

Advance Report

FARM INCOME & PRODUCTION COSTS

for

2008



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April 2009



UNIVERSITY OF ILLINOIS
EXTENSION

Commercial Farms

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

Farm Income and Production Costs

for 2008:

Advance Report

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; Bradley Zwilling, Farm Business Analyst & Data Processing Specialist; and Dwight D. Raab, State Coordinator, Illinois FBFM Association, for use by FBFM field staff at meetings held in March 2009 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 *84th Annual Summary of Illinois Farm Business Records for 2008*.

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.

Urbana, Illinois

April 2009

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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 5.5 percent interest on equity capital (2.30 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 2008

Average farm operator returns for labor and management on 2,572 Illinois farms was significantly higher in southern Illinois and similar to the year before for many other geographic areas in the state in 2008 compared to 2007 and above the average for the last five years. The average return to the operator's labor and management income in 2008 was \$175,558. The 2008 returns were \$4,051 above the 2007 average of \$171,507 and \$68,243 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 \$36,332. Combining this amount with the return to the operator's labor and management resulted in average operator net farm income of \$211,890. Like 2007, excellent corn yields, good soybean yields along with continued high grain prices were the main reasons for the higher incomes and helped offset higher costs. All livestock enterprises suffered from higher feed costs. Hog returns were lower due to higher feed costs and stable product prices. Returns to dairy enterprises were lower even with relatively high milk prices due to the higher feed costs. Continued high grain prices resulted in minimum farm program payments. Thus, total government payments received in 2008 by producers were at one of their lowest levels since 1996. Farm earnings were highest in the west central and western areas of the state. Earnings were lowest in the northern part of the state.

Corn yields were slightly above the excellent yields recorded the year before. Corn yields were 5 bushels per acre higher in 2008 compared to yields recorded in 2007. Soybean yields were 1 bushel per acre higher than in 2007. The average corn yield on the 2,572 farms was 194 bushels per acre. Soybean yields averaged 51 bushels per acre. Corn and soybean yields were generally highest in the central and western parts of the

state. Too much rainfall lowered yields in certain parts of the state, including east central Illinois. The average corn yield was the highest on record and the average soybean yield was tied for the third highest. Year-end inventory price for the 2008 corn crop of \$3.50 per bushel was 25 cents per bushel lower than a year earlier. Soybeans were inventoried at \$9.00 per bushel, \$1.00 lower than December 31, 2007. The average sales price received for the 2007 corn and soybean crop sold in 2008 was above their inventory price resulting in a positive marketing margin. Crop returns averaged \$749 per tillable acre, \$92 per acre higher than the 2007 crop returns. The average crop returns per acre were at an all time high.

Return above feed cost to all livestock enterprises was lower than the year before, mainly due to higher feed costs. Also, returns to all five enterprises in 2008 were below the last five-year average. All livestock enterprises experienced significantly higher feed costs in 2008 compared to 2007. Mainly due to the higher feed costs, returns for farrow-to-finish hog producers were estimated to be about \$13 to \$16 per hundredweight below the breakeven level in covering total costs in 2008. Even with relatively high milk prices, dairy producers experienced lower returns due to higher feed costs, \$1,775 returns above feed per cow in 2008 compared to \$2,360 in 2007. Milk prices were 1 percent higher compared to the year before. Returns to feeder cattle enterprises were lower than the year before and the lowest for any year in the last five years. Prices received for market cattle were similar to the year before, while prices paid in 2008 for replacement cattle were below the year before. Returns above feed per cow decreased for beef cow enterprises due to higher feed costs. Returns were the lowest for any year during the last five years.

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 2008 was \$23,924, down \$1,674 from 2007. On a per-acre basis, interest paid has decreased from \$23 in 2000 to \$17 in 2004 but increased to \$23 in 2008. Interest paid as a percentage of gross farm returns was 4.2 percent in 2008 compared to 4.6 percent in 2007.

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 \$44.60 per hundredweight in 2008 compared to \$40.17 the year before. Feed costs increased, averaging \$38.76 per hundredweight. The average price received per hundredweight for slaughter cattle was almost identical to the year before while the price paid for replacement feeder cattle was lower than the year before. Dairy returns were lower due to higher feed costs. The price received for milk was almost the same as the year before.

Total economic costs per acre to produce corn and soybeans in 2008 increased as compared

to 2007 in all areas of the state. The main factors for the increase in per acre costs were due to higher fertilizer, seed, drying, machinery, insurance and land costs. Cost per bushel to produce corn increased in all areas of the state due to higher costs per acre. Cost per bushel to raise soybeans increased in all areas of the state except southern Illinois primarily because of the higher per acre costs. Soybean yields were 1 bushel per acre lower in northern and central Illinois with the higher rated soils, 2 bushels per acre lower in central Illinois with the lower rated soils and 11 bushels per acre higher in southern Illinois. Total economic costs per acre to raise corn and soybeans on these farms averaged \$647 and \$477, respectively.

From a sample of pure grain farms in the state, the total economic cost per bushel of corn produced was \$3.34 with an average yield of 194 bushels per acre. The total cost per bushel of soybeans was \$9.35 with an average yield of 51 bushels per acre. This compared with costs per bushel of \$2.85 and \$8.16 for corn and soybeans, respectively, in 2007. Even with the record high yield, this was the highest cost per bushel to grow corn since 1988. The 2008 cost to grow soybeans was above the last five-year and ten-year average and the highest cost per bushel since this study began in 1972. The variation in yields and costs the past few years makes it important to analyze these costs over more than one year. The 2004-08 five-year average to produce corn and soybeans on these farms is \$2.87 per bushel for corn and \$7.49 per bushel for soybeans.

In summary, farm earnings in 2008 were similar to 2007 earnings and considerably above the average for the last five years. Excellent corn yields, good soybean yields along with high grain prices were the main reasons for the higher incomes and helped offset higher costs. Livestock returns were lower for all enterprises primarily due to high feed costs.

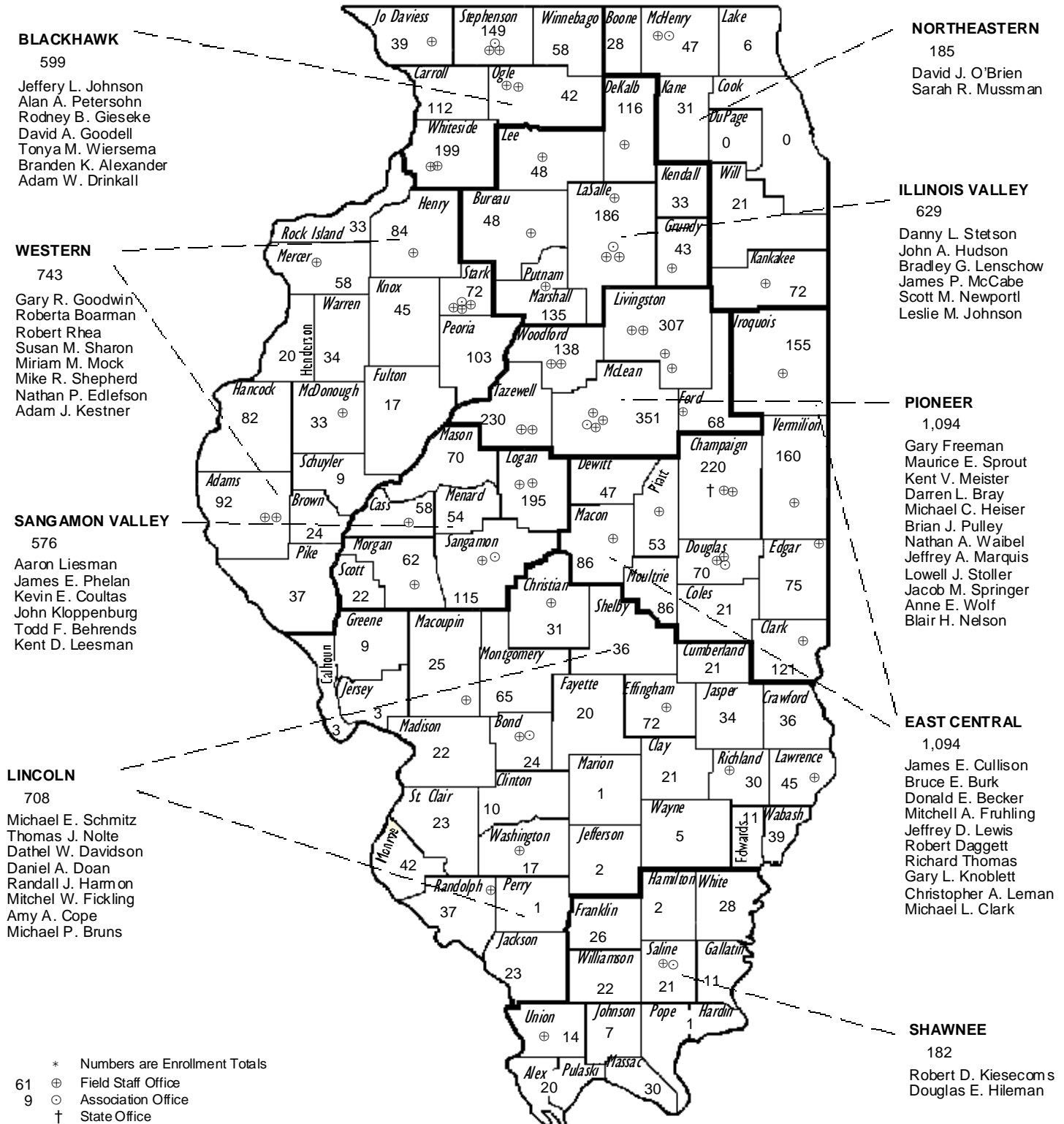
ILLINOIS FARM BUSINESS FARM MANAGEMENT ASSOCIATION

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--5,810 cooperating farmers and 61 member field staff*
 July 1, 2008, distribution of cooperators by counties and associations

Associations and Field Staff

Associations and Field Staff



* Numbers are Enrollment Totals
 61 ⊕ Field Staff Office
 9 ○ Association Office
 † State Office

OFFICIAL ENROLLMENT
 July 1, 2008

**Average Size, Income, Returns, and Costs on Illinois FBFM Record-Keeping Farms
by Type of Farm—2004 to 2008***

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			
			\$	\$	\$	\$	\$
All Farms							
2008	2,572	1,049	211,890	175,558	749	10	143
2007	2,748	1,019	209,012	171,507	657	20	126
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
Grain Farms							
2008	2,317	1,104	225,802	188,614	749	0	133
2007	2,471	1,072	220,797	183,038	657	5	116
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
Hog Farms							
2008	60	916	79,684	43,585	803	157	289
2007	77	764	96,892	52,330	696	271	296
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
Dairy Farms							
2008	71	369	88,806	54,437	722	502	538
2007	58	416	166,276	117,024	609	631	460
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
Beef Farms							
2008	31	431	51,340	20,444	666	39	258
2007	24	534	97,537	55,150	590	136	247
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

*In 2008, 90% of the farms were classified as grain, 2% as hog, 3% as dairy, 1% as beef, and 4% 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—2005 to 2008**

	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>							
Operator's Share of Net Farm Income														
2008	\$212,207	\$55,936	\$73,667	\$73,287	\$193,691	\$259,282	\$176,614	\$84,622	\$224,305	\$240,126	\$86,831	(\$15,021)	\$190,679	\$227,069
2007	\$214,948	\$86,566	\$83,052	\$165,682	\$205,517	\$268,116	\$186,267	\$110,038	\$231,268	\$157,906	\$74,579	\$169,962	\$176,990	\$155,453
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
Corn Yields														
2008	196	195	181	176	194	199	190	202	196	165	189	147	173	166
2007	191	193	182	162	189	199	185	196	194	141	164	153	134	142
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
Crop Returns per Tillable Acre														
2008	\$764	\$788	\$671	\$741	\$760	\$770	\$706	\$804	\$749	\$635	\$706	\$292	\$628	\$630
2007	\$681	\$711	\$635	\$626	\$678	\$701	\$639	\$698	\$678	\$486	\$548	\$454	\$492	\$489
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
Livestock Returns above Feed Cost per Tillable Acre														
2008	(\$2)	\$87	\$38	\$564	\$44	\$1	(\$1)	\$149	\$6	(\$2)	\$114	\$17	\$339	\$15
2007	\$6	\$214	\$108	\$701	\$51	\$4	\$4	\$336	\$18	\$1	\$99	\$135	\$453	\$27
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
Return per \$1.00 of All Costs														
2008	\$1.21	\$0.97	\$0.96	\$0.98	\$1.18	\$1.31	\$1.24	\$1.01	\$1.27	\$1.26	\$1.02	\$0.46	\$1.15	\$1.23
2007	\$1.29	\$1.00	\$1.00	\$1.15	\$1.27	\$1.40	\$1.31	\$1.03	\$1.35	\$1.14	\$0.92	\$1.11	\$1.16	\$1.13
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

* Average size of farm in 2008 is 933 tillable acres for northern Illinois, 1,113 for central, and 1,228 for southern.

**Net Farm Income and Other Selected Factors
Illinois FBFM Association—2008¹**

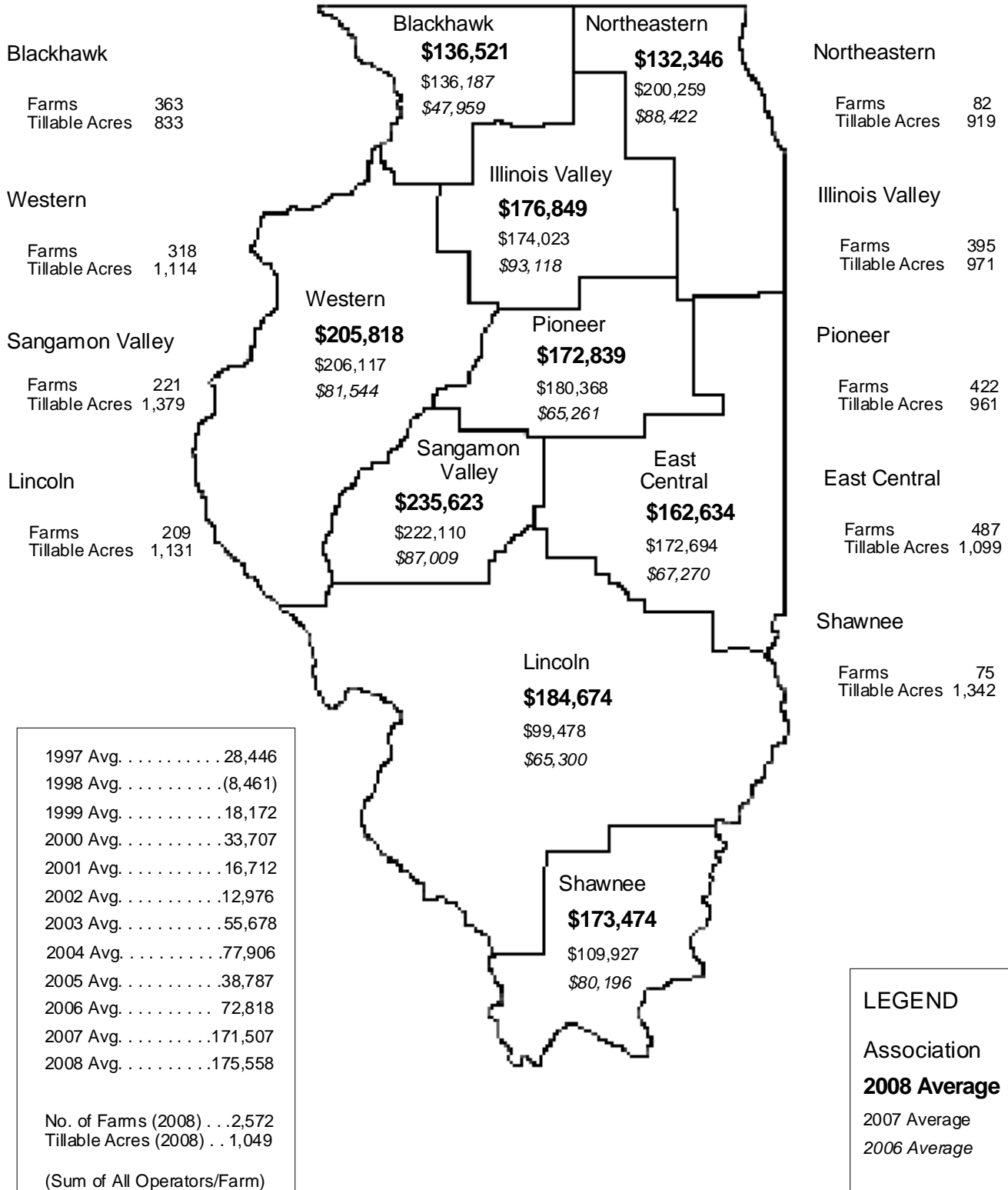
	Black-hawk	East Central	Illinois Valley	Lincoln	North-eastern	Pioneer
Number of Farms	363	487	395	209	82	422
Tillable Acres	833	1,099	971	1,131	919	961
Corn Yield	188	183	206	166	182	200
Soybean Yield	47	51	52	49	46	53
Crop Returns/TA	\$768	\$719	\$806	\$655	\$696	\$763
Income before Depreciation	\$203,094	\$226,472	\$248,070	\$263,225	\$191,596	\$237,440
Depreciation	35,123	33,240	34,787	42,823	27,387	29,466
Net Farm Income	167,971	193,232	213,283	220,402	164,209	207,974
Capital Purchases	\$87,333	\$80,085	\$85,253	\$86,511	\$83,704	\$81,220
Interest Paid	33,919	18,729	23,605	23,746	21,393	15,524

	Sangamon Valley	Shawnee	Western	2008 State Average	2007 State Average
Number of Farms	221	75	318	2,572	2,748
Tillable Acres	1,379	1,342	1,114	1,049	1,019
Corn Yield	199	171	205	194	189
Soybean Yield	53	48	53	51	50
Crop Returns/TA	\$771	\$624	\$788	\$749	\$657
Income before Depreciation	\$327,393	\$256,707	\$291,023	\$247,698	\$237,629
Depreciation	44,215	41,424	40,598	35,808	28,616
Net Farm Income	283,178	215,283	250,425	211,890	209,013
Capital Purchases	\$119,382	\$96,980	\$110,711	\$90,381	\$62,951
Interest Paid	25,770	23,388	31,626	23,924	25,598

¹ Sum of all operators per farm.

Illinois FBFM Association

Operators' Share of Labor and Management Income per Farm—2006, 2007, and 2008
(Sum of All Operators/Farm)

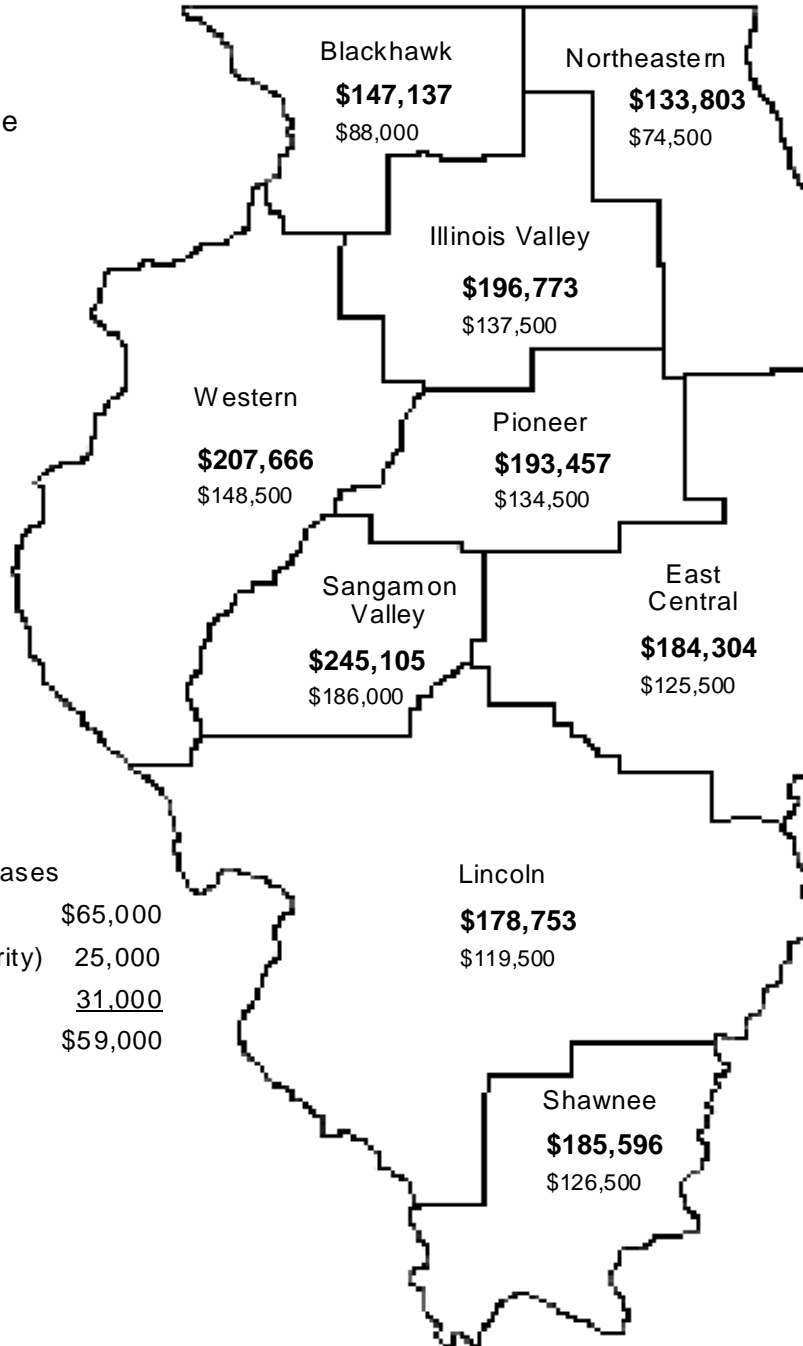


Illinois FBFM Association
Net Farm Income per Operator and
Estimated Change in Net Worth After Living Expenses and Taxes—2008

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

Average Net Farm Income
per Operator

\$188,564
\$129,500



Net Draw Against Net Worth Increases	
Living Cost	\$65,000
Taxes (Income & Social Security)	25,000
Net Nonfarm Income	<u>31,000</u>
TOTAL	\$59,000

All figures are cost basis.

Capital Debt Repayment Capacity (CDRC), Illinois Farm Operators—2004 to 2008

	2004	2005	2006	2007	2008
Net Farm Income	\$97,514	\$62,940	\$103,303	\$209,012	\$211,890
+ Net Nonfarm Income ¹	27,280	27,810	29,614	31,668	30,913
- Family Living ²	(52,695)	(52,457)	(53,717)	(59,771)	(65,417)
- Income & Social Security Taxes ²	<u>(7,387)</u>	<u>(9,316)</u>	<u>(9,226)</u>	<u>(9,868)</u>	<u>(14,193)</u>
Change in Net Worth ³	\$64,712	\$28,977	\$69,974	\$171,041	\$163,193
+ Depreciation	<u>\$22,523</u>	<u>\$23,749</u>	<u>\$26,240</u>	<u>\$28,616</u>	<u>\$35,808</u>
Funds Available for Debt Repayment	\$87,235	\$52,726	\$96,214	\$199,657	\$199,001
Capital Purchases	\$50,163	\$44,110	\$45,659	\$62,951	\$90,381
Cash Interest Paid	\$16,427	\$18,268	\$22,373	\$25,598	\$23,924

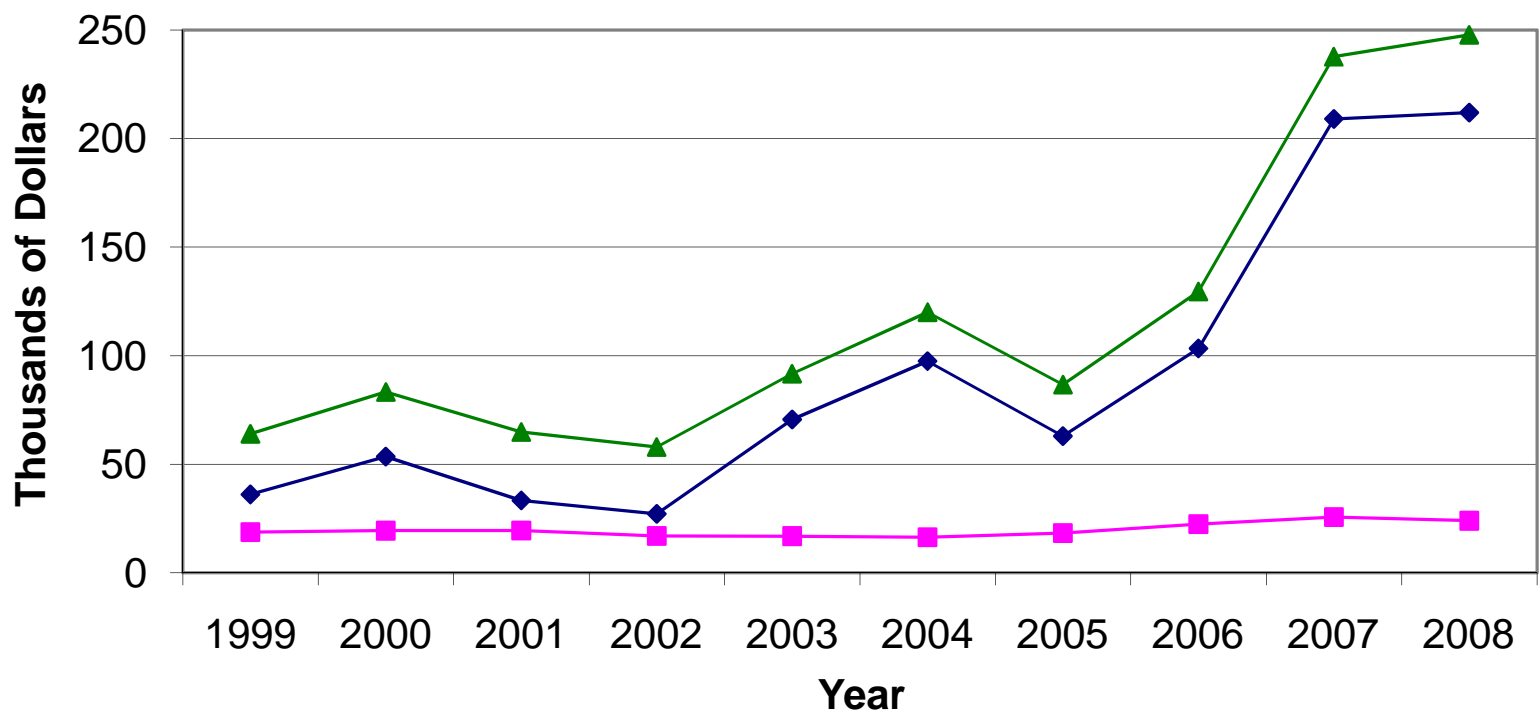
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¹ Actual net nonfarm income received.

² Actual amounts less 10 percent used.

³ Cost basis—no change in land value included.

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



Selected Financial Factors, Operator Only—2008

Item	Farm Type				
	Grain	Hog	Dairy	Beef	All
Number of Farms	2,317	60	71	31	2,572
Tillable Acres	1,104	916	369	431	1,049
Gross Farm Returns/Operator Acre	\$766	\$1,006	\$1,254	\$716	\$777
Total Nonfeed Costs/Operator Acre	\$596	\$1,006	\$1,222	\$748	\$614
Management Returns/Operator Acre	\$174	\$4	\$37	(\$31)	\$167
Net Farm Income per Operator	\$201,950	\$46,142	\$69,363	\$42,740	\$188,564
Labor & Management Income per Operator	\$168,646	\$25,400	\$41,326	\$14,523	\$156,395
Capital Purchases	\$94,057	\$73,689	\$72,320	\$46,971	\$90,381
Farm Production per Man Year	\$599,080	\$348,306	\$185,039	\$225,464	\$564,602
Production per \$1.00 Nonfeed Costs	\$1.29	\$1.00	\$1.03	\$0.96	\$1.27
Percent of Farm Production					
Cash Operating Expenses	62.3	84.2	72.9	72.1	63.1
Depreciation	4.5	5.4	7.0	7.5	4.6
Operator Income	33.2	10.3	20.1	20.3	32.3

Selected FBFM Factors, Operator Only—1999 to 2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Farms	3,195	3,143	3,072	3,165	3,018	3,015	2,940	2,640	2,748	2,572
Total Acres	885	902	934	947	974	1,010	1,027	1,058	1,070	1,101
Tillable Acres	833	850	879	895	923	959	977	1,005	1,019	1,049
Corn Yield	150	156	159	145	172	184	148	173	189	194
Soybean Yield	47	47	48	47	38	53	51	52	50	51
Wheat Yield	62	62	64	52	69	63	64	69	58	67
% Tillable Land in Corn/Corn Silage	49	49	49	49	50	52	54	52	60	56
Total Cash Operating Income	\$263,153	\$277,733	\$296,275	\$276,889	\$316,260	\$367,239	\$374,808	\$389,786	\$482,852	\$638,147
Crop and Livestock Inventory Change	(3,603)	14,988	(529)	3,569	22,837	22,141	403	67,785	119,507	46,071
Misc. Income and Change in Acct. Rec.	929	316	(1,632)	1,562	(1,915)	6,866	5,327	(14,757)	2	9,394
Less: Purchased Feed and PIK Certs.	(13,347)	(14,838)	(15,421)	(14,730)	(16,709)	(19,389)	(14,536)	(13,913)	(18,802)	(21,639)
Purchased Livestock	<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>	<u>(15,694)</u>	<u>(14,064)</u>
Gross Farm Returns	\$235,213	\$263,961	\$262,898	\$253,537	\$305,223	\$360,623	\$349,889	\$414,606	\$567,865	\$657,909
Total Operating Expense	\$172,515	\$182,254	\$199,804	\$197,181	\$215,539	\$242,942	\$266,019	\$288,076	\$333,564	\$414,021
Income before Depreciation	62,698	81,707	63,094	56,356	89,684	117,681	83,870	126,530	234,301	243,888
Less Depreciation (Plus Capital Acct. Adj.)	<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>20,930</u>	<u>23,227</u>	<u>25,289</u>	<u>31,998</u>
Net Farm Income	\$36,119	\$53,541	\$33,396	\$27,204	\$70,640	\$97,514	\$62,940	\$103,303	\$209,012	\$211,890
Net Farm Income as % GFR	15.4	20.3	12.7	10.7	23.1	27.0	18.0	24.9	36.8	32.2
Operator's Labor and Mgmt. Income	\$18,172	\$33,707	\$16,712	\$12,976	\$55,678	\$77,906	\$38,787	\$72,818	\$171,507	\$175,558
Interest Expense	\$18,774	\$19,416	\$19,491	\$16,994	\$16,921	\$16,427	\$18,268	\$22,373	\$25,598	\$23,924
Interest Expense as % of GFR	8.0	7.4	7.4	6.7	5.5	4.6	5.2	5.4	4.5	3.6
Gross Farm Returns/Tillable Acre	\$282	\$311	\$299	\$283	\$331	\$376	\$358	\$413	\$557	\$627
Total Operating Expense/Tillable Acre	\$207	\$214	\$227	\$220	\$234	\$253	\$272	\$287	\$327	\$395
Depreciation/Tillable Acre	\$32	\$33	\$34	\$33	\$21	\$21	\$21	\$23	\$25	\$31
Net farm Income/Tillable Acre	\$43	\$63	\$38	\$30	\$77	\$102	\$64	\$103	\$205	\$202
Total Investment										
Crops and Feed	\$133,190	\$135,015	\$143,355	\$143,976	\$155,083	\$177,242	\$186,107	\$221,028	\$310,853	\$392,252
Livestock (Market & Breeding Stock)	24,086	26,820	30,224	27,521	27,223	32,553	32,868	29,190	31,374	30,520
Machinery (Book Value)	54,146	54,210	56,272	54,580	61,487	76,887	91,374	104,476	122,725	158,305
Buildings (Book Value)	22,111	22,253	23,038	23,259	26,135	27,768	31,713	34,476	37,501	45,191
Land	<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>	<u>821,007</u>	<u>942,781</u>
Total	\$708,716	\$721,446	\$763,986	\$793,345	\$834,206	\$951,513	\$1,040,533	\$1,118,202	\$1,323,460	\$1,569,049

Financial Characteristics of Illinois FBFM Grain Farms

	2008	2007	2006	2005	4-Year Average	My Farm
Number of Farms	2,323	2,443	2,254	2,383	2,351	
Liquidity						
Working Capital	\$356,897	\$288,994	\$181,573	\$132,178	\$239,911	
Current Ratio						
Upper Quartile	NA	5.79	4.58	3.80	4.72	
Median	2.54	2.38	1.86	1.68	2.12	
Solvency						
Net Worth (Market)	\$1,650,043	\$1,474,834	\$1,241,174	\$1,107,418	\$1,368,367	
Debt/Equity Ratio (%)						
Upper Quartile	NA	12.0	13.7	15.0	13.6	
Median	28.9	30.4	35.0	37.7	33.0	
Debt/Total Asset Ratio (%)						
Upper Quartile	NA	10.8	12.2	13.2	12.1	
Median	22.5	23.6	26.1	27.4	24.9	
Profitability						
Net Farm Income	\$194,975	\$189,000	\$91,431	\$53,846	\$132,313	
Return on Farm Assets (%)						
Upper Quartile	NA	21.0	10.2	6.8	12.7	
Median	10.6	13.2	6.2	3.2	8.3	
Return on Farm Equity (%)						
Upper Quartile	NA	30.8	13.8	8.2	17.6	
Median	12.9	16.2	6.4	2.6	9.5	
Repayment Capacity						
Debt/Farm Operating Income	2.57	2.05	4.09	6.24	3.74	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	NA	1.7	2.2	2.1	2.0	
Median	2.8	3.8	4.7	4.6	4.0	
Operating Expense Ratio						
Upper Quartile	NA	44.6	54.5	60.9	53.3	
Median	57.2	51.5	62.5	69.5	60.2	
Depreciation Expense Ratio						
Upper Quartile	NA	3.0	3.6	3.8	3.5	
Median	5.0	4.6	5.6	6.1	5.3	
Farm Operating Income Ratio						
Upper Quartile	NA	48.0	35.5	28.7	37.4	
Median	33.8	39.7	26.5	18.6	29.7	
Asset Turnover Ratio						
Upper Quartile	NA	0.59	0.48	0.44	0.50	
Median	0.38	0.38	0.31	0.29	0.34	

NA = not available yet.
Preliminary data for 2008

Financial Characteristics of Illinois FBFM Hog Farms

	2008	2007	2006	2005	4-Year Average	My Farm
Number of Farms	50	60	61	74	61	
Liquidity						
Working Capital	\$222,014	\$225,750	\$199,690	\$209,222	\$214,169	_____
Current Ratio						
Upper Quartile	NA	3.98	5.75	5.02	4.92	_____
Median	1.81	1.66	1.92	1.73	1.78	
Solvency						
Net Worth (Market)	\$1,545,410	\$1,640,487	\$1,251,418	\$1,239,313	\$1,419,157	_____
Debt/Equity Ratio						
Upper Quartile	NA	12.6	12.3	17.8	14.2	_____
Median	48.4	46.1	50.5	49.5	48.6	
Debt/Total Asset Ratio						
Upper Quartile	NA	12.8	12.7	15.7	13.7	_____
Median	32.6	33.2	34.4	33.6	33.5	
Profitability						
Net Farm Income	\$66,031	\$82,022	\$85,620	\$95,307	\$82,245	_____
Return on Farm Assets						
Upper Quartile	NA	10.7	9.8	8.8	9.8	_____
Median	3.2	5.2	4.9	4.8	4.5	
Return on Farm Equity						
Upper Quartile	NA	11.6	11.0	12.3	11.6	_____
Median	2.2	3.8	4.3	4.6	3.7	
Repayment Capacity						
Debt/Farm Operating Income	12.94	5.43	5.03	5.06	7.1	_____
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	NA	3.3	2.4	2.2	2.6	_____
Median	5.5	6.8	6.3	5.4	6.0	
Operating Expense Ratio						
Upper Quartile	NA	53.1	56.9	55.1	55.0	_____
Median	70.7	65.0	63.2	63.7	65.7	
Depreciation Expense Ratio						
Upper Quartile	NA	4.1	4.1	3.7	4.0	_____
Median	6.8	6.7	6.1	6.1	6.4	
Farm Operating Income Ratio						
Upper Quartile	NA	33.0	32.5	32.6	32.7	_____
Median	13.6	18.8	20.3	25.3	19.5	
Asset Turnover Ratio						
Upper Quartile	NA	0.42	0.42	0.43	0.42	_____
Median	0.30	0.27	0.27	0.31	0.29	

NA = not available yet.

Preliminary data for 2008

Financial Characteristics of Illinois FBFM Beef Farms

	2008	2007	2006	2005	4-Year Average	My Farm
Number of Farms	28	19	23	25	24	
Liquidity						
Working Capital	\$232,970	\$188,407	\$176,536	\$227,510	\$206,356	
Current Ratio						
Upper Quartile	NA	5.87	5.35	4.86	5.36	
Median	1.82	2.15	1.81	1.68	1.87	
Solvency						
Net Worth (Market)	\$1,584,965	\$1,348,433	\$1,258,334	\$1,469,791	\$1,415,381	
Debt/Equity Ratio						
Upper Quartile	NA	14.9	13.3	7.3	11.8	
Median	34.0	30.4	56.6	22.4	35.9	
Debt/Total Asset Ratio						
Upper Quartile	NA	13.0	11.7	6.8	10.5	
Median	25.3	23.3	36.1	18.3	25.8	
Profitability						
Net Farm Income	\$44,381	\$51,940	\$48,574	\$50,800	\$48,924	
Return on Farm Assets						
Upper Quartile	NA	5.4	5.5	6.8	5.9	
Median	0.8	1.3	2.0	2.9	1.8	
Return on Farm Equity						
Upper Quartile	NA	4.7	13.8	7.4	8.6	
Median	(0.4)	0.1	(0.2)	1.5	0.3	
Repayment Capacity						
Debt/Farm Operating Income	8.39	10.45	9.63	9.80	7.65	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	NA	3.0	2.1	2.1	2.4	
Median	5.1	8.7	9.0	6.1	7.2	
Operating Expense Ratio						
Upper Quartile	NA	62.7	56.1	55.1	58.0	
Median	68.0	64.8	67.1	66.1	66.5	
Depreciation Expense Ratio						
Upper Quartile	NA	4.8	6.3	5.0	5.4	
Median	9.1	7.4	8.1	6.6	7.8	
Farm Operating Income Ratio						
Upper Quartile	NA	26.2	28.2	31.3	28.6	
Median	18.7	18.5	14.6	22.6	18.6	
Asset Turnover Ratio						
Upper Quartile	NA	0.35	0.29	0.31	0.32	
Median	0.18	0.17	0.21	0.19	0.19	

NA = not available yet.

Preliminary data for 2008

Financial Characteristics of Illinois FBFM Dairy Farms

	2008	2007	2006	2005	4-Year Average	My Farm
Number of Farms	67	67	60	69	66	
Liquidity						
Working Capital	\$77,897	\$88,151	\$55,772	\$60,367	\$70,547	
Current Ratio						
Upper Quartile	NA	4.59	3.28	3.59	3.82	
Median	1.58	1.83	1.37	1.65	1.61	
Solvency						
Net Worth (Market)	\$1,017,705	\$954,331	\$920,913	\$847,422	\$935,093	
Debt/Equity Ratio						
Upper Quartile	NA	12.0	22.4	18.7	17.7	
Median	42.0	35.0	36.8	38.5	38.1	
Debt/Total Asset Ratio						
Upper Quartile	NA	12.3	18.3	15.8	15.5	
Median	30.5	26.6	26.9	27.8	28.0	
Profitability						
Net Farm Income	\$51,341	\$123,807	\$55,766	\$80,367	\$77,820	
Return on Farm Assets						
Upper Quartile	NA	15.7	6.5	12.0	11.4	
Median	3.6	9.2	3.6	6.1	5.6	
Return on Farm Equity						
Upper Quartile	NA	23.2	7.2	15.2	15.2	
Median	2.2	9.6	1.9	6.5	5.1	
Repayment Capacity						
Debt/Farm Operating Income	7.85	3.26	5.44	4.01	5.14	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	NA	2.1	3.9	2.5	2.8	
Median	6.7	4.8	6.5	5.1	5.8	
Operating Expense Ratio						
Upper Quartile	NA	44.8	54.5	49.4	49.6	
Median	66.3	52.5	61.3	61.8	60.5	
Depreciation Expense Ratio						
Upper Quartile	NA	2.8	4.5	3.6	3.6	
Median	6.7	4.7	6.5	5.4	5.8	
Farm Operating Income Ratio						
Upper Quartile	NA	45.9	32.7	39.0	39.2	
Median	20.4	34.1	25.7	27.2	26.9	
Asset Turnover Ratio						
Upper Quartile	NA	0.58	0.35	0.45	0.46	
Median	0.33	0.37	0.27	0.29	0.32	

NA = not available yet.

Preliminary data for 2008

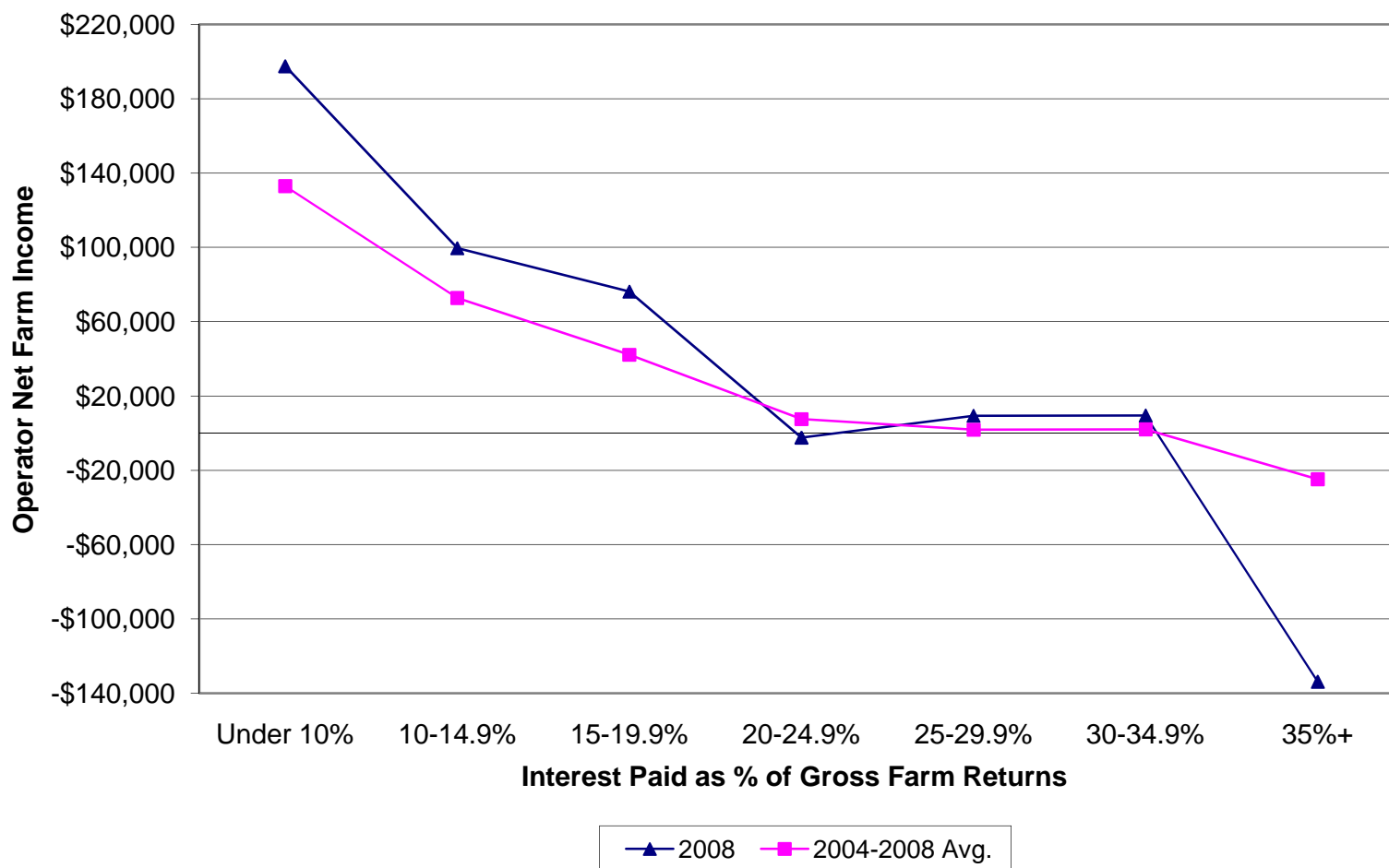
Illinois FBFM Association Farms by Interest Paid as Percent of Gross Farm Returns—1999 to 2008¹

		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	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
	2007	3,186	246	68	29	22	6	20	3,577
2008	3,156	162	50	25	17	6	17	3,433	
Percent of farms	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
	2007	89	7	2	1	1	*	*	100
2008	92	5	1	1	1	*	*	100	
Net Farm Income	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
	2007	198,434	118,615	62,366	9,852	11,411	4,922	9,788	186,299
2008	197,565	99,576	76,263	(2,408)	9,396	9,564	(133,728)	186,817	
Average Operator Interest Paid and Interest Paid as % of Gross Farm Returns - All Farms									
1999—\$17,796	8.2%	2001—\$18,200	7.4%	2003—\$15,613	5.5%	2005—\$16,845	5.2%	2007—\$23,372	4.6%
2000—\$18,432	7.6%	2002—\$16,356	6.7%	2004—\$15,126	4.6%	2006—\$20,627	5.1%	2008—\$22,456	4.2%

¹ 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



Illinois FBFM Management Returns per Tillable Acre by Farm Type¹

	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
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	(119)	(42)	44	63	12	(157)	105	34
2007	211	38	43	200	156	135	(6)	79
2008 ²	3	12	6	189	164	(373)	32	150

¹ 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.

² Estimated from preliminary data.

Summary of Farm and Family Sources and Uses of Dollars—1998 to 2008

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Families	912	938	1,087	1,175	1,216	1,102	1,225	1,209	1,196	1,232	1,176
Total Tillable Operator Acres	554	581	591	596	623	668	699	694	725	729	745
Net Farm Income	\$10,292	\$38,091	\$49,960	\$29,678	\$32,168	\$66,290	\$93,704	\$55,030	\$94,756	\$193,675	\$194,207
SOURCES OF DOLLARS											
Nontaxable Receipts	\$33,527	\$34,025	\$42,542	\$39,162	\$38,503	\$38,042	\$53,396	\$48,633	\$48,772	\$63,164	\$82,347
Net Nonfarm Income	17,992	19,170	22,424	23,374	24,716	25,919	27,280	27,810	29,614	31,668	30,913
Money Borrowed	181,966	185,424	172,889	194,479	198,884	240,363	246,566	252,685	262,230	306,747	368,663
Total Farm Receipts	<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>	<u>446,952</u>	<u>581,949</u>
TOTAL SOURCE ALL DOLLARS	\$469,879	\$488,575	\$497,921	\$523,437	\$519,682	\$610,281	\$678,569	\$680,585	\$705,328	\$848,531	\$1,063,872
USES OF DOLLARS—FARM											
Interest Paid	\$17,782	\$19,585	\$19,213	\$19,297	\$17,194	\$17,713	\$17,491	\$18,303	\$21,386	\$25,681	\$25,387
Other Farm Expenses	158,153	166,255	174,594	185,154	182,720	218,726	252,258	260,479	265,931	319,035	409,072
Mach. & Bldg. Purchases	<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>	<u>59,969</u>	<u>82,684</u>
TOTAL FARM EXPENDITURES	\$207,008	\$209,072	\$223,684	\$235,008	\$229,613	\$271,730	\$315,905	\$321,277	\$327,346	\$404,685	\$517,143
Principal Payments	\$156,891	\$182,933	\$166,890	\$179,988	\$183,423	\$225,968	\$229,008	\$230,072	\$245,450	\$274,809	\$332,573
Income & Social Security Taxes	13,859	11,046	10,998	11,475	9,867	7,571	8,208	10,351	10,251	10,964	15,770
Savings & Investment	47,327	40,252	48,826	48,866	47,915	52,076	66,885	60,541	62,540	91,829	125,731
LIVING EXPENSES											
Contributions	\$1,489	\$1,448	\$1,597	\$1,567	\$1,454	\$1,583	\$1,816	\$2,058	\$1,888	\$2,303	\$2,667
Medical	5,392	5,613	5,561	5,710	6,335	6,581	7,320	7,433	7,665	8,071	8,328
Life Insurance	2,544	2,575	2,701	2,660	2,590	2,681	2,753	2,900	2,978	3,039	3,202
Expendables	<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>	<u>46,881</u>	<u>50,975</u>
Total Noncapital	\$40,076	\$40,854	\$42,544	\$43,212	\$44,475	\$48,159	\$52,589	\$52,743	\$54,994	\$60,294	\$65,172
Capital	<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>	<u>6,118</u>	<u>7,514</u>
TOTAL LIVING EXPENSE	\$44,790	\$45,225	\$47,526	\$48,097	\$48,855	\$52,908	\$58,549	\$58,285	\$59,686	\$66,412	\$72,686
TOTAL USE ALL DOLLARS	\$469,875	\$488,528	\$497,924	\$523,434	\$519,673	\$610,253	\$678,555	\$680,526	\$705,273	\$848,699	\$1,063,903
Interest as % of Farm Receipts	7.5	7.8	7.4	7.2	6.7	5.8	5.0	5.2	5.9	5.7	4.4
Total Family Living/Opr. TA	\$81	\$78	\$80	\$81	\$78	\$79	\$84	\$84	\$82	\$91	\$98
Nonfarm Income/Opr. TA	<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>	<u>43</u>	<u>41</u>
Net Family Living/Opr. TA	\$48	\$45	\$42	\$41	\$39	\$40	\$45	\$44	\$41	\$48	\$56
Net Farm Cash/Opr. TA	<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>	<u>43</u>	<u>66</u>
Cash Surplus (Deficit)/Opr. TA	(\$20)	\$7	\$0	(\$8)	(\$10)	(\$0)	(\$6)	(\$15)	(\$4)	(\$5)	\$10

Equivalent Cash Rent Based on Landlord's Crop-Share Data—1981 to 2008

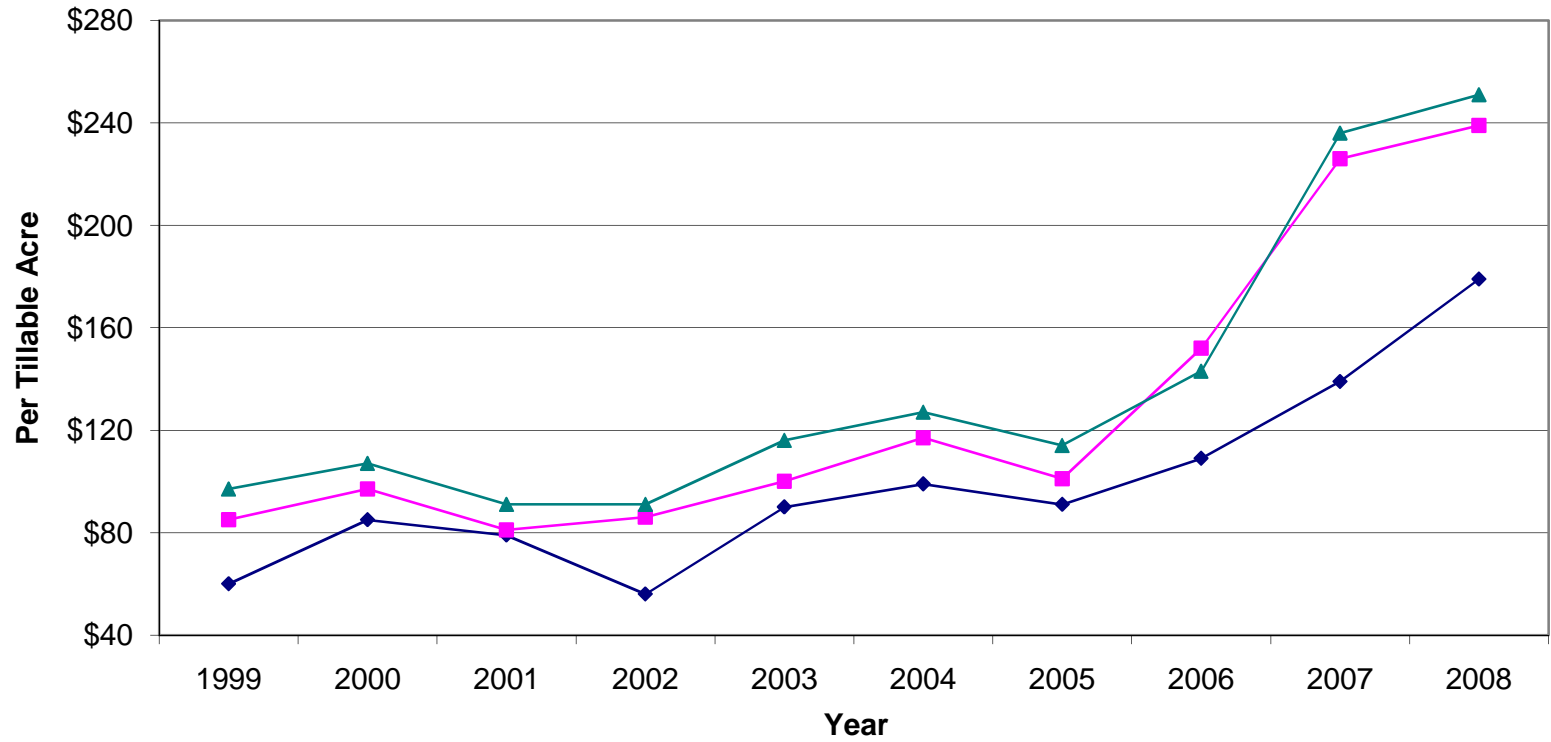
	Gross Returns	Expenses	Net Rents	Taxes, Bldg., & Misc. Expenses	Equivalent Gross Cash Rents ¹
(per tillable acre)					
86–100 SPR					
1981	153.51	61.18	92.33	27.00	119.32
1982	155.27	62.69	92.58	28.04	120.62
1983	162.41	59.02	102.39	29.67	132.06
1984	156.45	67.47	88.98	30.31	119.29
1985	179.40	69.19	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	29.57	134.08
1996	211.41	85.18	126.23	31.99	158.22
1997	202.03	87.42	114.61	32.50	147.11
1998	168.45	88.08	80.37	33.04	113.41
1999	183.90	86.99	96.91	35.18	132.09
2000	195.55	88.18	107.37	36.82	144.19
2001	181.81	90.58	91.23	37.04	128.27
2002	179.81	89.26	90.55	34.92	125.47
2003	203.30	87.45	115.85	31.64	147.49
2004	221.45	94.52	126.93	33.45	160.38
2005	217.19	102.83	114.36	33.62	147.98
2006	246.90	104.22	142.68	34.31	176.99
2007	351.33	114.99	236.34	34.86	271.20
2008	390.50	139.95	250.55	37.53	288.08
56–85 SPR					
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	24.34	121.39
1996	182.63	77.27	105.36	26.13	131.49
1997	186.20	81.33	104.87	27.76	132.63
1998	154.75	81.76	72.99	28.15	101.14
1999	164.00	79.00	85.00	30.04	115.04
2000	178.64	81.65	96.99	32.64	129.63
2001	171.43	86.19	85.24	33.37	118.61
2002	171.89	83.23	88.66	30.66	119.32
2003	186.27	84.22	102.05	28.06	130.11
2004	209.05	88.76	120.29	29.91	150.20
2005	200.09	98.41	101.68	30.31	131.99
2006	232.78	98.34	134.44	30.86	165.30
2007	330.69	108.74	221.95	30.83	252.78
2008	368.99	137.43	231.56	35.32	266.88

¹ 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.*

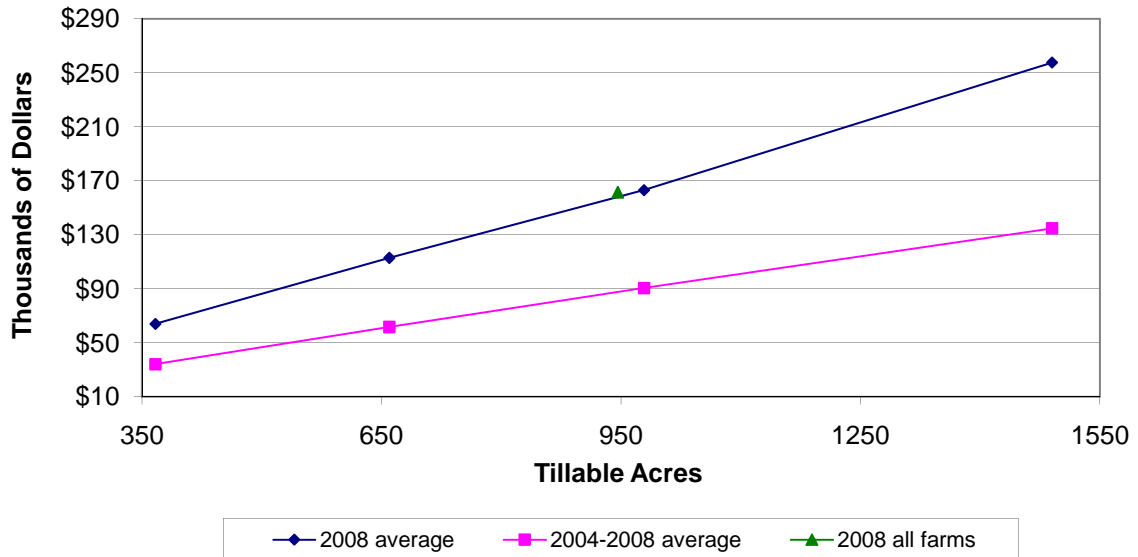
Prepared by Dale Lattz & R. A. Hinton, Ext. Specialists, Farm Mgmt., Dept. of Agr. & Consumer Econ., University of Illinois at Urbana-Champaign.

Landlord's Net Rent per Tillable Acre on Full Tenant Farms, Crop-Share Lease 1999 to 2008

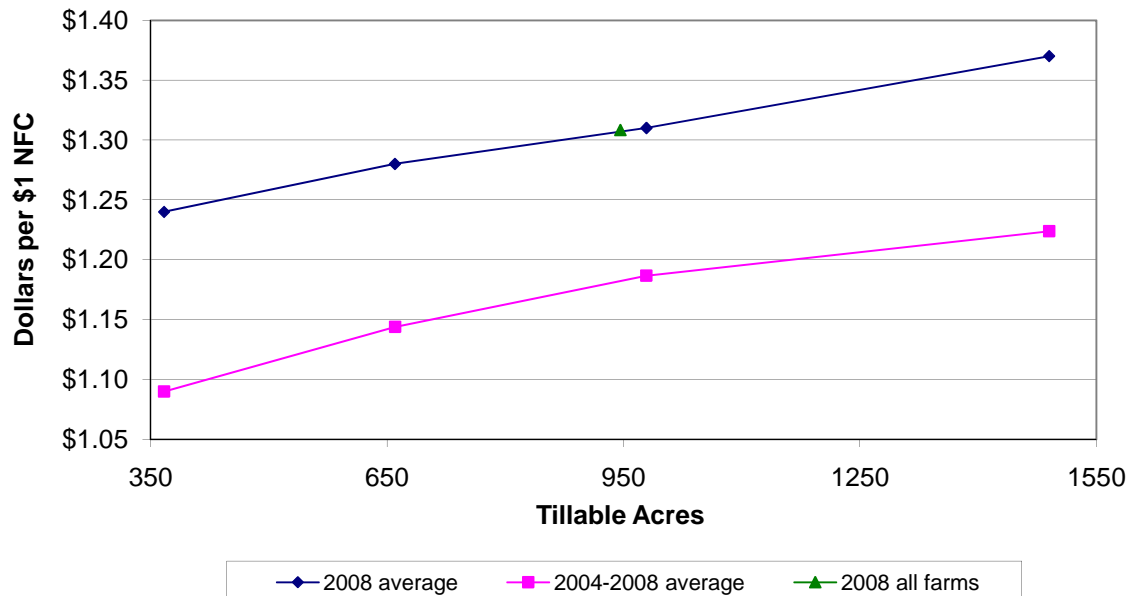


—◆— Southern 36-85 —■— North/Central 56-85 —▲— North/Central 86-100

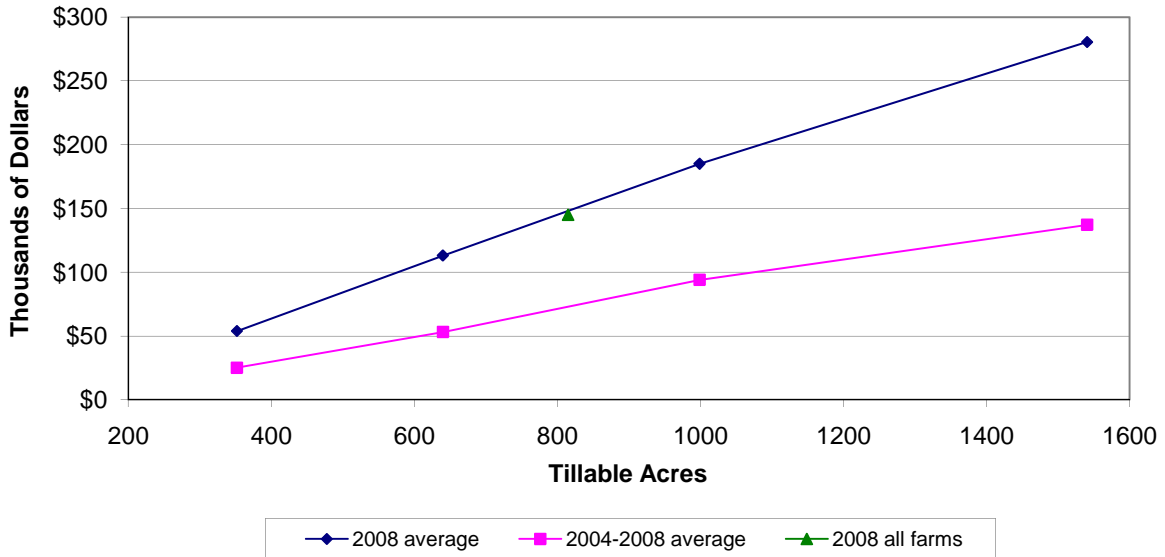
Central Illinois Grain Farms Operator's Share of Labor and Management Earnings



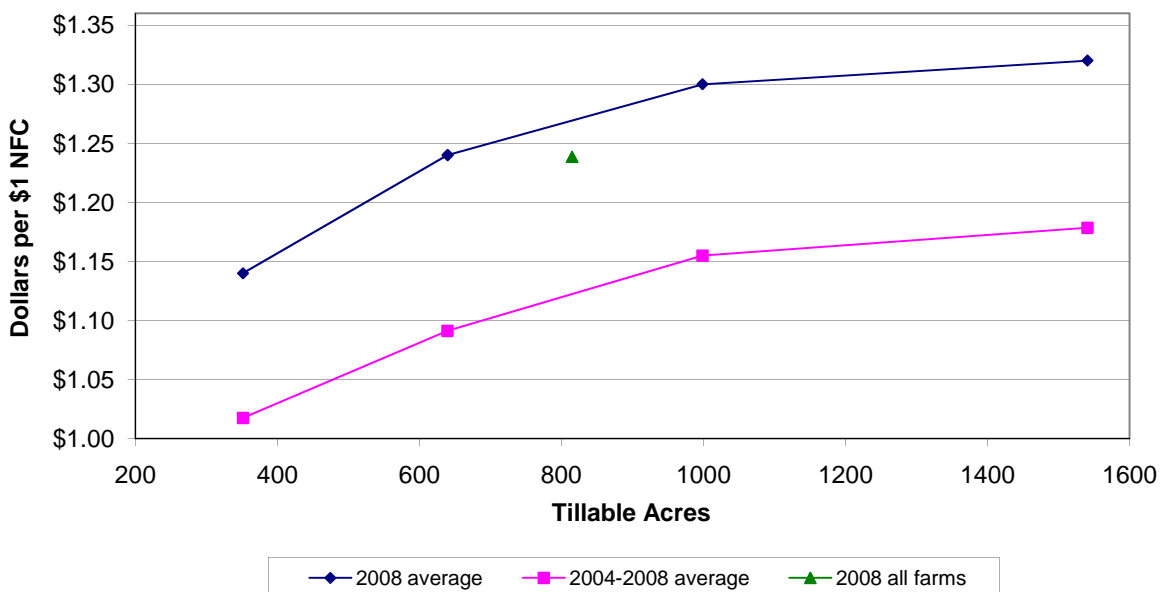
Central Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



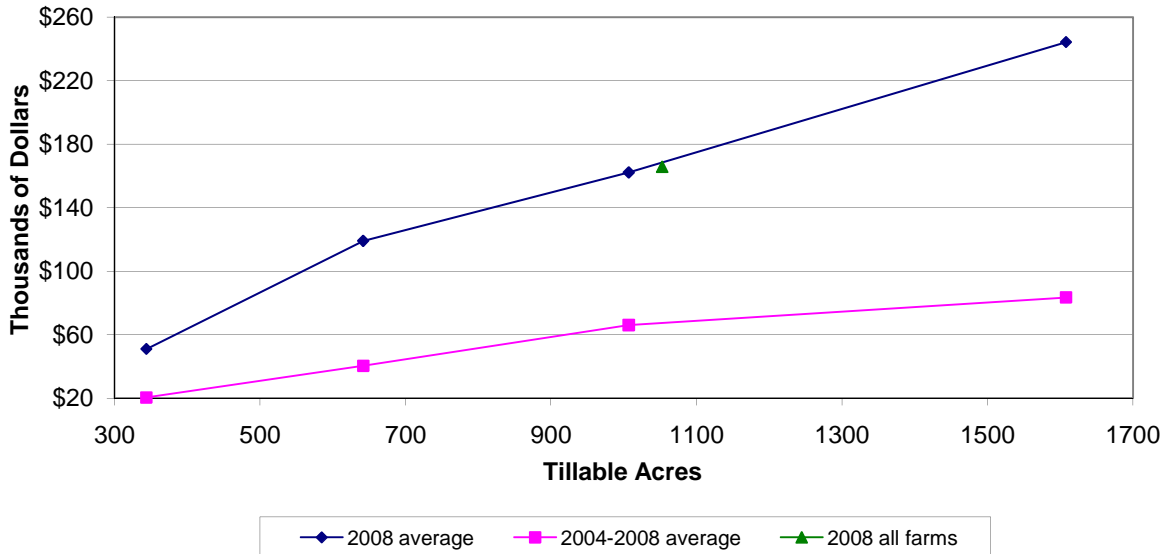
Northern Illinois Grain Farms Operator's Share of Labor and Management Earnings



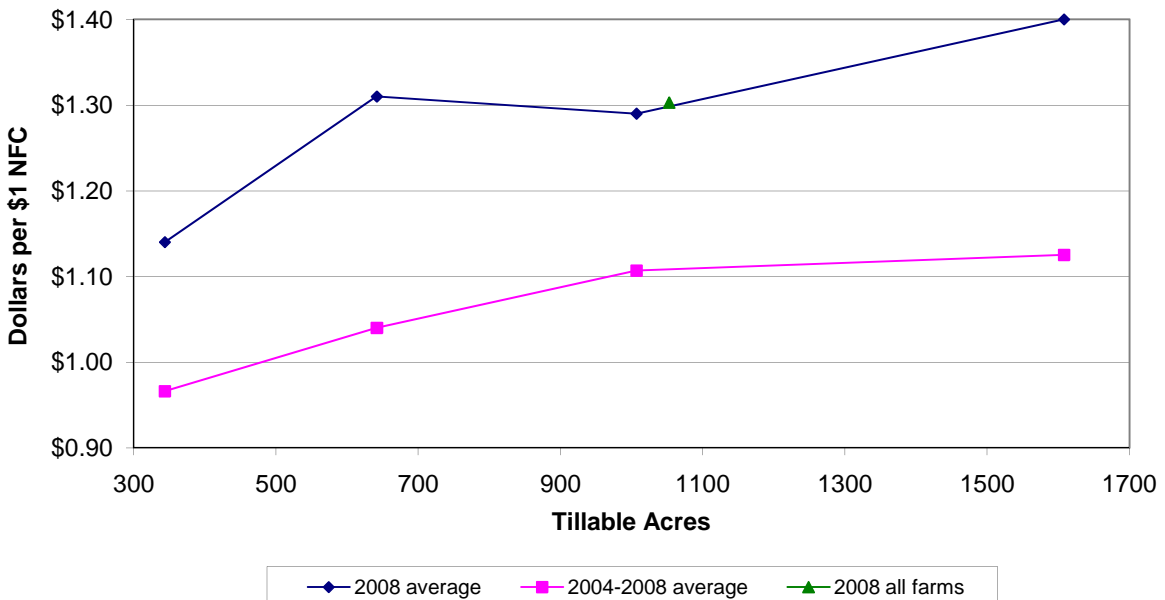
Northern Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



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

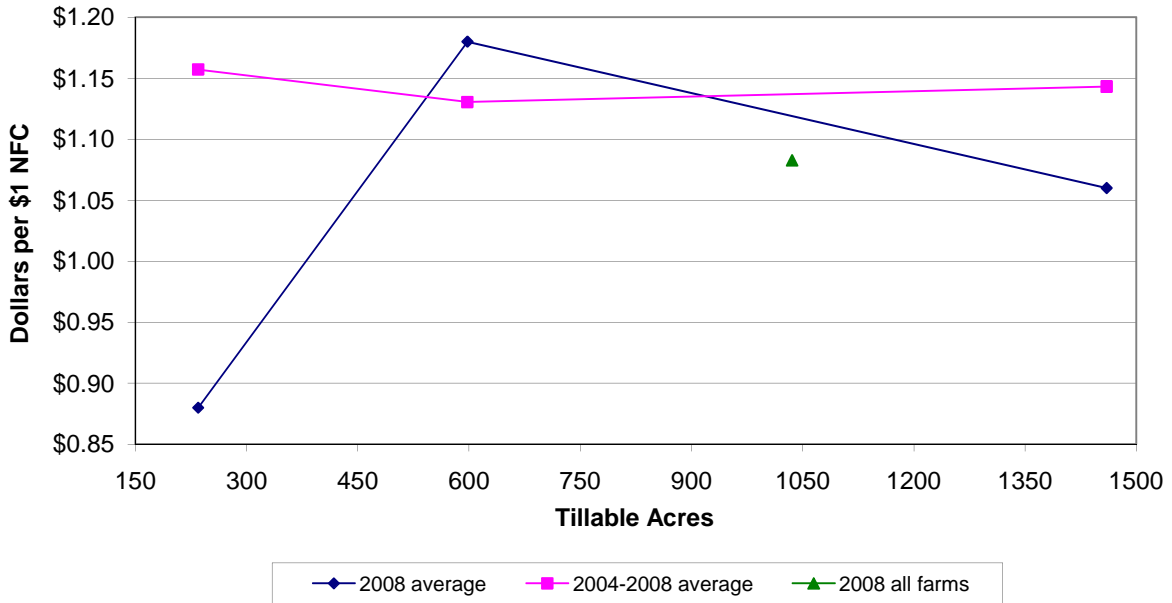


Southern Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



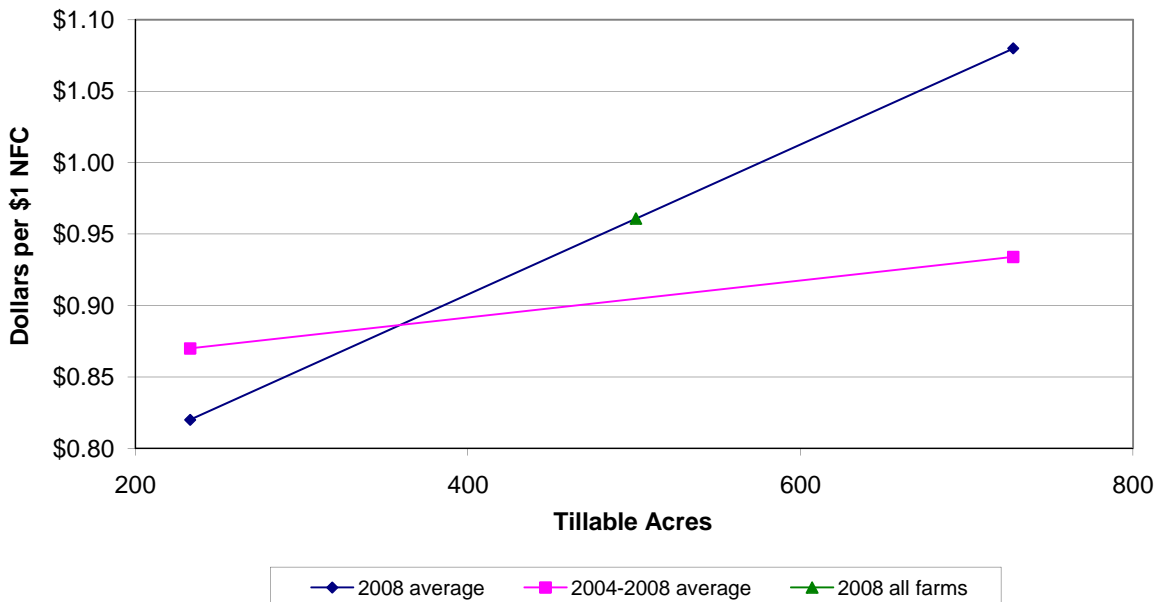
North and Central Illinois Hog Farms

Value of Production per \$1.00 of Nonfeed Cost



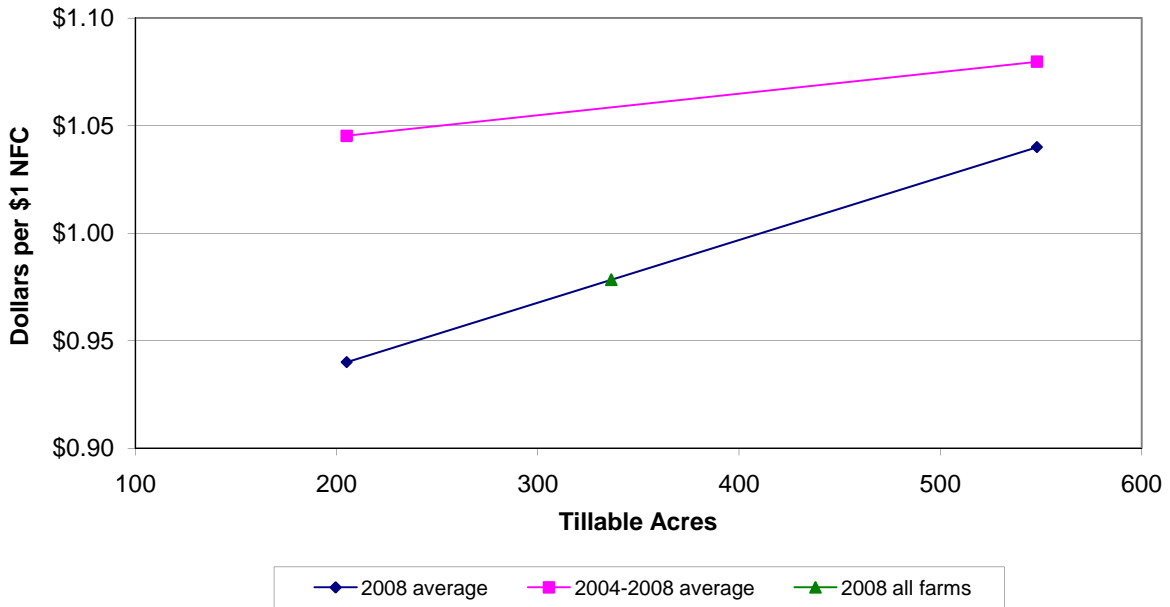
North and Central Illinois Beef Farms

Value of Production per \$1.00 of Nonfeed Cost



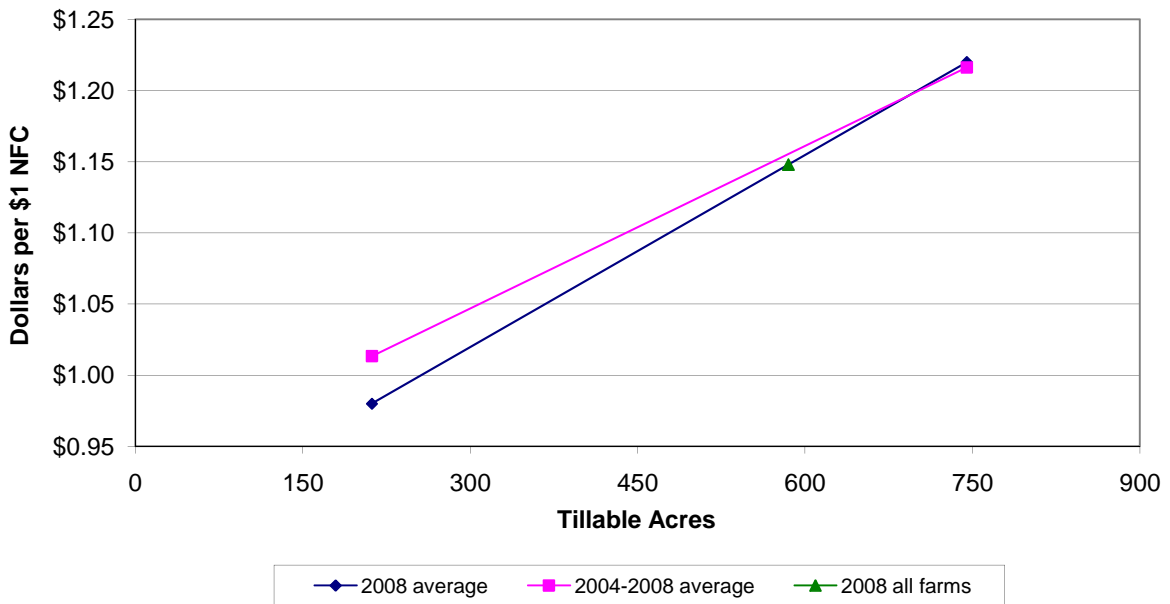
North and Central Illinois Dairy Farms

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 2009		Soybeans		Projected 2009	
	2007	2008	Average Farm	My Farm	2007	2008	Average Farm	My Farm
Number of Farms	412	392			412	392		
Acres of Crop	851	846			330	398		
% Land in Crop	70.2	66.3			27.2	31.2		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$84	\$119	\$176		\$26	\$36	\$78	
Pesticides	38	44	52		24	27	29	
Seed	54	62	95		40	46	53	
Drying	12	33	17		3	3	3	
Machinery Repair, Fuel & Hire	61	68	64	—	52	59	55	—
Total Variable	\$249	\$326	\$404		\$145	\$171	\$218	
% Change	10%	31%	24%		14%	18%	27%	
Other Nonland Costs								
Labor	\$34	\$35	\$35		\$32	\$33	\$33	
Building	13	16	13		8	9	9	
Storage	5	7	5		3	4	3	
Machinery Depreciation	23	28	31		20	24	27	
Nonland Interest	53	45	47		47	40	42	
Overhead	42	55	47	—	42	55	47	—
Total Other	\$170	\$186	\$178		\$152	\$165	\$161	
Total Nonland Costs	\$419	\$512	\$582		\$297	\$336	\$379	
% Change	7%	22%	14%		17%	13%	13%	
LAND COSTS								
Taxes	\$27	\$25	\$27		\$27	\$25	\$27	
Adjusted Net Rent	117	139	149	—	117	139	149	—
Total Land Costs	\$144	\$164	\$176		\$144	\$164	\$176	
TOTAL—ALL COSTS	\$563	\$676	\$758		\$441	\$500	\$555	
% Change	2%	20%	12%		14%	13%	11%	
Yield per Acre, Bushel	196	200			51	50		
Nonland Costs per Bushel	\$2.14	\$2.56			\$5.82	\$6.72		
All Costs per Bushel	\$2.87	\$3.38			\$8.65	\$10.00		
Average Yield Past 4 Years	177	181	181		51	51	51	
All Costs per Bushel	\$3.18	\$3.73	\$4.19		\$8.65	\$9.80	\$10.88	

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

	Corn		Projected 2009		Soybeans		Projected 2009	
	2007	2008	Average Farm	My Farm	2007	2008	Average Farm	My Farm
Number of Farms	611	624			611	624		
Acres of Crop	751	723			464	514		
% Land in Crop	60.6	57.1			37.4	40.6		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$90	\$124	\$180		\$29	\$42	\$78	
Pesticides	40	46	50		25	28	30	
Seed	55	67	95		37	43	50	
Drying	9	19	12		1	1	1	
Machinery Repair, Fuel & Hire	43	52	48	—	37	45	41	—
Total Variable	\$237	\$308	\$385		\$129	\$159	\$200	
% Change	10%	30%	25%		9%	23%	26%	
Other Nonland Costs								
Labor	\$36	\$38	\$38		\$34	\$36	\$36	
Building	8	10	9		5	6	5	
Storage	8	11	10		4	5	5	
Machinery Depreciation	23	29	32		20	26	29	
Nonland Interest	54	47	49		49	43	46	
Overhead	34	42	35	—	32	40	33	—
Total Other	\$163	\$177	\$173		\$144	\$156	\$154	
Total Nonland Costs	\$400	\$485	\$558		\$273	\$315	\$354	
% Change	12%	21%	15%		12%	15%	12%	
LAND COSTS								
Taxes	\$25	\$25	\$27		\$25	\$25	\$27	
Adjusted Net Rent	129	145	155	—	129	145	155	—
Total Land Costs	\$154	\$170	\$182		\$154	\$170	\$182	
TOTAL—ALL COSTS	\$554	\$655	\$740		\$427	\$485	\$536	
% Change	11%	18%	13%		11%	14%	11%	
Yield per Acre, Bushel	201	199			55	54		
Nonland Costs per Bushel	\$1.99	\$2.44			\$4.96	\$5.83		
All Costs per Bushel	\$2.76	\$3.29			\$7.76	\$8.98		
Average Yield Past 4 Years	183	185	185		55	55	55	
All costs per bushel	\$3.03	\$3.54	\$4.00		\$7.76	\$8.82	\$9.75	

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

	Corn		Projected 2009		Soybeans		Projected 2009	
	2007	2008	Average Farm	My Farm	2007	2008	Average Farm	My Farm
Number of Farms	348	333			348	333		
Acres of Crop	769	692			471	512		
% Land in Crop	59.6	55.2			36.5	40.8		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$92	\$127	\$167		\$28	\$41	\$74	
Pesticides	38	48	50		24	33	35	
Seed	54	64	93		36	43	50	
Drying	8	20	11		1	1	1	
Machinery Repair, Fuel & Hire	<u>49</u>	<u>60</u>	<u>56</u>	—	<u>41</u>	<u>50</u>	<u>46</u>	—
Total Variable	\$241	\$319	\$377		\$130	\$168	\$206	
% Change	13%	32%	18%		8%	29%	23%	
Other Nonland Costs								
Labor	\$35	\$37	\$37		\$33	\$35	\$35	
Building	9	12	10		6	8	7	
Storage	6	9	8		2	4	3	
Machinery Depreciation	22	27	30		19	24	27	
Nonland Interest	50	44	46		43	38	40	
Overhead	<u>35</u>	<u>45</u>	<u>38</u>	—	<u>33</u>	<u>43</u>	<u>36</u>	—
Total Other	\$157	\$174	\$169		\$136	\$152	\$148	
Total Nonland Costs	\$398	\$493	\$546		\$266	\$320	\$354	
% Change	13%	24%	11%		10%	20%	11%	
LAND COSTS								
Taxes	\$18	\$19	\$21		\$18	\$19	\$21	
Adjusted Net Rent	<u>110</u>	<u>124</u>	<u>134</u>	—	<u>110</u>	<u>124</u>	<u>134</u>	—
Total Land Costs	\$128	\$143	\$155		\$128	\$143	\$155	
TOTAL—ALL COSTS	\$526	\$636	\$701		\$394	\$463	\$509	
% Change	11%	21%	10%		9%	18%	10%	
Yield per Acre, Bushel	189	191			52	50		
Nonland Costs per Bushel	\$2.11	\$2.58			\$5.12	\$6.40		
All Costs per Bushel	\$2.78	\$3.33			\$7.58	\$9.26		
Average Yield Past 4 Years	172	175	175		48	51	51	
All Costs per Bushel	\$3.06	\$3.63	\$4.01		\$8.21	\$9.08	\$9.98	

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

	Corn		Projected 2009		Soybeans		Projected 2009	
	2007	2008	Average Farm	My Farm	2007	2008	Average Farm	My Farm
Number of Farms	188	185			188	185		
Acres of Crop	733	600			590	661		
% Land in Crop	49.8	40.5			40.1	44.6		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$92	\$126	\$167		\$29	\$39	\$74	
Pesticides	39	55	50		28	40	33	
Seed	52	58	92		34	38	52	
Drying	4	10	10		1	1	1	
Machinery Repair, Fuel & Hire	46	57	54	—	44	54	51	—
Total Variable	\$233	\$306	\$373		\$136	\$172	\$211	
% Change	7%	31%	22%		5%	26%	23%	
Other Nonland Costs								
Labor	\$37	\$40	\$40		\$35	\$38	\$38	
Building	11	12	11		6	6	6	
Storage	2	3	4		1	1	1	
Machinery Depreciation	25	30	32		21	26	28	
Nonland Interest	44	38	40		37	32	34	
Overhead	32	41	35	—	30	40	33	—
Total Other	\$151	\$164	\$162		\$130	\$143	\$140	
Total Nonland Costs	\$384	\$470	\$535		\$266	\$315	\$351	
% Change	8%	22%	14%		7%	18%	11%	
LAND COSTS								
Taxes	\$13	\$13	\$14		\$13	\$13	\$14	
Adjusted Net Rent	87	97	107	—	87	97	107	—
Total Land Costs	\$100	\$110	\$121		\$100	\$110	\$121	
TOTAL—ALL COSTS	\$484	\$580	\$656		\$366	\$425	\$472	
% Change	8%	20%	13%		7%	16%	11%	
Yield per Acre, Bushel	145	168			37	48		
Nonland Costs per Bushel	\$2.65	\$2.80			\$7.19	\$6.56		
All Costs per Bushel	\$3.34	\$3.45			\$9.89	\$8.85		
Average Yield Past 4 Years	149	149	149		46	46	46	
All Costs per Bushel	\$3.25	\$3.89	\$4.40		\$7.96	\$9.24	\$10.26	

ILLINOIS
Cost to Grow Corn—1976 to Date

YEAR	YIELD	TOTAL COST/A.	COST PER BUSHEL	ILLINOIS * ANNUAL AVE. PRICE	MANAGEMENT MARGIN
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	4.10	3.14	-0.96
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	2.82	2.65	-0.17
1985	153	356	2.33	2.27	-0.06
1986	149	341	2.29	1.54	-0.75
1987	145	329	2.27	1.96	-0.31
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	2.77	2.35	-0.42
2003	174	395	2.27	2.42	0.15
2004	184	425	2.31	2.14	-0.17
2005	150	458	3.05	2.08	-0.97
2006	174	488	2.80	3.07	0.27
2007	190	542	2.85	4.05 **	1.20
2008	194	647	3.34	3.90 **	0.56
2004-2008 Avg.	178	512	2.87	3.05	0.18
1999-2008 Avg.	168	460	2.73	2.59	-0.15

1999-08 Ave. cost per bu. to grow soybeans was 2.70 times the cost per bu. to grow corn in the same period.

* Seasonal average annual price for corresponding crop year.

** Estimated

ILLINOIS
Cost to Grow Soybeans--1976 to Date

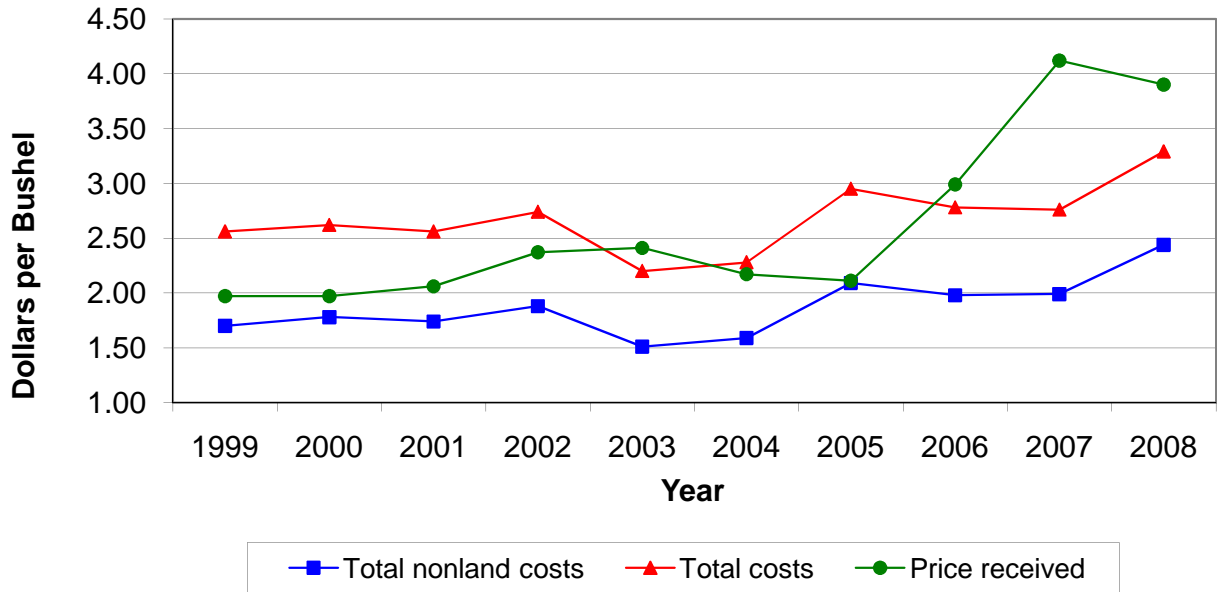
YEAR	YIELD	TOTAL COST/A.	COST PER BUSHEL	ILLINOIS * ANNUAL AVE. PRICE	MANAGEMENT MARGIN
1976	42	231	5.50	7.05	1.55
1977	46	248	5.39	6.01	0.62
1978	43	255	5.93	6.75	0.82
1979	45	283	6.29	6.46	0.17
1980	40	310	7.75	7.62	-0.13
1981	42	308	7.33	6.15	-1.18
1982	43	297	6.91	5.89	-1.02
1983	35	296	8.46	7.94	-0.52
1984	37	289	7.81	5.85	-1.96
1985	49	276	5.63	5.17	-0.46
1986	45	264	5.87	4.91	-0.96
1987	44	260	5.91	6.00	0.09
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	7.23	5.01	-2.22
1999	48	333	6.94	4.75	-2.19
2000	47	341	7.26	4.62	-2.64
2001	48	338	7.04	4.55	-2.49
2002	48	326	6.79	5.66	-1.13
2003	38	320	8.42	7.51	-0.91
2004	54	333	6.17	5.84	-0.33
2005	52	353	6.79	5.76	-1.03
2006	53	375	7.08	6.68	-0.40
2007	51	416	8.16	11.00 **	2.84
2008	51	477	9.35	9.25 **	-0.10
2004-2008 Avg.	52	391	7.49	7.71	0.22
1999-2008 Avg.	49	361	7.37	6.56	-1.39

1999-08 Ave. cost per bu. to grow soybeans was 2.70 times the cost per bu. to grow corn in the same period.

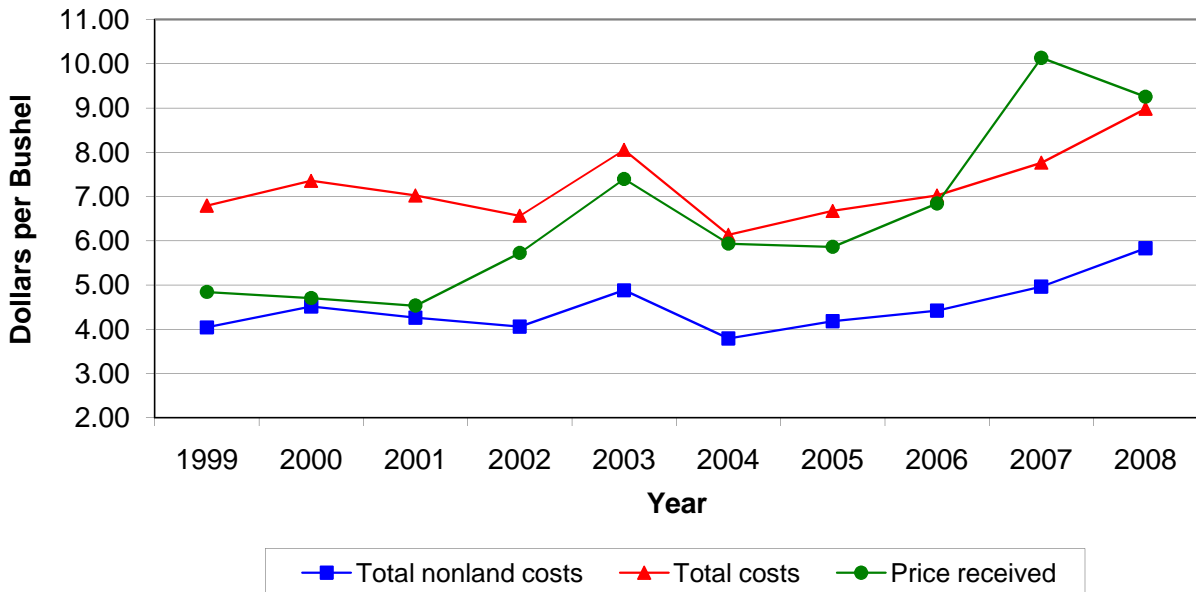
* Seasonal average annual price for corresponding crop year.

** Estimated

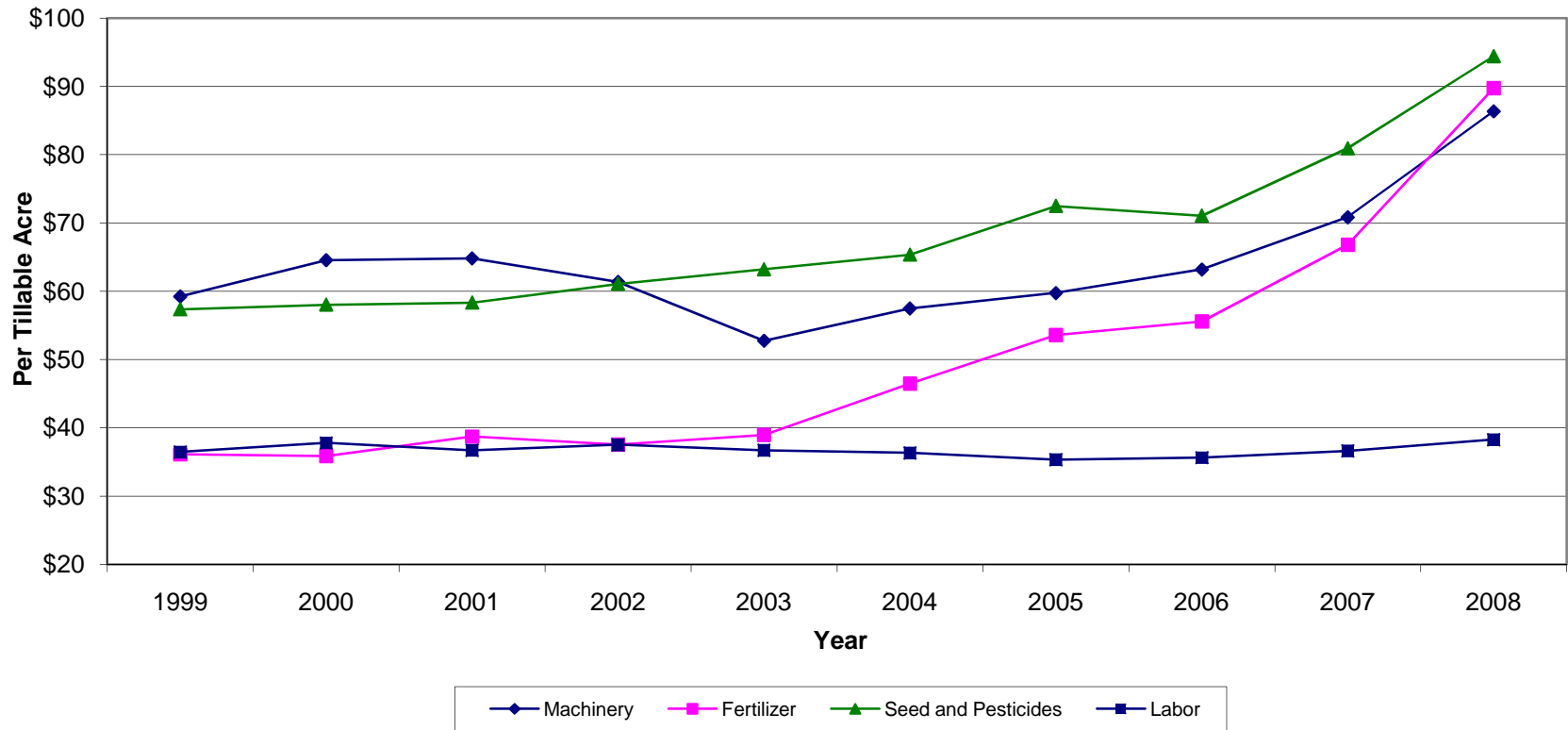
Costs and Returns per Bushel of Corn, Central Illinois Grain Farms 1999 to 2008



Costs and Returns per Bushel of Soybeans, Central Illinois Grain Farms 1999 to 2008



Trends in Selected Operating Costs per Acre, Central Illinois Pure-Grain Farms 1999 to 2008



Livestock Enterprise Standards of Performance—2008

Farrow-to-Finish Hog Enterprise	Average Farm	High 1/3 Return	Litters Farrowed			Average Farm
			10-149	150-349	350+	
Number of Farms	45	15	15	14	16	3
Pounds of Pork Produced	915,749	1,478,895	170,698	557,138	1,928,019	355,912
Pounds of Pork per Litter	2,291	2,367	2,377	2,359	2,267	373
Total Returns	408,446	683,801	79,017	250,464	855,519	334,453
Value of Feed Fed	354,924	519,221	80,114	241,112	712,145	224,328
Returns per \$100 Feed Fed	115	132	99	104	120	149
Returns above Feed per Litter	134	263	-15	40	169	115
Number of Litters Farrowed	400	625	72	236	850	954
Pigs Farrowed per Litter	10.54	10.85	9.86	10.33	10.65	11.74
Pigs Weaned per Litter	9.12	9.35	8.75	8.97	9.19	10.76
Weaning Survival Rate %	87	86	89	87	86	92
Litters Farrowed per Female Year	2.03	2.16	1.61	1.96	2.08	2.20
Pigs Weaned per Female Year	19.00	20.61	14.12	17.94	19.72	22.72
Number of Crates	47	66	21	28	76	111
Pigs Weaned per Crate	89.5	93.2	32.3	68.4	104.1	92.5
Death Loss Total—% of Pounds Produced	3.1	2.6	2.8	2.3	3.3	5.2
Weight per Market Hog Sold	261	263	264	257	262	19
Weight per Breeding Hog Sold	481	488	488	464	484	29.71
Price Received / 100 Pounds - Market	45.93	47.55	47.07	45.95	45.82	154.16
Price Received / 100 Pounds - Breeding	28.45	30.30	23.02	26.92	29.62	93.97
Total Return per 100 Pounds Produced	44.60	46.24	46.29	44.96	44.37	63.03
Feed Cost per 100 Pounds Produced	38.76	35.11	46.93	43.28	36.94	
Pounds of Feed per 100 Pounds Produced:						
Grain/Complete Feed	244	223	293	238	242	385
Supplement	82	77	82	111	74	124
Total Concentrates	326	301	376	348	317	509
Cost per 100 Pounds of Supplement	22.15	21.08	27.00	20.75	22.23	24.55
Cost per 100 Pounds of Concentrates	11.87	11.68	12.47	12.38	11.67	12.37

Feeder Cattle Enterprise	Average Farm	High 1/3 Return	Purchase Weight			Average Farm
			1-500	500-749	750+	
Number of Farms	104	34	26	47	20	6
Total Pounds Produced	151,556	193,076	54,941	161,516	346,002	223,437
Total Returns	105,507	144,043	41,632	117,138	232,571	89,753
Value of Feed Fed	103,089	97,866	41,436	102,083	228,672	68,318
Returns per \$100 Feed Fed	102	147	100	115	102	131
Average Weight Purchased	679	652	330	599	817	13
Price Paid per 100 Pounds	103.49	103.62	96.05	103.80	103.68	267.06
Price Paid per Head	702	675	317	622	847	35.36
Average Weight Sold	1,300	1,275	1,236	1,243	1,361	266
Price Received per 100 Pounds	91.26	91.61	86.74	91.94	91.54	44.53
Total Return per 100 Pounds	69.62	74.60	75.78	72.52	67.22	31.89
Feed Cost per 100 Pounds	68.02	50.69	75.42	63.20	66.09	30.12
Death Loss: Numbers	7	4	3	7	7	438
Pounds	3,847	3,052	1,878	4,612	6,293	36,386
% of Pounds Produced	2.5	1.6	3.4	2.9	1.8	2.2
Pounds of Feed per 100 Pounds Produced:						
Grain/Complete Feed	662	595	509	689	602	173
Supplement	49	40	77	52	37	69
Total Concentrates	711	635	586	741	639	243
Hay & Dry Roughage	58	38	119	56	43	255
Corn Silage	342	266	493	330	311	21.36
Other Silage	48	28	51	51	41	12.42
Hay Equivalent—Tons	0.14	0.07	0.16	0.18	0.08	
Cost per 100 Pounds of Supplement	20.58	17.06	20.47	14.88	29.70	
Cost per 100 Pounds of Concentrates	8.21	7.06	10.07	7.27	9.07	

Feeder Pig Feeding Enterprise	Purchase Weight	
	<20	35+
Number of Farms	50	6
Total Pounds Produced	1,679,726	223,437
Total Returns	535,625	89,753
Value of Feed Fed	506,003	68,318
Returns per \$100 Feed Fed	106	131
Average Weight Purchased	13	55
Price Paid per 100 Pounds	267.06	72.67
Price Paid per Pig	35.36	40.11
Average Weight Sold	266	284
Price Received per 100 Pounds	44.53	47.18
Total Return per 100 Pounds	31.89	40.17
Feed Cost per 100 Pounds	30.12	30.58
Death Loss: Numbers	438	27
Pounds	36,386	2,542
% of Pounds Produced	2.2	1.1
Pounds of Feed per 100 Pounds Produced:		
Grain/Complete Feed	173	185
Supplement	69	70
Total Concentrates	243	255
Cost per 100 Pounds of Supplement	21.36	21.45
Cost per 100 Pounds of Concentrates	12.42	11.98

(table continues on p. 34)

Livestock Enterprise Standards of Performance—2008 (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	62	53	37	20	152	Number of Farms	7
Number of Cows in Herd	62	51	50	68	55	Number of Ewes in Flock	48
Number of Calves Born	55	49	49	66	51	Number of Lambs Born	78
Calving %	89	97	99	97	94	% Lamb Crop	161
Total Pounds Produced	29,427	38,167	56,926	33,567	39,168	Total Pounds Produced	9,144
Total Returns	19,146	24,553	42,486	27,767	26,713	Total Returns	6,708
Value of Feed Fed	22,297	26,589	40,863	17,237	28,313	Value of Feed Fed	6,346
Returns per \$100 Feed Fed	86	92	104	161	94	Returns per \$100 Feed Fed	106
Returns above Feed per Cow	-51	-40	33	155	-29	Returns above Feed per Ewe	8
Pounds of Beef per Cow in Herd	477	753	1,143	495	713	Pounds Produced per Ewe in Flock	189
Death Loss Total—% of Pounds Produced	8.2	4.4	3.3	6.5	5.2	Death Loss Total—% of Pounds Produced	6.5
Market Survival Rate %	89.8	92.9	95.2	84.5	92.6	Market Survival Rate %	
Breeding Survival Rate %	97.0	98.4	98.3	97.8	97.8	Breeding Survival Rate %	92.1
Weight per Market Animal Sold	542	707	1,033	498	710	Weight per Market Animal Sold	114
Price Received / 100 Pounds Sold—Market	94.83	93.44	94.23	104.85	94.21	Price Received / 100 Pounds Sold—Market	111.98
Price Received / 100 Pounds Sold—Breeding	48.73	57.67	54.40	52.85	54.50	Price Received / 100 Pounds Sold—Breeding	46.28
Feed Cost per 100 Pounds Produced	75.77	69.66	71.78	51.35	72.29	Feed Cost per 100 Pounds Produced	69.40
Pounds of Feed per 100 Pounds Produced:						Pounds of Feed per 100 Pounds Produced:	
Grain/Complete Feed	161	133	286	86	196	Grain/Complete Feed	313
Supplement	33	41	83	27	53	Supplement	60
Total Concentrates	194	174	369	112	249	Total Concentrates	372
Hay & Dry Roughage	853	828	434	653	696	Hay & Dry Roughage	412
Corn Silage	513	440	442	397	463	Other Silage	0
Other Silage	101	59	51	1	69	Pasture Days	1
Pasture Days	43	27	22	41	30	Hay Equiv.	0.20
Pasture Days per Animal Unit	152	153	150	161	152	Pasture Days per Animal Unit	2
Hay Equivalent per Cow—Tons	4.9	5.9	6.2	4.2	5.5	Hay Equivalent per Ewe—Tons	0.4
Cost per 100 Pounds of Concentrates	9.85	11.91	10.49	9.25	10.67	Cost per 100 Pounds of Concentrates	11.97

Dairy Cattle Enterprise	Average Farm	Number of Cows			High 1/3 80-149 Cows
		40-79	80-149	150+	
Number of Farms	80	26	32	12	11
Number of Cows	111.8	57.0	109.7	306.2	117.1
% of Cows Dry	12.6	12.9	12.6	12.5	11.7
Animal Units in Herd	215	113	203	601	209
Total Cwt. of Milk Produced	23,471	9,856	22,439	71,237	24,516
Pounds of Beef Produced	66,968	34,352	62,014	189,404	70,287
Total Returns	472,941	203,737	449,101	1,427,138	543,541
Value of Feed	274,552	144,902	260,824	755,753	241,905
Returns per \$100 Feed Fed	172	141	172	189	225
Returns above Feed per Cow	1,775	1,032	1,717	2,193	2,576
Pounds of Beef per Cow	599	602	565	619	600
Pounds of Milk per Cow	21,002	17,281	20,460	23,266	20,936
Pounds of Butterfat per Cow	771	656	783	815	771
Death Loss: % of Pounds Produced	14.6	19.8	15.5	12.2	12.9
Feed Cost Per Cwt. Milk Equivalent *	11.10	14.05	10.85	10.22	8.60
Price Received for 100 Pounds Milk	18.98	19.46	18.49	19.27	19.16
Price Received for 100 Pounds Beef—Market	70.36	80.78	75.27	52.49	85.58
Pounds of Feed Per Cwt. Milk Equivalent *					
Grain/Complete Feed	28	41	25	27	21
Supplement	18	20	19	17	14
Total Concentrates	46	61	44	44	35
Hay & Dry Roughage	21	43	23	9	21
Corn Silage	78	81	83	72	75
Other Silage	60	61	46	74	31
Pasture Days per Animal Unit	11	5	15	6	23
Hay Equivalent per Cow—Tons	8.1	8.5	7.8	7.9	7.4
Cost per 100 Pounds of Supplement	20.37	22.27	20.61	19.46	21.39
Cost per 100 Pounds of Concentrates	13.17	13.05	13.72	12.80	13.71
Dairy Patronage/FSA Payments/Cwt. Milk	0.15	0.30	0.18	0.06	0.18

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..... \$4.70
Oats..... \$3.30
Wheat..... \$6.63

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—2004 to 2008

Year	Hogs (per cwt.)	Feeder Pigs (per cwt.)	Feeder Cattle (per cwt.)	Dairy (per cow)	Beef Herd Calves Sold (per cow)
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
2007	11.04	6.67	21.37	2,360	45
2008	5.84	2.00	1.60	1,775	(51)
5-Yr. Average	17.81	11.71	16.79	1,972	121
Nonfeed Costs, 2004–2007					
Direct Cash	9.08	3.65	19.48	855	30
Other Costs	<u>8.27</u>	<u>5.65</u>	<u>8.93</u>	<u>810</u>	<u>153</u>
TOTAL	17.35	9.30	28.41	1,665	183
Nonfeed Costs—For Future Expansion					
Direct Cash	9.20	4.00	19.50	850	30
Other Costs	<u>10.00</u>	<u>7.00</u>	<u>9.50</u>	<u>800</u>	<u>171</u>
TOTAL	19.20	11.00	29.00	1,650	201

Cost to Produce Pork, Farms Under 500 Litters—2005 to 2008¹

Items	2005	2006	2007	2008 Est.
Number of Farms	20	16	8	
Tillable Acres	620	486	542	
Number of Litters	271	255	250	
Total Returns	\$46.56	\$43.17	\$39.73	\$44.50
Cash Costs				
Feed	\$22.84	\$24.97	\$30.44	\$41.00
Operating Expenses				
Maintenance and Power ²	\$4.00	\$4.84	\$5.10	
Livestock Expense	2.65	2.31	3.13	
Insurance, Taxes, and Overhead	<u>1.30</u>	<u>1.13</u>	<u>1.35</u>	
Total Operating Expenses	\$7.95	\$8.28	\$9.58	\$10.00
Total Cash Costs	\$30.79	\$33.25	\$40.02	\$51.00
Other Costs				
Depreciation ³	\$0.78	\$1.26	\$1.19	
Labor	4.59	4.45	4.82	
Interest Charge on All Capital	<u>2.29</u>	<u>3.23</u>	<u>3.43</u>	
Total Other Costs	\$7.66	\$8.94	\$9.44	\$9.50
Total Nonfeed Costs	\$15.61	\$17.22	\$19.02	\$19.50
Total All Costs	\$38.45	\$42.19	\$49.46	\$60.50
Return above All Costs	\$8.11	\$0.98	(\$9.73)	(\$16.00)

¹ Special Summary of Illinois Farm Business Records.

² Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

³ Includes machinery, equipment, and building depreciation.

Cost to Produce Pork, Farms Over 500 Litters—2005 to 2008¹

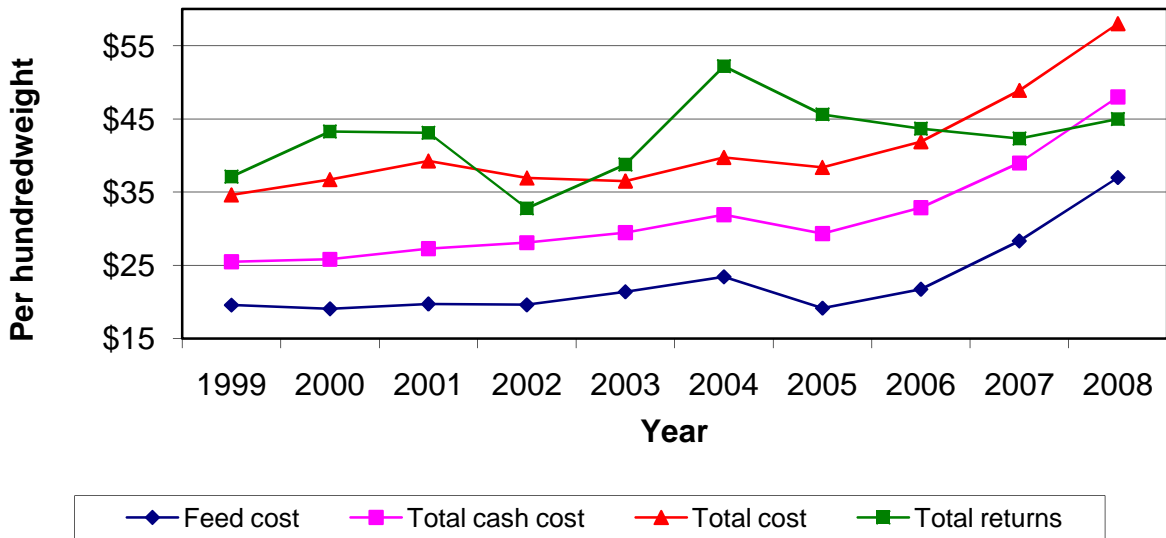
Items	2005	2006	2007	2008 Est.
Number of Farms	10	7	5	
Tillable Acres	578	880	333	
Number of Litters	1200	965	1056	
Total Returns	\$45.63	\$43.67	\$42.33	\$45.00
Cash Costs				
Feed	\$19.16	\$21.72	\$28.35	\$37.00
Operating Expenses				
Maintenance and Power ²	4.56	5.99	5.68	
Livestock Expense	3.56	4.01	3.68	
Insurance, Taxes, and Overhead	<u>2.07</u>	<u>1.18</u>	<u>1.27</u>	
Total Operating Expenses	\$10.19	\$11.18	\$10.63	\$11.00
Total Cash Costs	\$29.35	\$32.90	\$38.98	\$48.00
Other Costs				
Depreciation ³	1.05	1.77	1.40	
Labor	5.89	4.55	5.62	
Interest Charge on All Capital	<u>2.07</u>	<u>2.66</u>	<u>2.88</u>	
Total Other Costs	\$9.01	\$8.98	\$9.90	\$10.00
Total Nonfeed Costs	\$19.20	\$20.16	\$20.53	\$21.00
Total All Costs	\$38.36	\$41.88	\$48.88	\$58.00
Return above All Costs	\$7.27	\$1.79	(\$6.55)	(\$13.00)

¹ Special Summary of Illinois Farm Business Records.

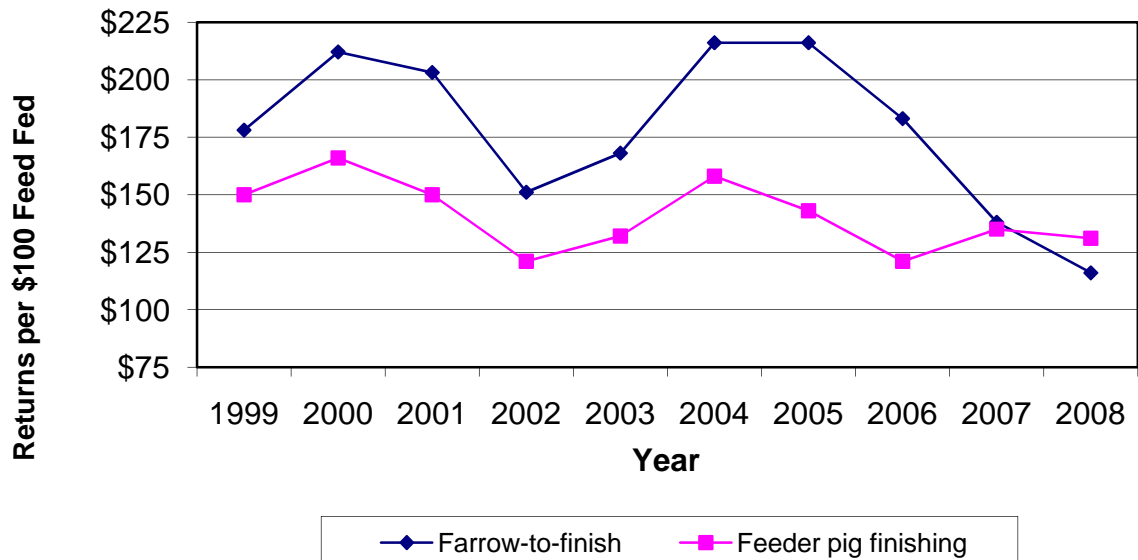
² Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

³ Includes machinery, equipment, and building depreciation.

Cost and Returns per 100 Pounds of Pork, on Farms Over 350 Litters 1999 to 2008



Returns per \$100 of Feed Fed for Hog Farms 1999 to 2008



Cost and Returns for Beef-Feeding Enterprises—2004 to 2008¹

Items	2004	2005	2006	2007	2008 Est.
Number of Farms	11	11	8	6	
Average per Farm					
Tillable Acres	618	523	549	543	
Hundredweight Beef Produced	4,309	3,205	4,734	4,431	
	<i>-----Per 100 Pounds Produced-----</i>				
Cash Costs					
Feed	\$41.19	\$37.36	\$38.21	\$43.17	\$68.00
Operating Expenses					
Maintenance and Power ²	\$5.59	\$6.21	\$7.18	\$7.99	
Livestock Expense	5.62	3.91	5.76	4.06	
Insurance, Taxes, and Overhead	1.57	1.96	1.28	2.12	
Interest on Cattle	<u>4.66</u>	<u>6.00</u>	<u>6.71</u>	<u>7.31</u>	
Total Operating Expenses	\$17.44	\$18.08	\$20.93	\$21.48	\$19.00
Total Cash Costs	\$58.63	\$55.44	\$59.14	\$64.65	\$87.00
Other Costs					
Depreciation ³	\$2.67	\$2.65	\$2.85	\$2.95	
Labor	3.87	3.21	4.09	5.00	
Interest on Other Capital	<u>1.55</u>	<u>1.43</u>	<u>2.30</u>	<u>3.13</u>	
Total Other Costs	\$8.09	\$7.29	\$9.24	\$11.08	\$11.00
Total All Costs	\$66.72	\$62.73	\$68.38	\$75.73	\$98.00
Total Returns	<u>\$66.17</u>	<u>\$57.05</u>	<u>\$51.83</u>	<u>\$64.92</u>	<u>\$70.00</u>
Return above All Costs	(\$0.55)	(\$5.68)	(\$16.55)	(\$10.81)	(\$28.00)

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

² Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

³ Includes machinery, equipment, and building depreciation.

Cost and Returns per 100 Pounds of Milk—2005 to 2008¹

Items	40–79 Cows				80+ Cows			
	2005	2006	2007	2008 Est.	2005	2006	2007	2008 Est.
Number of Farms	27	20	16		34	26	20	
Tillable Acres	282	228	214		560	549	515	
Number of Cows	58.5	55.3	55.8		161.3	146.7	221.9	
Pounds Milk per Cow	18,318	18,105	19,081		22,103	20,528	21,999	
<i>-----Per 100 Pounds of Milk Produced-----</i>								
Price Received ²	\$15.20	\$12.78	\$18.70	\$19.50	\$15.66	\$12.95	\$18.94	\$19.25
Cash Costs								
Feed	\$7.43	\$7.98	\$9.83	\$12.50	\$6.36	\$7.41	\$8.40	\$10.50
Operating Expenses ³	2.19	2.07	2.22		1.77	2.14	2.14	
Livestock Expense	1.74	1.88	2.03		2.24	2.46	2.53	
Insurance, Taxes, and Overhead	<u>0.30</u>	<u>0.32</u>	<u>0.26</u>	—	<u>0.31</u>	<u>0.34</u>	<u>0.31</u>	—
Total Operating Expenses	\$4.23	\$4.27	\$4.51	\$4.50	\$4.32	\$4.94	\$4.98	\$5.00
Total Operating and Feed	\$11.66	\$12.25	\$14.34	\$17.00	\$10.68	\$12.35	\$13.38	\$15.50
Other Costs								
Depreciation ⁴	\$0.43	\$0.42	\$0.60		\$0.62	\$0.76	\$0.75	
Labor	2.30	2.51	2.55		2.09	2.57	2.55	
Interest on All Capital	<u>0.85</u>	<u>1.11</u>	<u>1.20</u>	—	<u>1.04</u>	<u>1.46</u>	<u>1.52</u>	—
Total Other Costs	\$3.58	\$4.04	\$4.35	\$4.25	\$3.75	\$4.79	\$4.82	\$4.75
Total Nonfeed Costs	\$7.81	\$8.31	\$8.86	\$8.75	\$8.07	\$9.73	\$9.80	\$9.75
Total All Costs	<u>\$15.24</u>	<u>\$16.29</u>	<u>\$18.69</u>	<u>\$21.25</u>	<u>\$14.43</u>	<u>\$17.14</u>	<u>\$18.20</u>	<u>\$20.25</u>
Return above All Costs	(\$0.04)	(\$3.51)	\$0.01	(\$1.75)	\$1.23	(\$4.19)	\$0.74	(\$1.00)

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

² FSA and patronage payments not included. They may have added \$0.35/cwt. of milk in 2007.

³ Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

⁴ 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.

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

Jeffery Johnson
Blackhawk FBFM
115 S. Walnut Avenue
Freeport, IL 61032
815-369-2243

Jim Cullison
East Central FBFM
900 S. Washington St., Ste. B
Tuscola, IL 61953
217-253-5227

Danny Stetson
Illinois Valley FBFM
4201 N. Columbus St.
Ottawa, IL 61350
815-433-1635

Mike Schmitz
Lincoln FBFM
707 IL Rt. 127 S, PO Box 37
Greenville, IL 62246
618-664-2419

David O'Brien
Northeastern FBFM
2004 Island Road
Harvard, IL 60033
815-943-3236

Gary Freeman
Pioneer FBFM
Box 589
Minier, IL 61759
309-392-2228

Todd Behrends
Sangamon Valley FBFM
1042 N. Grand Ave. West
Springfield, IL 62702
217-523-0639

Robert Kieseoms
Shawnee FBFM
7 Valley Forge Dr.
Harrisburg, IL 62946
618-252-0421

Gary Goodwin
Western FBFM
101 East Main, Box 489
Toulon, IL 61483
309-286-2811

State office: Illinois FBFM Association, 1301 W. Gregory Dr., Urbana, IL 61801
Dwight Raab—217-333-5511 Brad Zwilling—217-333-8346 Email: dwight.raab@fbfm.org

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