Number of Cows	104.1	55.8	103.3	290.3	109.8
% of Cows Dry	12.3	12.4	12.3	12.4	13.8
Animal Units in Herd	187	100	189	512	204
Total Cwt. of Milk Produced	21,173	10,100	20,620	64,083	23,808
Pounds of Beef Produced	58,285	30,040	57,484	162,367	71,620
Total Returns	326,335	152,421	313,966	1,010,342	375,538
Value of Feed	169,973	90,845	166,495	482,838	160,377
<b>Returns per \$100 Feed Fed</b>	<b>192</b>	<b>168</b>	<b>189</b>	<b>209</b>	<b>234</b>
<b>Returns above Feed per Cow</b>	<b>1,501</b>	<b>1,104</b>	<b>1,428</b>	<b>1,817</b>	<b>1,960</b>
Pounds of Beef per Cow	560	538	557	559	652
Pounds of Milk per Cow	20,331	18,104	19,963	22,073	21,683
Pounds of Butterfat per Cow	745	602	747	822	808
Death Loss: % of Pounds Produced	19.1	30.4	18.1	15.3	13.2
<b>Feed Cost Per Cwt. Milk Equivalent *</b>	<b>7.21</b>	<b>8.05</b>	<b>7.32</b>	<b>6.72</b>	<b>6.01</b>
<b>Price Received for 100 Pounds Milk</b>	<b>13.16</b>	<b>12.81</b>	<b>12.92</b>	<b>13.61</b>	<b>12.89</b>
<b>Price Received for 100 Pounds Beef—Market</b>	<b>109.71</b>	<b>111.43</b>	<b>104.78</b>	<b>117.94</b>	<b>102.81</b>
Pounds of Feed Per Cwt. Milk Equivalent *					
Grain	32	35	28	34	21
Supplement	17	15	18	17	17
Total Concentrates	49	49	46	52	38
Hay & Dry Roughage	20	35	24	9	24
Corn Silage	81	78	78	87	69
Other Silage	50	52	43	57	22
Pasture Days per Animal Unit	12	16	14	7	2
Hay Equiv. per Cow, Tons	8.4	9.2	7.9	8.5	7.0
Cost per 100 Pounds of Supplement	14.58	16.28	14.65	13.75	13.86
Cost per 100 Pounds of Concentrates	7.93	8.11	8.67	7.18	8.63
Dairy Patronage/FSA Payments/Cwt. Milk	0.76	0.77	0.98	0.52	1.30

Enterprise smaller than following not included:  
Hogs..... 10 Litters  
Beef & Dairy..... 10 cows  
Feeder Cattle..... 10,000 lbs produced

Value of Feed Fed Average Grain Prices:  
Corn..... \$2.41  
Oats..... \$2.02  
Wheat..... \$3.60

Commercial Feeds priced at actual cost.  
Hay and Silage priced at Farm Value.  
Pasture charged at \$0.40 per Animal Unit Pasture Day.

\* Milk equivalent equals value of beef produced divided by average price received per cwt. milk plus cwt. of milk produced.

## Livestock Returns above Cost of Feed and Purchased Animals—2002 to 2006

Year	Hogs (per cwt.)	Feeder Pigs (per cwt.)	Feeder Cattle (per cwt.)	Dairy (per cow)	Beef Herd Calves Sold (per cow)
2002 .....	10.68	5.61	10.85	1,370	58
2003 .....	15.25	9.45	37.82	1,480	102
2004 .....	28.62	19.96	27.43	2,029	223
2005 .....	24.32	16.95	23.94	2,196	261
2006 .....	19.25	12.97	9.60	1,501	128
5-Yr. Average .....	19.62	12.99	21.93	1,715	154
Nonfeed Costs, 2001–2005					
Direct Cash .....	8.25	3.60	16.43	780	30
Other Costs .....	<u>8.70</u>	<u>5.60</u>	<u>6.88</u>	<u>715</u>	<u>152</u>
TOTAL .....	16.95	9.20	23.31	1,495	182
Nonfeed Costs—For Future Expansion					
Direct Cash .....	8.50	4.00	16.50	775	30
Other Costs .....	<u>10.00</u>	<u>7.00</u>	<u>7.50</u>	<u>725</u>	<u>170</u>
TOTAL .....	18.50	11.00	24.00	1,500	200

### Cost to Produce Pork, Farms Under 500 Litters—2003 to 2006<sup>1</sup>

Items	2003	2004	2005	2006 Est.
Number of Farms .....	21	19	20	
Tillable Acres .....	476	471	620	
Number of Litters .....	209	262	271	
Total Returns .....	\$37.79	\$56.55	\$46.56	\$43.40
Cash Costs				
Feed .....	\$24.75	\$26.51	\$22.84	\$25.00
Operating Expenses .....				
Maintenance and Power <sup>2</sup> .....	\$4.55	\$4.77	\$4.00	
Livestock Expense .....	2.21	2.52	2.65	
Insurance, Taxes, and Overhead .....	<u>1.20</u>	<u>1.12</u>	<u>1.30</u>	
Total Operating Expenses .....	\$7.96	\$8.41	\$7.95	\$8.00
Total Cash Costs .....	\$32.71	\$34.92	\$30.79	\$33.00
Other Costs				
Depreciation <sup>3</sup> .....	\$1.16	\$1.17	\$0.78	
Labor .....	4.59	3.83	4.59	
Interest Charge on All Capital .....	<u>1.86</u>	<u>2.07</u>	<u>2.29</u>	
Total Other Costs .....	\$7.61	\$7.07	\$7.66	\$7.50
Total Nonfeed Costs .....	\$15.57	\$15.48	\$15.61	\$15.50
Total All Costs .....	\$40.32	\$41.99	\$38.45	\$40.50
Return above All Costs .....	(\$2.53)	\$14.56	\$8.11	\$2.90

<sup>1</sup> Special Summary of Illinois Farm Business Records.

<sup>2</sup> Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

<sup>3</sup> Includes machinery, equipment, and building depreciation.

**Cost to Produce Pork, Farms Over 500 Litters—2003 to 2006<sup>1</sup>**

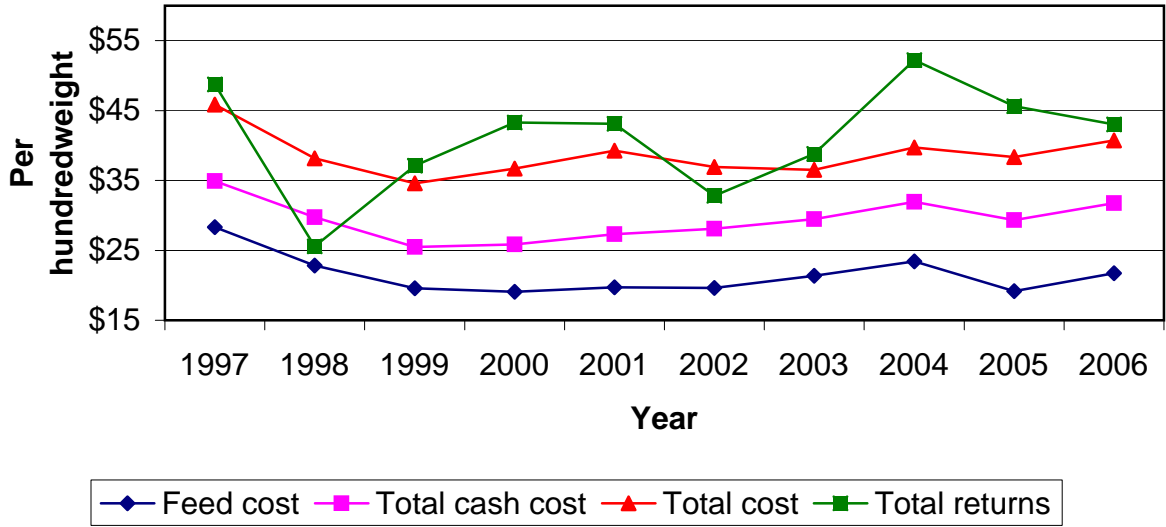
Items	2003	2004	2005	2006 Est.
Number of Farms .....	12	17	10	
Tillable Acres .....	639	538	578	
Number of Litters .....	917	1035	1200	
Total Returns .....	\$38.79	\$52.21	\$45.63	\$43.00
Cash Costs				
Feed .....	\$21.37	\$23.42	\$19.16	\$21.75
Operating Expenses				
Maintenance and Power <sup>2</sup> .....	4.52	4.33	4.56	
Livestock Expense .....	2.68	2.81	3.56	
Insurance, Taxes, and Overhead .....	<u>0.91</u>	<u>1.38</u>	<u>2.07</u>	
Total Operating Expenses .....	\$8.11	\$8.52	\$10.19	\$10.00
Total Cash Costs .....	\$29.48	\$31.94	\$29.35	\$31.75
Other Costs				
Depreciation <sup>3</sup> .....	1.40	1.03	1.05	
Labor .....	4.04	5.10	5.89	
Interest Charge on All Capital .....	<u>1.59</u>	<u>1.66</u>	<u>2.07</u>	
Total Other Costs .....	\$7.03	\$7.79	\$9.01	\$9.00
Total Nonfeed Costs .....	\$15.14	\$16.31	\$19.20	\$19.00
Total All Costs .....	\$36.51	\$39.73	\$38.36	\$40.75
Return above All Costs .....	\$2.28	\$12.48	\$7.27	\$2.25

<sup>1</sup> Special Summary of Illinois Farm Business Records.

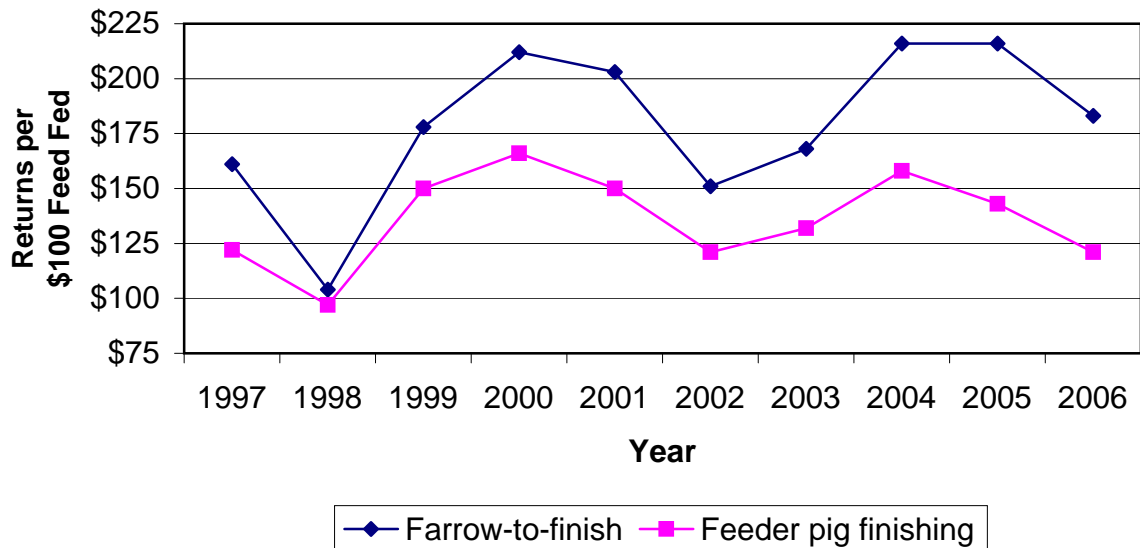
<sup>2</sup> Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

<sup>3</sup> Includes machinery, equipment, and building depreciation.

### Cost and Returns per 100 Pounds of Pork, on Farms Over 350 Litters 1997 to 2006



### Returns per \$100 of Feed Fed for Hog Farms 1997 to 2006



### Cost and Returns for Beef-Feeding Enterprises—2002 to 2006<sup>1</sup>

Items	2002	2003	2004	2005	2006 Est.
Number of Farms .....	10	11	11	11	
Average per Farm					
Tillable Acres .....	537	641	618	523	
Hundredweight Beef Produced .....	3,754	3,995	4,309	3,205	
		<i>-----Per 100 Pounds Produced-----</i>			
Cash Costs					
Feed .....	\$37.73	\$34.65	\$41.19	\$37.36	\$40.50
Operating Expenses					
Maintenance and Power <sup>2</sup> .....	\$5.00	\$5.67	\$5.59	\$6.21	
Livestock Expense .....	4.81	3.86	5.62	3.91	
Insurance, Taxes, and Overhead .....	1.33	1.57	1.57	1.96	
Interest on Cattle .....	<u>4.23</u>	<u>4.21</u>	<u>4.66</u>	<u>6.00</u>	
Total Operating Expenses .....	\$15.37	\$15.31	\$17.44	\$18.08	\$18.25
Total Cash Costs .....	\$53.10	\$49.96	\$58.63	\$55.44	\$58.75
Other Costs					
Depreciation <sup>3</sup> .....	\$1.98	\$2.19	\$2.67	\$2.65	
Labor .....	2.57	3.58	3.87	3.21	
Interest on Other Capital .....	<u>1.52</u>	<u>1.48</u>	<u>1.55</u>	<u>1.43</u>	
Total Other Costs .....	\$6.07	\$7.25	\$8.09	\$7.29	\$7.50
Total All Costs .....	\$59.17	\$57.21	\$66.72	\$62.73	\$66.25
Total Returns .....	<u>\$51.20</u>	<u>\$78.08</u>	<u>\$66.17</u>	<u>\$57.05</u>	<u>\$51.00</u>
Return above All Costs .....	(\$7.97)	\$20.87	(\$0.55)	(\$5.68)	(\$15.25)

<sup>1</sup> Special Summary of Illinois Farm Business Records, Department of Agricultural and Consumer Economics, University of Illinois, Urbana-Champaign.

<sup>2</sup> Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

<sup>3</sup> Includes machinery, equipment, and building depreciation.

### Cost and Returns per 100 Pounds of Milk—2003 to 2006<sup>1</sup>

Items	40–79 Cows				80+ Cows			
	2003	2004	2005	2006 Est.	2003	2004	2005	2006 Est.
Number of Farms .....	31	33	27		28	34	34	
Tillable Acres .....	299	293	282		416	560	560	
Number of Cows .....	58.3	58.3	58.5		119.1	152.3	161.3	
Pounds Milk per Cow .....	19,008	18,211	18,318		19,734	20,711	22,103	
<i>-----Per 100 Pounds of Milk Produced-----</i>								
Price Received <sup>2</sup> .....	\$12.40	\$16.25	\$15.20	\$12.80	\$12.63	\$16.48	\$15.66	\$13.25
<b>Cash Costs</b>								
Feed .....	\$7.21	\$8.01	\$7.43	\$8.00	\$6.66	\$7.22	\$6.36	\$7.00
Operating Expenses <sup>3</sup> .....	1.68	2.03	2.19		1.63	1.90	1.77	
Livestock Expense .....	1.50	1.50	1.74		2.13	2.13	2.24	
Insurance, Taxes, and Overhead .....	<u>0.29</u>	<u>0.34</u>	<u>0.30</u>	_____	<u>0.33</u>	<u>0.33</u>	<u>0.31</u>	_____
Total Operating Expenses .....	\$3.47	\$3.87	\$4.23	\$4.00	\$4.09	\$4.36	\$4.32	\$4.25
Total Operating and Feed .....	\$10.68	\$11.88	\$11.66	\$12.00	\$10.75	\$11.58	\$10.68	\$11.25
<b>Other Costs</b>								
Depreciation .....	\$0.40	\$0.40	\$0.43		\$0.44	\$0.62	\$0.62	
Labor .....	2.29	2.46	2.30		2.03	2.20	2.09	
Interest on All Capital .....	<u>0.58</u>	<u>0.63</u>	<u>0.85</u>	_____	<u>0.68</u>	<u>0.84</u>	<u>1.04</u>	_____
Total Other Costs .....	\$3.27	\$3.49	\$3.58	\$3.70	\$3.15	\$3.66	\$3.75	\$3.90
Total Nonfeed Costs .....	\$6.74	\$7.36	\$7.81	\$7.70	\$7.24	\$8.02	\$8.07	\$8.15
Total All Costs .....	<u>\$13.95</u>	<u>\$15.37</u>	<u>\$15.24</u>	<u>\$15.70</u>	<u>\$13.90</u>	<u>\$15.24</u>	<u>\$14.43</u>	<u>\$15.15</u>
Return above All Costs .....	(\$1.55)	\$0.88	(\$0.04)	(\$2.90)	(\$1.27)	\$1.24	\$1.23	(\$1.90)

<sup>1</sup> Special Summary of Illinois Farm Business Records, Department of Agricultural and Consumer Economics, University of Illinois, Urbana-Champaign.

<sup>2</sup> FSA and patronage payments not included. They may have added \$0.76/cwt. of milk in 2006.

<sup>3</sup> Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

<sup>4</sup> Includes machinery, equipment, and building depreciation.



## *Illinois Farm Business Farm Management Association*

FBFM is a cooperative educational-service program designed to assist farmers with management decision making. It is available to all farm operators in Illinois. There are nine local not-for-profit associations organized to provide services throughout the state. The FBFM program provides:

- Financial and production business analysis reports.
- Experienced Farm Analysis Specialist to help interpret analysis reports and counsel on management problems.
- Computer-assisted record-processing options—on-farm or service center.
- Assistance with business and family records.
- Assistance with income tax management.

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To find out more about FBFM, contact the Illinois FBFM Association state office or one of the local associations listed below.

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Visit our Web site at  
<http://www.fbfm.org>

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For U of I farm management information see  
<http://www.farmdoc.uiuc.edu>