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Agricultural & Food Policy Center
at Texas A&M University

Representative Farms Economic Outlook for the January 2005 FAPRI/AFPC Baseline



AFPC Briefing Paper 05-1

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REPRESENTATIVE FARMS ECONOMIC OUTLOOK FOR THE JANUARY 2005 FAPRI/AFPC BASELINE

AFPC Briefing Paper 05-1

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FAPRI January 2005 Baseline Projections of Crop and Livestock Prices, 2002-2009

	2002	2003	2004	2005	2006	2007	2008	2009
Crop Prices								
Corn (\$/bu.)	2.32	2.42	1.94	2.13	2.19	2.22	2.23	2.26
Wheat (\$/bu.)	3.56	3.40	3.35	3.21	3.24	3.31	3.36	3.42
Cotton (\$/lb.)	0.4450	0.6180	0.4303	0.4353	0.4545	0.4568	0.4627	0.4810
Sorghum (\$/bu.)	2.32	2.39	1.76	1.97	1.96	1.99	2.01	2.04
Soybeans (\$/bu.)	5.53	7.34	5.10	4.72	4.99	5.27	5.41	5.42
Barley (\$/bu.)	2.72	2.83	2.48	2.46	2.53	2.55	2.54	2.55
Oats (\$/bu.)	1.81	1.48	1.40	1.47	1.50	1.53	1.54	1.57
Rice (\$/cwt.)	4.49	7.49	7.40	6.96	6.98	7.26	7.42	7.58
Soybean Meal (\$/ton)	173.18	244.22	150.99	149.72	158.92	166.18	169.59	170.42
All Hay (\$/ton)	92.40	85.50	87.19	87.66	88.84	90.26	91.25	92.31
Peanuts (\$/ton)	364.00	385.00	406.06	394.65	395.67	398.97	399.36	400.45
Cattle Prices								
Feeder Cattle (\$/cwt)	86.34	95.21	111.79	107.05	100.44	98.40	94.82	90.59
Fat Cattle (\$/cwt)	67.04	84.69	84.75	83.04	80.43	79.03	76.84	74.61
Culled Cows (\$/cwt)	39.23	46.62	52.62	50.67	48.92	47.97	46.39	44.21
Milk Price								
U.S. All Milk Price (\$/cwt)	12.11	12.52	16.04	13.93	13.60	13.39	13.18	13.09

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

FAPRI January 2005 Baseline Assumed Rates of Change in Input Prices and Annual Changes in Land Values, 2003-2009

	2003	2004	2005	2006	2007	2008	2009
Annual Rate of Change for Input Prices Paid							
Seed Prices (%)	8.45	2.44	2.55	1.63	1.39	1.16	1.69
All Fertilizer Prices (%)	14.81	11.69	2.88	-0.08	-0.87	-0.67	1.57
Herbicide Prices (%)	0.00	0.89	1.31	-1.58	-1.07	-0.58	0.80
Insecticide Prices (%)	4.29	-1.78	1.44	-0.46	-0.47	0.22	1.38
Fuel and Lube Prices (%)	32.08	17.26	4.75	-3.32	-2.93	-2.58	0.93
Machinery Prices (%)	-1.96	7.87	2.38	1.28	2.49	3.05	3.49
Wages (%)	2.61	1.91	1.93	2.61	2.64	2.70	2.48
Supplies (%)	1.63	1.80	1.63	-1.78	-0.97	-0.33	1.06
Repairs (%)	2.99	3.02	3.48	1.53	1.68	1.9	2.06
Services (%)	2.50	0.61	1.91	1.18	2.16	2.81	3.18
Taxes (%)	1.59	1.56	2.80	-0.17	1.43	1.15	1.85
PPI Items (%)	4.20	5.24	0.59	0.25	1.10	1.35	1.91
PPI Total (%)	3.28	4.43	1.12	0.59	1.32	1.54	1.96
Annual Change in Consumer Price Index (%)	1.47	1.81	2.24	1.94	2.10	2.25	2.24
Annual Rate of Change for U.S. Land Prices (%)	4.96	7.09	7.81	3.28	0.07	0.25	1.34

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

REPRESENTATIVE FARMS ECONOMIC OUTLOOK FOR THE JANUARY 2005 FAPRI/AFPC BASELINE

The farm level economic impacts of the Farm Security and Rural Investment Act of 2002 on representative crop and livestock operations are projected in this report. The analysis was conducted over the 2002-2009 planning horizon using FLIPSIM, 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 and simulate representative crop, livestock, and dairy farms, and
- Projected prices, policy variables, and input inflation rates from the Food and Agricultural Policy Research Institute (FAPRI) January 2005 Baseline.

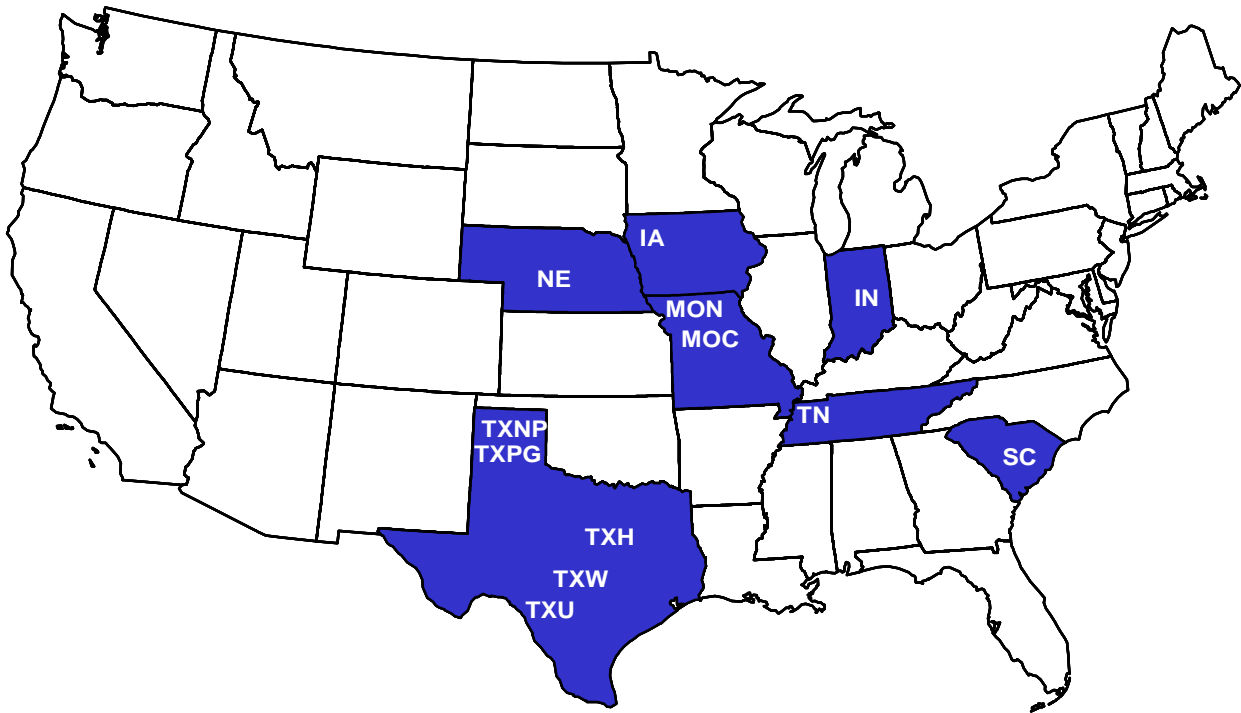
The FLIPSIM policy simulation model incorporates the historical risk faced by farmers for prices and production. This report presents the results of the January 2005 Baseline in a risk context using selected simulated probabilities and ranges for annual net cash farm income values. The probability of a farm experiencing negative ending cash reserves and the probability of a farm losing real net worth are included as indicators of the cash flow and equity risks facing farms through the year 2009.

Definitions of Variables in the Summary Tables

- **Overall Financial Position, 2005-2009** -- As a means of summarizing the representative farms' economic efficiency, liquidity, and solvency position AFPC classifies each farm as being in either a good (green), marginal (yellow) or poor (red) position. AFPC assumes a farm is in a good financial position when it has less than a 25 percent chance each of a negative ending cash position and less than a 25 percent chance of losing real net worth. If the probabilities of these events are between 25 and 50 percent the farm is classified as marginal. A probability greater than 50 percent places the farm in a poor financial position.
- **Receipts** -- 2005-2009 average of cash receipts from all sources, including market sales, CCP and direct payments, loan deficiency payments, crop insurance indemnities, and other farm related receipts.
- **Payments** -- 2005-2009 average of annual counter cyclical payments, direct payments, and marketing loan gains/LDP for crops and the milk program payment for dairy farms.
- **NCFI** -- 2005-2009 average net cash farm income equals average total receipts minus average total cash expenses.
- **Reserve 2009** -- equals total cash on hand at the end of year 2009. Ending cash equals beginning cash reserves plus net cash farm income and interest earned on cash reserves less principal payments, federal taxes (income and self employment), state income taxes, family living withdrawals, and actual machinery replacement costs (not depreciation).
- **Net Worth 2009** -- equity equals total assets including land minus total debt from all sources and is reported at the end of 2009.
- **CRNW** -- annualized percentage change in the operator's net worth from January 1, 2005 through December 31, 2009, after adjusting for inflation.

Representative Farm: Feed Grain

- Overall, seven feed grain farms are characterized as good, and eight are in moderate condition.
- Seven of twenty farms will be under cash flow stress, and three have a high probability of losing real wealth.



Characteristics of Panel Farms Producing Feed Grains, 2004.

	Cropland	Assets	Debt/Asset	Gross Receipts	Feed Grains
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(acres)
IAG1350	1,350	1,143.00	0.16	428.50	675
IAG2750	2,750	2,122.00	0.22	737.70	1,375
IAG4200	4,200	4,393.00	0.16	1,443.50	2,100
NEG1960	1,960	2,224.00	0.10	1,008.30	1,646
NEG4300	4,300	5,356.00	0.17	1,834.80	2,666
MOCG1700	1,700	3,134.00	0.13	447.30	825
MOCG3630	3,630	4,996.00	0.15	812.80	1,650
MONG1850	1,850	3,692.00	0.14	634.20	900
ING1000	1,000	1,739.00	0.21	291.30	500
ING2200	2,200	4,693.00	0.18	685.50	1,100
TXNP1750	1,750	571.00	0.38	580.20	880
TXNP7000	7,000	3,117.00	0.21	1,972.30	4,280
TXPG3760	3,760	2,324.00	0.15	1,890.10	1,344
TXHG2000	2,000	541.00	0.18	419.90	1,350
TXWG1400	1,400	644.00	0.20	291.00	1,150
TXUG1200	1,201	423.00	0.23	644.50	650
TNG900	900	818.00	0.09	321.30	500
TNG2750	2,750	2,624.00	0.20	950.20	1,100
SCG1500	1,500	886.00	0.23	511.80	846
SCG3500	3,500	3,988.00	0.16	1,361.10	1,840

Representative Farm: Feed Grain

Economic Viability of Representative Farms over the 2005-2009 Period

Farm Name	P(Negative Ending Cash)	P(Real Net Worth Declines)
7/8/5	2005-2009	2005-2009
IAG1350	44-48	1-11
IAG2750	13-3	1-1
IAG4200	4-9	1-1
NEG1960	1-1	1-1
NEG4300	1-2	1-1
MOCG1700	34-29	1-1
MOCG3630	1-1	1-1
MONG1850	67-81	1-5
ING1000	99-99	1-63
ING2200	99-99	1-13
TXNP1750	83-87	1-55
TXNP7000	96-97	1-30
TXPG3760	41-32	1-21
TXHG2000	86-89	1-46
TXWG1400	50-35	1-9
TXUG1200	40-22	1-19
TNG900	49-48	1-68
TNG2750	3-39	1-3
SCG1500	95-81	1-15
SCG3500	2-2	1-1

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25	25-50	> 50
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2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Feed Grains and Oilseeds.

	Receipts	Payments	NCFI	Reserve 2009	Net Worth 2009	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
IAG1350	446.24	69.32	81.16	6.30	1,102.32	2.07
IAG2750	767.77	118.99	236.61	248.48	2,153.59	4.30
IAG4200	1,494.61	236.93	347.22	382.13	4,602.86	3.74
NEG1960	1,018.80	137.74	302.36	820.05	2,652.40	4.50
NEG4300	1,877.27	238.74	354.82	327.44	5,413.90	2.81
MOCG1700	474.27	70.09	187.80	57.39	3,368.86	2.98
MOCG3630	870.05	127.35	379.59	399.14	5,493.35	3.82
MONG1850	653.27	74.42	157.47	(172.96)	3,766.12	2.03
ING1000	303.20	44.93	16.37	(422.03)	1,420.09	(0.41)
ING2200	710.24	108.76	52.70	(681.53)	4,303.57	1.00
TXNP1750	633.32	79.16	42.00	(318.69)	257.16	(6.22)
TXNP7000	2,056.13	283.55	193.13	(698.24)	2,608.01	1.40
TXPG3760	2,253.01	425.82	264.67	169.18	2,438.92	3.13
TXHG2000	429.15	89.20	54.88	(95.70)	441.69	(0.04)
TXWG1400	300.86	65.12	70.75	21.64	614.97	2.75
TXUG1200	658.35	138.31	82.42	76.69	398.50	5.56
TNG900	250.75	30.41	34.51	0.26	705.46	(0.98)
TNG2750	801.68	96.00	241.70	34.85	2,490.24	2.55
SCG1500	534.65	122.15	71.92	(71.03)	785.16	2.03
SCG3500	1,399.95	289.90	332.29	511.71	4,458.77	4.17

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

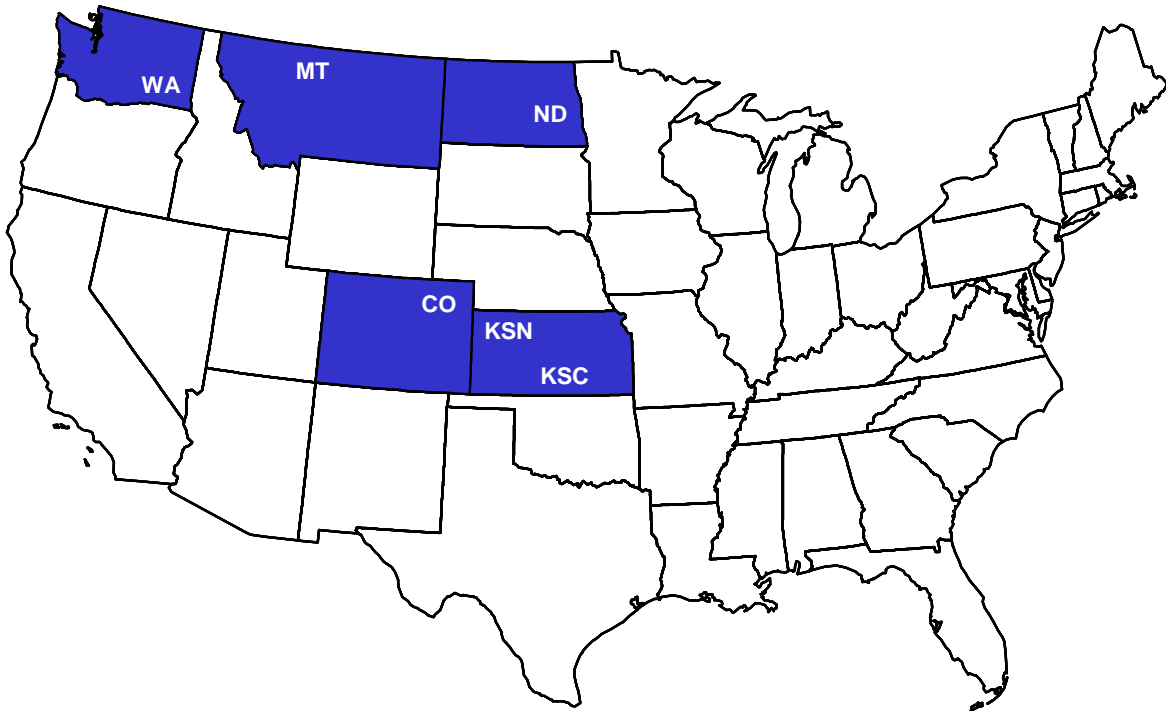
4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)

Representative Farm: Wheat

- Five wheat farms are projected to be in good overall financial condition with three in moderate condition and three in poor condition.
- Five of the eleven wheat farms will feel severe liquidity pressure over the period.
- Three wheat farms have greater than a 25 percent chance of losing real equity.



Characteristics of Panel Farms Producing Wheat, 2004.

	Cropland	Assets	Debt/Asset	Gross Receipts	Wheat
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(acres)
WAW1725	1,725	1,316.00	0.15	441.60	1,035
WAW4675	4,675	4,328.00	0.14	1,028.90	3,043
MTW4500	4,500	1,877.00	0.13	467.70	2,475
NDW2180	2,180	516.00	0.15	341.20	700
NDW6250	6,250	2,840.00	0.16	1,202.40	2,700
KSCW1385	1,385	767.00	0.20	185.00	928
KSCW4000	4,000	1,598.00	0.14	541.20	2,845
KSNW2800	2,800	1,392.00	0.28	332.40	935
KSNW4300	4,300	1,902.00	0.12	629.70	2,000
COW3000	3,000	1,132.00	0.21	262.30	970
COW5640	5,640	1,901.00	0.23	500.30	1,900

Representative Farm: Wheat

Economic Viability of Representative Farms over the 2005-2009 Period

Farm Name	P(Negative Ending Cash)	P(Real Net Worth Declines)
5/3/3	2005-2009	2005-2009
WAW1725	50-62	1-13
WAW4675	3-12	1-1
MTW4500	34-17	1-9
NDW2180	63-78	1-59
NDW6250	1-7	1-8
KSCW1385	70-82	1-29
KSCW4000	1-1	1-1
KSNW2800	99-99	1-73
KSNW4300	20-29	1-16
COW3000	53-1	1-1
COW5640	90-86	1-1

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Wheat.

	Receipts	Payments	NCFI	Reserve 2009	Net Worth 2009	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
WAW1725	456.37	47.72	84.18	(29.54)	1,280.70	1.64
WAW4675	1,073.39	134.97	238.63	204.68	4,467.98	2.41
MTW4500	360.23	66.59	136.39	119.78	1,934.79	2.25
NDW2180	372.45	47.68	45.16	(86.02)	413.43	(1.26)
NDW6250	1,291.28	146.00	305.53	395.60	2,882.13	2.82
KSCW1385	196.14	32.09	54.72	(54.33)	668.01	0.84
KSCW4000	565.40	79.92	210.70	285.60	1,644.90	2.98
KSNW2800	347.57	45.98	27.34	(388.28)	942.13	(1.69)
KSNW4300	666.12	83.47	120.58	74.55	1,892.07	1.67
COW3000	269.21	30.24	136.59	145.05	1,243.46	5.35
COW5640	519.71	55.19	143.22	(105.47)	1,826.32	3.05

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

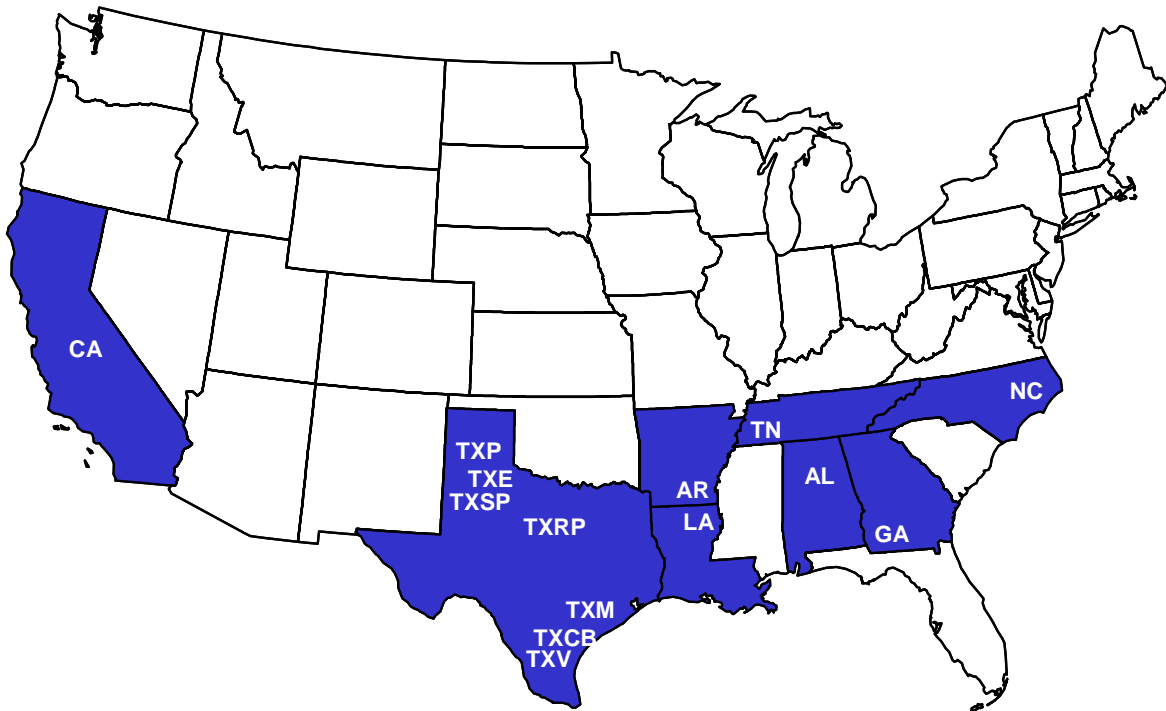
4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)

Representative Farm: Cotton

- Three of eighteen cotton farms are characterized as being in good overall condition, with six farms characterized in moderate and nine in poor condition.
- Half of the farms are projected to experience severe cash flow problems over the period.
- Six of the eighteen cotton farms have more than a 50 percent chance of losing real equity.



Characteristics of Panel Farms Producing Cotton, 2004.

	Cropland	Assets	Debt/Asset	Gross Receipts	Cotton
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(acres)
CAC2400	2,000	5,134.00	0.14	2,188.70	1,000
CAC9000	9,000	17,703.00	0.15	11,313.20	4,500
TXSP2239	2,239	819.00	0.19	682.90	1,616
TXSP3745	3,745	1,623.00	0.13	904.90	2,625
TXPC2500	2,500	1,614.00	0.19	910.70	1,184
TXEC5000	5,000	1,137.00	0.28	1,265.80	4,300
TXRP2500	2,500	419.00	0.16	258.10	1,122
TXMC3500	3,500	932.00	0.19	1,313.50	1,750
TXCB1850	1,850	1,048.00	0.26	560.10	925
TXCB5500	5,500	1,090.00	0.34	1,345.20	2,750
TXVC4500	4,500	2,208.00	0.27	1,352.10	2,388
LAC2640	2,640	896.00	0.07	1,127.50	924
ARC6000	6,000	6,452.00	0.17	3,886.50	2,000
TNC1900	1,900	2,149.00	0.12	1,007.40	990
TNC4050	4,050	3,962.00	0.15	1,775.90	2,670
ALC3000	3,000	1,805.00	0.26	1,179.50	2,100
GAC1700	1,700	2,438.00	0.19	1,327.50	1,020
NCC1100	1,100	1,484.00	0.18	563.50	700

Representative Farm: Cotton

Economic Viability of Representative Farms over the 2005-2009 Period

Farm Name	P(Negative Ending Cash)	P(Real Net Worth Declines)
3/6/9	2005-2009	2005-2009
CAC2400	22-39	1-15
CAC9000	23-40	1-27
TXSP2239	61-95	1-55
TXSP3745	37-56	1-35
TXPC2500	45-88	1-65
TXEC5000	94-97	1-83
TXRP2500	59-42	1-21
TXMC3500	61-53	1-30
TXCB1850	40-39	1-22
TXCB5500	95-99	1-93
TXVC4500	84-86	1-34
LAC2640	24-71	1-68
ARC6000	1-5	1-6
TNC1900	1-1	1-1
TNC4050	22-35	1-30
ALC3000	1-23	1-25
GAC1700	1-1	1-1
NCC1100	74-94	1-67

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Cotton.

	Receipts	Payments	NCFI	Reserve 2009	Net Worth 2009	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAC2400	2,187.08	336.17	132.85	82.43	5,020.87	1.72
CAC9000	11,319.50	1,469.48	827.61	265.09	17,311.28	1.63
TXSP2239	707.65	193.32	48.55	(168.46)	636.51	(0.61)
TXSP3745	942.71	266.54	91.44	(52.60)	1,522.80	0.88
TXPC2500	924.52	279.69	61.78	(227.22)	1,238.29	(1.15)
TXEC5000	1,290.53	438.20	9.72	(698.74)	405.66	(9.28)
TXRP2500	274.02	89.54	67.53	25.58	436.50	3.65
TXMC3500	1,367.48	364.75	123.82	(52.40)	843.28	3.79
TXCB1850	586.50	154.53	81.11	18.32	927.40	3.18
TXCB5500	1,397.72	452.26	(23.15)	(950.61)	96.86	(17.86)
TXVC4500	1,430.92	402.01	113.42	(441.58)	1,802.68	1.55
LAC2640	1,157.40	349.00	64.59	(185.52)	644.90	(3.81)
ARC6000	3,067.27	805.04	524.03	769.27	6,217.34	2.34
TNC1900	836.48	213.55	351.38	1,068.93	2,726.45	6.33
TNC4050	1,826.31	446.10	284.10	173.56	3,782.27	1.61
ALC3000	1,177.85	376.08	179.69	235.16	1,502.60	2.92
GAC1700	1,330.50	357.66	176.89	162.05	2,295.09	2.28
NCC1100	561.57	149.64	52.22	(251.11)	1,200.96	(1.07)

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

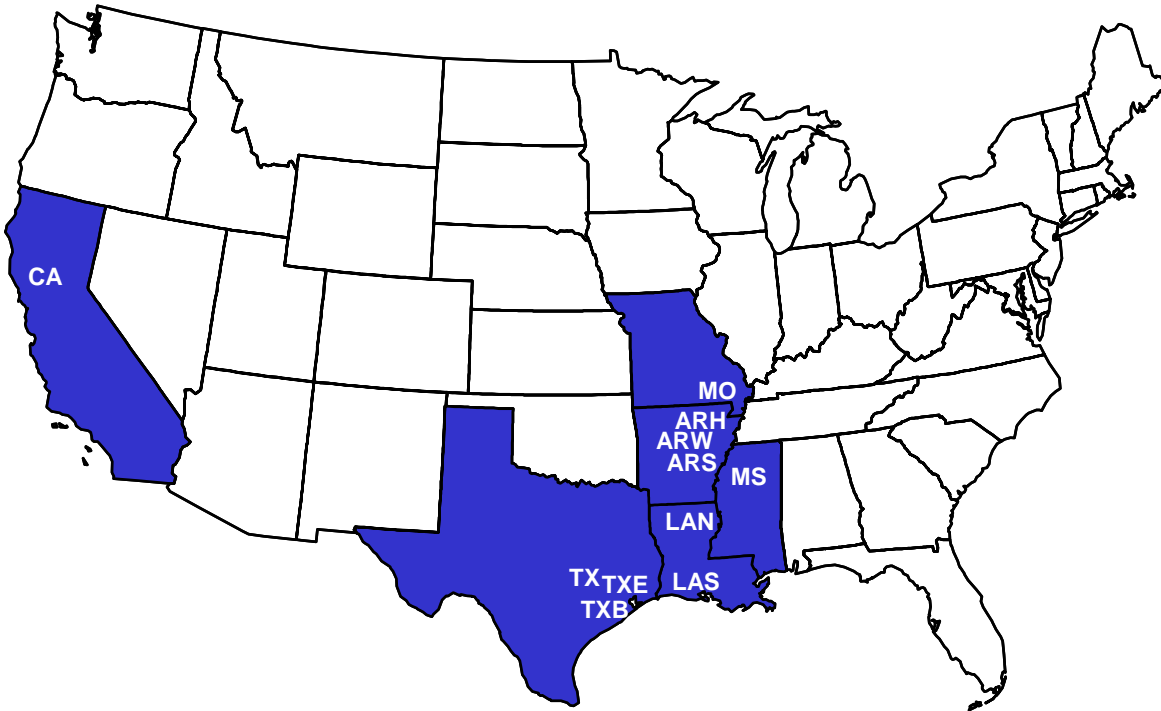
4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)

Representative Farm: Rice

- One of the sixteen rice farms is projected to be in good overall financial condition with three in moderate and twelve in poor condition.
- Thirteen of the rice farms are expected to face severe cash flow problems and twelve of sixteen have high probabilities of real equity losses.



Characteristics of Panel Farms Producing Rice, 2004.

	Cropland	Assets	Debt/Asset	Gross Receipts	Rice
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(acres)
CAR550	550	1,421.00	0.20	448.70	500
CAR2365	2,365	4,055.00	0.19	1,952.60	2,240
CABR1100	1,100	1,863.00	0.22	839.20	1,000
CACR715	715	1,640.00	0.12	587.90	650
TXR1553	1,553	522.00	0.32	401.50	855
TXR3774	3,774	957.00	0.14	1,041.90	2,940
TXBR1800	1,800	712.00	0.28	583.80	1,200
TXER3200	3,200	1,070.00	0.46	1,032.20	2,304
LASR1200	1,200	359.00	0.31	333.50	660
LANR2500	2,500	2,658.00	0.26	1,075.00	1,000
MOER4500	4,500	6,408.00	0.14	1,612.10	1,500
MOWR4000	4,000	6,860.00	0.16	1,538.40	2,000
ARSR3640	3,640	2,999.00	0.14	1,096.00	1,620
ARWR1200	1,200	1,909.00	0.23	477.00	600
ARHR3000	3,000	4,130.00	0.13	1,294.70	1,750
MSR4735	4,736	1,728.00	0.32	1,732.40	1,335

Representative Farm: Rice

Economic Viability of Representative Farms over the 2005-2009 Period

Farm Name	P(Negative Ending Cash)	P(Real Net Worth Declines)
1/3/12	2005-2009	2005-2009
CAR550	99-99	1-87
CAR2365	99-99	1-99
CABR1100	99-99	1-99
CACR715	71-99	1-99
TXR1553	99-99	1-99
TXR3774	7-28	1-34
TXBR1800	99-99	1-99
TXER3200	99-99	1-99
LASR1200	99-99	1-99
LANR2500	99-99	1-93
MOER4500	2-6	1-1
MOWR4000	37-79	1-24
ARSR3640	7-29	1-26
ARWR1200	99-99	1-99
ARHR3000	7-99	1-79
MSR4735	99-99	1-99

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Rice.

	Receipts	Payments	NCFI	Reserve 2009	Net Worth 2009	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAR550	456.58	125.93	16.40	(312.98)	1,075.08	(1.43)
CAR2365	1,995.13	595.55	(300.78)	(2,446.05)	1,632.89	(9.57)
CABR1100	857.14	261.34	(65.68)	(924.88)	847.78	(7.99)
CACR715	601.59	178.65	(24.55)	(339.55)	1,241.13	(2.98)
TXR1553	417.38	121.64	(20.51)	(477.27)	7.44	(20.32)
TXR3774	1,084.54	298.65	125.74	72.25	832.42	0.74
TXBR1800	616.96	175.32	(37.27)	(644.56)	14.16	(20.69)
TXER3200	1,075.41	317.58	(174.54)	(1,535.95)	(563.80)	(74.46)
LASR1200	352.44	98.22	(24.05)	(448.10)	(100.06)	(18.04)
LANR2500	1,116.53	291.48	19.78	(954.44)	1,779.28	(2.65)
MOER4500	1,671.24	378.76	438.89	528.35	6,801.72	3.23
MOWR4000	1,616.16	432.70	227.83	(525.47)	6,432.68	1.14
ARSR3640	1,042.87	268.58	257.46	79.66	2,812.83	0.89
ARWR1200	505.80	136.30	(47.12)	(1,056.03)	848.08	(8.29)
ARHR3000	1,375.35	379.92	92.58	(634.42)	3,566.26	(1.13)
MSR4735	1,798.18	433.13	(139.28)	(1,954.97)	(388.25)	(34.04)

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

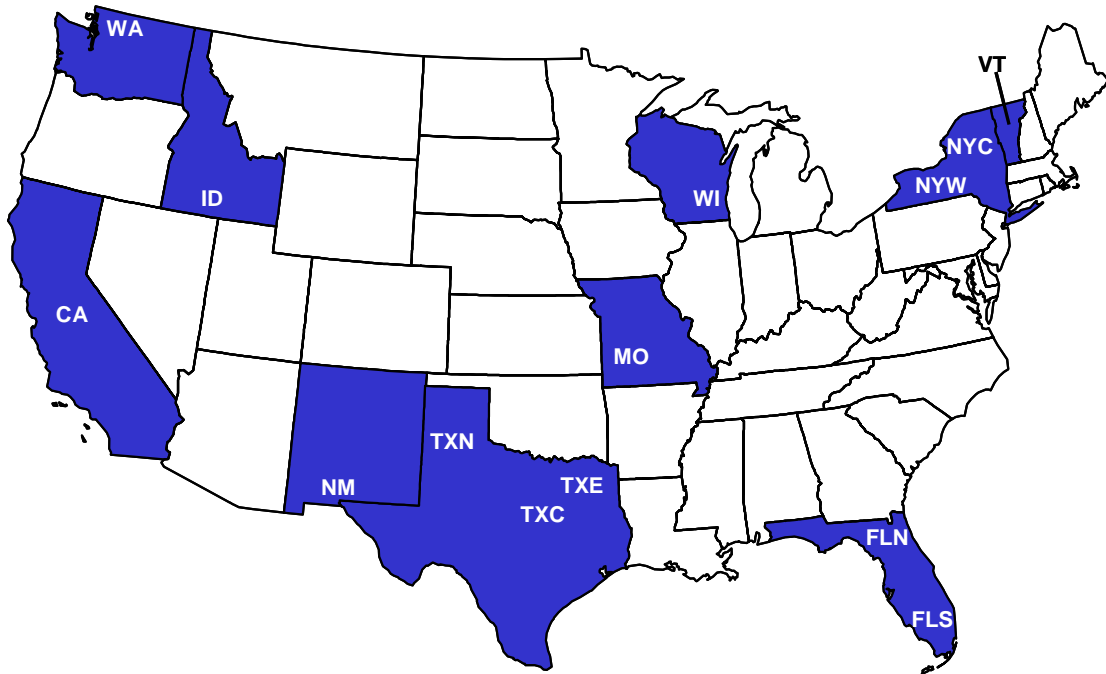
4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)

Representative Farm: Dairy

- Four of twenty-three dairy operations are in moderate overall financial condition, with thirteen classified in good and six in poor condition.
- Just under one-third of the dairies are projected to experience liquidity pressure with nine experiencing greater than a 25 percent probability in losing real equity.



Characteristics of Panel Farms Producing Milk, 2004.

	Cropland	Assets	Debt/Asset	Gross Receipts	Cows
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(number)
CAD1710	700	12,220.00	0.15	6,123.90	1,710
NMD2125	370	10,124.00	0.10	7,576.70	2,125
WAD250	200	2,398.00	0.19	961.60	250
WAD850	605	6,208.00	0.29	3,368.80	850
IDD1000	360	5,770.00	0.09	3,989.30	1,000
IDD3000	1,500	19,624.00	0.11	11,707.90	3,000
TXND2400	260	10,955.00	0.08	8,463.60	2,400
TXCD500	250	2,185.00	0.27	1,635.30	500
TXCD1300	460	5,993.00	0.13	5,274.40	1,300
TXED550	300	1,934.00	0.08	1,576.60	550
TXED1000	875	5,022.00	0.08	3,529.20	1,000
WID145	600	2,476.00	0.16	656.90	145
WID775	1,200	5,569.00	0.13	3,492.50	775
NYWD800	1,440	5,095.00	0.17	3,385.50	800
NYWD1200	2,160	8,236.00	0.19	5,047.90	1,200
NYCD110	296	953.00	0.13	525.10	110
NYCD500	1,100	3,656.00	0.14	2,227.00	500
VTD134	220	1,094.00	0.12	611.40	134
VTD350	800	3,350.00	0.16	1,455.10	350
MOD85	230	1,024.00	0.12	294.20	85
MOD400	450	2,843.00	0.12	1,427.10	400
FLND550	600	3,519.00	0.12	2,016.50	550
FLSD1500	400	7,080.00	0.22	5,333.50	1,500

Representative Farm: Dairy

Economic Viability of Representative Farms over the 2005-2009 Period

Farm Name	P(Negative Ending Cash)	P(Real Net Worth Declines)
	2005-2009	2005-2009
13/4/6		
CAD1710	1-1	1-1
NMD2125	1-1	1-1
WAD250	73-67	1-6
WAD850	96-90	1-60
IDD1000	1-13	1-28
IDD3000	1-1	1-3
TXND2400	1-1	1-9
TXCD500	99-99	1-97
TXCD1300	1-9	1-36
TXED550	1-3	1-37
TXED1000	1-1	1-3
WID145	1-1	1-1
WID775	1-1	1-1
NYWD800	45-74	1-56
NYWD1200	18-57	1-48
NYCD110	1-1	1-1
NYCD500	1-1	1-2
VTD134	1-1	1-2
VTD350	56-74	1-54
MOD85	1-1	1-1
MOD400	1-1	1-1
FLND550	1-1	1-1
FLSD1500	99-99	1-91

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25	25-50	> 50
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- P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.
- P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

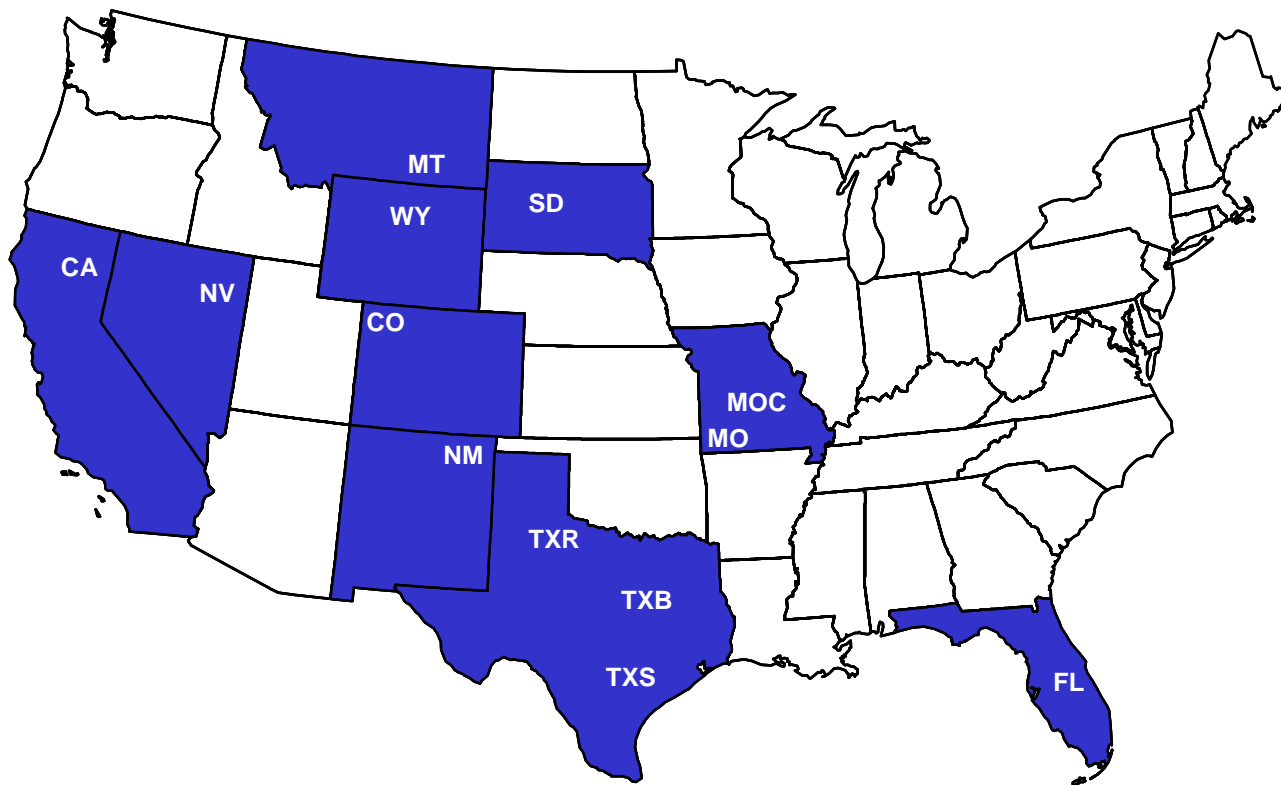
Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Milk.

	Receipts	Payments	NCFI	Reserve 2009	Net Worth 2009	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAD1710	5,441.08	35.41	1,045.97	3,041.31	13,338.77	3.68
NMD2125	6,670.84	2.31	1,406.42	4,444.71	12,361.07	4.99
WAD250	844.50	5.49	163.37	(69.01)	2,313.94	2.30
WAD850	2,937.80	23.36	141.54	(1,029.81)	4,274.66	(1.11)
IDD1000	3,420.85	2.31	340.95	773.77	5,895.86	1.36
IDD3000	9,985.36	45.33	1,902.73	5,274.04	22,053.24	3.54
TXND2400	7,413.67	2.31	1,082.71	4,754.83	12,374.39	3.16
TXCD500	1,449.05	2.31	(82.74)	(1,044.00)	817.88	(9.45)
TXCD1300	4,691.99	2.31	413.57	991.00	5,635.83	0.87
TXED550	1,387.84	2.31	187.58	507.10	1,935.10	1.00
TXED1000	3,115.37	2.31	602.06	2,449.44	6,048.43	4.18
WID145	573.92	9.07	173.32	281.90	2,508.85	2.38
WID775	3,069.70	22.94	1,008.38	3,395.99	7,302.92	6.82
NYWD800	2,980.16	34.25	163.42	(417.26)	4,258.02	(0.45)
NYWD1200	4,453.25	46.26	286.21	(176.51)	6,926.38	0.00
NYCD110	467.57	7.94	175.44	455.54	1,168.34	5.52
NYCD500	1,976.27	20.02	329.42	564.11	3,828.44	2.88
VTD134	547.45	5.91	128.85	246.18	1,169.31	2.62
VTD350	1,287.70	18.82	101.81	(144.64)	2,867.54	(0.20)
MOD85	259.15	1.57	76.70	91.76	1,082.73	2.36
MOD400	1,249.76	2.31	294.97	669.37	3,160.70	3.43
FLND550	1,823.29	2.31	665.16	1,846.48	4,844.72	7.22
FLSD1500	4,843.81	2.31	(208.74)	(2,470.81)	4,084.25	(5.17)

- Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)
- Payments are average annual total government payments, 2005-2009 (\$1,000)
- NCFI are average annual net cash farm income, 2005-2009 (\$1,000)
- Reserve 2009 are average ending cash reserves, 2009 (\$1,000)
- Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)
- CRNW are average percentage in real net worth over 2005-2009 period, (%)

Representative Farm: Cow/Calf

- Seven of thirteen cow-calf operations are projected to be in good overall financial condition. Five are expected to be in moderate condition and one is in poor condition.
- Four of the operations will face significant liquidity pressures over the period.
- Two operations are projected to have more than a 50 percent chance of losing real equity over the period.



Characteristics of Panel Farms Producing Beef Cattle, 2004.

	Cropland	Assets	Debt/Asset	Gross Receipts	Cows
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(number)
CAB500	-	9,731.00	0.01	301.40	500
NVB700	1,300	2,537.00	0.01	358.20	700
MTB500	-	2,884.00	0.02	313.50	500
WYB500	330	2,603.00	0.02	285.20	500
COB250	450	10,904.00	0.01	186.60	250
NMB240	-	2,710.00	0.02	127.10	240
SDB450	1,150	2,935.00	0.02	274.10	450
MOB150	240	998.00	0.14	159.80	150
MOCB350	40	2,547.00	0.01	223.10	350
TXRB500	-	3,927.00	0.01	333.60	500
TXBB150	200	995.00	0.03	1,478.00	150
TXSB250	-	2,237.00	0.01	182.00	250
FLB1155	5,400	11,032.00	0.01	610.30	1,155

Representative Farm: Cow/Calf

Economic Viability of Representative Farms over the 2005-2009 Period

Farm Name	P(Negative Ending Cash)	P(Real Net Worth Declines)
7/5/1	2005-2009	2005-2009
CAB500	40-99	1-1
NVB700	1-1	1-38
MTB500	1-1	1-1
WYB500	89-99	1-68
COB250	1-1	1-1
NMB240	99-99	1-20
SDB450	1-1	1-17
MOB150	51-84	1-3
MOCB350	1-1	1-10
TXRB500	1-1	1-3
TXBB150	1-3	1-65
TXSB250	1-1	1-1
FLB1155	1-2	1-1

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Beef Cattle.

	Receipts	Payments	NCFI	Reserve 2009	Net Worth 2009	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAB500	274.06	-	12.04	(89.31)	10,766.90	1.02
NVB700	317.64	-	64.14	197.65	2,679.96	0.46
MTB500	279.53	-	119.62	508.17	3,326.49	2.00
WYB500	254.44	-	8.06	(187.67)	2,591.51	(0.45)
COB250	172.75	-	50.13	167.79	10,624.78	1.33
NMB240	113.37	-	13.16	(96.26)	2,888.57	0.44
SDB450	254.00	0.71	56.84	112.70	3,153.98	0.71
MOB150	155.12	9.53	52.82	(31.65)	989.43	1.80
MOCB350	199.34	-	41.28	114.44	2,783.57	0.79
TXRB500	312.61	-	116.21	309.18	4,425.66	1.36
TXBB150	1,302.27	3.54	54.75	103.03	947.38	(0.87)
TXSB250	164.21	-	59.58	173.11	2,507.43	1.21
FLB1155	545.93	-	76.10	172.15	12,416.79	1.15

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)