

**REPRESENTATIVE FARMS ECONOMIC
OUTLOOK FOR THE NOVEMBER
1997 FAPRI/AFPC BASELINE**

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Introduction

The farm level economic impacts of the Federal Agriculture Improvement and Reform Act of 1996 (FAIR) on representative crop and livestock operations are projected in this report. For this report the FAIR Act will be referred to as the 1996 Farm Bill. The analysis was conducted over the 1996-2002 planning horizon using AFPC's whole farm simulation model. Data to simulate farming operations in the nation's major production regions came from two sources:

- # Producer panel cooperation to develop economic information to describe representative crop, livestock, and dairy farms.
- # Projected prices, policy variables, and input inflation rates from the Food and Agricultural Policy Research Institute (FAPRI) November 1997 Baseline.

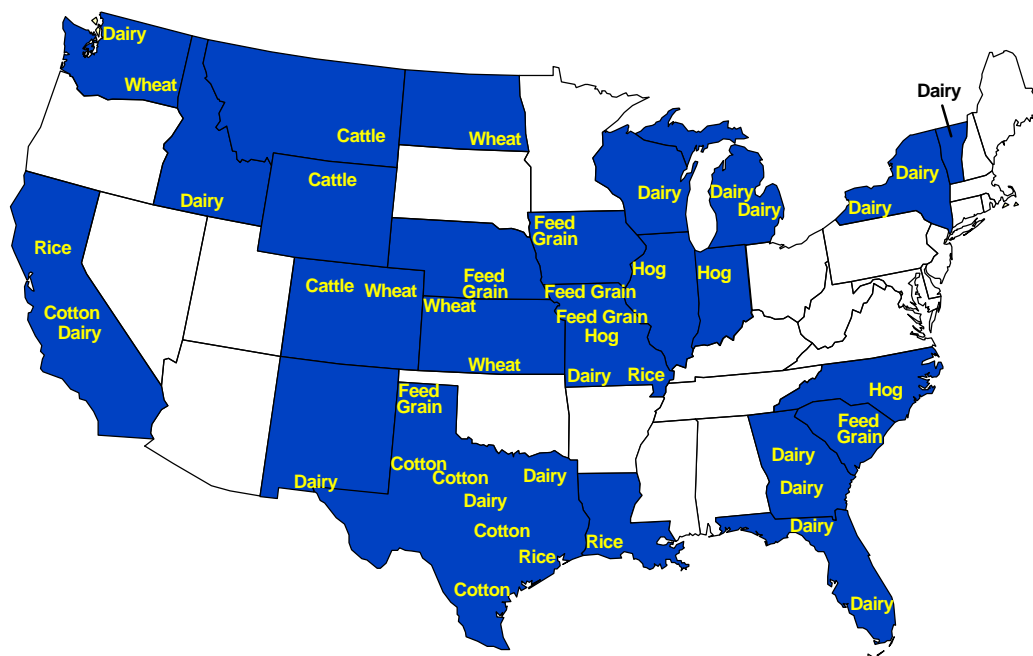
The primary objective of the analysis is to determine the farms' economic viability by region and commodity over the seven years covered by the 1996 Farm Bill.

This report is organized into ten sections. The first section summarizes the process used to develop the representative farms and the key assumptions for the farm level analysis. The second section summarizes the FAPRI November 1997 Baseline and the policy and price assumptions used for the representative farm analyses. The third through sixth sections present the results of the simulation analyses for feed grain, wheat, cotton, and rice farms. The seventh through ninth sections summarize simulation results for dairy, cattle and hog farms. Two appendices constitute the final section of the report. Appendix A provides tables to summarize the physical and financial characteristics for each of the representative farms. Appendix B provides the names of producers, land grant faculty, and industry leaders who cooperated in the panel interview process.

Panel Farm Process

AFPC has developed and maintains data to simulate more than 75 representative crop and livestock farms chosen from major production areas across the United States (Figure 1). Characteristics for each of the farms in terms of location, size, crop mix, assets, and average receipts are summarized in Appendix A. The location of these farms are primarily the result of discussions with staffers for the House and Senate Agriculture Committees. Information necessary to simulate the economic activity on these representative farms are developed from panels of producers using a consensus building interview process. Normally two farms are developed in each region using separate panels of producers: one is representative of moderate size full-time farm operations, and the second panel usually represents farms two to three times larger.

Figure 1. Representative Farms



The data collected from the panel farms are analyzed in a whole farm simulation model (FLIPSIM) developed by AFPC. The producer panels are provided pro-forma financial statements for their representative farm and are asked to verify the accuracy of simulated results for the past year and the reasonableness of a four to five year projection. Each panel must approve of the model's ability to reasonably reflect economic activity on their representative farm prior to using the farm for policy analyses.

The farms used in the analysis have been updated with the panels through 1996. Representative farms in the whole farm data base that have not been updated to 1996 base conditions are not reported in this Working Paper. All of the crop farms are assumed to begin 1996 with 20 percent intermediate- and long-term debt, based on information provided by ERS-USDA and the panel members. Initial debt levels for dairy farms were set at 30 percent; initial debt levels for beef cattle ranches were 1 percent for land and 5 percent for cattle and machinery; and initial debt levels for hog farms were 45 percent.

Key Assumptions

- # All farms classified as moderate scale are the size (acres or number of livestock) considered to be representative of a majority of full-time commercial farming operations in the study area. In many regions, a second farm, two to three times larger than the moderate scale farm is developed as an indicator of size economies.

- # Dairy, hog, and cattle herd sizes are held constant for all farms over the 1996-2002 planning horizon.
- # The farm was structured so government payment limits were not effective at reducing contract payments.
- # Minimum family living withdrawals were assumed at a base rate of 10 percent of gross receipts or \$25,000 annually, whichever is lower. Actual family living withdrawals are determined by historical consumption patterns. Therefore, as the farm's profitability increases so does the level of family living withdrawals. The farm is subject to owner/operator federal and state income taxes as a sole proprietor.
- # No off-farm-related income including family employment was included in the analyses.
- # Farm program parameters, average annual prices, crop and livestock yield trends, interest rates, and input cost inflation (deflation) are based on the November 1997 FAPRI Baseline which assumes implementation of the 1996 Farm Bill.

Contract payments for participating cotton, wheat, feed grain, and rice producers are made based on 85 percent of their historical base acreage times farm program yield times a contract payment rate. The contract payment rate is calculated by dividing the fixed annual appropriations by the production signed up in the program and is included in the November 1997 FAPRI Baseline.
- # The farms are assumed to be enrolled in the 7 year production flexibility program and take full advantage of the flexibility provisions in the 1996 Farm Bill (within the current crop mix). Crop mix changes after 1996 were estimated based on projected net returns for each of the enterprises currently produced on the farms. During the update process most of the crop farm panels indicated that they would flex out of their current crop mix, but only if expected net returns per acre from the change exceeded \$40, due to rotation and/or other cultural concerns.

Marketing loan provisions for cotton and rice were continued under the 1996 Farm Bill. Marketing loans for wheat, feed grains, and soybeans were authorized in the 1996 Farm Bill and are assumed to be in place for the farm level analysis.

- # The farm level simulation model incorporates price and yield risk faced by farmers. Historical yield variability for crops and production for livestock (sale weights and milk/cow) over the past ten years are assumed to prevail for the 1997-2002 planning horizon. Market prices for crops and feedstuffs are assumed to be approximately 20 percent more variable than over the past ten years due to the 1996 Farm Bill provisions. Because cotton and rice relied heavily on the marketing loan over the past 10 years, price variability is increased 3 percent for cotton and 11 percent for rice. Random prices are appropriately correlated based on historical correlations, among crops and across years.

The 1996 Farm Bill eliminated the dairy assessments after 1996 and provides for a reduction in the milk support price starting in 1997. Each year the dairy support price falls 15 cents per hundred weight until the support price reaches \$9.90 per hundred weight in 1999, after which it is eliminated.

FAPRI November 1997 Baseline

Projected crop prices for FAPRI's November 1997 baseline are summarized in Table 1. Projected corn prices decline from the high of \$2.70/bu. in 1996 to a low of \$2.41/bu. in 1999 then increase steadily until they reach \$2.56/bu. in 2002. Wheat prices are projected to decline to \$3.30/bu. by 1998 and then increase through 2002 when wheat price are projected at \$3.73/bu. Cotton prices will likely decline until 1999 reaching a low of \$0.66/lb. and then increase only slightly to \$0.6789/lb. in 2002. Rice price is projected to decline from the \$9.90/cwt. level realized in 1996 to the \$9.30/cwt. range by 1998 and continuing at this level throughout the remainder of the study period.

Assumed loan rates and projected annual contract payment rates, net of 1995 deficiency repayments in 1996 and 1997, are also summarized in Table 1. FAPRI estimated that the net annual contract payment rates for corn will be \$0.28/bu. in 1997; increasing to \$0.376/bu. in 1998 and decreasing to \$0.26/bu. in 2002. Contract payment rates for wheat are estimated at \$0.61/bu. in 1997 with the payment rate decreasing to \$0.45/bu. in 2002. Cotton's contract payment rate for 1997 is estimated at \$0.0725/lb. and is projected to decrease to \$0.0536/lb. by 2002. The contract payment rate for rice is projected to be \$2.726/cwt. in 1997; increasing to \$2.925/cwt. in 1998 and declining to \$2.02/cwt in 2002. The farms growing contract commodities accepted the 1995 advance deficiency payments and had the repayments offset against 1996 contract payments for wheat, barley, oats, and upland cotton. The corn and sorghum repayments will be offset against their 1997 contract payments.

Projected livestock prices for FAPRI's November 1997 Baseline are summarized in Table 2. Beef cattle prices are projected to increase starting in 1996 and reach a peak in 2000. The average 1996 feeder cattle price was estimated at \$61.31/cwt. for a low, with 1997 price being projected at \$78.06/cwt., and 2000 is projected to experience the peak price of \$96.32/cwt. Hog prices decline after 1996 reaching a low of \$42.98/cwt. in 1999 and then recovering to \$47.54/cwt. in 2001. Annual milk prices for the 12 states, where representative dairy farms are located, are summarized in Table 2. Milk prices generally decrease after 1996 to a low in 1998 and then show a small increase to 2002.

Projected annual rates of change for variable cash expenses are presented in Table 3. The rate of change in input prices and interest rates come from FAPRI's November 1997 Baseline which relies on WEFA's macroeconomic projections. Annual interest rates paid for long- and intermediate-term loans and earned for savings are also summarized in Table 3. Assumed annual rates of change in land values over the 1997-2002 period are provided by the FAPRI Baseline (Table 3).

Table 1. Comparison of Crop Prices, Loan Rates and Net Contract Payment Rates, 1996-2002.

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Crop Prices | | | | | | | |
| Corn (\$/bu.) | 2.70 | 2.59 | 2.46 | 2.41 | 2.45 | 2.49 | 2.56 |
| Wheat (\$/bu.) | 4.30 | 3.56 | 3.30 | 3.43 | 3.52 | 3.66 | 3.73 |
| Cotton (\$/lb.) | 0.6930 | 0.6894 | 0.6610 | 0.6606 | 0.6664 | 0.6724 | 0.6789 |
| Sorghum (\$/bu.) | 2.34 | 2.30 | 2.33 | 2.27 | 2.34 | 2.38 | 2.45 |
| Soybeans (\$/bu.) | 7.38 | 6.45 | 5.98 | 5.95 | 5.92 | 6.08 | 6.12 |
| Barley (\$/bu.) | 2.74 | 2.41 | 2.34 | 2.32 | 2.42 | 2.43 | 2.46 |
| Oats (\$/bu.) | 1.96 | 1.60 | 1.60 | 1.58 | 1.61 | 1.63 | 1.66 |
| Rice (\$/cwt.) | 9.90 | 9.68 | 9.37 | 9.34 | 9.34 | 9.36 | 9.41 |
| Soybean Meal (\$/ton) | 258.90 | 200.35 | 188.88 | 187.94 | 187.20 | 190.87 | 195.00 |
| All Hay (\$/ton) | 93.00 | 98.87 | 93.38 | 92.53 | 93.54 | 94.68 | 95.78 |
| Loan Rates | | | | | | | |
| Corn (\$/bu.) | 1.89 | 1.89 | 1.89 | 1.89 | 1.89 | 1.89 | 1.89 |
| Wheat (\$/bu.) | 2.58 | 2.58 | 2.58 | 2.58 | 2.58 | 2.58 | 2.58 |
| Cotton (\$/lb.) | 0.5192 | 0.5192 | 0.5192 | 0.5192 | 0.5192 | 0.5192 | 0.5192 |
| Sorghum (\$/bu.) | 1.81 | 1.74 | 1.74 | 1.75 | 1.75 | 1.74 | 1.77 |
| Soybeans (\$/bu.) | 4.97 | 5.26 | 5.26 | 5.26 | 5.26 | 5.21 | 5.10 |
| Barley (\$/bu.) | 1.55 | 1.58 | 1.54 | 1.54 | 1.54 | 1.54 | 1.54 |
| Oats (\$/bu.) | 1.03 | 1.11 | 1.11 | 1.15 | 1.19 | 1.25 | 1.22 |
| Rice (\$/cwt.) | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 |
| Net Contract Payment Rates | | | | | | | |
| Corn (\$/bu.) | 0.25 | 0.28 | 0.38 | 0.37 | 0.33 | 0.27 | 0.26 |
| Wheat (\$/bu.) | 0.52 | 0.61 | 0.65 | 0.63 | 0.57 | 0.46 | 0.45 |
| Cotton (\$/lb.) | 0.0703 | 0.0725 | 0.0772 | 0.0745 | 0.0682 | 0.0553 | 0.0536 |
| Sorghum (\$/bu.) | 0.32 | 0.33 | 0.44 | 0.42 | 0.39 | 0.31 | 0.30 |
| Barley (\$/bu.) | 0.13 | 0.26 | 0.27 | 0.25 | 0.23 | 0.23 | 0.18 |
| Oats (\$/bu.) | 0.00 | 0.03 | 0.03 | 0.03 | 0.03 | 0.02 | 0.02 |
| Rice (\$/cwt.) | 2.77 | 2.73 | 2.92 | 2.84 | 2.60 | 2.10 | 2.02 |

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

Table 2. Comparison of Livestock Prices and Milk Prices, 1996-2002.

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|-------|-------|-------|-------|-------|-------|
| Cattle Prices | | | | | | | |
| Feeder Cattle (\$/cwt) | 61.31 | 78.06 | 81.60 | 88.25 | 96.32 | 93.05 | 84.27 |
| Fat Cattle (\$/cwt) | 65.11 | 66.61 | 72.68 | 77.03 | 82.49 | 80.67 | 76.43 |
| Culled Cows (\$/cwt) | 30.32 | 32.15 | 35.13 | 41.78 | 48.38 | 47.01 | 42.60 |
| Hog Prices | | | | | | | |
| Barrows/Gilts (\$/cwt) | 53.39 | 51.70 | 45.83 | 42.98 | 45.52 | 47.54 | 44.09 |
| Culled Sows (\$/cwt) | 44.32 | 46.73 | 43.37 | 43.25 | 45.11 | 57.61 | 46.91 |
| Milk Prices -- National and State | | | | | | | |
| All Milk Price (\$/cwt) | 14.87 | 13.30 | 13.27 | 13.32 | 13.28 | 13.31 | 13.35 |
| California (\$/cwt) | 13.66 | 12.51 | 12.55 | 12.65 | 12.66 | 12.69 | 12.73 |
| Florida (\$/cwt) | 18.00 | 16.48 | 16.51 | 16.60 | 16.61 | 16.65 | 16.69 |
| Georgia (\$/cwt) | 16.30 | 14.85 | 14.87 | 14.95 | 14.96 | 15.00 | 15.04 |
| Idaho (\$/cwt) | 13.90 | 12.34 | 12.15 | 12.09 | 12.01 | 12.04 | 12.11 |
| Michigan (\$/cwt) | 15.00 | 13.61 | 13.62 | 13.71 | 13.71 | 13.75 | 13.79 |
| Missouri (\$/cwt) | 15.10 | 13.62 | 13.61 | 13.68 | 13.68 | 13.71 | 13.75 |
| New Mexico (\$/cwt) | 13.80 | 12.67 | 12.54 | 12.53 | 12.48 | 12.51 | 12.57 |
| New York (\$/cwt) | 14.90 | 13.28 | 13.24 | 13.29 | 13.27 | 13.31 | 13.36 |
| Texas (\$/cwt) | 15.10 | 13.63 | 13.54 | 13.56 | 13.51 | 13.53 | 13.55 |
| Vermont (\$/cwt) | 15.30 | 14.26 | 14.52 | 14.53 | 13.96 | 13.99 | 14.03 |
| Washington (\$/cwt) | 14.50 | 13.22 | 13.04 | 12.99 | 12.91 | 12.94 | 13.01 |
| Wisconsin (\$/cwt) | 14.75 | 13.34 | 13.32 | 13.39 | 13.38 | 13.42 | 13.46 |

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

Table 3. Rate of Change for Input Prices, Consumer Price Index, Interest Rates, and Rate of Change in Land Values, 1996-2002.

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|--------|--------|--------|--------|--------|--------|
| Annual Rate of Change for Input Prices Paid | | | | | | |
| Seed Prices (%) | 1.87 | 0.42 | 1.84 | 2.16 | 2.03 | 2.21 |
| Fertilizer Prices (%) | 0.96 | -1.92 | 0.52 | 1.74 | 1.92 | 1.93 |
| Chemical Prices (%) | 1.05 | -0.58 | -0.34 | 1.12 | 1.92 | 2.06 |
| Machinery Prices (%) | -1.24 | 1.06 | 0.40 | -0.17 | -0.39 | 0.30 |
| Fuel and Lube Prices (%) | -0.45 | -4.20 | 0.78 | 3.32 | 3.63 | 3.61 |
| Labor (%) | 0.72 | 1.28 | 1.41 | 1.71 | 1.69 | 1.72 |
| Other Input Prices (%) | 0.05 | 1.24 | 1.87 | 2.14 | 2.18 | 1.91 |
| Non-Feed Dairy Costs (%) | 2.37 | 1.91 | 1.88 | 2.18 | 2.24 | 2.13 |
| Non-Feed Beef Costs (%) | 0.13 | -0.46 | 0.55 | 1.08 | 1.09 | 1.08 |
| Non-Feed Hog Costs (%) | -2.17 | 1.83 | 2.12 | 2.38 | 1.49 | 1.89 |
| Consumer Price Index | 164.76 | 169.52 | 174.22 | 178.70 | 183.39 | 188.33 |
| Annual Interest Rates | | | | | | |
| Long-Term (%) | 8.09 | 8.38 | 8.00 | 7.64 | 7.47 | 7.34 |
| Intermediate-Term (%) | 8.80 | 9.00 | 8.88 | 8.50 | 8.50 | 8.42 |
| Savings Account (%) | 4.80 | 5.00 | 4.88 | 4.50 | 4.50 | 4.42 |
| Annual Rate of Change for U.S. Land Prices (%) | 5.81 | 4.61 | 5.42 | 3.29 | 2.49 | 1.03 |

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

Definitions of Variables in the Summary Tables

- # **Change in Real Net Worth, 1997-2002** -- The overall percentage change in the operator's net worth from January 1, 1997 through December 31, 2002, after adjusting for inflation. This value reflects the real increase or decrease in net worth or equity for the farm over the planning horizon including changes in real estate values.
- # **Government Payments to Receipts, 1997-2002** -- The average value of all government payments divided by total receipts received from the market plus farm program (contract and marketing loan deficiency) payments, CCC loans, crop insurance indemnities, and other farm related income. The average value in the tables is computed over the planning horizon.
- # **Expenses to Receipts, 1997-2002** -- The ratio of all cash expenses to total receipts received from the market place plus farm programs. Cash expenses include interest costs, fixed cash costs, and variable costs but exclude principal payments, depreciation, income taxes, and family living expenses.
- # **Average Cash Receipts, 1997-2002** -- Gross receipts are cash receipts from market sales, contract payments, CCC loans, marketing loan gains, crop insurance indemnities, and other farm related income. The values presented in the tables represent the average value of total receipts for each year in the planning horizon.
- # **Average Contract Payments** -- The average value of all contract payments received for each year in the planning horizon.
- # **Average Net Cash Income** -- Net cash farm income equals gross receipts minus all cash expenses. Net cash farm income is used to pay family living expenses, principal payments, income taxes, self employment taxes, and machinery replacement costs. The values presented in the tables represent the average value of net cash farm income for each year in the planning horizon.
- # **Average Ending Cash Reserve** -- Cash reserve is the total cash on hand at the end of the year. Ending cash equals net cash farm income plus interest earned on cash reserves less principal payments, income taxes, self employment taxes, and family living withdrawals.
- # **Average Total Debt** -- Ending debt is the sum of land debt, intermediate-term debt for machinery and breeding stock, and operating loan carryover debt at the end of the year. The values presented in the tables represent the average value of total debt for each year in the planning horizon.
- # **Average Nominal Net Worth** -- Total net worth or equity at the end of each year in the planning horizon equals total assets including land minus total debt from all sources. This value of net worth is not adjusted for inflation and is reported for each year in the planning horizon.
- # **NIA for Total Real Net Worth, 1997-2002** -- Net income adjustment (NIA) is the annual increase or decrease in net cash farm income necessary to cause the change in total real net worth, including land inflation, to equal zero over the planning horizon. If the change in net worth is negative, the NIA is the annual increase in net income necessary to prevent a loss in total real net worth. NIA's are expressed both as total dollars per year and as a percent of average annual cash receipts.

FIGURE 2. REPRESENTATIVE FARMS PRODUCING FEED GRAINS

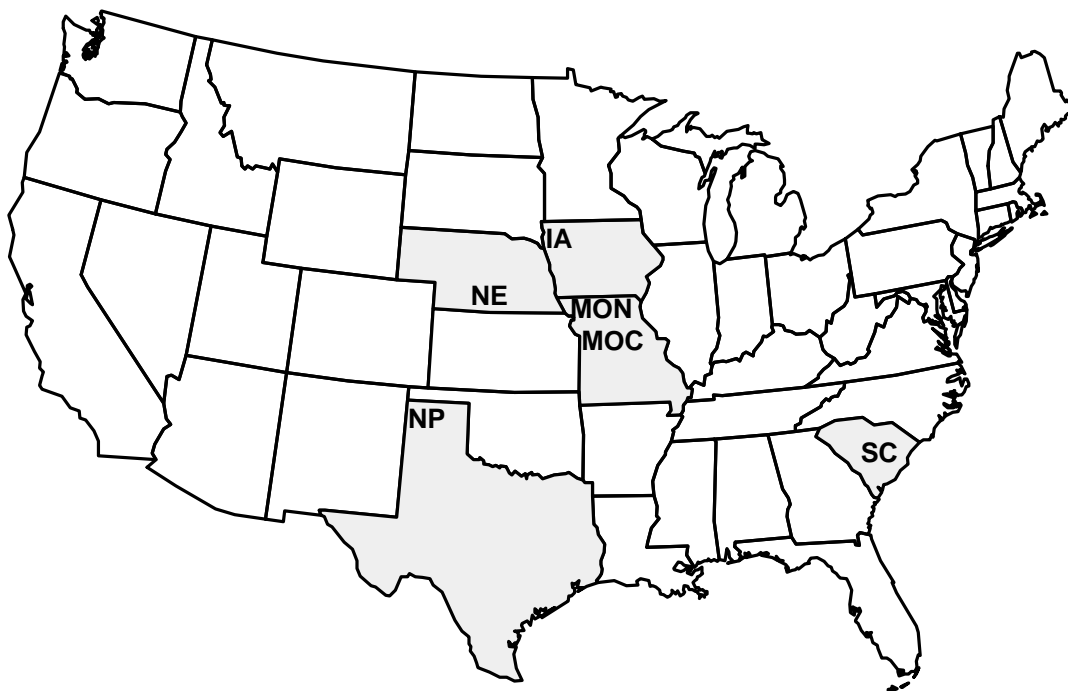


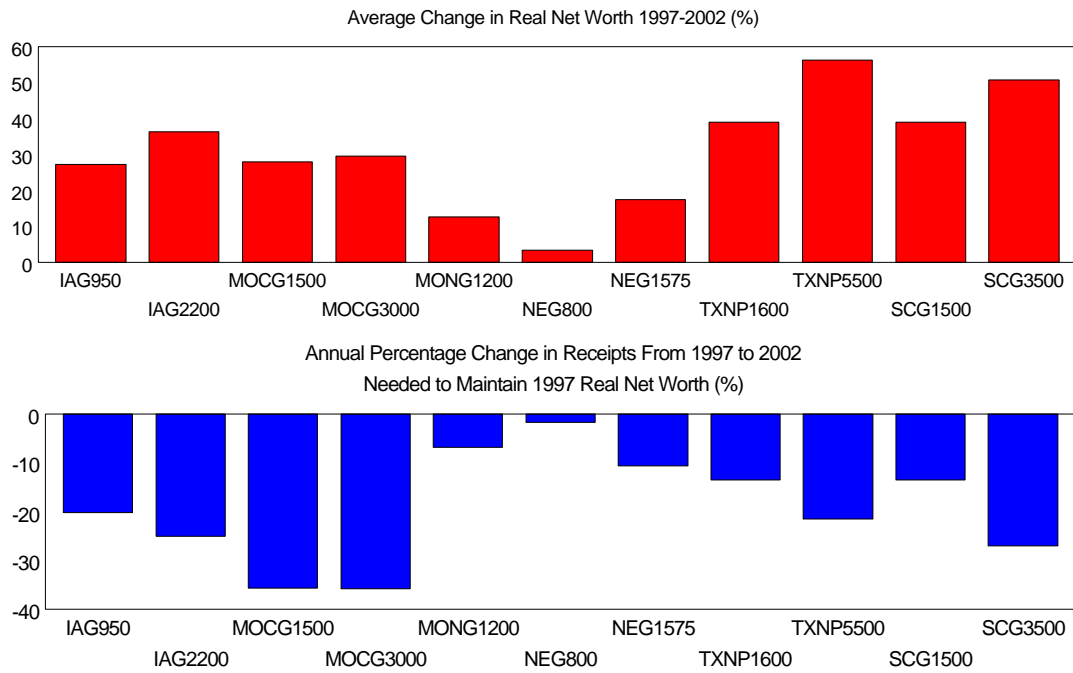
Table 4. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farm Producing Feed Grains

| | IAG950 | IAG2200 | MOCG1500 | MOCG3000 | MONG1200 | NEG800 | NEG1575 |
|--|---------|---------|----------|----------|----------|---------|---------|
| Change in Real Net Worth (%) Over 1997-2002 | 27.25 | 36.20 | 27.90 | 29.51 | 12.60 | 3.37 | 17.45 |
| Govt Payments/Receipts (%) 1997-2002 | 6.37 | 7.95 | 4.91 | 4.90 | 2.56 | 7.24 | 7.66 |
| Cost to Receipts Ratio (%) 1997-2002 | 64.85 | 59.46 | 51.84 | 52.17 | 79.86 | 87.34 | 79.36 |
| Total Cash Receipts (\$1000) | | | | | | | |
| 1996 | 327.63 | 586.80 | 390.35 | 857.93 | 475.17 | 371.91 | 776.72 |
| 1997 | 308.42 | 554.09 | 384.33 | 838.72 | 473.09 | 372.57 | 764.42 |
| 1998 | 301.79 | 545.40 | 373.05 | 806.78 | 452.33 | 371.35 | 754.70 |
| 1999 | 300.75 | 543.31 | 376.49 | 805.83 | 451.67 | 374.06 | 752.25 |
| 2000 | 309.01 | 557.00 | 387.21 | 820.17 | 473.37 | 388.83 | 766.18 |
| 2001 | 314.64 | 565.10 | 395.04 | 827.13 | 482.70 | 389.00 | 771.69 |
| 2002 | 320.11 | 574.38 | 409.10 | 849.61 | 466.29 | 394.32 | 796.01 |
| 1997-2002 Average | 309.12 | 556.55 | 387.54 | 824.71 | 466.57 | 381.69 | 767.54 |
| Contract Payments (\$1000) | | | | | | | |
| 1996 | 11.44 | 27.45 | 11.18 | 24.97 | 6.55 | 19.07 | 41.07 |
| 1997 | 12.80 | 30.72 | 12.69 | 28.40 | 7.33 | 21.34 | 45.97 |
| 1998 | 17.16 | 41.17 | 15.91 | 35.18 | 9.82 | 28.60 | 61.61 |
| 1999 | 16.68 | 40.02 | 15.46 | 34.16 | 9.55 | 27.80 | 59.89 |
| 2000 | 15.25 | 36.60 | 14.09 | 31.14 | 8.73 | 25.42 | 54.76 |
| 2001 | 12.39 | 29.74 | 11.43 | 25.24 | 7.09 | 20.66 | 44.49 |
| 2002 | 11.91 | 28.59 | 11.04 | 24.40 | 6.82 | 19.86 | 42.77 |
| 1997-2002 Average | 14.37 | 34.47 | 13.44 | 29.75 | 8.22 | 23.95 | 51.58 |
| Net Cash Farm Income (\$1000) | | | | | | | |
| 1996 | 131.96 | 260.12 | 195.36 | 448.22 | 122.62 | 72.31 | 196.20 |
| 1997 | 114.87 | 232.30 | 186.79 | 418.70 | 110.90 | 63.84 | 181.76 |
| 1998 | 112.74 | 233.50 | 183.24 | 397.81 | 96.97 | 63.07 | 174.41 |
| 1999 | 114.12 | 232.98 | 191.10 | 402.23 | 98.02 | 58.21 | 171.61 |
| 2000 | 121.75 | 246.14 | 196.30 | 418.22 | 112.18 | 70.24 | 181.48 |
| 2001 | 125.24 | 255.07 | 202.03 | 423.31 | 119.91 | 63.22 | 181.59 |
| 2002 | 131.53 | 261.56 | 216.00 | 441.03 | 97.34 | 62.51 | 194.52 |
| 1997-2002 Average | 120.04 | 243.59 | 195.91 | 416.89 | 105.89 | 63.51 | 180.90 |
| Ending Cash Reserves (\$1000) | | | | | | | |
| 1996 | 44.71 | 101.65 | 74.55 | 181.81 | 24.30 | 6.78 | 54.77 |
| 1997 | 68.25 | 161.63 | 126.97 | 314.00 | 34.36 | -14.52 | 75.86 |
| 1998 | 85.36 | 219.05 | 156.00 | 384.37 | 27.44 | -34.16 | 78.41 |
| 1999 | 106.53 | 267.47 | 181.07 | 421.25 | 31.01 | -69.12 | 71.13 |
| 2000 | 131.07 | 297.21 | 189.36 | 441.89 | 34.39 | -85.09 | 77.63 |
| 2001 | 146.40 | 325.33 | 200.12 | 458.70 | 37.34 | -111.99 | 84.73 |
| 2002 | 152.68 | 337.35 | 203.16 | 471.49 | 20.78 | -130.12 | 89.24 |
| 1997-2002 Average | 115.05 | 268.01 | 176.11 | 415.28 | 30.89 | -74.17 | 79.50 |
| Total Debt (\$1000) | | | | | | | |
| 1996 | 264.35 | 293.85 | 381.45 | 593.57 | 280.96 | 251.39 | 580.00 |
| 1997 | 249.54 | 281.16 | 344.03 | 562.57 | 301.78 | 334.54 | 601.57 |
| 1998 | 214.04 | 227.02 | 283.31 | 481.76 | 314.01 | 317.96 | 591.21 |
| 1999 | 206.92 | 252.07 | 238.82 | 420.95 | 312.93 | 366.87 | 571.23 |
| 2000 | 203.10 | 234.37 | 279.78 | 353.39 | 356.07 | 359.64 | 571.80 |
| 2001 | 212.01 | 178.10 | 257.24 | 301.64 | 332.97 | 383.58 | 530.26 |
| 2002 | 186.07 | 160.40 | 223.66 | 261.62 | 352.35 | 392.12 | 548.04 |
| 1997-2002 Average | 211.95 | 222.18 | 271.14 | 396.99 | 328.35 | 359.12 | 569.02 |
| Nominal Net Worth (\$1000) | | | | | | | |
| 1996 | 939.23 | 1166.65 | 1398.77 | 2699.90 | 1281.30 | 1040.74 | 2197.55 |
| 1997 | 1029.06 | 1304.25 | 1554.91 | 3028.13 | 1378.86 | 1091.91 | 2364.21 |
| 1998 | 1109.78 | 1437.65 | 1689.47 | 3317.89 | 1441.14 | 1135.88 | 2512.05 |
| 1999 | 1200.89 | 1567.50 | 1836.45 | 3596.95 | 1526.93 | 1181.47 | 2678.69 |
| 2000 | 1291.20 | 1691.82 | 1933.19 | 3788.72 | 1604.17 | 1224.49 | 2802.21 |
| 2001 | 1353.07 | 1787.29 | 2035.52 | 3958.91 | 1677.85 | 1244.26 | 2930.48 |
| 2002 | 1397.47 | 1857.96 | 2091.90 | 4088.63 | 1687.01 | 1257.89 | 3017.88 |
| 1997-2002 Average | 1230.24 | 1607.75 | 1856.91 | 3629.87 | 1552.66 | 1189.32 | 2717.59 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -62.39 | -139.14 | -134.37 | -294.44 | -31.72 | -6.36 | -78.98 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -20.18 | -25.00 | -35.59 | -35.70 | -6.80 | -1.67 | -10.57 |

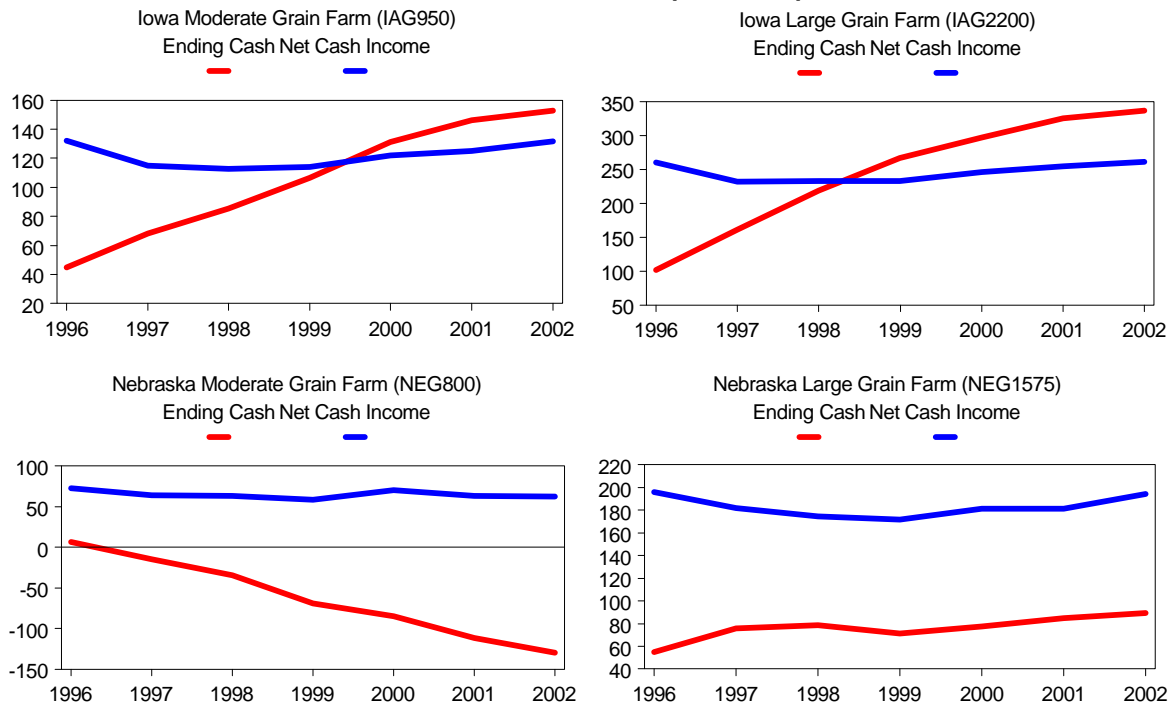
Table 5. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Feed Grains

| | TXNP1600 | TXNP5500 | SCG1500 | SCG3500 |
|---|----------|----------|---------|---------|
| Change in Real Net Worth (%) Over 1997-2002 | 38.92 | 56.15 | 38.84 | 50.64 |
| Govt Payments/Receipts (%) 1997-2002 | 8.69 | 7.41 | 6.29 | 5.50 |
| Cost to Receipts Ratio (%) 1997-2002 | 68.73 | 64.50 | 74.66 | 62.61 |
| Total Cash Receipts (\$1000) | | | | |
| 1996 | 376.54 | 1411.74 | 618.01 | 1627.29 |
| 1997 | 353.47 | 1332.23 | 565.05 | 1517.44 |
| 1998 | 349.23 | 1302.23 | 555.50 | 1481.82 |
| 1999 | 347.17 | 1300.24 | 562.57 | 1501.20 |
| 2000 | 356.04 | 1326.63 | 578.38 | 1531.09 |
| 2001 | 358.71 | 1342.18 | 594.48 | 1586.74 |
| 2002 | 368.84 | 1379.98 | 609.62 | 1625.23 |
| 1997-2002 Average | 355.58 | 1330.58 | 577.60 | 1540.59 |
| Contract Payments (\$1000) | | | | |
| 1996 | 24.77 | 75.30 | 24.41 | 58.04 |
| 1997 | 27.60 | 85.10 | 27.82 | 64.81 |
| 1998 | 33.82 | 105.33 | 34.07 | 77.60 |
| 1999 | 32.69 | 102.16 | 33.08 | 75.28 |
| 2000 | 29.86 | 93.17 | 30.14 | 68.64 |
| 2001 | 24.19 | 75.52 | 24.42 | 55.64 |
| 2002 | 23.43 | 73.03 | 23.63 | 53.83 |
| 1997-2002 Average | 28.60 | 89.05 | 28.86 | 65.97 |
| Net Cash Farm Income (\$1000) | | | | |
| 1996 | 130.07 | 557.37 | 209.17 | 678.90 |
| 1997 | 111.30 | 477.92 | 155.91 | 575.76 |
| 1998 | 114.31 | 467.40 | 150.92 | 557.82 |
| 1999 | 114.89 | 479.09 | 149.76 | 577.40 |
| 2000 | 118.89 | 500.41 | 163.67 | 600.07 |
| 2001 | 119.06 | 511.75 | 173.92 | 651.50 |
| 2002 | 122.92 | 536.71 | 178.90 | 672.50 |
| 1997-2002 Average | 116.89 | 495.55 | 162.18 | 605.84 |
| Ending Cash Reserves (\$1000) | | | | |
| 1996 | 67.48 | 260.43 | 95.57 | 313.60 |
| 1997 | 113.66 | 399.47 | 140.52 | 541.34 |
| 1998 | 157.01 | 509.47 | 184.63 | 750.86 |
| 1999 | 193.49 | 666.93 | 207.49 | 904.07 |
| 2000 | 212.63 | 794.76 | 251.59 | 995.99 |
| 2001 | 234.41 | 922.05 | 289.40 | 1067.65 |
| 2002 | 249.07 | 1012.10 | 315.56 | 1100.62 |
| 1997-2002 Average | 193.38 | 717.46 | 231.53 | 893.42 |
| Total Debt (\$1000) | | | | |
| 1996 | 93.00 | 350.82 | 157.03 | 609.99 |
| 1997 | 82.51 | 424.75 | 167.12 | 600.14 |
| 1998 | 70.83 | 386.01 | 166.72 | 565.54 |
| 1999 | 62.91 | 324.90 | 243.71 | 596.93 |
| 2000 | 109.65 | 306.61 | 233.92 | 585.28 |
| 2001 | 101.70 | 187.41 | 229.40 | 431.74 |
| 2002 | 131.25 | 128.77 | 261.97 | 434.10 |
| 1997-2002 Average | 93.14 | 293.08 | 217.14 | 535.62 |
| Nominal Net Worth (\$1000) | | | | |
| 1996 | 475.18 | 1772.97 | 776.53 | 2440.74 |
| 1997 | 532.27 | 2018.18 | 865.10 | 2812.84 |
| 1998 | 586.40 | 2264.56 | 948.01 | 3167.02 |
| 1999 | 640.72 | 2521.63 | 1026.64 | 3536.09 |
| 2000 | 689.66 | 2763.96 | 1112.50 | 3841.41 |
| 2001 | 737.47 | 3029.09 | 1193.16 | 4126.42 |
| 2002 | 771.90 | 3237.15 | 1260.63 | 4299.24 |
| 1997-2002 Average | 659.74 | 2639.09 | 1067.67 | 3630.50 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -48.05 | -282.88 | -78.35 | -416.05 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -13.51 | -21.50 | -13.56 | -27.01 |

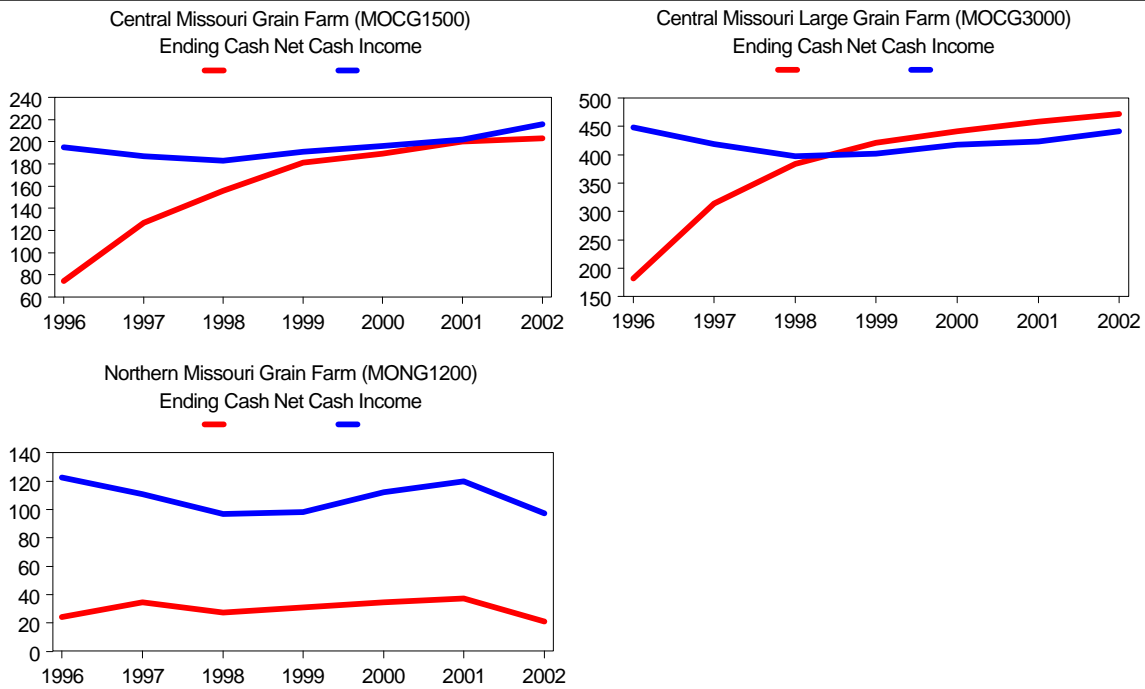
Figure 3. Feed Grain Farms



**Figure 4. Ending Cash Reserves and Net Cash Farm Income:
Feed Grain Farms (\$1,000's)**



**Figure 5. Ending Cash Reserves and Net Cash Farm Income:
Feed Grain Farms (\$1,000's)**



**Figure 6. Ending Cash Reserves and Net Cash Farm Income:
Feed Grain Farms (\$1,000's)**

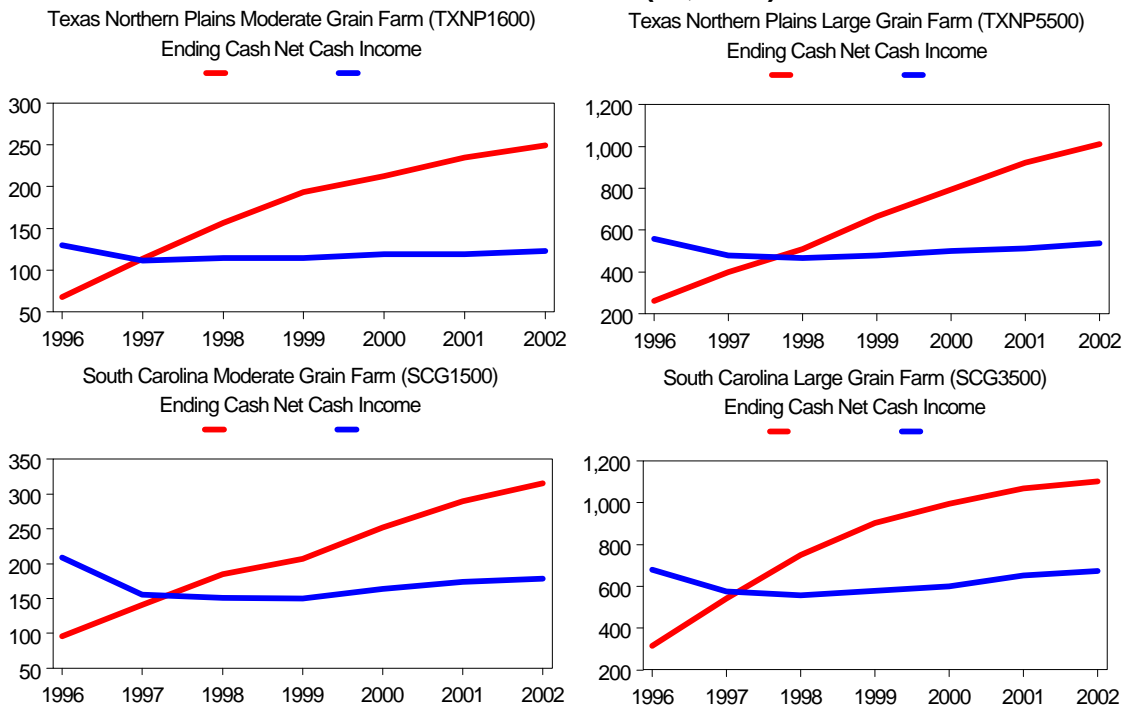


FIGURE 7. REPRESENTATIVE FARMS PRODUCING WHEAT

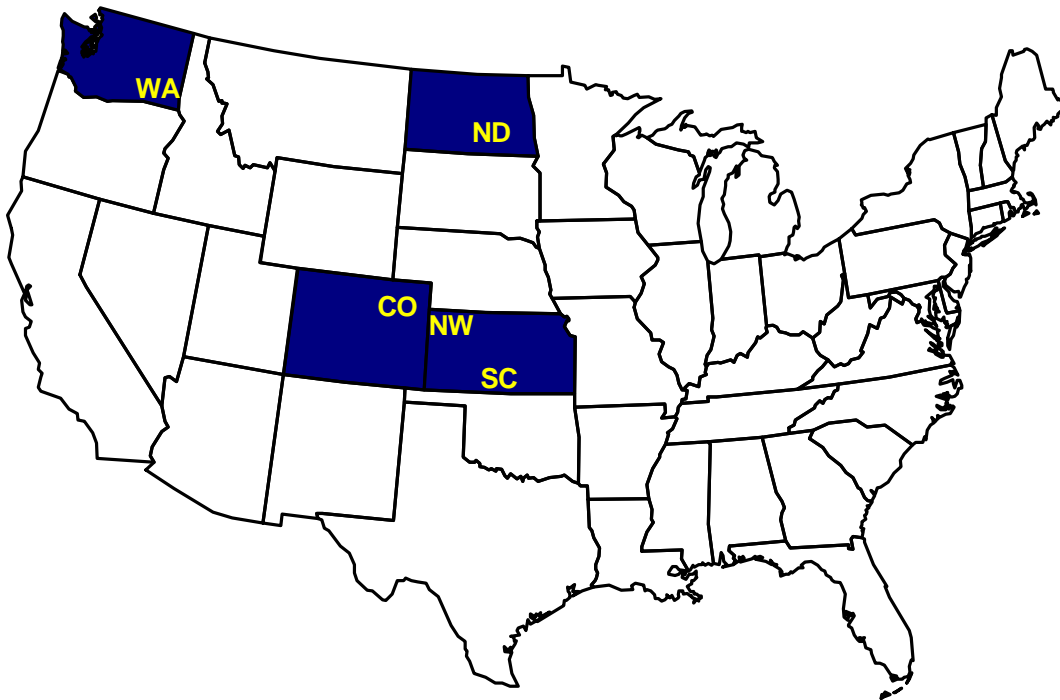
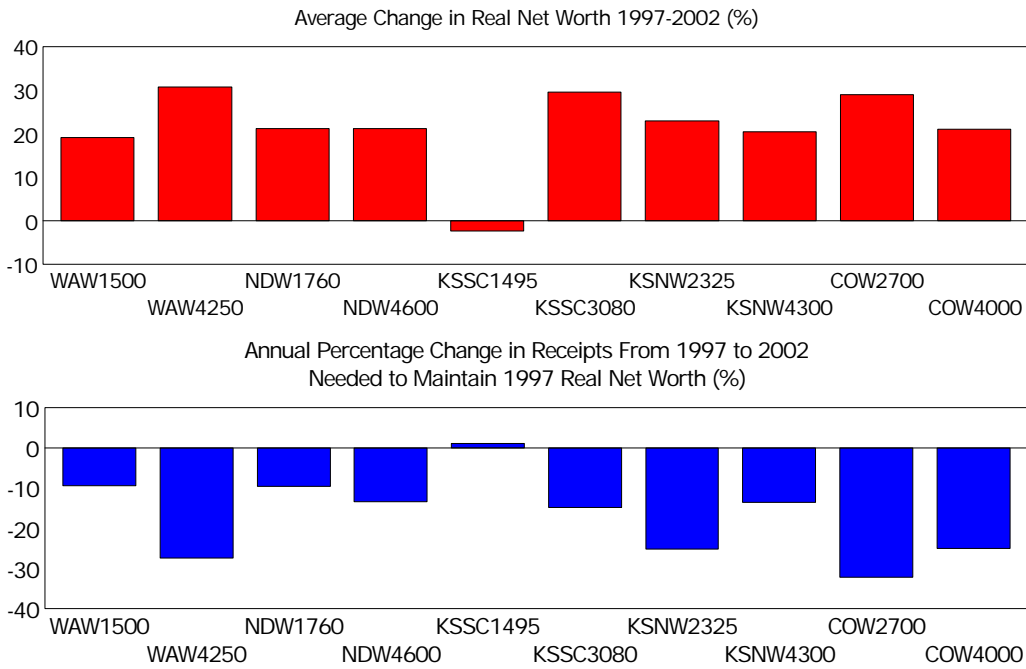


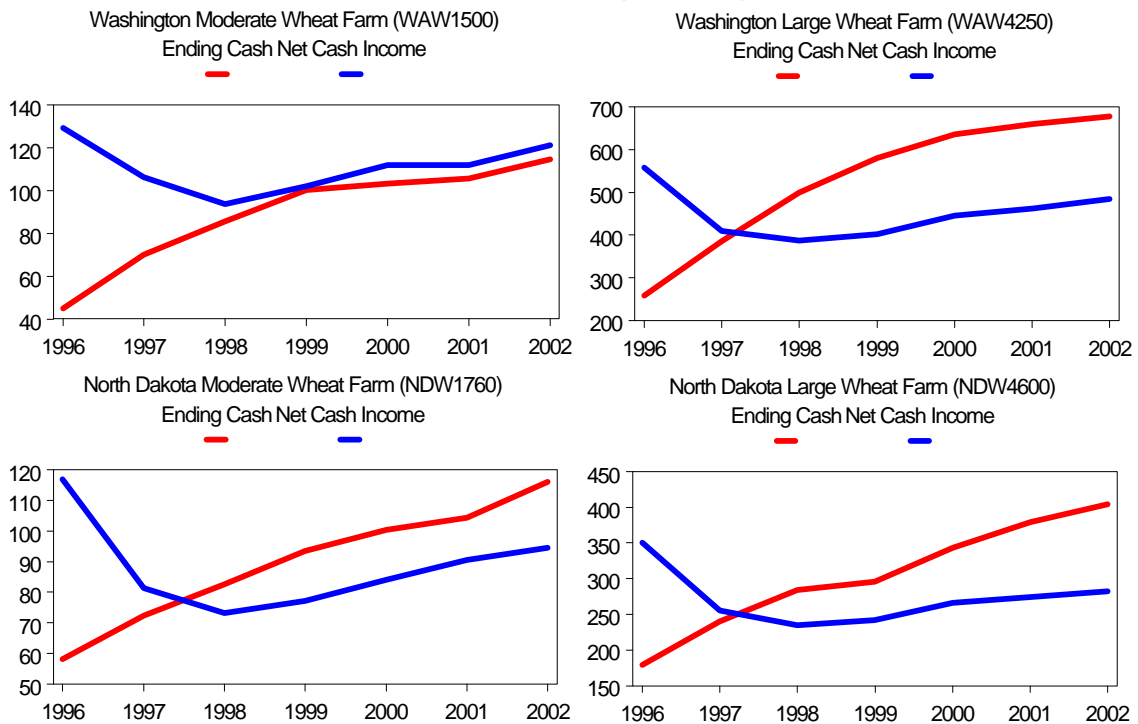
Table 6. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Wheat

| | WAW1500 | WAW4250 | NDW1760 | NDW4600 | KSSC1495 | KSSC3080 | KSNW2325 | KSNW4300 | COW2700 | COW4000 |
|--|---------|---------|---------|---------|----------|----------|----------|----------|---------|---------|
| Change in Real Net Worth (%) Over 1997-2002 | 19.23 | 30.74 | 21.18 | 21.16 | -2.24 | 29.62 | 22.94 | 20.48 | 29.02 | 21.04 |
| Govt Payments/Receipts (%) 1997-2002 | 5.53 | 5.41 | 7.22 | 6.41 | 12.55 | 11.05 | 8.99 | 9.21 | 8.30 | 8.67 |
| Cost to Receipts Ratio (%) 1997-2002 | 74.41 | 59.98 | 73.86 | 73.21 | 81.34 | 66.66 | 56.63 | 73.59 | 46.69 | 57.66 |
| Total Cash Receipts (\$1000) | | | | | | | | | | |
| 1996 | 401.24 | 1148.62 | 290.96 | 880.82 | 174.73 | 428.98 | 219.07 | 474.41 | 243.88 | 390.95 |
| 1997 | 381.53 | 1012.44 | 259.83 | 784.29 | 155.37 | 388.60 | 210.89 | 445.16 | 215.68 | 342.72 |
| 1998 | 371.29 | 981.62 | 249.58 | 755.64 | 152.26 | 382.65 | 209.46 | 436.77 | 205.69 | 329.81 |
| 1999 | 378.96 | 1000.11 | 253.78 | 766.70 | 154.38 | 390.70 | 213.60 | 443.74 | 208.05 | 335.29 |
| 2000 | 396.04 | 1041.96 | 259.06 | 786.81 | 157.01 | 399.06 | 223.66 | 453.13 | 213.27 | 343.61 |
| 2001 | 404.40 | 1068.98 | 264.64 | 801.83 | 158.50 | 403.93 | 221.24 | 455.40 | 216.56 | 349.39 |
| 2002 | 414.56 | 1096.88 | 270.48 | 820.44 | 161.69 | 404.78 | 222.68 | 466.55 | 219.71 | 355.22 |
| 1997-2002 Average | 391.13 | 1033.67 | 259.56 | 785.95 | 156.53 | 394.95 | 216.92 | 450.13 | 213.16 | 342.67 |
| Contract Payments (\$1000) | | | | | | | | | | |
| 1996 | 18.42 | 47.94 | 14.33 | 38.12 | 17.08 | 38.13 | 16.49 | 34.33 | 15.64 | 26.17 |
| 1997 | 22.45 | 57.68 | 18.51 | 49.40 | 19.51 | 44.60 | 18.76 | 39.44 | 18.29 | 30.61 |
| 1998 | 23.86 | 61.37 | 19.61 | 52.34 | 21.60 | 47.52 | 21.32 | 44.58 | 19.49 | 32.62 |
| 1999 | 23.02 | 59.28 | 18.80 | 50.15 | 20.87 | 46.06 | 20.61 | 43.17 | 18.89 | 31.61 |
| 2000 | 20.86 | 53.69 | 17.06 | 45.52 | 18.96 | 41.68 | 18.75 | 39.21 | 17.09 | 28.61 |
| 2001 | 17.21 | 44.01 | 14.50 | 38.76 | 15.31 | 33.63 | 15.15 | 31.70 | 13.79 | 23.08 |
| 2002 | 16.43 | 42.32 | 13.40 | 35.76 | 14.94 | 32.90 | 14.76 | 30.87 | 13.49 | 22.58 |
| 1997-2002 Average | 20.64 | 53.06 | 16.98 | 45.32 | 18.53 | 41.06 | 18.22 | 38.16 | 16.84 | 28.19 |
| Net Cash Farm Income (\$1000) | | | | | | | | | | |
| 1996 | 129.17 | 556.95 | 116.95 | 350.40 | 60.61 | 173.33 | 97.18 | 154.29 | 137.57 | 191.60 |
| 1997 | 106.37 | 409.68 | 81.31 | 255.51 | 39.20 | 133.03 | 91.40 | 128.01 | 114.57 | 148.85 |
| 1998 | 93.58 | 386.53 | 73.10 | 234.52 | 32.06 | 132.86 | 94.08 | 126.76 | 106.69 | 138.76 |
| 1999 | 101.84 | 402.06 | 77.28 | 241.66 | 33.24 | 142.53 | 100.99 | 135.59 | 108.94 | 146.15 |
| 2000 | 111.80 | 445.01 | 84.01 | 266.30 | 35.20 | 149.81 | 102.20 | 136.79 | 117.69 | 153.09 |
| 2001 | 112.03 | 462.51 | 90.48 | 274.65 | 34.14 | 154.17 | 101.73 | 127.81 | 124.10 | 160.13 |
| 2002 | 121.15 | 484.66 | 94.57 | 282.04 | 34.95 | 151.25 | 101.39 | 135.13 | 128.27 | 166.70 |
| 1997-2002 Average | 107.80 | 431.74 | 83.46 | 259.11 | 34.80 | 143.94 | 98.63 | 131.68 | 116.71 | 152.28 |
| Ending Cash Reserves (\$1000) | | | | | | | | | | |
| 1996 | 44.94 | 258.29 | 58.22 | 179.13 | 7.29 | 70.88 | 36.91 | 67.54 | 44.67 | 92.83 |
| 1997 | 69.94 | 386.19 | 72.42 | 239.76 | 4.83 | 99.82 | 63.40 | 99.89 | 75.53 | 138.62 |
| 1998 | 85.48 | 498.97 | 82.55 | 283.82 | -24.34 | 118.15 | 83.32 | 134.31 | 81.73 | 164.02 |
| 1999 | 100.21 | 580.47 | 93.44 | 296.19 | -45.96 | 134.54 | 97.94 | 170.91 | 82.81 | 178.20 |
| 2000 | 103.10 | 636.05 | 100.51 | 343.77 | -71.10 | 154.06 | 112.23 | 185.15 | 88.90 | 194.38 |
| 2001 | 105.55 | 659.13 | 104.37 | 379.29 | -104.20 | 178.57 | 117.83 | 201.71 | 94.34 | 201.25 |
| 2002 | 114.49 | 676.75 | 116.05 | 404.47 | -136.09 | 200.24 | 116.84 | 218.49 | 96.79 | 207.07 |
| 1997-2002 Average | 96.46 | 572.93 | 94.89 | 324.55 | -62.81 | 147.57 | 98.59 | 168.41 | 86.68 | 180.59 |
| Total Debt (\$1000) | | | | | | | | | | |
| 1996 | 224.32 | 594.74 | 91.04 | 341.43 | 187.74 | 222.30 | 160.18 | 225.98 | 236.28 | 244.90 |
| 1997 | 251.94 | 722.46 | 157.11 | 385.88 | 211.74 | 213.55 | 146.44 | 203.95 | 206.05 | 235.67 |
| 1998 | 311.49 | 684.35 | 158.28 | 389.00 | 270.54 | 218.94 | 121.36 | 179.28 | 211.80 | 241.44 |
| 1999 | 312.00 | 684.62 | 154.25 | 420.23 | 267.13 | 180.69 | 86.86 | 163.20 | 223.80 | 228.04 |
| 2000 | 365.26 | 587.07 | 124.42 | 357.82 | 269.49 | 188.07 | 182.42 | 201.74 | 181.91 | 237.47 |
| 2001 | 406.17 | 578.49 | 99.04 | 364.35 | 284.26 | 199.94 | 152.89 | 276.49 | 125.26 | 202.26 |
| 2002 | 381.68 | 534.59 | 97.02 | 407.71 | 291.53 | 185.56 | 163.91 | 253.64 | 97.63 | 153.34 |
| 1997-2002 Average | 338.09 | 631.93 | 131.69 | 387.50 | 265.78 | 197.79 | 142.31 | 213.05 | 174.41 | 216.37 |
| Nominal Net Worth (\$1000) | | | | | | | | | | |
| 1996 | 992.49 | 2713.81 | 454.25 | 1643.45 | 370.36 | 714.44 | 799.42 | 1084.90 | 797.49 | 1176.67 |
| 1997 | 1069.27 | 2996.64 | 489.73 | 1771.71 | 390.29 | 781.47 | 880.27 | 1177.27 | 887.87 | 1288.77 |
| 1998 | 1130.05 | 3276.99 | 522.71 | 1893.92 | 398.10 | 839.85 | 948.13 | 1260.68 | 963.47 | 1386.42 |
| 1999 | 1210.71 | 3577.85 | 562.01 | 2022.57 | 411.78 | 911.92 | 1030.27 | 1361.90 | 1035.79 | 1492.52 |
| 2000 | 1275.07 | 3836.45 | 593.68 | 2137.32 | 420.29 | 974.93 | 1091.21 | 1439.67 | 1097.62 | 1561.71 |
| 2001 | 1331.66 | 4025.45 | 619.43 | 2236.91 | 423.89 | 1044.46 | 1128.71 | 1488.85 | 1168.42 | 1617.44 |
| 2002 | 1383.73 | 4148.77 | 643.66 | 2328.26 | 423.36 | 1082.83 | 1149.17 | 1528.41 | 1203.10 | 1665.34 |
| 1997-2002 Average | 1233.42 | 3643.69 | 571.87 | 2065.11 | 411.28 | 939.24 | 1037.96 | 1376.13 | 1059.38 | 1502.03 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -36.58 | -282.48 | -24.42 | -104.72 | 1.78 | -58.59 | -54.23 | -61.03 | -66.61 | -85.67 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -9.35 | -27.33 | -9.59 | -13.41 | 1.14 | -14.84 | -25.08 | -13.56 | -32.17 | -25.00 |

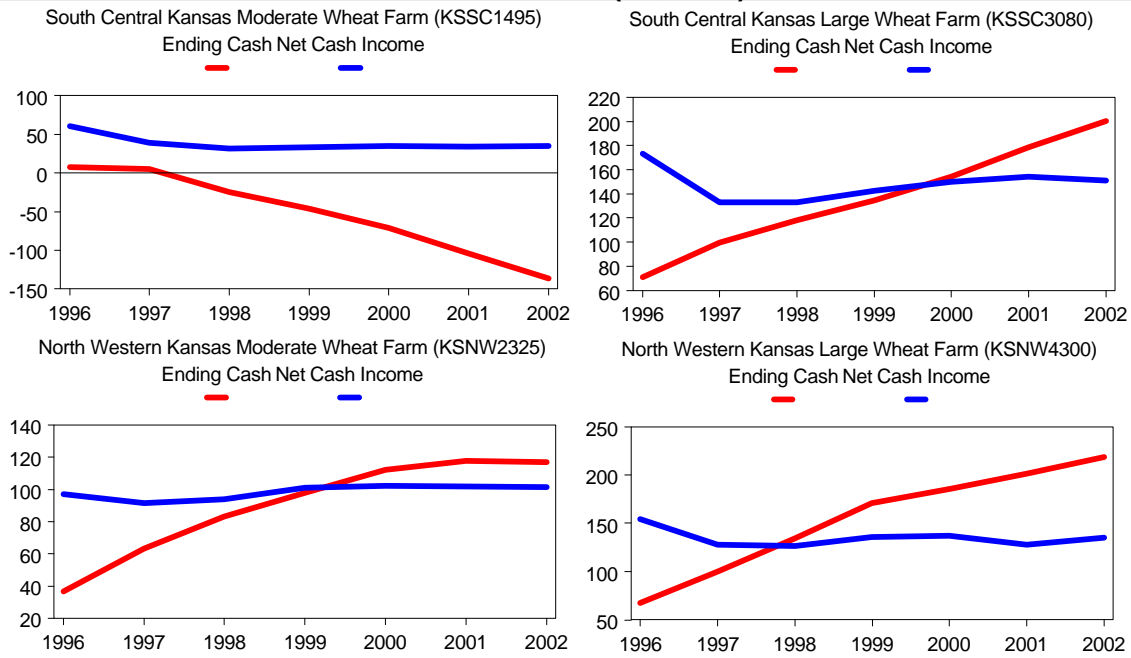
Figure 8. Wheat Farms



**Figure 9. Ending Cash Reserves and Net Cash Farm Income:
Wheat Farms (\$1,000's)**



**Figure 10. Ending Cash Reserves and Net Cash Farm Income:
Wheat Farms (\$1,000's)**



**Figure 11. Ending Cash Reserves and Net Cash Farm Income:
Wheat Farms (\$1,000's)**

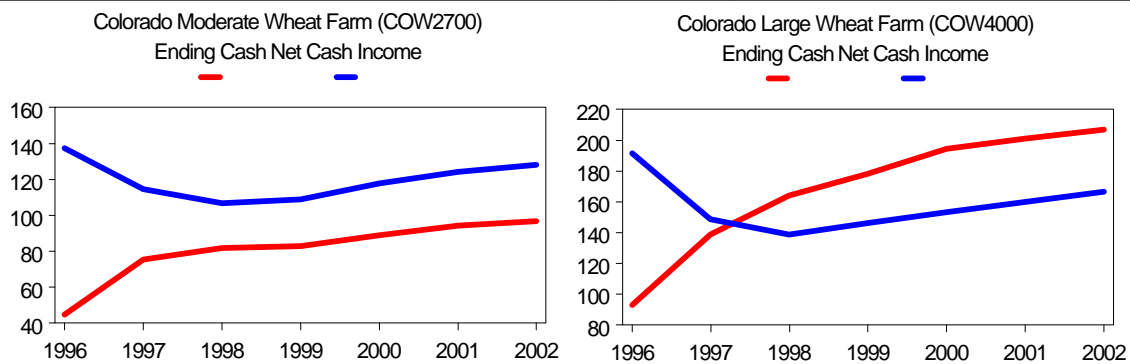


FIGURE 12. REPRESENTATIVE FARMS PRODUCING COTTON



Table 7. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Cotton

| | CAC2000 | CAC6000 | TXSP1682 | TXSP3697 | TXRP2065 | TXBL1200 | TXCB1700 |
|---|---------|----------|----------|----------|----------|----------|----------|
| Change in Real Net Worth (%) Over 1997-2002 | 27.51 | 32.90 | 24.09 | 57.52 | 3.09 | 1.09 | -15.27 |
| Govt Payments/Receipts (%) 1997-2002 | 5.33 | 3.88 | 7.30 | 6.45 | 12.87 | 7.63 | 9.29 |
| Cost to Receipts Ratio (%) 1997-2002 | 80.53 | 79.61 | 76.61 | 75.92 | 87.80 | 83.33 | 95.68 |
| Total Cash Receipts (\$1000) | | | | | | | |
| 1996 | 1895.44 | 5383.77 | 295.61 | 966.48 | 233.39 | 246.32 | 421.04 |
| 1997 | 1918.50 | 5443.90 | 302.68 | 979.67 | 235.50 | 266.52 | 443.21 |
| 1998 | 1863.99 | 5362.10 | 295.00 | 954.21 | 231.03 | 265.73 | 422.99 |
| 1999 | 1868.79 | 5413.82 | 299.49 | 972.66 | 233.97 | 266.91 | 422.85 |
| 2000 | 1887.80 | 5495.69 | 298.15 | 970.72 | 236.67 | 270.60 | 426.89 |
| 2001 | 1914.60 | 5604.10 | 301.09 | 979.56 | 236.48 | 252.35 | 427.02 |
| 2002 | 1942.09 | 5624.95 | 304.26 | 994.81 | 240.38 | 255.99 | 435.79 |
| 1997-2002 Average | 1899.30 | 5490.76 | 300.11 | 975.27 | 235.67 | 263.02 | 429.79 |
| Contract Payments (\$1000) | | | | | | | |
| 1996 | 90.92 | 171.70 | 18.58 | 51.99 | 25.05 | 16.58 | 32.58 |
| 1997 | 94.67 | 182.23 | 19.16 | 53.62 | 26.54 | 17.36 | 33.33 |
| 1998 | 101.40 | 196.59 | 20.40 | 57.10 | 28.26 | 20.49 | 39.04 |
| 1999 | 97.91 | 189.97 | 19.69 | 55.10 | 27.30 | 19.73 | 37.45 |
| 2000 | 89.56 | 173.49 | 18.03 | 50.44 | 24.93 | 18.10 | 34.44 |
| 2001 | 72.60 | 140.55 | 14.62 | 40.90 | 20.19 | 14.68 | 27.93 |
| 2002 | 70.39 | 136.41 | 14.17 | 39.64 | 19.61 | 14.20 | 27.03 |
| 1997-2002 Average | 87.75 | 169.87 | 17.68 | 49.47 | 24.47 | 17.43 | 33.21 |
| Net Cash Farm Income (\$1000) | | | | | | | |
| 1996 | 383.80 | 1144.64 | 83.62 | 270.08 | 57.09 | 47.79 | 54.02 |
| 1997 | 417.11 | 1174.01 | 89.33 | 275.69 | 58.15 | 53.48 | 48.25 |
| 1998 | 382.27 | 1136.07 | 83.13 | 256.06 | 53.74 | 51.81 | 53.05 |
| 1999 | 377.05 | 1172.49 | 88.36 | 273.50 | 52.53 | 49.42 | 43.51 |
| 2000 | 378.62 | 1186.11 | 84.88 | 263.91 | 53.60 | 52.51 | 41.94 |
| 2001 | 368.33 | 1204.34 | 80.00 | 261.37 | 50.24 | 43.83 | 31.14 |
| 2002 | 374.71 | 1137.90 | 80.92 | 267.96 | 43.77 | 46.73 | 28.83 |
| 1997-2002 Average | 383.01 | 1168.49 | 84.44 | 266.41 | 52.00 | 49.63 | 41.12 |
| Ending Cash Reserves (\$1000) | | | | | | | |
| 1996 | 163.08 | 518.57 | 28.78 | 122.05 | 15.22 | 12.16 | 10.20 |
| 1997 | 311.25 | 987.86 | 42.26 | 217.79 | 21.52 | 21.31 | 5.98 |
| 1998 | 430.08 | 1405.30 | 54.77 | 270.24 | 17.94 | 25.22 | 3.98 |
| 1999 | 534.13 | 1783.83 | 63.50 | 316.56 | 0.40 | 21.23 | -12.03 |
| 2000 | 660.43 | 2199.13 | 77.65 | 351.31 | -0.47 | 14.20 | -33.03 |
| 2001 | 757.01 | 2625.19 | 80.58 | 394.19 | -5.42 | -4.50 | -67.68 |
| 2002 | 864.43 | 2971.67 | 85.90 | 452.71 | -25.30 | -10.59 | -97.26 |
| 1997-2002 Average | 592.89 | 1995.50 | 67.44 | 333.80 | 1.44 | 11.15 | -33.34 |
| Total Debt (\$1000) | | | | | | | |
| 1996 | 780.27 | 2614.13 | 108.05 | 236.44 | 86.29 | 92.04 | 95.68 |
| 1997 | 766.58 | 2531.22 | 130.34 | 342.41 | 101.18 | 88.20 | 122.99 |
| 1998 | 704.78 | 2422.57 | 133.46 | 385.96 | 101.93 | 80.59 | 131.01 |
| 1999 | 632.66 | 2386.44 | 107.05 | 332.12 | 130.96 | 128.11 | 197.87 |
| 2000 | 662.77 | 2475.60 | 118.54 | 362.19 | 126.21 | 113.07 | 199.14 |
| 2001 | 767.84 | 2436.20 | 149.84 | 304.16 | 126.26 | 107.78 | 228.07 |
| 2002 | 672.48 | 2434.01 | 122.66 | 228.44 | 204.58 | 113.70 | 246.51 |
| 1997-2002 Average | 701.19 | 2447.67 | 126.98 | 325.88 | 131.85 | 105.24 | 187.60 |
| Nominal Net Worth (\$1000) | | | | | | | |
| 1996 | 3478.55 | 11591.99 | 504.56 | 928.22 | 340.35 | 432.59 | 416.13 |
| 1997 | 3835.77 | 12878.78 | 555.23 | 1067.36 | 365.66 | 460.02 | 427.97 |
| 1998 | 4147.88 | 14025.28 | 596.62 | 1189.62 | 382.27 | 478.53 | 441.11 |
| 1999 | 4489.16 | 15313.98 | 643.61 | 1329.70 | 397.48 | 494.33 | 445.84 |
| 2000 | 4753.93 | 16330.38 | 678.43 | 1436.46 | 411.19 | 511.52 | 445.10 |
| 2001 | 4981.12 | 17295.43 | 704.11 | 1565.97 | 421.39 | 512.94 | 431.28 |
| 2002 | 5186.29 | 18013.53 | 732.10 | 1709.71 | 410.26 | 511.32 | 412.28 |
| 1997-2002 Average | 4565.69 | 15642.90 | 651.68 | 1383.14 | 398.04 | 494.78 | 433.93 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -261.24 | -964.83 | -28.86 | -123.77 | -1.92 | -0.03 | 13.48 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -13.75 | -17.57 | -9.71 | -12.69 | -0.82 | -0.01 | 3.14 |

Figure 13. Cotton Farms

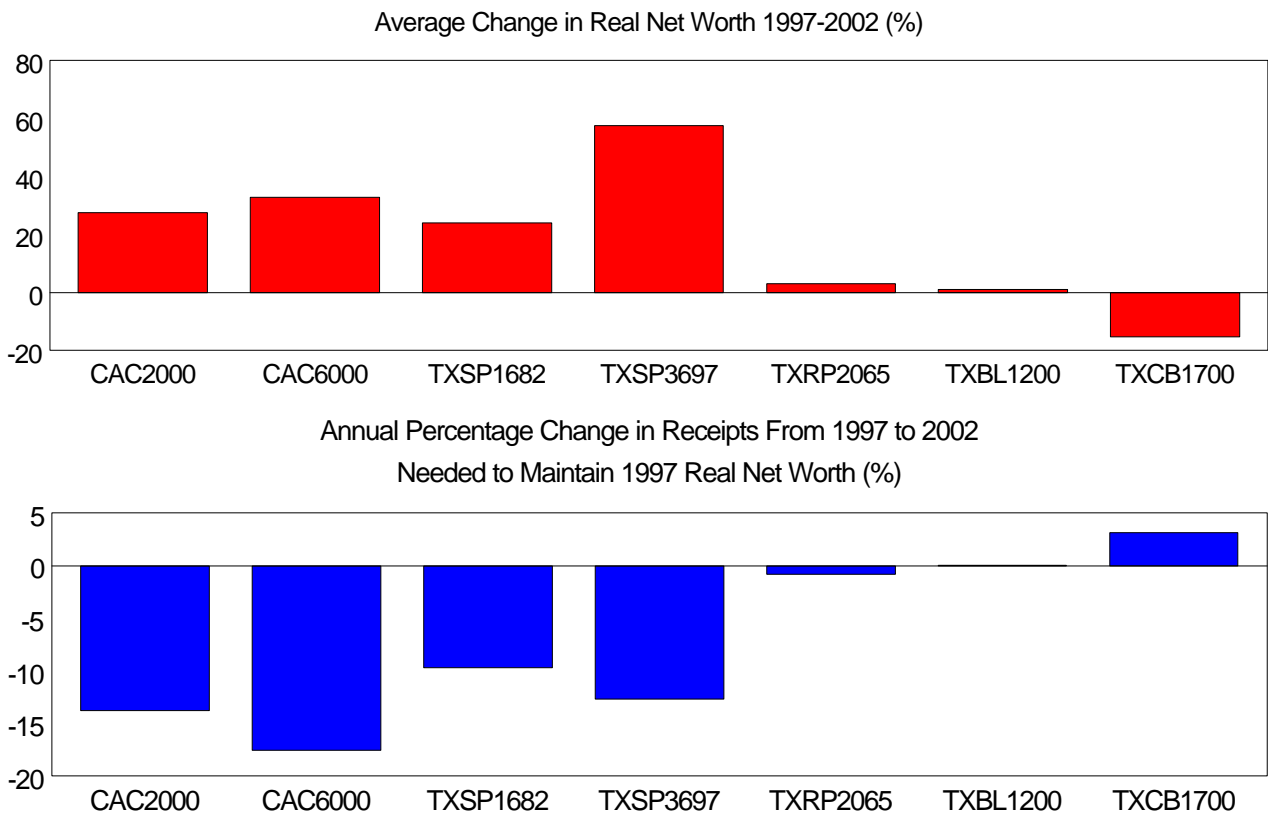
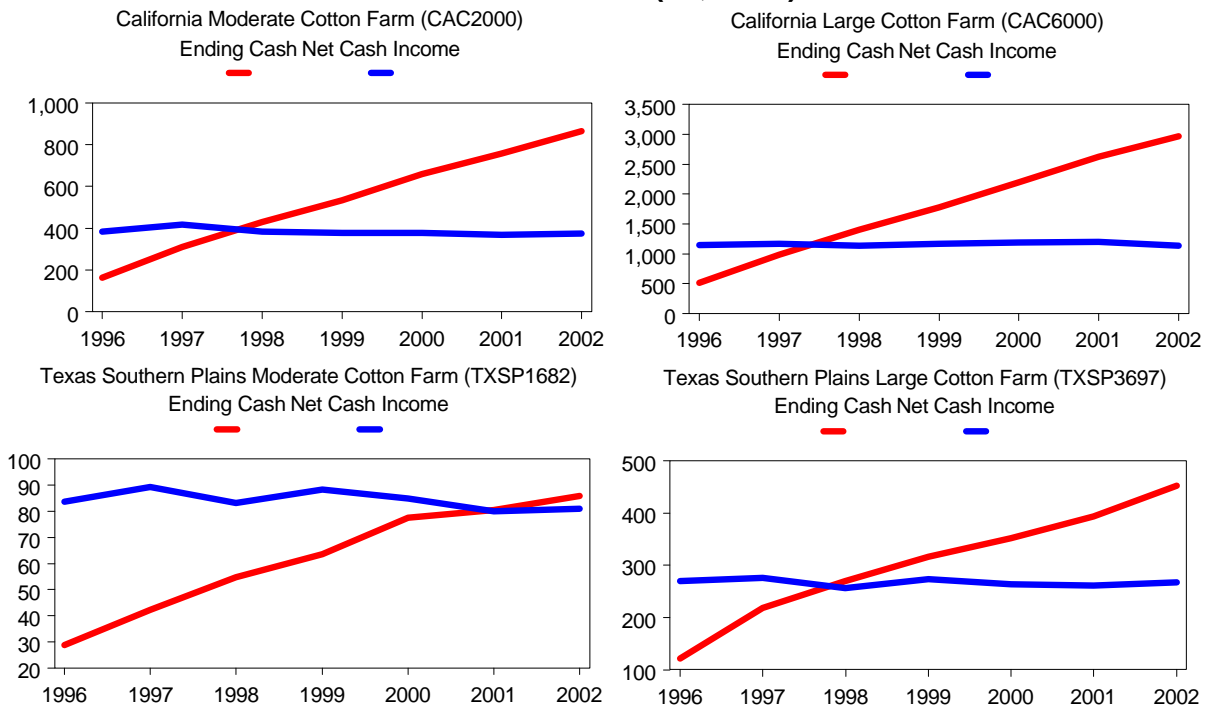


Figure 14. Ending Cash Reserves and Net Cash Farm Income: Cotton Farms (\$1,000's)



**Figure 15. Ending Cash Reserves and Net Cash Farm Income:
Cotton Farms (\$1,000's)**

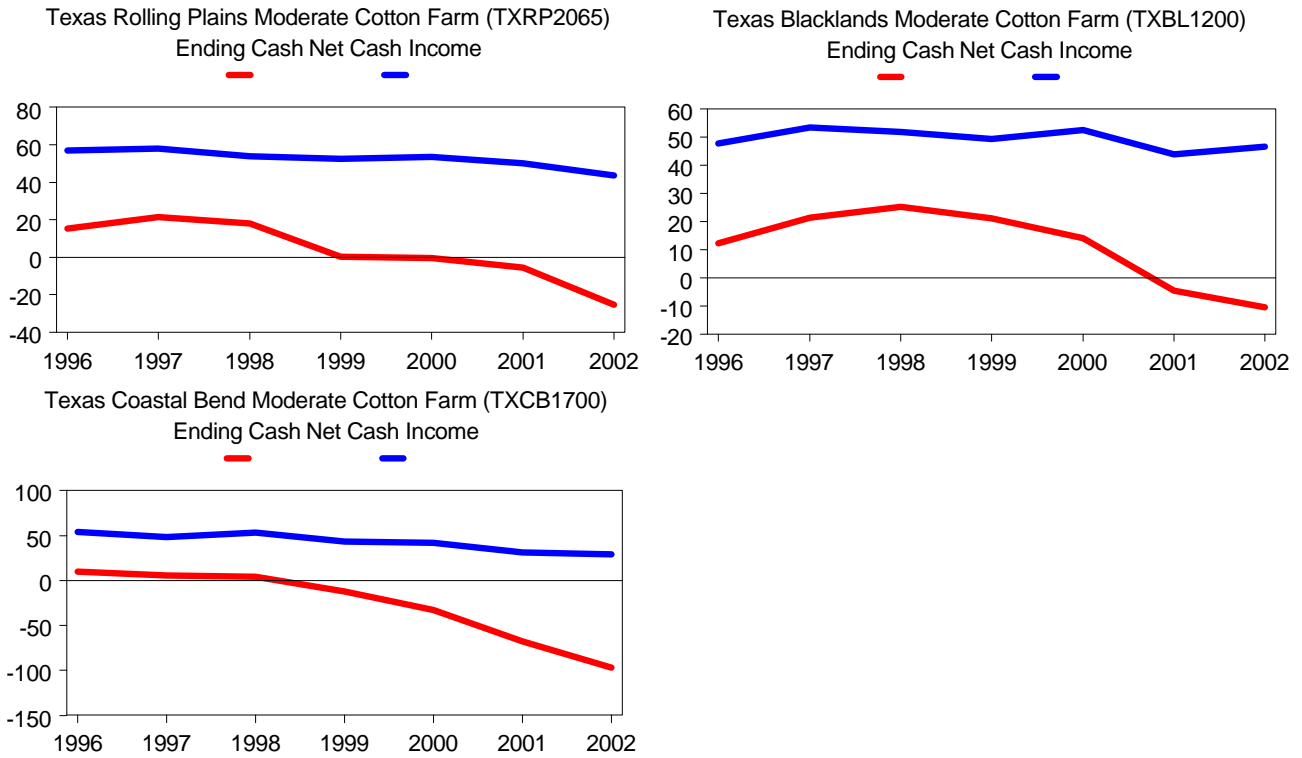


FIGURE 16. REPRESENTATIVE FARMS PRODUCING RICE

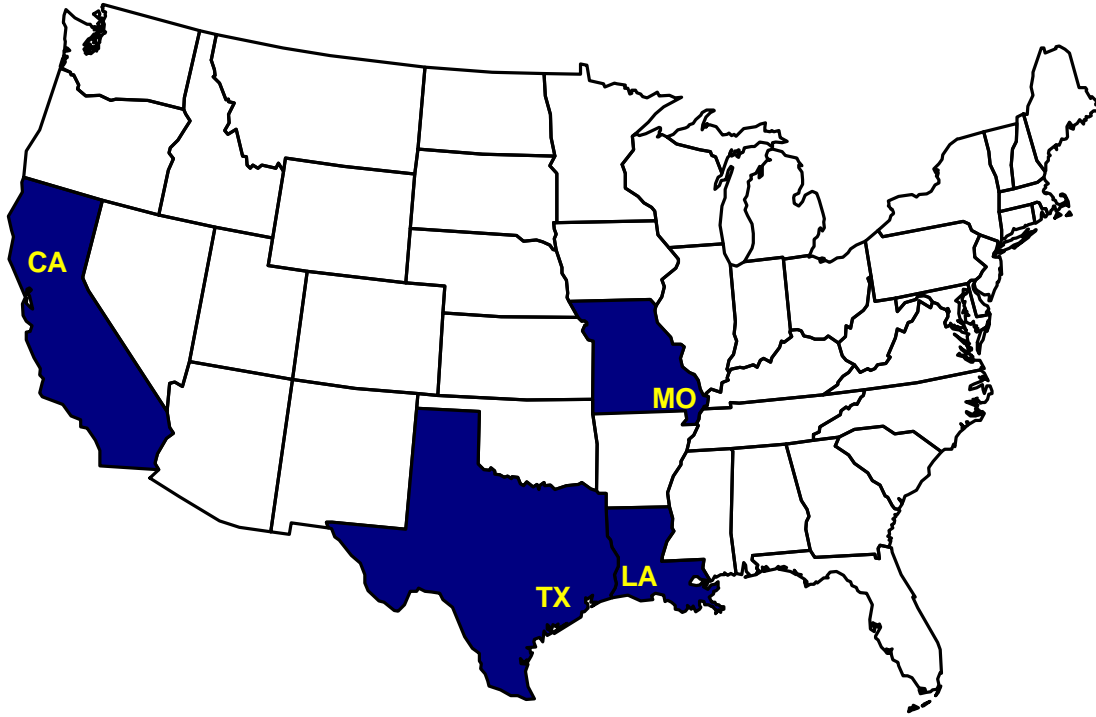
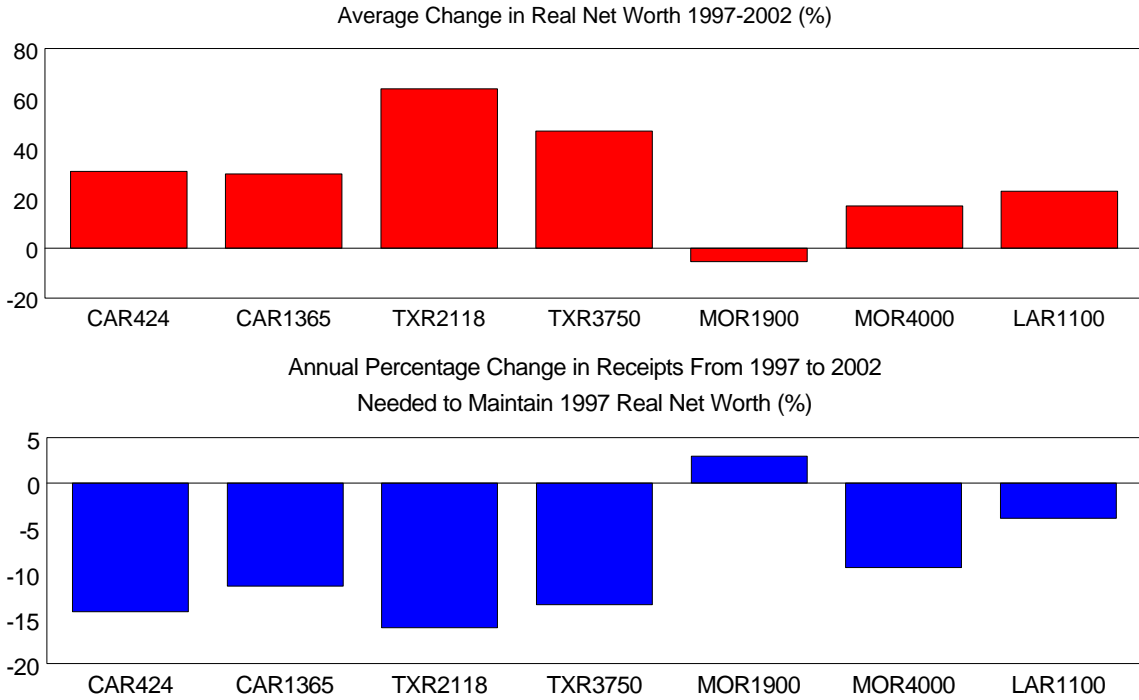


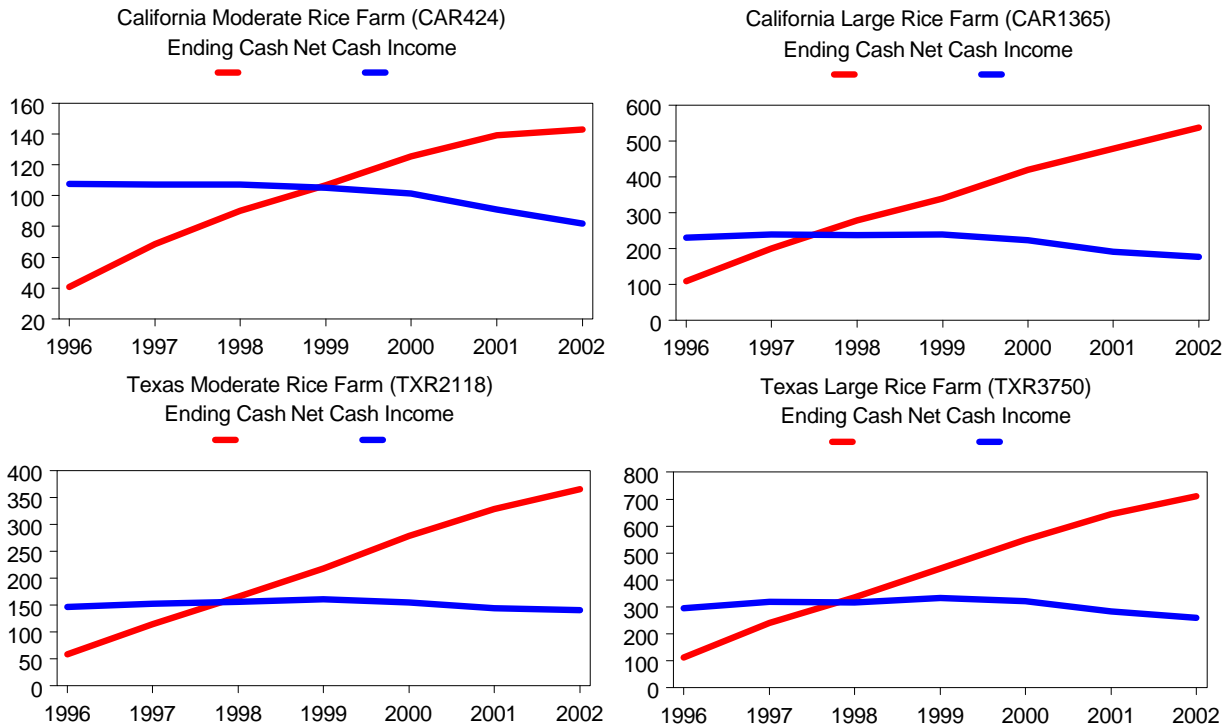
Table 8. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Rice

| | CAR424 | CAR1365 | TXR2118 | TXR3750 | MOR1900 | MOR4000 | LAR1100 |
|---|--------|---------|---------|---------|---------|---------|---------|
| Change in Real Net Worth (%) Over 1997-2002 | 30.83 | 29.78 | 63.77 | 46.97 | -5.52 | 17.00 | 22.89 |
| Govt Payments/Receipts (%) 1997-2002 | 18.00 | 17.76 | 19.24 | 17.40 | 11.33 | 10.19 | 13.25 |
| Cost to Receipts Ratio (%) 1997-2002 | 73.50 | 81.71 | 69.19 | 78.91 | 89.45 | 82.14 | 78.55 |
| Total Cash Receipts (\$1000) | | | | | | | |
| 1996 | 363.76 | 1133.53 | 487.87 | 1385.05 | 662.45 | 1932.76 | 329.17 |
| 1997 | 366.81 | 1143.68 | 490.35 | 1406.95 | 653.14 | 1925.27 | 326.52 |
| 1998 | 363.60 | 1132.22 | 485.76 | 1395.87 | 641.42 | 1896.80 | 321.35 |
| 1999 | 365.04 | 1137.37 | 486.24 | 1403.18 | 640.55 | 1893.35 | 322.58 |
| 2000 | 360.81 | 1124.74 | 479.22 | 1391.89 | 643.35 | 1893.52 | 321.26 |
| 2001 | 352.98 | 1101.61 | 466.74 | 1357.97 | 641.53 | 1889.96 | 318.61 |
| 2002 | 353.96 | 1105.21 | 466.88 | 1352.22 | 651.89 | 1904.05 | 320.63 |
| 1997-2002 Average | 360.53 | 1124.14 | 479.20 | 1384.68 | 645.32 | 1900.49 | 321.83 |
| Contract Payments (\$1000) | | | | | | | |
| 1996 | 57.96 | 175.58 | 84.05 | 216.34 | 59.82 | 152.34 | 35.33 |
| 1997 | 57.13 | 173.06 | 82.84 | 213.23 | 60.30 | 153.11 | 34.82 |
| 1998 | 61.30 | 185.69 | 88.88 | 228.80 | 67.69 | 169.56 | 37.36 |
| 1999 | 59.42 | 180.01 | 86.16 | 221.80 | 65.66 | 164.39 | 36.22 |
| 2000 | 54.42 | 164.85 | 78.91 | 203.11 | 60.11 | 150.50 | 33.17 |
| 2001 | 43.99 | 133.27 | 63.79 | 164.20 | 48.65 | 121.80 | 26.81 |
| 2002 | 42.34 | 128.27 | 61.40 | 158.05 | 46.81 | 117.27 | 25.81 |
| 1997-2002 Average | 53.10 | 160.86 | 77.00 | 198.20 | 58.20 | 146.11 | 32.37 |
| Net Cash Farm Income (\$1000) | | | | | | | |
| 1996 | 107.77 | 231.22 | 146.26 | 295.90 | 113.56 | 431.81 | 89.01 |
| 1997 | 107.29 | 240.40 | 152.44 | 318.62 | 99.83 | 397.36 | 86.21 |
| 1998 | 107.23 | 237.60 | 155.92 | 316.44 | 92.01 | 367.19 | 78.06 |
| 1999 | 105.03 | 240.61 | 160.48 | 332.33 | 80.07 | 361.86 | 77.98 |
| 2000 | 101.60 | 223.75 | 155.62 | 320.24 | 74.68 | 362.71 | 67.29 |
| 2001 | 91.08 | 191.06 | 144.52 | 282.71 | 58.86 | 340.38 | 64.05 |
| 2002 | 81.66 | 177.79 | 140.15 | 259.23 | 55.64 | 347.55 | 62.56 |
| 1997-2002 Average | 98.98 | 218.54 | 151.52 | 304.93 | 76.85 | 362.84 | 72.69 |
| Ending Cash Reserves (\$1000) | | | | | | | |
| 1996 | 40.50 | 109.10 | 58.48 | 112.80 | 27.71 | 204.34 | 27.00 |
| 1997 | 68.55 | 200.91 | 115.02 | 241.18 | 28.97 | 309.45 | 47.83 |
| 1998 | 90.04 | 278.87 | 165.98 | 336.36 | 20.40 | 362.09 | 57.84 |
| 1999 | 107.00 | 339.44 | 217.63 | 442.87 | -24.29 | 394.38 | 60.08 |
| 2000 | 125.67 | 419.07 | 279.01 | 549.72 | -53.54 | 400.70 | 50.99 |
| 2001 | 139.10 | 478.87 | 328.12 | 643.86 | -105.69 | 352.04 | 37.49 |
| 2002 | 142.95 | 536.62 | 364.92 | 711.32 | -181.12 | 330.54 | 16.55 |
| 1997-2002 Average | 112.22 | 375.63 | 245.11 | 487.55 | -52.55 | 358.20 | 45.13 |
| Total Debt (\$1000) | | | | | | | |
| 1996 | 132.88 | 367.18 | 102.34 | 373.91 | 289.37 | 1203.75 | 60.78 |
| 1997 | 160.19 | 355.58 | 94.76 | 342.63 | 266.75 | 1369.41 | 53.55 |
| 1998 | 140.80 | 318.52 | 73.16 | 399.40 | 266.63 | 1516.16 | 100.64 |
| 1999 | 163.65 | 307.57 | 59.12 | 342.31 | 377.53 | 1519.83 | 103.98 |
| 2000 | 145.36 | 301.82 | 63.84 | 353.38 | 425.09 | 1387.42 | 181.55 |
| 2001 | 135.68 | 283.66 | 47.76 | 310.98 | 481.22 | 1331.52 | 150.27 |
| 2002 | 191.01 | 305.28 | 46.50 | 361.61 | 533.11 | 1239.97 | 138.78 |
| 1997-2002 Average | 156.11 | 312.07 | 64.19 | 351.72 | 391.72 | 1394.05 | 121.46 |
| Nominal Net Worth (\$1000) | | | | | | | |
| 1996 | 560.79 | 1618.17 | 456.05 | 1560.24 | 1192.65 | 4353.75 | 241.05 |
| 1997 | 623.32 | 1801.26 | 531.74 | 1793.19 | 1248.55 | 4691.64 | 270.88 |
| 1998 | 679.04 | 1964.16 | 603.78 | 1993.46 | 1295.37 | 4988.28 | 291.37 |
| 1999 | 737.74 | 2138.77 | 681.43 | 2228.06 | 1321.80 | 5329.47 | 316.90 |
| 2000 | 785.25 | 2269.93 | 751.77 | 2418.18 | 1336.59 | 5592.31 | 321.77 |
| 2001 | 827.92 | 2375.35 | 815.15 | 2581.56 | 1336.89 | 5806.57 | 336.81 |
| 2002 | 857.92 | 2455.55 | 873.29 | 2681.29 | 1317.56 | 5956.38 | 346.38 |
| 1997-2002 Average | 751.86 | 2167.50 | 709.52 | 2282.62 | 1309.46 | 5394.11 | 314.02 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -48.74 | -126.02 | -75.68 | -184.43 | 18.97 | -178.76 | -12.62 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -14.24 | -11.41 | -16.03 | -13.51 | 2.94 | -9.41 | -3.96 |

Figure 17. Rice Farms



**Figure 18. Ending Cash Reserves and Net Cash Farm Income:
Rice Farms (\$1,000's)**



**Figure 19. Ending Cash Reserves and Net Cash Farm Income:
Rice Farms (\$1,000's)**

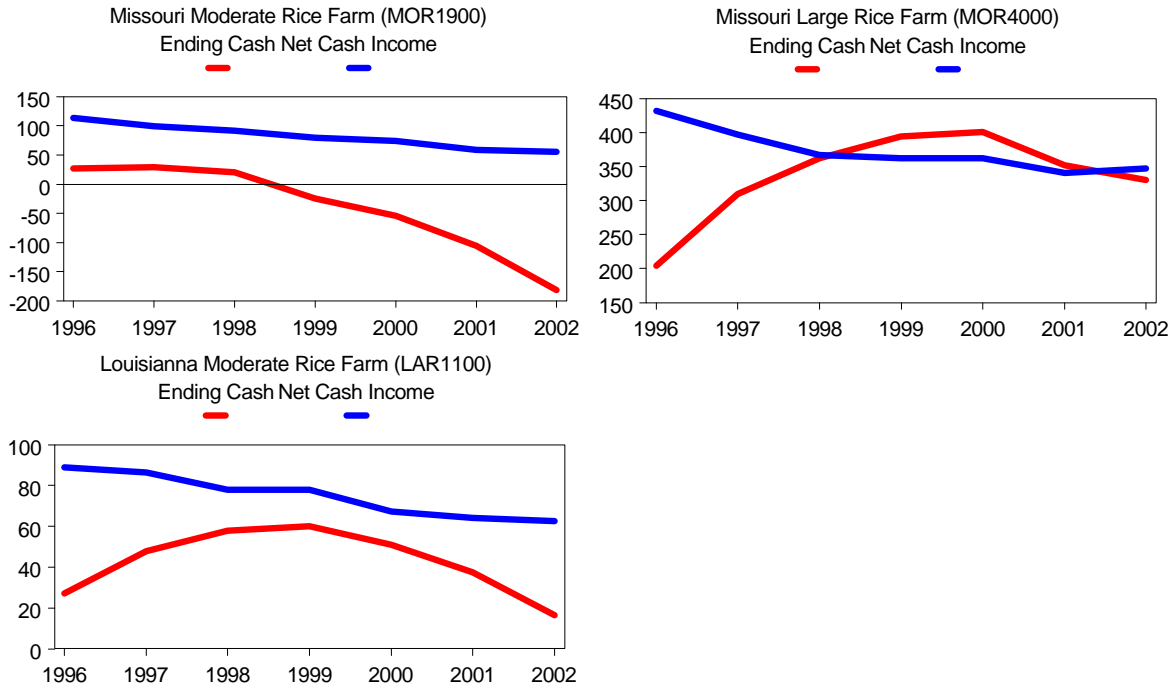


FIGURE 20. REPRESENTATIVE FARMS PRODUCING MILK

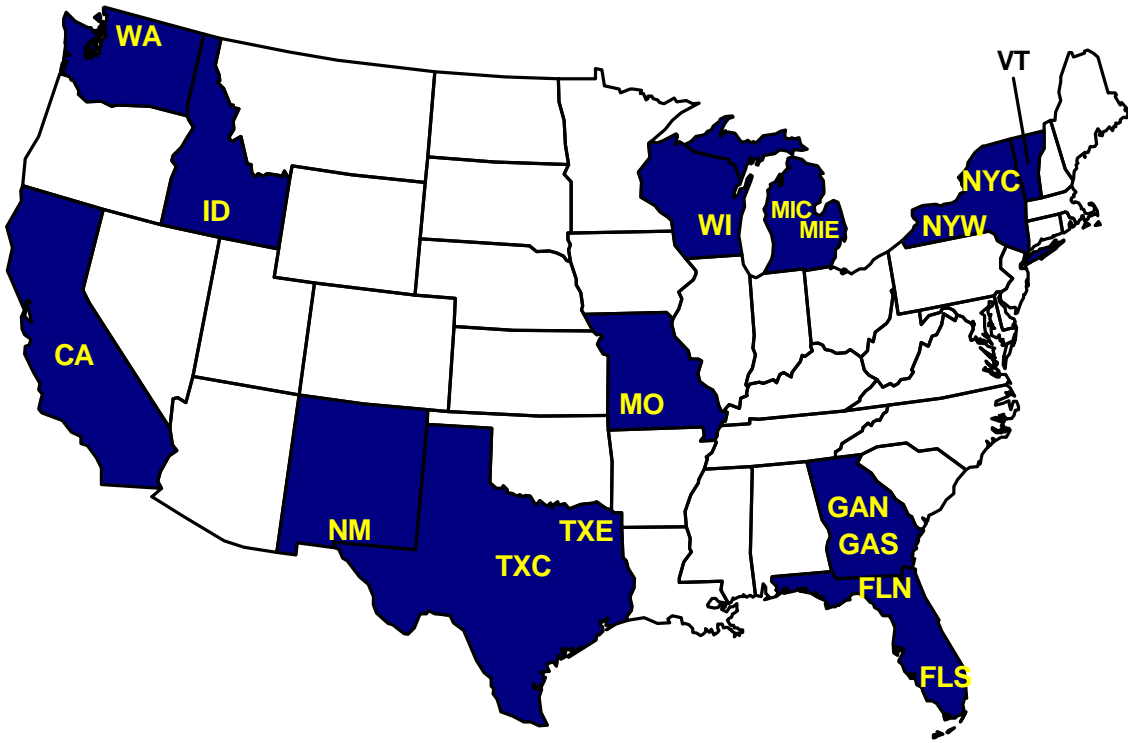


Table 9. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Milk

| | CAD1710 | NMD2000 | WAD185 | WAD850 | IDD500 | IDD1800 | TXCD400 | TXCD825 | TXED210 | TXED650 |
|--|----------|---------|---------|---------|---------|----------|---------|---------|---------|---------|
| Change in Real Net Worth (%) Over 1997-2002 | 63.83 | 6.22 | 37.39 | 23.30 | 37.62 | 76.10 | -10.22 | 52.16 | 31.62 | 35.97 |
| Govt Payments/Receipts (%) 1997-2002 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cost to Receipts Ratio (%) 1997-2002 | 72.31 | 95.62 | 82.09 | 89.65 | 85.27 | 77.41 | 94.66 | 84.42 | 94.53 | 85.46 |
| Total Cash Receipts (\$1000) | | | | | | | | | | |
| 1996 | 5242.61 | 6401.13 | 697.75 | 2962.68 | 1609.50 | 5556.98 | 1018.54 | 2499.26 | 558.02 | 1772.46 |
| 1997 | 4932.31 | 6029.58 | 651.67 | 2770.25 | 1480.36 | 5083.14 | 946.45 | 2320.37 | 521.09 | 1648.34 |
| 1998 | 5044.27 | 6097.28 | 655.15 | 2785.13 | 1489.39 | 5103.78 | 960.02 | 2352.71 | 528.63 | 1671.81 |
| 1999 | 5213.96 | 6240.58 | 665.41 | 2828.40 | 1529.08 | 5222.24 | 985.18 | 2412.60 | 544.51 | 1715.85 |
| 2000 | 5352.56 | 6384.83 | 678.76 | 2885.09 | 1562.49 | 5317.32 | 1008.62 | 2469.02 | 557.65 | 1757.51 |
| 2001 | 5425.76 | 6463.74 | 688.70 | 2926.88 | 1580.42 | 5386.90 | 1019.65 | 2495.99 | 561.71 | 1775.45 |
| 2002 | 5472.80 | 6543.73 | 699.39 | 2971.32 | 1591.93 | 5445.45 | 1028.77 | 2520.42 | 567.09 | 1790.93 |
| 1997-2002 Average | 5240.28 | 6293.29 | 673.18 | 2861.18 | 1549.03 | 5302.26 | 991.45 | 2428.52 | 546.78 | 1726.65 |
| Net Cash Farm Income (\$1000) | | | | | | | | | | |
| 1996 | 1585.20 | 866.28 | 168.68 | 514.54 | 328.41 | 1532.77 | 115.35 | 495.08 | 126.62 | 332.01 |
| 1997 | 1034.70 | -47.78 | 86.16 | 159.40 | 133.56 | 834.76 | 19.60 | 245.89 | 83.47 | 165.62 |
| 1998 | 1261.13 | 213.98 | 120.57 | 293.20 | 186.94 | 1060.22 | 49.44 | 349.11 | 100.45 | 233.79 |
| 1999 | 1516.37 | 407.80 | 133.79 | 353.85 | 242.54 | 1253.98 | 73.35 | 417.53 | 116.93 | 290.01 |
| 2000 | 1641.56 | 496.16 | 142.18 | 386.79 | 269.16 | 1326.50 | 81.47 | 452.13 | 126.57 | 319.63 |
| 2001 | 1669.15 | 465.89 | 143.05 | 395.41 | 267.52 | 1346.30 | 71.94 | 448.73 | 123.46 | 313.52 |
| 2002 | 1661.53 | 431.14 | 142.04 | 391.64 | 257.23 | 1336.11 | 56.89 | 439.55 | 121.31 | 295.16 |
| 1997-2002 Average | 1464.07 | 327.87 | 127.97 | 330.05 | 240.76 | 1241.52 | 58.78 | 392.16 | 112.03 | 269.62 |
| Ending Cash Reserves (\$1000) | | | | | | | | | | |
| 1996 | 770.49 | 447.27 | 73.52 | 237.60 | 125.31 | 720.41 | 26.14 | 238.04 | 45.96 | 159.55 |
| 1997 | 1192.12 | 148.15 | 80.35 | 188.45 | 88.95 | 951.53 | -34.02 | 294.57 | 50.54 | 178.04 |
| 1998 | 1788.46 | 114.42 | 120.55 | 270.21 | 111.73 | 1354.68 | -62.27 | 442.93 | 69.16 | 245.86 |
| 1999 | 2514.87 | 227.54 | 166.84 | 379.96 | 165.46 | 1863.90 | -81.11 | 620.21 | 99.24 | 341.09 |
| 2000 | 3338.83 | 393.05 | 217.40 | 509.84 | 254.26 | 2455.79 | -88.85 | 833.16 | 137.51 | 476.24 |
| 2001 | 4101.55 | 523.58 | 267.11 | 646.14 | 329.81 | 3042.14 | -112.04 | 1038.10 | 174.53 | 602.82 |
| 2002 | 4385.24 | 628.87 | 304.57 | 767.52 | 401.69 | 3580.24 | -144.57 | 1233.36 | 207.23 | 718.83 |
| 1997-2002 Average | 2886.84 | 339.27 | 192.80 | 460.35 | 211.03 | 1995.53 | -87.14 | 743.72 | 123.04 | 427.15 |
| Total Debt (\$1000) | | | | | | | | | | |
| 1996 | 1419.06 | 1153.95 | 156.09 | 812.67 | 379.09 | 1225.15 | 220.08 | 325.81 | 144.64 | 365.90 |
| 1997 | 1363.51 | 1288.35 | 161.53 | 828.39 | 404.40 | 1053.27 | 270.34 | 306.40 | 170.87 | 365.68 |
| 1998 | 1281.04 | 1354.68 | 154.15 | 810.25 | 334.68 | 938.96 | 286.88 | 291.86 | 175.08 | 378.66 |
| 1999 | 1218.49 | 1322.67 | 158.17 | 784.43 | 250.99 | 732.57 | 286.16 | 316.31 | 170.31 | 373.67 |
| 2000 | 1149.60 | 1295.66 | 154.62 | 763.13 | 188.71 | 594.80 | 288.93 | 310.91 | 157.90 | 342.10 |
| 2001 | 1009.86 | 1240.22 | 166.25 | 714.40 | 172.61 | 432.89 | 311.11 | 301.90 | 149.38 | 308.91 |
| 2002 | 422.69 | 1148.30 | 176.34 | 672.94 | 106.92 | 272.60 | 371.30 | 281.57 | 138.40 | 290.96 |
| 1997-2002 Average | 1074.20 | 1274.98 | 161.85 | 762.26 | 262.49 | 750.04 | 302.45 | 301.49 | 160.32 | 343.33 |
| Nominal Net Worth (\$1000) | | | | | | | | | | |
| 1996 | 5845.05 | 5073.66 | 628.87 | 2844.26 | 1645.84 | 5839.99 | 875.74 | 1767.91 | 629.32 | 1732.93 |
| 1997 | 6514.96 | 5010.75 | 666.18 | 2947.19 | 1713.20 | 6428.18 | 857.98 | 1907.96 | 680.54 | 1842.61 |
| 1998 | 7345.08 | 5189.55 | 732.99 | 3164.81 | 1840.02 | 7177.37 | 872.33 | 2135.73 | 733.94 | 2010.47 |
| 1999 | 8452.39 | 5666.20 | 821.22 | 3487.87 | 2045.77 | 8194.86 | 922.15 | 2454.79 | 814.56 | 2260.50 |
| 2000 | 9596.33 | 6177.40 | 909.13 | 3807.67 | 2255.41 | 9222.15 | 971.44 | 2797.20 | 895.31 | 2518.27 |
| 2001 | 10476.27 | 6332.65 | 966.97 | 3995.69 | 2357.40 | 9932.26 | 963.89 | 3002.66 | 942.20 | 2665.82 |
| 2002 | 11196.97 | 6301.43 | 1010.31 | 4100.83 | 2422.30 | 10463.68 | 919.35 | 3145.56 | 968.56 | 2755.16 |
| 1997-2002 Average | 8930.33 | 5779.66 | 851.13 | 3584.01 | 2039.99 | 8179.78 | 917.86 | 2573.98 | 839.19 | 2342.14 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -1074.67 | -53.09 | -60.56 | -154.65 | -114.60 | -893.10 | 27.63 | -242.76 | -50.58 | -156.14 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -20.51 | -0.84 | -9.00 | -5.40 | -7.40 | -16.84 | 2.79 | -10.00 | -9.25 | -9.04 |

Table 10. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Milk

| | WID70 | WID600 | MIED200 | MCD140 | NYWD700 | NYWD1200 | NYCD110 | NYCD300 | VTD85 | VTD350 |
|--|--------|---------|---------|---------|---------|----------|---------|---------|--------|---------|
| Change in Real Net Worth (%) Over 1997-2002 | 48.54 | 56.51 | 5.64 | -4.86 | 69.14 | 58.00 | 10.42 | 69.00 | 46.30 | 51.95 |
| Govt Payments/Receipts (%) 1997-2002 | 0.00 | 0.00 | 0.12 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cost to Receipts Ratio (%) 1997-2002 | 58.02 | 74.97 | 89.44 | 90.03 | 74.36 | 77.87 | 84.70 | 65.15 | 56.90 | 73.70 |
| Total Cash Receipts (\$1000) | | | | | | | | | | |
| 1996 | 226.46 | 1858.18 | 685.40 | 447.65 | 2495.52 | 4036.41 | 377.08 | 1012.85 | 316.75 | 1220.76 |
| 1997 | 211.28 | 1732.08 | 637.17 | 418.88 | 2287.40 | 3695.46 | 345.85 | 930.81 | 303.43 | 1166.28 |
| 1998 | 215.93 | 1765.68 | 650.03 | 428.80 | 2331.43 | 3768.32 | 352.90 | 951.24 | 314.91 | 1210.77 |
| 1999 | 222.07 | 1817.35 | 667.82 | 442.61 | 2383.32 | 3854.90 | 360.97 | 972.57 | 322.47 | 1237.11 |
| 2000 | 228.52 | 1869.08 | 684.58 | 455.44 | 2445.66 | 3958.48 | 371.10 | 999.88 | 319.40 | 1220.39 |
| 2001 | 231.36 | 1891.82 | 693.64 | 460.53 | 2476.49 | 4008.72 | 375.73 | 1011.47 | 323.24 | 1236.73 |
| 2002 | 233.12 | 1908.18 | 702.42 | 464.57 | 2510.74 | 4063.94 | 380.55 | 1023.56 | 326.39 | 1252.26 |
| 1997-2002 Average | 223.71 | 1830.70 | 672.61 | 445.14 | 2405.84 | 3891.63 | 364.52 | 981.59 | 318.31 | 1220.59 |
| Net Cash Farm Income (\$1000) | | | | | | | | | | |
| 1996 | 102.80 | 559.09 | 109.44 | 60.74 | 730.00 | 1077.92 | 81.87 | 395.49 | 139.67 | 351.61 |
| 1997 | 80.92 | 363.94 | 28.16 | 13.89 | 472.59 | 671.44 | 36.05 | 284.57 | 120.40 | 271.28 |
| 1998 | 89.95 | 430.72 | 67.96 | 37.57 | 581.09 | 802.07 | 53.11 | 325.80 | 136.80 | 331.84 |
| 1999 | 95.93 | 492.70 | 88.89 | 51.62 | 638.56 | 895.57 | 60.17 | 348.76 | 145.70 | 356.04 |
| 2000 | 101.55 | 528.26 | 96.08 | 60.27 | 681.84 | 964.13 | 66.49 | 369.85 | 141.00 | 330.36 |
| 2001 | 102.47 | 525.27 | 97.78 | 59.15 | 692.74 | 963.91 | 65.44 | 371.89 | 142.14 | 331.17 |
| 2002 | 103.12 | 516.36 | 95.07 | 56.04 | 693.08 | 966.44 | 63.77 | 373.90 | 142.11 | 331.05 |
| 1997-2002 Average | 95.65 | 476.21 | 78.99 | 46.42 | 626.65 | 877.26 | 57.51 | 345.80 | 138.02 | 325.29 |
| Ending Cash Reserves (\$1000) | | | | | | | | | | |
| 1996 | 42.99 | 269.91 | 49.01 | 17.61 | 355.50 | 546.81 | 18.32 | 175.95 | 64.31 | 170.03 |
| 1997 | 69.07 | 402.30 | 17.64 | -14.58 | 521.56 | 788.61 | 1.71 | 274.34 | 110.44 | 271.80 |
| 1998 | 97.88 | 593.62 | 24.11 | -20.11 | 782.99 | 1118.85 | 0.31 | 405.32 | 165.98 | 413.89 |
| 1999 | 120.92 | 817.33 | 41.13 | -18.04 | 1063.14 | 1498.11 | -1.95 | 540.87 | 201.15 | 559.61 |
| 2000 | 138.51 | 1068.73 | 61.11 | -7.94 | 1380.29 | 1931.47 | 3.21 | 683.48 | 207.45 | 698.72 |
| 2001 | 146.68 | 1303.45 | 74.15 | -5.99 | 1705.51 | 2364.06 | 3.61 | 765.75 | 211.66 | 829.16 |
| 2002 | 151.18 | 1510.10 | 78.68 | -14.87 | 2005.54 | 2795.32 | -2.06 | 790.66 | 216.89 | 959.89 |
| 1997-2002 Average | 120.71 | 949.26 | 49.47 | -13.59 | 1243.17 | 1749.40 | 0.81 | 576.74 | 185.60 | 622.18 |
| Total Debt (\$1000) | | | | | | | | | | |
| 1996 | 101.01 | 420.76 | 269.16 | 230.74 | 574.97 | 940.26 | 141.37 | 296.39 | 150.81 | 379.72 |
| 1997 | 99.96 | 425.83 | 272.54 | 236.41 | 596.28 | 938.28 | 145.47 | 291.93 | 145.95 | 355.85 |
| 1998 | 100.30 | 405.25 | 278.65 | 229.49 | 588.21 | 994.34 | 146.32 | 295.80 | 146.83 | 356.83 |
| 1999 | 104.40 | 373.06 | 270.90 | 213.37 | 561.62 | 954.56 | 148.40 | 278.84 | 113.82 | 336.34 |
| 2000 | 94.11 | 351.40 | 281.34 | 216.86 | 553.03 | 946.52 | 148.45 | 267.59 | 85.19 | 326.61 |
| 2001 | 83.58 | 306.97 | 266.69 | 226.48 | 486.29 | 902.21 | 146.71 | 183.68 | 77.96 | 326.99 |
| 2002 | 69.08 | 245.43 | 240.73 | 229.76 | 440.98 | 812.34 | 150.57 | 90.59 | 69.16 | 295.89 |
| 1997-2002 Average | 91.90 | 351.32 | 268.47 | 225.39 | 537.74 | 924.71 | 147.66 | 234.74 | 106.49 | 333.09 |
| Nominal Net Worth (\$1000) | | | | | | | | | | |
| 1996 | 357.61 | 1935.63 | 1280.54 | 1047.71 | 2440.11 | 4020.03 | 460.41 | 1193.75 | 511.34 | 1431.58 |
| 1997 | 406.25 | 2133.52 | 1311.51 | 1080.73 | 2752.63 | 4493.46 | 474.36 | 1383.87 | 583.34 | 1596.06 |
| 1998 | 457.71 | 2391.22 | 1371.30 | 1095.48 | 3146.05 | 5040.10 | 500.77 | 1590.77 | 666.73 | 1800.12 |
| 1999 | 516.91 | 2727.72 | 1460.91 | 1134.82 | 3628.71 | 5752.72 | 538.92 | 1834.24 | 763.58 | 2043.31 |
| 2000 | 572.39 | 3084.44 | 1542.12 | 1175.45 | 4121.55 | 6483.05 | 575.83 | 2076.99 | 833.62 | 2257.59 |
| 2001 | 606.38 | 3337.35 | 1577.13 | 1181.79 | 4506.14 | 7005.92 | 592.80 | 2259.01 | 863.37 | 2417.34 |
| 2002 | 621.12 | 3542.22 | 1581.71 | 1165.58 | 4825.87 | 7426.90 | 594.43 | 2359.04 | 874.73 | 2543.63 |
| 1997-2002 Average | 530.13 | 2869.41 | 1474.11 | 1138.97 | 3830.16 | 6033.69 | 546.19 | 1917.32 | 764.23 | 2109.68 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -55.93 | -311.92 | -13.29 | 15.84 | -462.69 | -634.30 | -10.78 | -259.43 | -92.49 | -222.00 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -25.00 | -17.04 | -1.98 | 3.56 | -19.23 | -16.30 | -2.96 | -26.43 | -29.20 | -18.19 |

Table 11. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Milk

| | MOD85 | MOD300 | GAND175 | GASD650 | FLND380 | FLSD2000 |
|--|--------|---------|---------|---------|---------|----------|
| Change in Real Net Worth (%) Over 1997-2002 | 16.02 | 21.36 | -51.03 | 53.21 | 31.82 | 7.12 |
| Govt Payments/Receipts (%) 1997-2002 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cost to Receipts Ratio (%) 1997-2002 | 79.43 | 82.75 | 101.95 | 81.48 | 87.41 | 96.91 |
| Total Cash Receipts (\$1000) | | | | | | |
| 1996 | 218.92 | 819.58 | 532.14 | 2088.32 | 1194.42 | 6175.47 |
| 1997 | 205.09 | 760.33 | 497.89 | 1953.40 | 1124.01 | 5800.60 |
| 1998 | 209.29 | 776.01 | 508.59 | 1994.11 | 1144.86 | 5938.11 |
| 1999 | 216.24 | 799.49 | 523.39 | 2049.65 | 1179.53 | 6132.56 |
| 2000 | 222.65 | 819.37 | 536.79 | 2099.57 | 1211.13 | 6307.22 |
| 2001 | 225.19 | 829.81 | 544.34 | 2129.69 | 1226.88 | 6379.52 |
| 2002 | 226.49 | 837.78 | 549.79 | 2152.78 | 1240.00 | 6432.63 |
| 1997-2002 Average | 217.49 | 803.80 | 526.80 | 2063.20 | 1187.73 | 6165.11 |
| Net Cash Farm Income (\$1000) | | | | | | |
| 1996 | 51.95 | 183.00 | 18.97 | 444.66 | 165.70 | 347.04 |
| 1997 | 24.90 | 97.86 | -82.86 | 225.95 | -41.68 | -740.90 |
| 1998 | 41.37 | 132.77 | -10.75 | 355.17 | 137.17 | 134.57 |
| 1999 | 49.27 | 157.19 | 10.66 | 421.98 | 194.65 | 424.07 |
| 2000 | 55.14 | 167.21 | 17.59 | 448.68 | 217.26 | 540.73 |
| 2001 | 56.64 | 167.17 | 15.83 | 446.10 | 221.16 | 562.86 |
| 2002 | 54.63 | 162.26 | 5.05 | 439.57 | 209.89 | 497.95 |
| 1997-2002 Average | 46.99 | 147.41 | -7.42 | 389.57 | 156.41 | 236.55 |
| Ending Cash Reserves (\$1000) | | | | | | |
| 1996 | 11.72 | 66.53 | -12.24 | 191.76 | 57.28 | 92.68 |
| 1997 | -4.20 | 60.93 | -128.83 | 229.78 | -47.74 | -777.51 |
| 1998 | -12.04 | 83.78 | -175.23 | 361.55 | -4.67 | -835.59 |
| 1999 | -18.33 | 99.75 | -208.18 | 511.94 | 62.82 | -711.85 |
| 2000 | -18.79 | 136.80 | -232.62 | 695.58 | 138.13 | -536.63 |
| 2001 | -16.58 | 173.11 | -260.33 | 878.38 | 215.92 | -357.40 |
| 2002 | -16.46 | 202.22 | -301.62 | 1057.62 | 284.76 | -228.91 |
| 1997-2002 Average | -14.40 | 126.10 | -217.80 | 622.47 | 108.20 | -574.65 |
| Total Debt (\$1000) | | | | | | |
| 1996 | 128.66 | 326.14 | 105.51 | 342.18 | 229.69 | 870.41 |
| 1997 | 134.91 | 331.14 | 226.10 | 324.81 | 284.45 | 1627.97 |
| 1998 | 154.05 | 325.27 | 266.91 | 297.98 | 268.05 | 1681.01 |
| 1999 | 154.81 | 316.38 | 302.78 | 276.53 | 239.59 | 1566.50 |
| 2000 | 147.73 | 311.98 | 318.83 | 275.46 | 225.69 | 1443.54 |
| 2001 | 132.33 | 290.41 | 336.96 | 260.67 | 207.72 | 1326.59 |
| 2002 | 128.08 | 289.80 | 381.69 | 247.16 | 199.19 | 1262.97 |
| 1997-2002 Average | 141.98 | 310.83 | 305.54 | 280.43 | 237.45 | 1484.76 |
| Nominal Net Worth (\$1000) | | | | | | |
| 1996 | 381.13 | 1133.52 | 386.92 | 1583.74 | 971.99 | 4208.15 |
| 1997 | 399.64 | 1197.62 | 294.96 | 1703.41 | 923.93 | 3646.83 |
| 1998 | 419.00 | 1283.12 | 272.29 | 1915.88 | 1024.03 | 3873.07 |
| 1999 | 453.27 | 1397.95 | 279.34 | 2201.60 | 1180.97 | 4436.46 |
| 2000 | 487.26 | 1508.69 | 290.06 | 2492.85 | 1338.38 | 5007.96 |
| 2001 | 509.70 | 1574.86 | 268.64 | 2690.55 | 1438.15 | 5250.61 |
| 2002 | 517.04 | 1608.47 | 221.55 | 2837.21 | 1498.17 | 5271.00 |
| 1997-2002 Average | 464.32 | 1428.45 | 271.14 | 2306.92 | 1233.94 | 4580.99 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -10.70 | -62.38 | 41.77 | -243.55 | -75.32 | -51.65 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -4.92 | -7.76 | 7.93 | -11.80 | -6.34 | -0.84 |

Figure 21. Dairy Farms

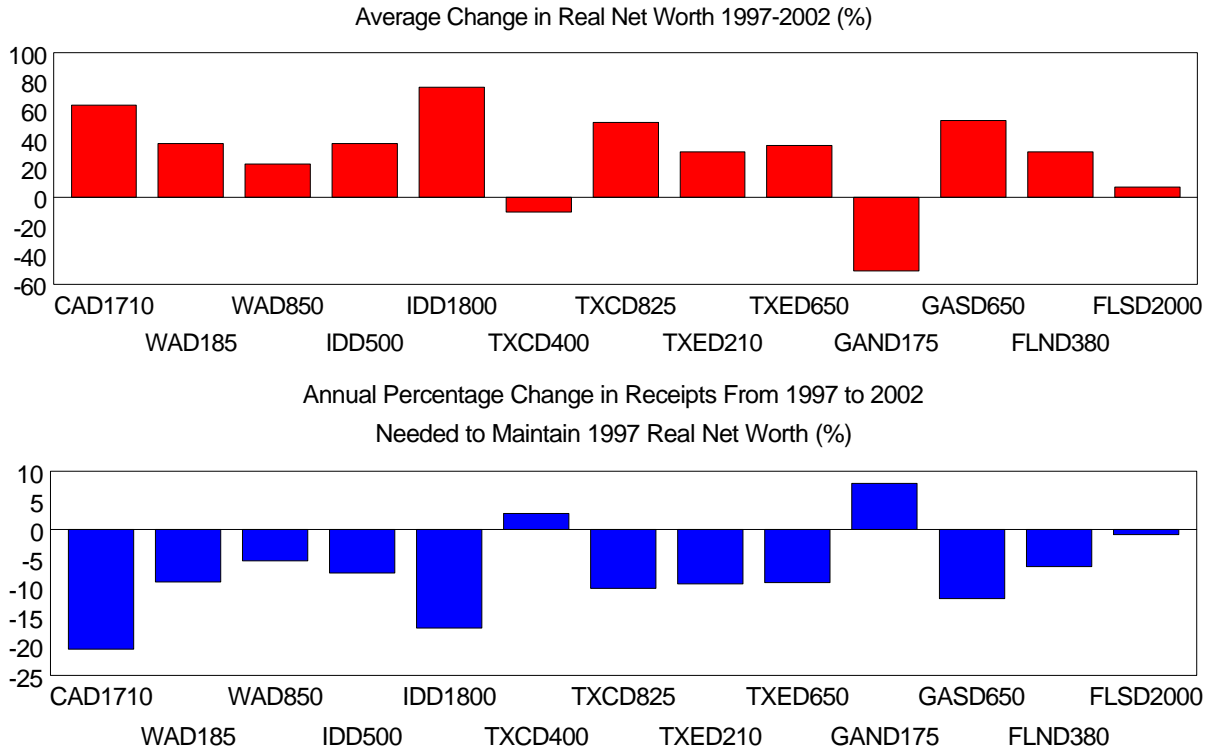
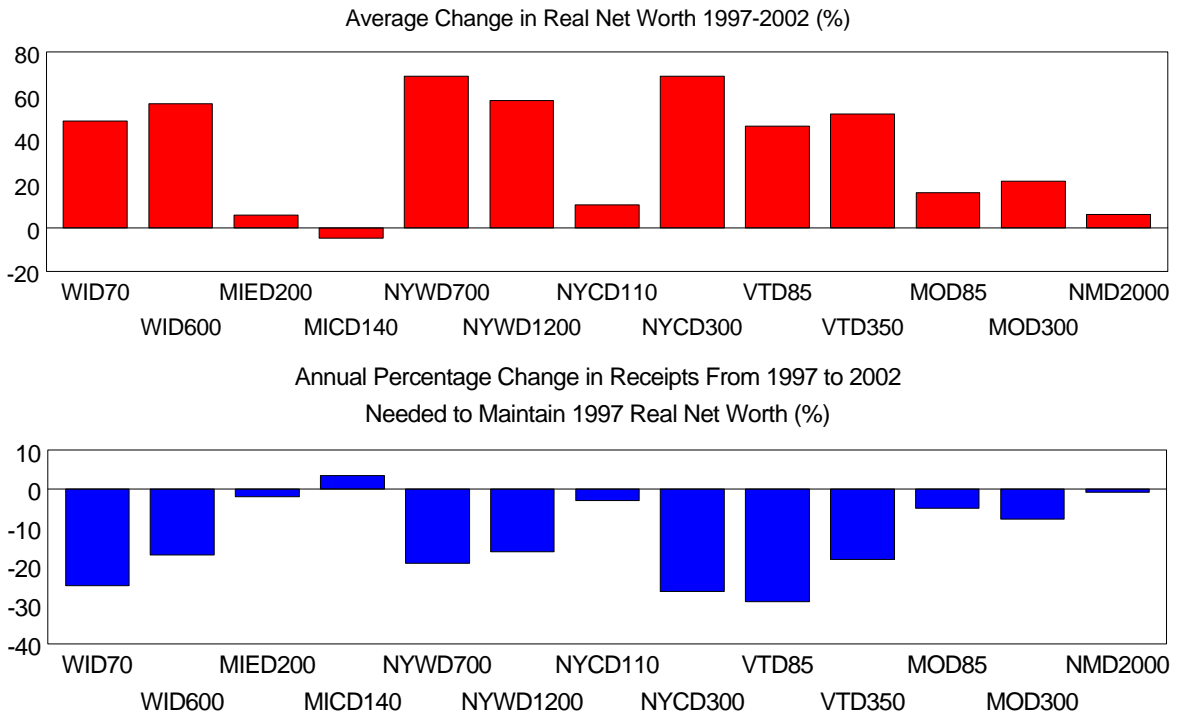
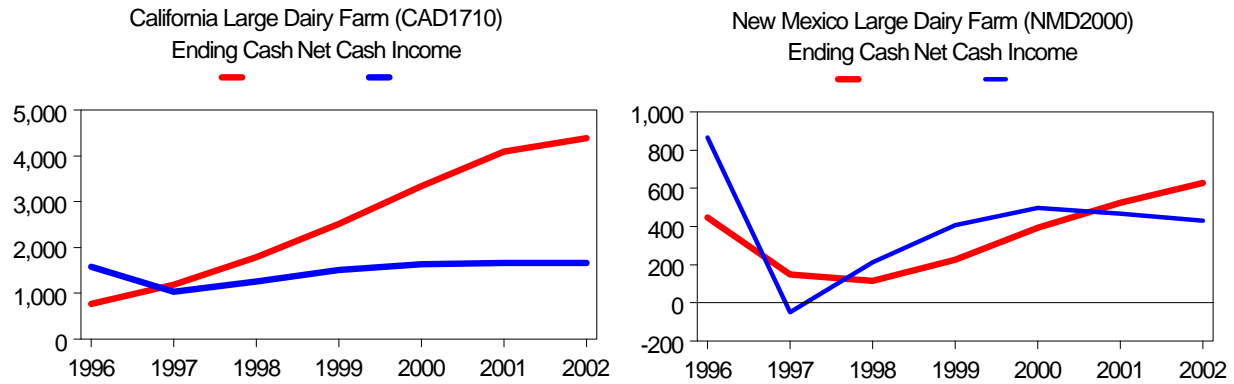


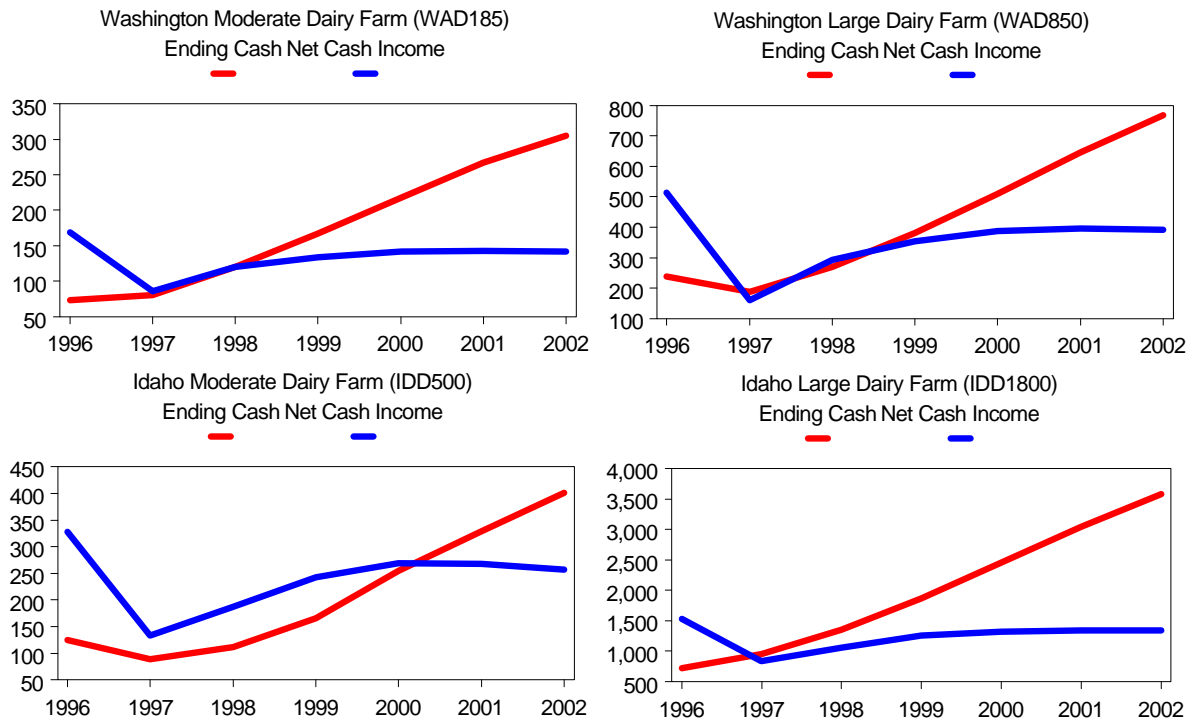
Figure 22. Dairy Farms (Continued)



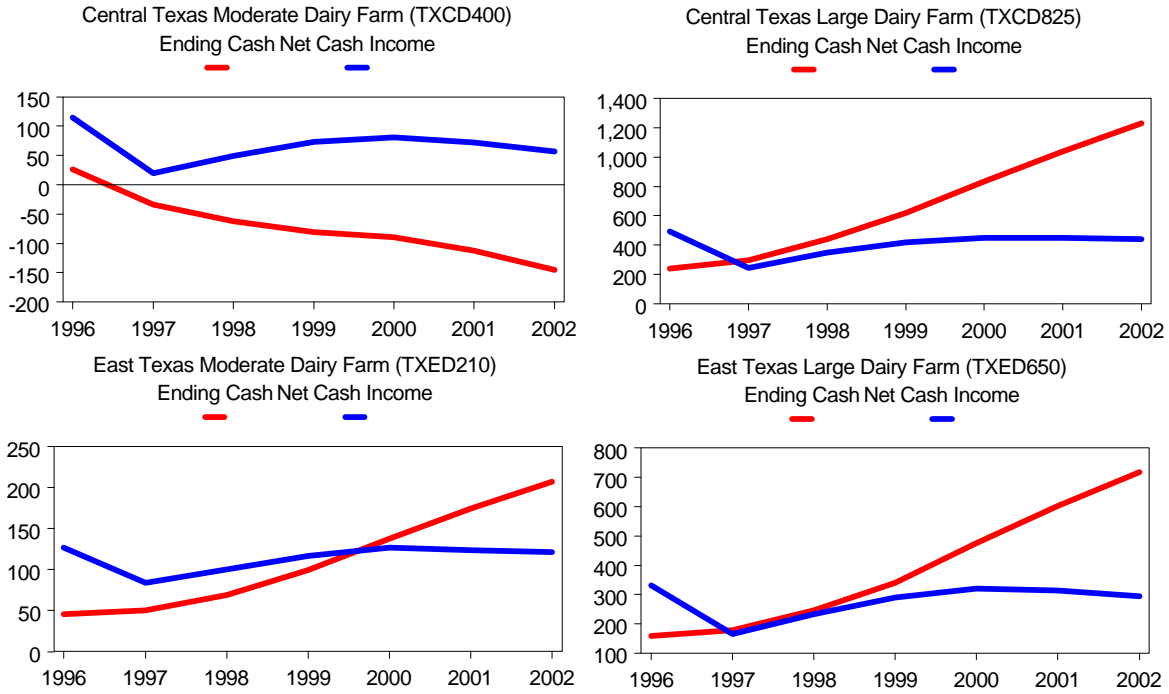
**Figure 23. Ending Cash Reserves and Net Cash Farm Income:
Dairy Farms (\$1,000's)**



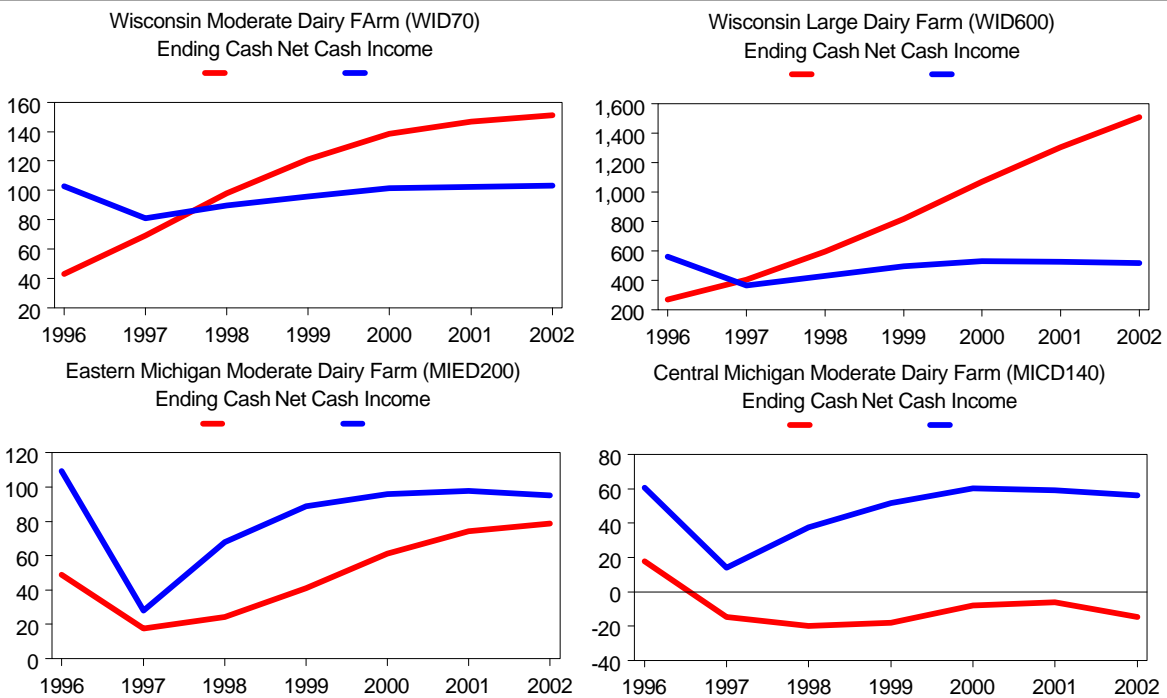
**Figure 24. Ending Cash Reserves and Net Cash Farm Income:
Dairy Farms (\$1,000's)**



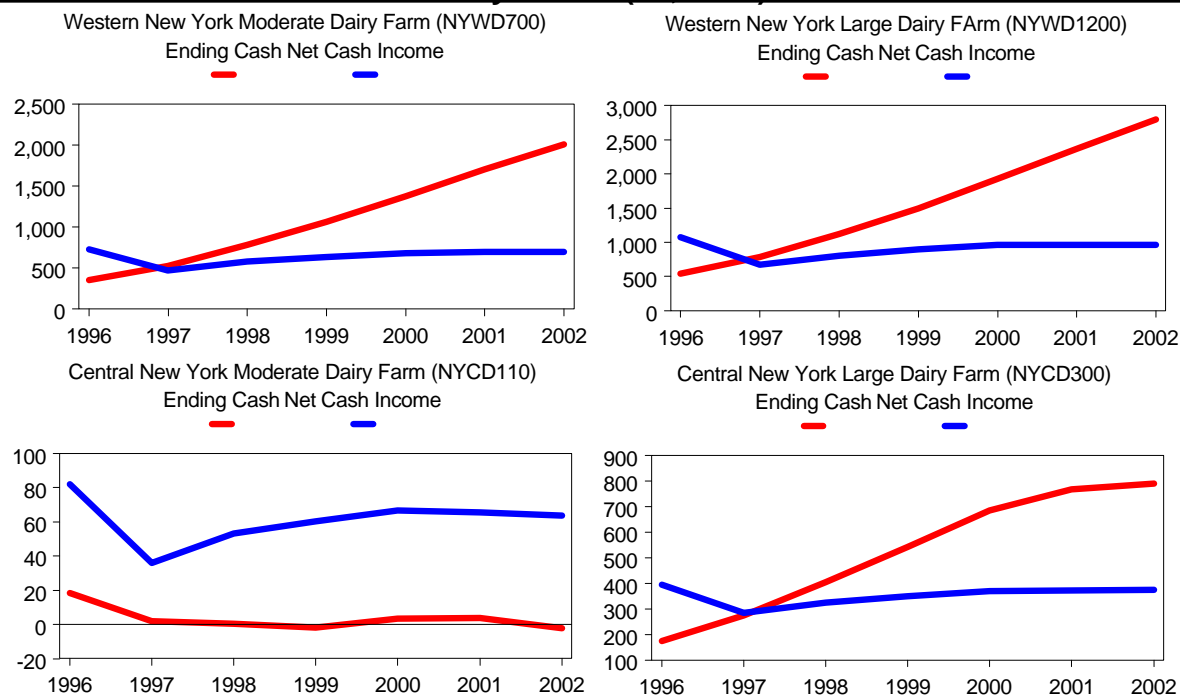
**Figure 25. Ending Cash Reserves and Net Cash Farm Income:
Dairy Farms (\$1,000's)**



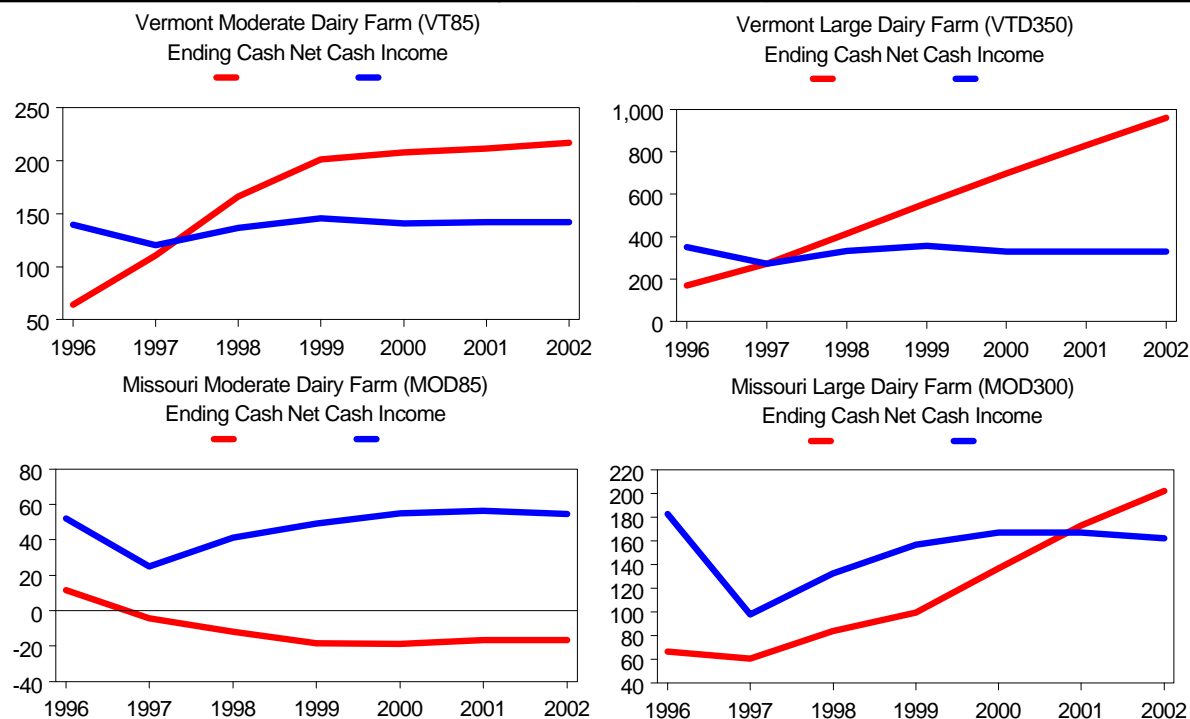
**Figure 26. Ending Cash Reserves and Net Cash Farm Income:
Dairy Farms (\$1,000's)**



**Figure 27. Ending Cash Reserves and Net Cash Farm Income:
Dairy Farms (\$1,000's)**



**Figure 28. Ending Cash Reserves and Net Cash Farm Income:
Dairy Farms (\$1,000's)**



**Figure 29. Ending Cash Reserves and Net Cash Farm Income:
Dairy Farms (\$1,000's)**

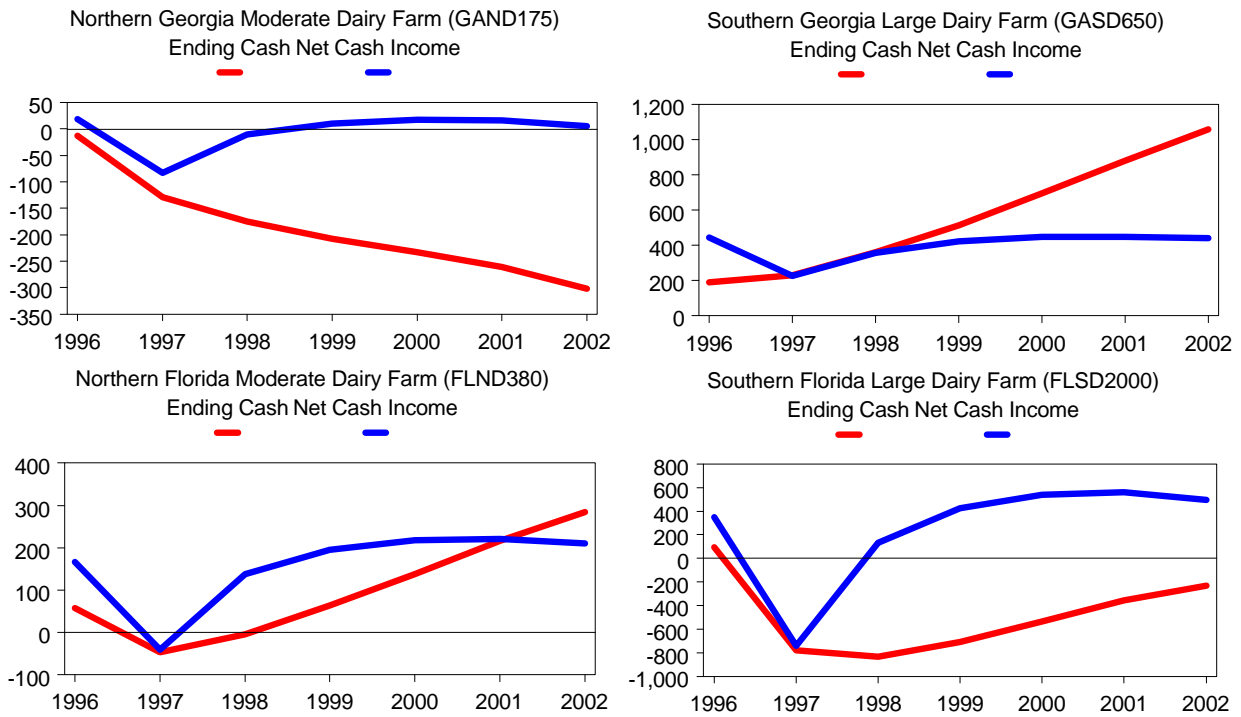


FIGURE 30. REPRESENTATIVE FARMS PRODUCING BEEF CATTLE

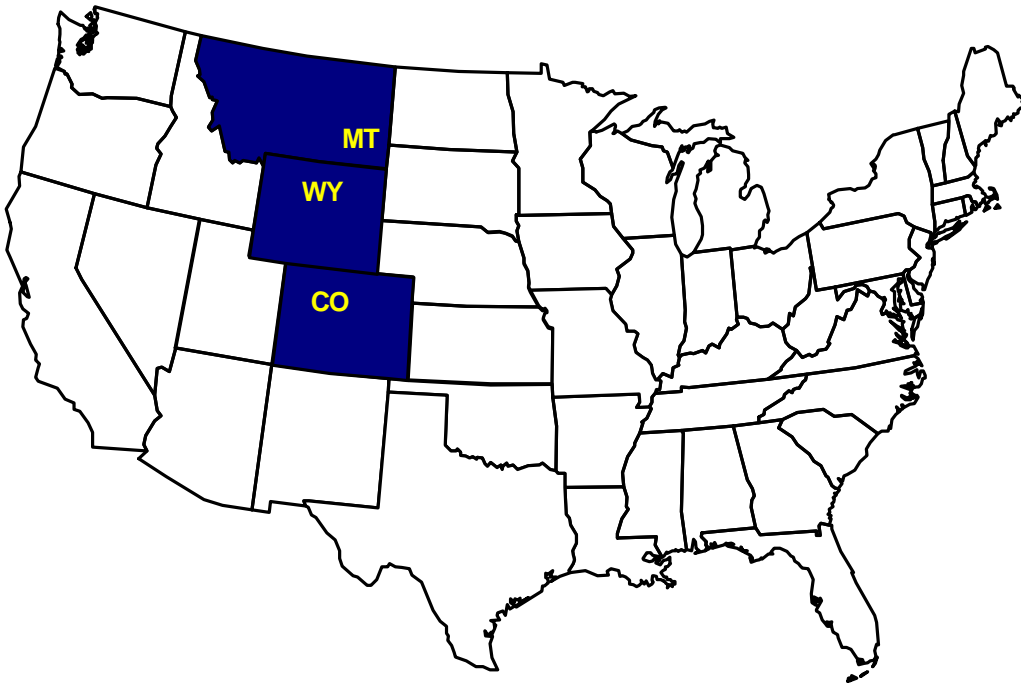
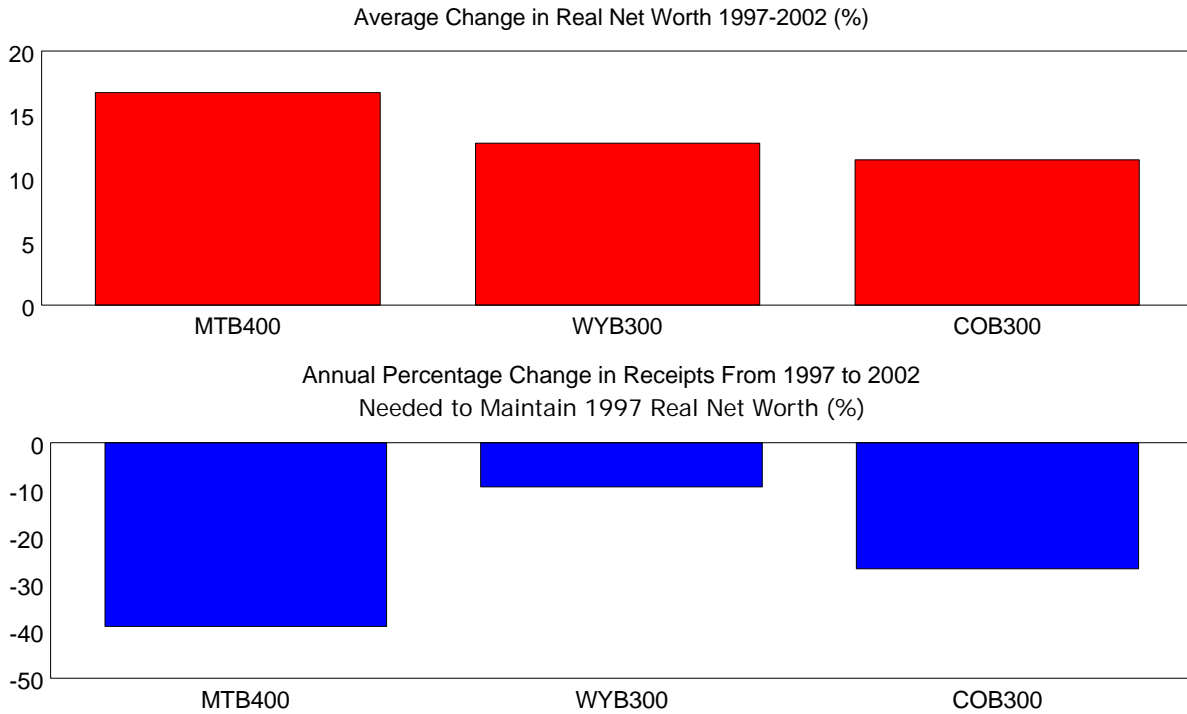


Table 12. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Beef Cattle

| | MTB400 | WYB300 | COB300 |
|---|---------|--------|---------|
| Change in Real Net Worth (%) Over 1997-2002 | 16.74 | 12.78 | 11.43 |
| Govt Payments/Receipts (%) 1997-2002 | 0.00 | 0.00 | 0.00 |
| Cost to Receipts Ratio (%) 1997-2002 | 59.22 | 79.96 | 70.24 |
| Total Cash Receipts (\$1000) | | | |
| 1996 | 103.07 | 87.64 | 139.48 |
| 1997 | 135.53 | 110.83 | 151.16 |
| 1998 | 143.57 | 117.03 | 162.39 |
| 1999 | 157.92 | 128.28 | 174.48 |
| 2000 | 175.39 | 141.76 | 190.38 |
| 2001 | 169.43 | 137.37 | 186.50 |
| 2002 | 152.19 | 124.48 | 175.21 |
| 1997-2002 Average | 155.67 | 126.62 | 173.35 |
| Net Cash Farm Income (\$1000) | | | |
| 1996 | 18.59 | -2.90 | 20.52 |
| 1997 | 43.99 | 17.55 | 32.97 |
| 1998 | 55.78 | 19.92 | 45.39 |
| 1999 | 69.13 | 30.50 | 55.99 |
| 2000 | 87.70 | 41.55 | 65.41 |
| 2001 | 78.57 | 34.47 | 64.96 |
| 2002 | 61.79 | 22.46 | 54.74 |
| 1997-2002 Average | 66.16 | 27.74 | 53.24 |
| Ending Cash Reserves (\$1000) | | | |
| 1996 | 1.59 | -16.21 | 1.17 |
| 1997 | 19.01 | -14.96 | 10.12 |
| 1998 | 44.38 | -12.65 | 26.67 |
| 1999 | 76.24 | -2.51 | 51.11 |
| 2000 | 105.09 | 6.01 | 75.57 |
| 2001 | 113.00 | 10.92 | 98.83 |
| 2002 | 108.15 | 0.69 | 110.93 |
| 1997-2002 Average | 77.65 | -2.09 | 62.21 |
| Total Debt (\$1000) | | | |
| 1996 | 15.91 | 22.25 | 27.07 |
| 1997 | 17.54 | 19.76 | 25.88 |
| 1998 | 26.31 | 34.13 | 23.16 |
| 1999 | 22.56 | 43.45 | 41.43 |
| 2000 | 13.73 | 53.36 | 71.16 |
| 2001 | 14.56 | 55.38 | 67.09 |
| 2002 | 21.87 | 67.70 | 58.89 |
| 1997-2002 Average | 19.43 | 45.63 | 47.93 |
| Nominal Net Worth (\$1000) | | | |
| 1996 | 1536.71 | 557.88 | 2680.09 |
| 1997 | 1674.60 | 609.66 | 2873.28 |
| 1998 | 1781.18 | 639.28 | 3023.15 |
| 1999 | 1922.38 | 691.27 | 3222.69 |
| 2000 | 2056.19 | 749.76 | 3380.08 |
| 2001 | 2110.81 | 759.36 | 3471.88 |
| 2002 | 2097.62 | 735.70 | 3492.11 |
| 1997-2002 Average | 1940.46 | 697.51 | 3243.87 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -60.81 | -11.85 | -43.34 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -39.06 | -9.36 | -26.86 |

Figure 31. Cattle Ranches



**Figure 32. Ending Cash Reserves and Net Cash Farm Income:
Cow/Calf Ranches (\$1,000's)**

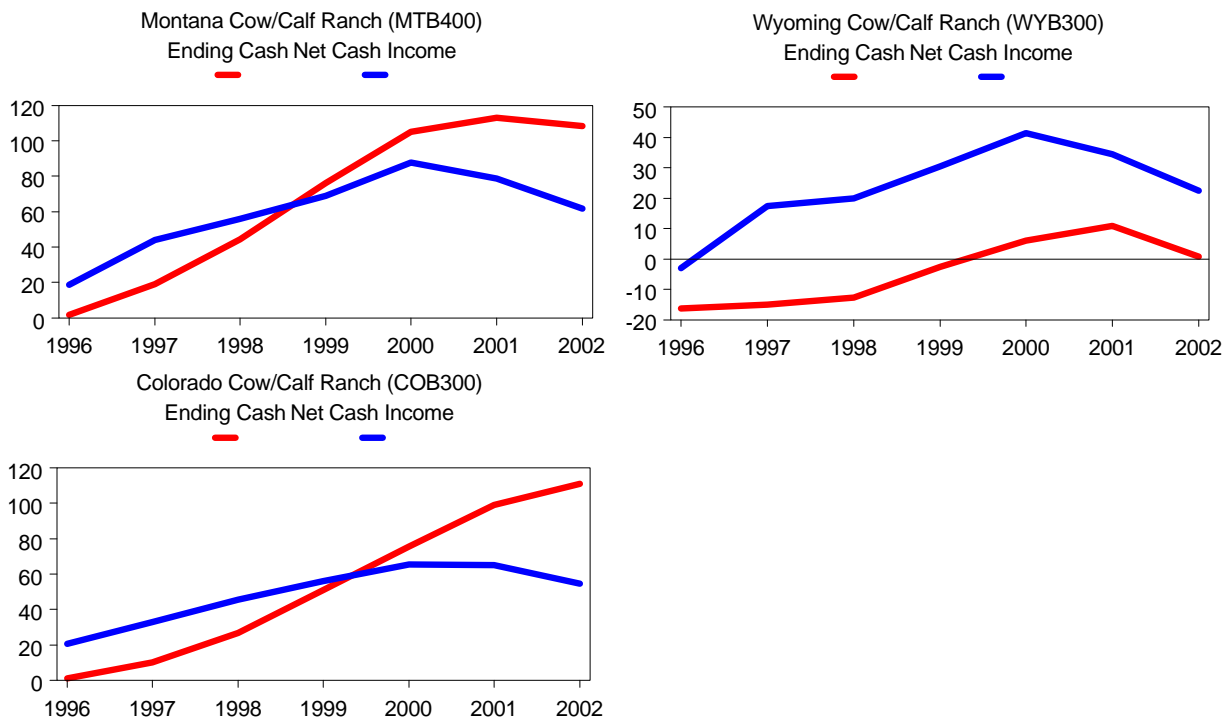


FIGURE 33. REPRESENTATIVE FARMS PRODUCING HOGS

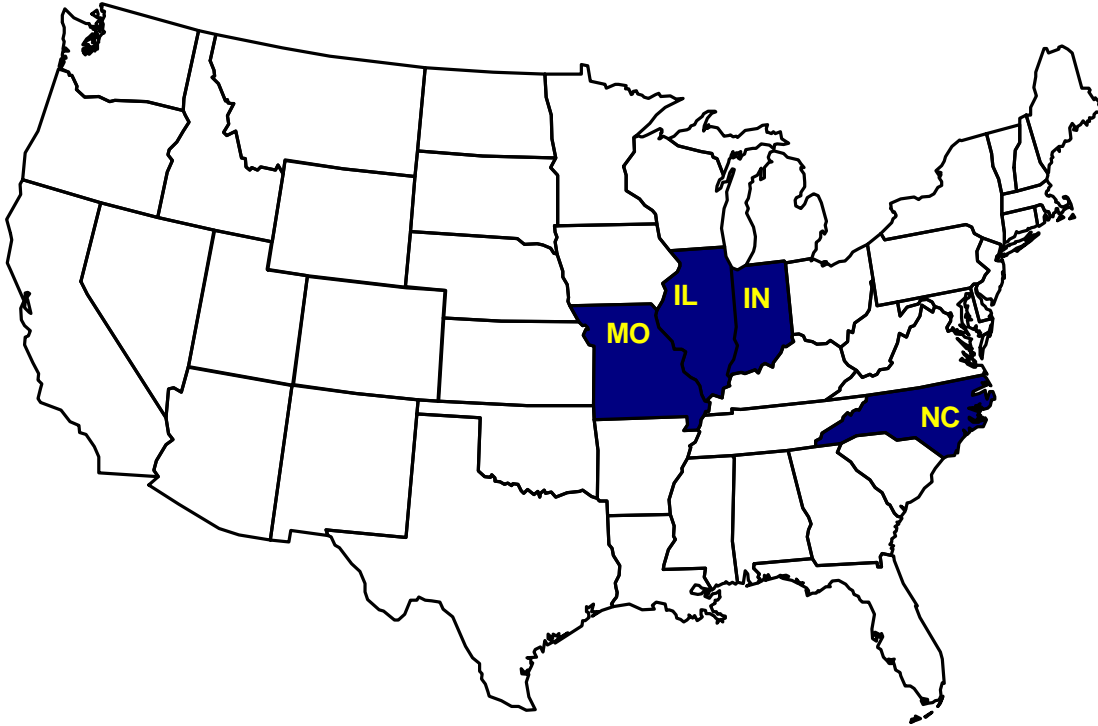


Table 13. Implications of the 1996 Farm Bill and the November 1997 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Hogs

| | MOH100 | MOH225 | ILH200 | ILH750 | INH150 | INH600 | NCH350 | NCH13268 |
|--|--------|---------|---------|---------|---------|---------|---------|----------|
| Change in Real Net Worth (%) Over 1997-2002 | 14.22 | 31.56 | 42.21 | 55.74 | 8.02 | 31.70 | 39.75 | 110.20 |
| Govt Payments/Receipts (%) 1997-2002 | 2.50 | 2.32 | 3.46 | 1.79 | 3.87 | 2.87 | 0.00 | 0.00 |
| Cost to Receipts Ratio (%) 1997-2002 | 78.48 | 69.90 | 66.50 | 60.38 | 85.67 | 79.21 | 70.61 | 74.86 |
| Total Cash Receipts (\$1000) | | | | | | | | |
| 1996 | 261.98 | 674.87 | 763.50 | 2405.90 | 606.63 | 2226.43 | 949.56 | 35086.27 |
| 1997 | 254.20 | 646.72 | 743.95 | 2409.02 | 595.00 | 2162.28 | 924.33 | 34128.49 |
| 1998 | 233.10 | 586.53 | 696.68 | 2187.11 | 553.66 | 1983.53 | 829.97 | 30618.11 |
| 1999 | 223.54 | 560.30 | 671.96 | 2081.49 | 538.79 | 1913.47 | 785.55 | 28957.36 |
| 2000 | 234.92 | 587.00 | 704.47 | 2177.73 | 559.67 | 1998.02 | 825.79 | 30452.05 |
| 2001 | 244.99 | 611.99 | 725.65 | 2270.74 | 575.80 | 2069.15 | 867.67 | 31942.36 |
| 2002 | 228.39 | 573.30 | 701.68 | 2123.11 | 560.46 | 1977.43 | 803.21 | 29596.16 |
| 1997-2002 Average | 236.52 | 594.31 | 707.40 | 2208.20 | 563.90 | 2017.31 | 839.42 | 30949.09 |
| Contract Payments (\$1000) | | | | | | | | |
| 1996 | 4.23 | 9.33 | 15.30 | 25.38 | 14.67 | 38.00 | 0.00 | 0.00 |
| 1997 | 4.80 | 10.59 | 17.13 | 28.41 | 16.44 | 42.59 | 0.00 | 0.00 |
| 1998 | 6.04 | 13.26 | 22.91 | 38.07 | 21.90 | 56.69 | 0.00 | 0.00 |
| 1999 | 5.86 | 12.88 | 22.27 | 37.01 | 21.29 | 55.10 | 0.00 | 0.00 |
| 2000 | 5.35 | 11.74 | 20.37 | 33.84 | 19.46 | 50.37 | 0.00 | 0.00 |
| 2001 | 4.34 | 9.52 | 16.55 | 27.50 | 15.81 | 40.92 | 0.00 | 0.00 |
| 2002 | 4.19 | 9.20 | 15.91 | 26.43 | 15.20 | 39.35 | 0.00 | 0.00 |
| 1997-2002 Average | 5.10 | 11.20 | 19.19 | 31.88 | 18.35 | 47.50 | 0.00 | 0.00 |
| Net Cash Farm Income (\$1000) | | | | | | | | |
| 1996 | 76.43 | 245.02 | 298.01 | 1041.79 | 149.96 | 628.66 | 320.35 | 10914.31 |
| 1997 | 56.27 | 201.69 | 258.69 | 942.08 | 114.73 | 502.15 | 291.48 | 9980.53 |
| 1998 | 48.06 | 167.26 | 232.99 | 842.01 | 91.04 | 419.07 | 240.87 | 7857.93 |
| 1999 | 44.89 | 152.97 | 214.82 | 779.85 | 78.45 | 370.38 | 210.55 | 6545.34 |
| 2000 | 56.17 | 185.34 | 250.05 | 894.76 | 93.05 | 452.68 | 252.04 | 7894.71 |
| 2001 | 61.84 | 211.21 | 268.49 | 986.61 | 99.75 | 511.91 | 287.90 | 9079.04 |
| 2002 | 46.59 | 175.98 | 240.65 | 856.91 | 79.70 | 415.05 | 221.81 | 6430.69 |
| 1997-2002 Average | 52.30 | 182.41 | 244.28 | 883.70 | 92.79 | 445.21 | 250.78 | 7964.71 |
| Ending Cash Reserves (\$1000) | | | | | | | | |
| 1996 | 17.16 | 89.07 | 121.05 | 481.90 | 38.23 | 243.88 | 128.87 | 6246.10 |
| 1997 | 21.56 | 134.97 | 203.48 | 873.62 | 26.86 | 360.18 | 238.25 | 11918.90 |
| 1998 | 19.17 | 151.45 | 262.71 | 1177.68 | -1.75 | 408.45 | 320.02 | 16515.94 |
| 1999 | 13.33 | 153.86 | 293.63 | 1348.99 | -65.55 | 408.15 | 392.80 | 20537.35 |
| 2000 | 22.27 | 202.48 | 364.80 | 1445.01 | -94.48 | 527.06 | 491.85 | 25202.53 |
| 2001 | 36.06 | 257.29 | 420.38 | 1488.40 | -140.89 | 660.30 | 603.20 | 31303.14 |
| 2002 | 33.51 | 294.54 | 448.05 | 1490.63 | -204.34 | 724.89 | 658.33 | 35559.38 |
| 1997-2002 Average | 24.32 | 199.10 | 332.17 | 1304.06 | -80.03 | 514.84 | 450.74 | 23556.21 |
| Total Debt (\$1000) | | | | | | | | |
| 1996 | 234.39 | 574.38 | 745.03 | 1773.41 | 592.93 | 1513.88 | 370.99 | 7.61 |
| 1997 | 225.35 | 609.72 | 743.19 | 1724.00 | 642.25 | 1505.52 | 363.56 | 12.31 |
| 1998 | 219.26 | 588.53 | 722.73 | 1672.41 | 679.95 | 1446.83 | 343.98 | 0.49 |
| 1999 | 208.45 | 538.32 | 707.67 | 1518.38 | 724.20 | 1396.89 | 340.77 | 0.00 |
| 2000 | 202.30 | 520.37 | 704.40 | 1225.87 | 773.54 | 1415.21 | 329.86 | 0.00 |
| 2001 | 208.50 | 482.20 | 669.30 | 865.33 | 824.80 | 1359.76 | 301.87 | 0.00 |
| 2002 | 200.40 | 430.71 | 669.60 | 584.02 | 840.47 | 1330.61 | 265.46 | 0.00 |
| 1997-2002 Average | 210.71 | 528.31 | 702.81 | 1265.00 | 747.54 | 1409.14 | 324.25 | 2.13 |
| Nominal Net Worth (\$1000) | | | | | | | | |
| 1996 | 420.59 | 1039.80 | 1316.56 | 3469.80 | 954.35 | 2809.98 | 928.62 | 19069.78 |
| 1997 | 455.82 | 1147.40 | 1498.25 | 4087.83 | 1024.04 | 3125.07 | 1045.38 | 24569.90 |
| 1998 | 472.41 | 1218.39 | 1636.63 | 4531.43 | 1059.65 | 3333.78 | 1108.42 | 27960.19 |
| 1999 | 495.19 | 1303.21 | 1785.54 | 5007.73 | 1105.15 | 3570.45 | 1185.13 | 31475.98 |
| 2000 | 525.91 | 1411.28 | 1947.84 | 5529.55 | 1150.75 | 3858.13 | 1307.89 | 36985.19 |
| 2001 | 563.22 | 1539.11 | 2111.62 | 6061.74 | 1198.61 | 4195.19 | 1469.36 | 43863.12 |
| 2002 | 561.71 | 1599.58 | 2189.23 | 6318.52 | 1205.43 | 4327.40 | 1517.50 | 46871.05 |
| 1997-2002 Average | 512.38 | 1369.83 | 1861.52 | 5256.13 | 1123.94 | 3735.00 | 1272.28 | 35287.57 |
| Net Income Adjustment (NIA) (\$1,000) Over 1997-2002 | -13.96 | -92.64 | -147.15 | -601.18 | -14.03 | -244.87 | -121.61 | -6090.58 |
| Net Income Adjustment (NIA) (% of recpts) 1997-2002 | -5.90 | -15.59 | -20.88 | -27.22 | -2.49 | -12.14 | -14.49 | -19.68 |

Figure 34. Farrow-to-Finish Hog Farms

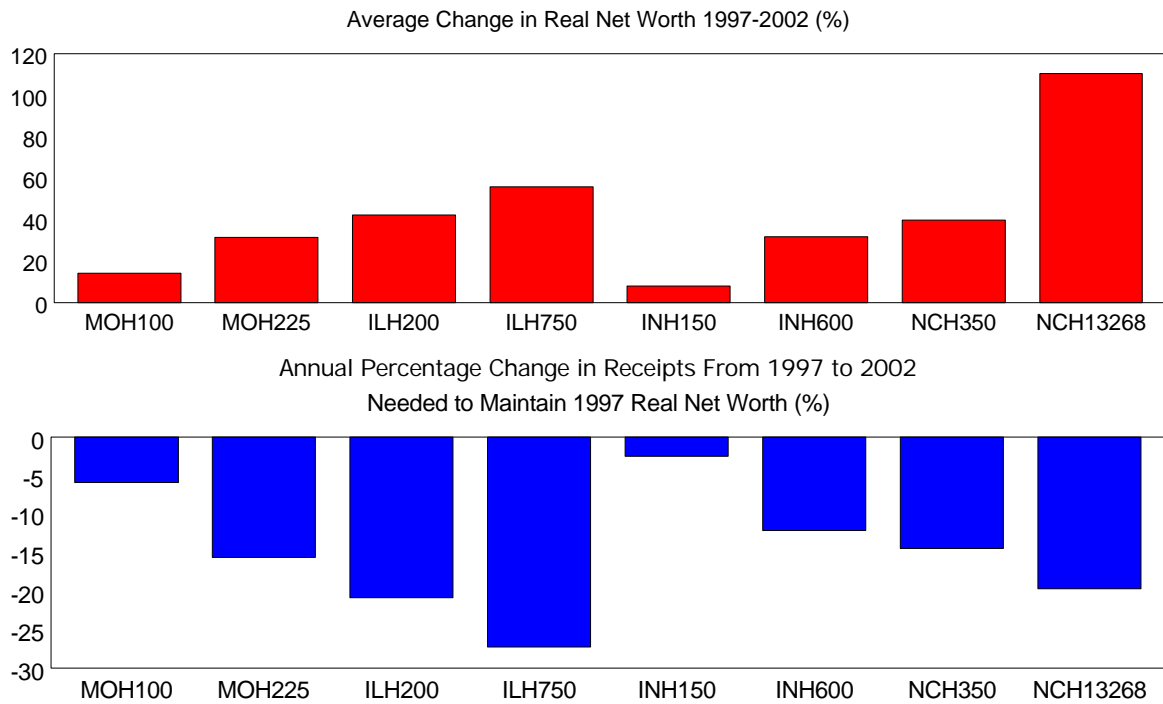
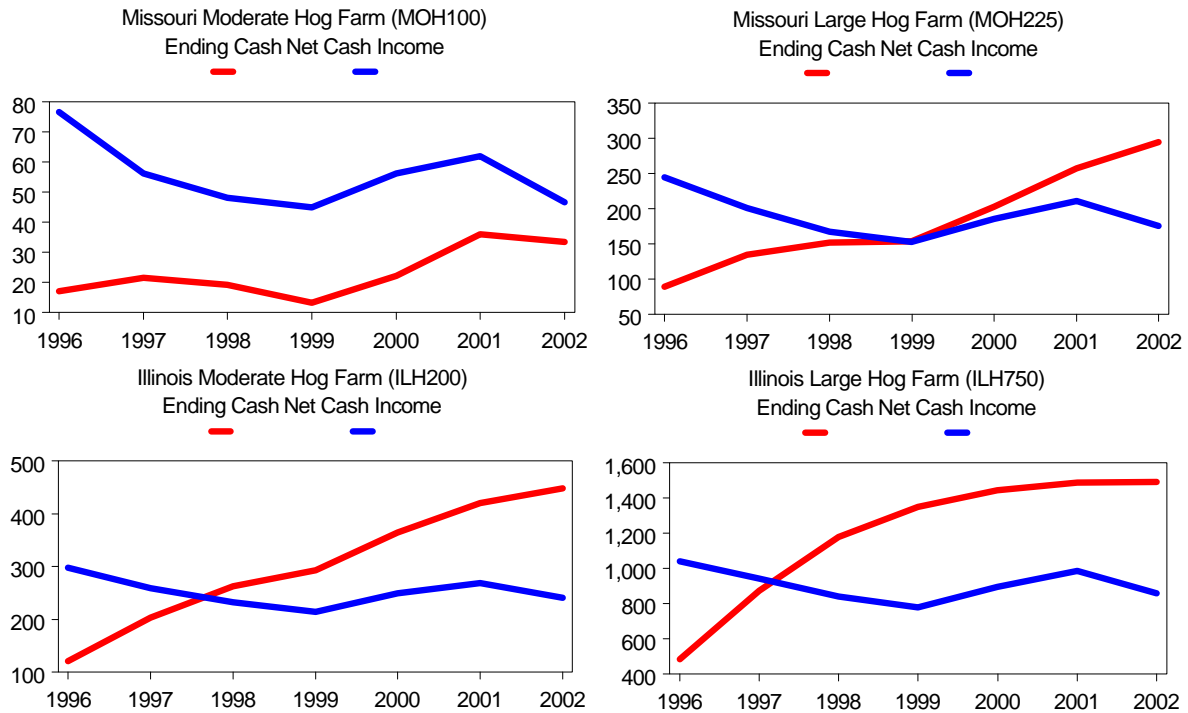


Figure 35. Ending Cash Reserves and Net Cash Farm Income: Hog Farms (\$1,000's)



**Figure 36. Ending Cash Reserves and Net Cash Farm Income:
Hog Farms (\$1,000's)**

