
Representative Farms Economic Outlook for the January 2012 FAPRI/AFPC Baseline

Briefing Paper 12-1

March 2012



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**REPRESENTATIVE FARMS ECONOMIC
OUTLOOK FOR THE JANUARY 2012
FAPRI/AFPC BASELINE**

AFPC Briefing Paper 12-1

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EXECUTIVE SUMMARY

The Agricultural and Food Policy Center (AFPC) at Texas A&M University develops and maintains data to simulate 98 representative crop, dairy, and livestock operations in major production areas in 28 states. The chief purpose of this analysis is to project the economic viability of those farms by region and commodity for 2012 through 2017. The data necessary to simulate the economic activity of these operations is developed through ongoing cooperation with panels of agricultural producers in selected states. The Food and Agricultural Policy Research Institute (FAPRI) provided projected prices, policy variables, and input inflation rates in their January 2012 Baseline.

Under the January 2012 Baseline, 41 of the 64 crop farms are considered in good liquidity condition (less than a 25 percent chance of negative ending cash by 2017). Nine crop farms have between a 25 percent and a 50 percent likelihood of negative ending cash, and the remaining 14 crop farms have greater than a 50 percent chance of negative ending cash. Furthermore, 41 of the 64 crop farms are considered in good equity position (less than a 25 percent chance of decreasing real net worth during the study period). Ten crop farms have between a 25 percent and 50 percent likelihood of losing real net worth, and thirteen crop farms have greater than a 50 percent probability of decreasing real net worth. The following discussion provides an overall evaluation by commodity considering both liquidity and equity measures.

- **FEEDGRAIN FARMS:** Eighteen of the 23 feedgrain farms are in good overall financial condition. Three are classified in marginal condition and two are in poor condition.
- **WHEAT FARMS:** Ten of the representative wheat farms are classified in good overall financial condition, and one is in marginal condition.
- **COTTON FARMS:** Nine of the 16 cotton farms are classified in good condition, four are in marginal condition, and three are in poor condition.
- **RICE FARMS:** Two of the 14 rice farms are projected to be in good financial condition, three are in marginal condition, and nine are in poor condition.
- **DAIRY FARMS:** Thirteen of the 22 dairy farms are in good overall financial condition. Six are classified in marginal condition, and three are in poor condition.
- **BEEF CATTLE RANCHES:** Ten of the 12 cattle ranches are classified in good financial condition, one is in marginal condition, and one is projected to be in poor condition.

REPRESENTATIVE FARMS ECONOMIC OUTLOOK FOR THE JANUARY 2012 FAPRI/AFPC BASELINE

The farm level economic impacts of the FAPRI January 2012 Baseline on representative crop and livestock operations are projected in this report. The analysis was conducted over the 2009-2017 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.
- Projected prices, policy variables, and input inflation rates from the Food and Agricultural Policy Research Institute (FAPRI) January 2012 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 2012 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 2017.

DEFINITIONS OF VARIABLES IN THE SUMMARY TABLES

- **Overall Financial Position, 2012-2017** -- 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 defines a farm to be 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** -- 2012-2017 average cash receipts from all farm related sources, including market sales, CCP/ACRE and direct payments, marketing loan gains/LDPs, crop insurance indemnities, and other receipts.
- **Payments** -- 2012-2017 average annual CCP or ACRE payments, direct payments, and marketing loan gains/LDPs for crops and the MILC program payment for dairy farms.
- **NCFI** -- 2012-2017 average net cash farm income equals average total receipts minus average total cash expenses.
- **Reserve 2017** -- equals total cash on hand at the end of year 2017. 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 2017** -- equity equals total assets including land minus total debt from all sources and is reported at the end of 2017.
- **CRNW** -- annualized percentage change in the operator's net worth from January 1, 2012 through December 31, 2017, after adjusting for inflation.

Table 1. FAPRI January 2012 Baseline Projections of Crop and Livestock Prices, 2009-2017

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Crop Prices									
Corn (\$/bu.)	3.55	5.18	5.96	4.77	4.71	4.77	4.86	4.84	4.80
Wheat (\$/bu.)	4.87	5.70	7.15	6.06	5.60	5.80	6.03	6.15	6.15
Cotton (\$/lb.)	0.6290	0.8150	0.9046	0.7541	0.7788	0.7969	0.8123	0.8234	0.8242
Sorghum (\$/bu.)	3.22	5.02	5.87	4.58	4.54	4.60	4.71	4.71	4.69
Soybeans (\$/bu.)	9.59	11.30	11.61	11.23	11.25	11.18	11.28	11.42	11.43
Barley (\$/bu.)	4.66	3.86	5.35	4.98	4.88	4.93	5.02	5.01	5.00
Oats (\$/bu.)	2.02	2.52	3.35	3.05	2.95	2.94	2.97	2.97	2.97
Rice (\$/cwt.)	14.40	12.70	14.48	12.94	12.74	13.08	13.44	13.75	13.79
Soybean Meal (\$/ton)	296.89	329.56	291.03	267.90	262.37	269.16	278.66	284.35	286.27
All Hay (\$/ton)	108.00	114.00	173.60	150.82	137.85	135.88	139.49	143.45	146.25
Peanuts (\$/ton)	434.00	450.00	589.97	510.75	520.99	515.48	520.25	520.04	515.72
Cattle Prices									
Feeder Cattle (\$/cwt)	101.89	115.40	139.46	153.36	163.45	163.47	157.89	152.42	147.50
Fed Cattle (\$/cwt)	83.25	95.38	114.73	124.67	126.68	127.01	125.22	123.77	121.70
Culled Cows (\$/cwt)	47.01	56.76	69.92	78.37	79.34	79.92	77.09	74.45	72.55
Milk Price									
U.S. All Milk Price (\$/cwt)	12.93	16.26	20.14	18.51	18.72	18.65	18.65	18.81	18.90

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

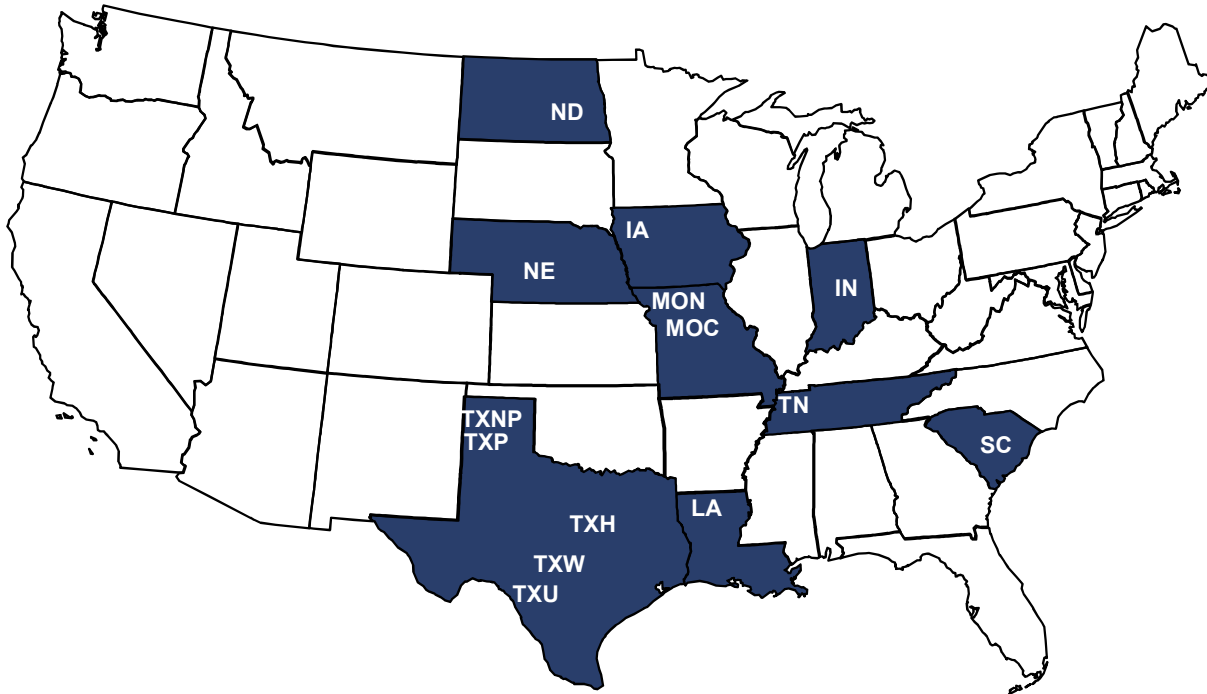
Table 2. FAPRI January 2012 Baseline Assumed Rates of Change in Input Prices and Annual Changes in Land Values, 2010-2017

	2010	2011	2012	2013	2014	2015	2016	2017
Annual Rate of Change for Input Prices Paid								
Seed Prices (%)	3.68	7.10	5.39	4.07	0.60	0.37	1.19	0.92
All Fertilizer Prices (%)	-6.23	36.51	1.58	3.84	1.53	1.91	1.45	0.90
Herbicide Prices (%)	-6.38	-0.76	2.83	4.39	3.40	1.89	1.36	0.68
Insecticide Prices (%)	1.86	2.44	2.19	3.90	3.18	1.90	1.39	0.77
Fuel and Lube Prices (%)	24.02	27.11	-1.64	4.40	0.23	0.04	-0.32	-2.74
Machinery Prices (%)	3.60	4.78	1.30	3.04	2.81	2.44	2.41	2.30
Wages (%)	1.07	1.06	2.85	2.24	2.69	2.90	3.10	3.17
Supplies (%)	1.31	3.87	1.54	3.29	2.68	1.72	1.29	0.80
Repairs (%)	1.89	3.70	2.88	2.39	2.67	2.47	2.37	2.25
Services (%)	3.21	3.73	0.62	3.33	3.05	2.25	2.10	1.80
Taxes (%)	1.47	8.70	0.11	5.47	5.21	3.27	3.17	3.05
PPI Items (%)	3.30	13.83	4.05	0.38	1.29	1.08	1.12	0.74
PPI Total (%)	3.31	12.30	3.65	0.88	1.80	1.67	1.46	1.03
Annual Change in Consumer Price Index (%)	1.65	3.15	1.49	1.83	2.01	2.01	1.90	1.78
Annual Rate of Change for U.S. Land Prices (%)	4.27	6.82	11.11	3.09	2.01	1.90	0.53	0.51

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

Representative Farm: Feed Grains

- Overall, eighteen feed grain farms are characterized as good, three are marginal, and two are in poor condition.
- Only one of the twenty-three farms will be under severe cash flow stress; two farms have high probabilities of losing real net worth.



Characteristics of Panel Farms Producing Feed Grains, 2011.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Feed Grains (acres)
IAG1350	1,350	3,465.00	0.15	1,255.90	1,350
IAG3400	3,400	8,988.00	0.15	2,822.30	3,400
NEG2400	2,400	5,290.00	0.12	2,769.60	2,400
NEG4300	4,300	10,212.00	0.15	4,415.80	3,870
NDG2500	2,500	2,406.00	0.10	1,187.60	2,000
NDG8000	8,000	12,846.00	0.17	4,206.60	6,450
ING1000	1,000	3,366.00	0.10	812.60	1,000
ING2200	2,200	7,740.00	0.09	1,821.20	2,200
MOCG2050	2,050	8,815.00	0.10	1,443.20	2,050
MOCG4000	4,000	16,157.00	0.12	2,727.90	4,000
MONG1850	1,850	8,035.00	0.11	1,355.60	1,800
LAG2640	2,640	1,676.00	0.23	2,262.20	2,244
LANG2500	2,500	7,131.00	0.15	2,433.70	1,750
TNG900	900	1,973.00	0.12	630.60	900
TNG2200	2,200	4,370.00	0.11	1,324.50	2,200
SCG3500	3,500	10,045.00	0.14	3,167.90	2,625
TXNP3000	3,000	2,234.00	0.13	2,102.70	1,200
TXNP8000	8,000	7,089.00	0.11	5,970.70	3,987
TXPG2500	2,500	4,414.00	0.18	1,966.30	1,058
TXPG3760	3,760	5,405.00	0.17	4,377.90	1,878
TXHG2000	2,000	1,687.00	0.12	752.70	1,500
TXWG1600	1,600	1,257.00	0.10	619.70	1,050
TXUG1200	1,200	329.00	0.08	1,139.30	750

Representative Farm: Feed Grains

Economic Viability of Representative Farms over the 2012-2017 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2012	2017	2012-2017	2012-2017
18/3/2				
IAG1350			1-1	1-1
IAG3400			1-1	1-1
NEG2400			1-1	1-1
NEG4300			1-1	1-1
NDG2500			1-1	1-1
NDG8000			1-1	1-1
ING1000			11-14	1-3
ING2200			1-3	1-1
MOCG2050			1-1	1-1
MOCG4000			1-1	1-1
MONG1850			4-7	1-1
LAG2640			32-25	1-26
LANG2500			1-2	1-1
TNG900			1-17	1-6
TNG2200			3-16	1-13
SCG3500			1-1	1-1
TXNP3000			2-11	1-13
TXNP8000			1-4	1-11
TXPG2500			13-32	1-30
TXPG3760			48-66	1-56
TXHG2000			1-18	1-14
TXWG1600			23-34	1-27
TXUG1200			34-39	1-51

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

<25

25-50

>50

2 P(NegativeEnding Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2012 and 2017.

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 2009 to 2012 and from 2009 to 2017.

Implications of the January 2012 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Feed Grains and Oilseeds

	Receipts	Payments	NCFI	Reserve 2017	Net Worth 2017	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
IAG1350	1,184.05	101.46	531.86	1,984.15	5,073.49	7.55
IAG3400	2,652.65	89.66	1,305.10	4,843.16	13,119.15	7.60
NEG2400	2,535.82	116.03	916.99	4,313.79	8,259.45	7.78
NEG4300	3,973.81	123.28	1,503.69	6,249.12	14,409.90	7.17
NDG2500	1,194.37	99.85	452.57	1,678.42	3,801.16	8.06
NDG8000	4,106.82	110.92	1,713.94	7,161.46	18,440.60	7.31
ING1000	733.06	20.31	228.81	485.39	4,053.75	3.26
ING2200	1,670.33	36.49	561.78	1,767.45	9,885.45	4.12
MOCG2050	1,344.22	87.85	724.31	2,722.78	11,963.58	5.10
MOCG4000	2,504.37	47.55	1,464.96	6,368.46	22,526.68	6.04
MONG1850	1,405.29	92.97	490.82	1,368.98	10,345.65	4.08
LAG2640	2,140.25	119.87	394.73	745.01	2,240.13	13.44
LANG2500	2,243.40	106.62	621.17	1,926.98	8,713.45	4.70
TNG900	582.79	10.93	216.13	417.40	2,415.45	4.33
TNG2200	1,237.51	27.87	392.93	910.63	5,061.72	3.02
SCG3500	2,799.03	92.14	770.67	2,996.87	12,365.89	4.24
TXNP3000	1,953.09	56.31	362.84	1,383.21	3,187.52	6.83
TXNP8000	5,195.63	87.27	973.72	4,737.74	10,013.69	6.34
TXPG2500	1,766.85	97.36	287.67	354.38	4,379.43	1.68
TXPG3760	3,847.84	121.98	36.31	(1,210.04)	4,188.21	(3.01)
TXHG2000	686.15	32.34	167.33	407.36	2,006.85	2.96
TXWG1600	619.49	37.42	122.42	180.68	1,422.10	2.29
TXUG1200	983.58	43.15	103.05	106.52	292.70	(12.62)

1 Receipts are average annual total cash receipts including government payments, 2012-2017 (\$1,000)

2 Payments are average annual total government payments, 2012-2017 (\$1,000)

3 NCFI is average annual net cash farm income, 2012-2017 (\$1,000)

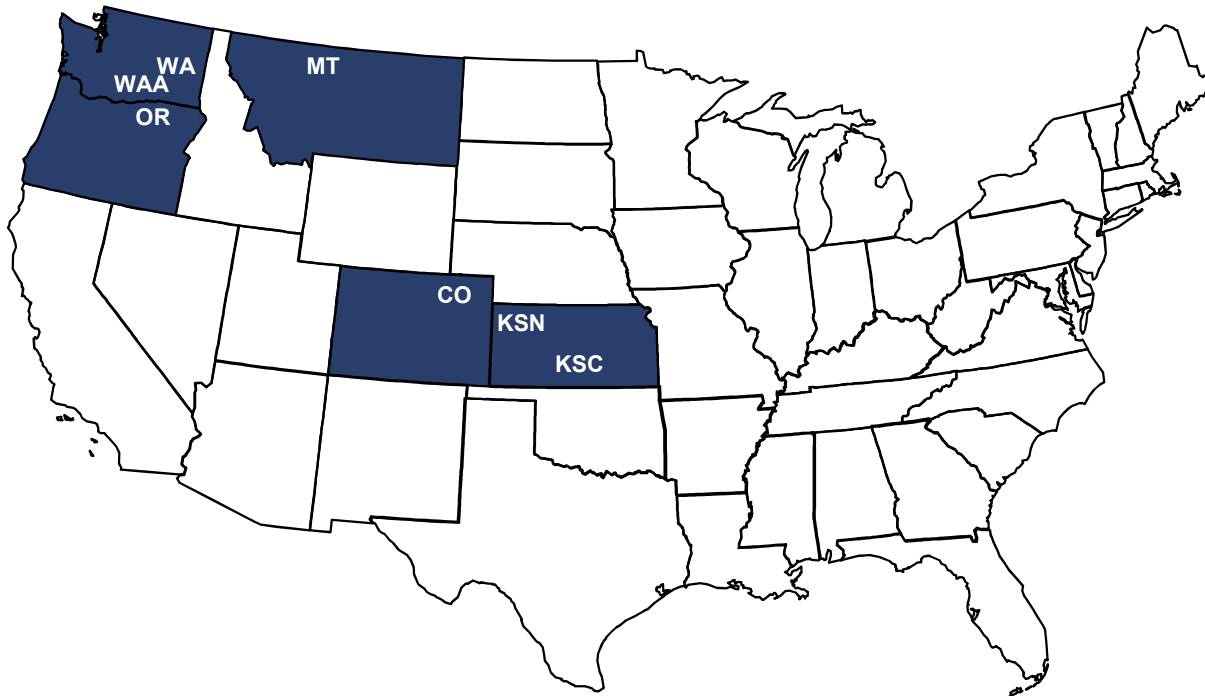
4 Reserve 2017 is average ending cash reserves, 2017 (\$1,000)

5 Net Worth 2017 is average nominal ending net worth, 2017 (\$1,000)

6 CRNW is average percentage change in real net worth over 2012-2017 period, (%)

Representative Farm: Wheat

- Ten wheat farms are projected to be in good overall financial condition and one is in marginal condition; no farms are expected to be in poor condition.
- Only one of the eleven wheat farms will feel severe liquidity pressure over the period.
- None of the wheat farms have a greater than 25 percent chance of losing real equity.



Characteristics of Panel Farms Producing Wheat, 2011.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Wheat (acres)
WAW1725	1,725	2,039.00	0.09	789.10	1,147
WAW5500	5,500	8,405.00	0.10	2,364.80	3,055
WAAW3500	3,500	1,675.00	0.18	450.10	1,500
ORW3600	3,600	1,594.00	0.14	557.40	1,600
MTW4500	4,500	3,424.00	0.13	663.60	2,330
KSCW2000	2,000	2,160.00	0.11	633.90	1,200
KSCW4500	4,500	3,790.00	0.14	1,365.70	2,700
KSNW4000	4,000	2,985.00	0.15	1,128.10	1,500
KSNW5500	5,500	5,073.00	0.14	1,913.60	1,820
COW3000	3,000	2,156.00	0.12	535.90	970
COW5640	5,640	3,416.00	0.12	971.40	1,900

Representative Farm: Wheat

Economic Viability of Representative Farms over the 2012-2017 Period

Farm Name 10/1/0	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2012	2017	2012-2017	2012-2017
WAW1725			1-1	1-1
WAW5500			1-1	1-1
WAAW3500			42-54	1-11
MTW4500			3-13	1-1
ORW3600			1-1	1-1
KSCW2000			1-6	1-1
KSCW4500			1-1	1-1
KSNW4000			1-1	1-1
KSNW5500			1-9	1-12
COW3000			1-1	1-1
COW5640			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(NegativeEnding Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2012 and 2017.

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 2009 to 2012 and from 2009 to 2017.

Implications of the January 2012 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Wheat

	Receipts	Payments	NCFI	Reserve 2017	Net Worth 2017	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
WAW1725	741.04	63.77	345.91	1,464.24	3,103.38	7.26
WAW5500	2,207.87	135.06	685.52	2,844.05	10,599.03	4.04
WAAW3500	406.02	37.78	126.17	1.61	1,701.66	2.06
ORW3600	526.66	42.50	287.07	850.96	2,221.10	6.76
MTW4500	643.67	69.16	221.67	387.16	4,011.30	3.04
KSCW2000	624.72	69.86	240.71	525.14	2,746.76	3.97
KSCW4500	1,262.40	146.43	554.24	1,998.95	5,201.94	6.75
KSNW4000	935.29	36.56	347.93	1,004.28	3,722.65	5.16
KSNW5500	1,589.49	48.95	353.19	1,236.24	5,761.33	3.23
COW3000	497.51	39.45	222.20	658.64	2,809.91	4.65
COW5640	908.23	99.23	319.27	796.76	4,101.45	3.30

1 Receipts are average annual total cash receipts including government payments, 2012-2017 (\$1,000)

2 Payments are average annual total government payments, 2012-2017 (\$1,000)

3 NCFI is average annual net cash farm income, 2012-2017 (\$1,000)

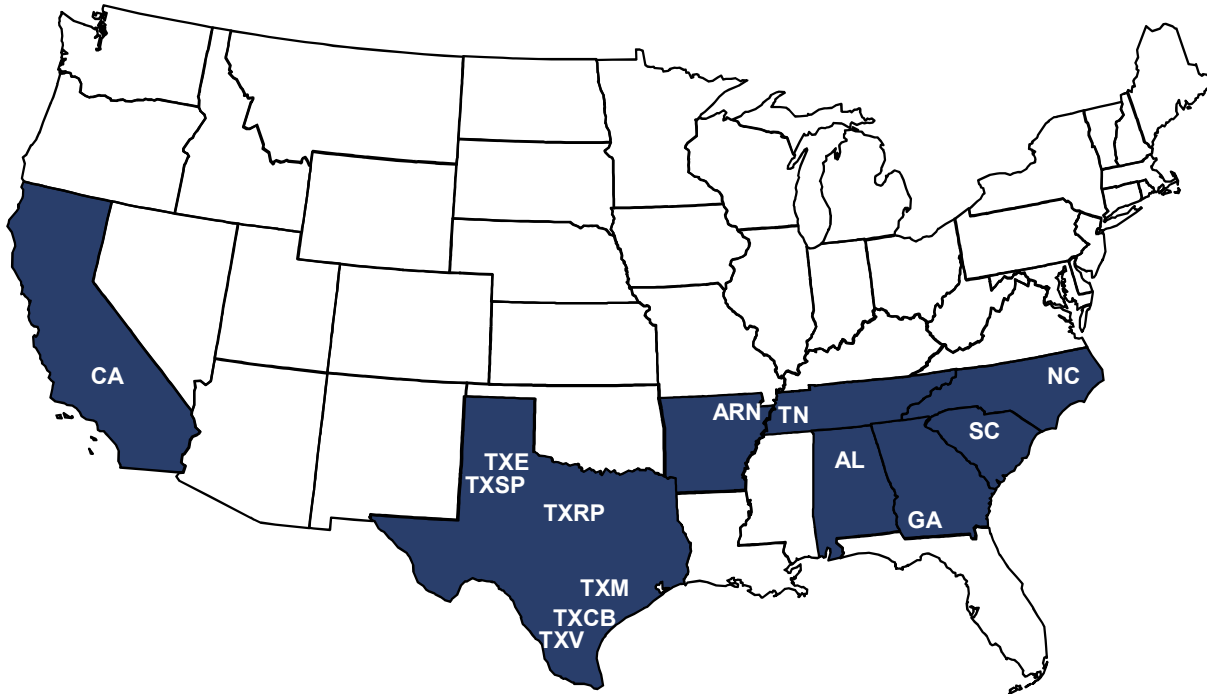
4 Reserve 2017 is average ending cash reserves, 2017 (\$1,000)

5 Net Worth 2017 is average nominal ending net worth, 2017 (\$1,000)

6 CRNW is average percentage change in real net worth over 2012-2017 period, (%)

Representative Farm: Cotton

- Nine of the sixteen cotton farms are characterized in good overall financial condition, four are in marginal condition, and three are in poor condition.
- Three of the farms are projected to experience severe cash flow problems, and two farms have more than a 50 percent chance of losing real equity over the period.



Characteristics of Panel Farms Producing Cotton, 2011.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Cotton (acres)
TXSP2500	2,500	1,383.00	0.12	804.30	2,275
TXSP4500	4,500	3,215.00	0.12	2,148.70	4,047
TXEC5000	5,000	2,670.00	0.14	2,725.30	3,650
TXRP2500	2,500	597.00	0.47	174.60	1,000
TXMC1800	1,800	1,121.00	0.38	845.00	900
TXCB2500	2,500	1,695.00	0.19	1,190.10	1,250
TXCB8000	8,000	4,459.00	0.30	4,341.10	4,000
TXVC4500	4,500	4,453.00	0.19	2,345.40	1,495
CAC4000	4,000	22,236.00	0.13	8,588.70	1,333
ARNC5000	5,000	7,835.00	0.20	5,206.40	5,000
TNC2100	2,100	3,412.00	0.06	1,595.60	525
TNC4050	4,050	6,263.00	0.10	3,184.10	2,025
ALC3000	3,000	2,525.00	0.25	2,153.80	1,050
GAC2300	2,300	5,610.00	0.20	2,549.30	1,495
SCC1800	1,800	3,654.00	0.12	1,758.30	900
NCC1500	1,500	2,815.00	0.21	1,169.40	225

Representative Farm: Cotton

Economic Viability of Representative Farms over the 2012-2017 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2012	2017	2012-2017	2012-2017
9/4/3				
TXSP2500			27-22	1-23
TXSP4500			1-1	1-3
TXEC5000			1-13	1-27
TXRP2500			98-99	1-93
TXMC1800			54-60	1-37
TXCB2500			34-40	1-26
TXCB8000			4-5	1-8
TXVC4500			1-1	1-1
CAC4000			1-1	1-1
ARNC5000			28-33	1-26
TNC2100			1-1	1-1
TNC4050			1-1	1-3
ALC3000			8-20	1-27
GAC2300			68-90	1-62
SCC1800			1-1	1-1
NCC1500			1-1	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 2012 and 2017.

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 2009 to 2012 and from 2009 to 2017.

Implications of the January 2012 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Cotton

	Receipts	Payments	NCFI	Reserve 2017	Net Worth 2017	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
TXSP2500	1,138.36	63.86	252.58	506.19	1,854.98	6.13
TXSP4500	2,447.35	114.73	691.59	2,341.00	4,774.58	8.38
TXEC5000	2,380.34	134.25	365.19	1,153.63	3,020.08	3.33
TXRP2500	510.35	33.93	(11.88)	(722.25)	(64.91)	(25.01)
TXMC1800	1,060.21	69.17	196.97	(116.04)	1,097.35	4.31
TXCB2500	1,121.10	85.70	177.12	146.70	1,850.98	3.62
TXCB8000	4,026.69	231.67	855.72	2,944.40	5,655.04	9.12
TXVC4500	2,220.28	128.95	789.55	3,388.18	6,714.33	9.75
CAC4000	7,701.59	7.43	1,762.78	6,852.13	28,997.49	4.70
ARNC5000	4,753.53	101.91	795.64	826.12	7,897.90	3.17
TNC2100	1,479.82	49.06	552.45	2,547.21	5,406.82	7.96
TNC4050	2,884.87	96.74	672.10	2,997.52	8,415.50	5.02
ALC3000	2,004.44	137.46	432.08	1,006.29	2,781.70	4.82
GAC2300	2,511.38	173.12	68.14	(1,536.50)	4,588.28	(1.14)
SCC1800	1,678.02	101.73	440.72	1,665.67	4,895.65	4.94
NCC1500	1,138.08	58.54	383.38	1,121.88	3,362.44	5.54

1 Receipts are average annual total cash receipts including government payments, 2012-2017 (\$1,000)

2 Payments are average annual total government payments, 2012-2017 (\$1,000)

3 NCFI is average annual net cash farm income, 2012-2017 (\$1,000)

4 Reserve 2017 is average ending cash reserves, 2017 (\$1,000)

5 Net Worth 2017 is average nominal ending net worth, 2017 (\$1,000)

6 CRNW is average percentage change in real net worth over 2012-2017 period, (%)

Representative Farm: Rice

- Two of the fourteen representative rice farms are projected to be in good overall financial condition, three are in marginal condition, and nine are in poor condition.
- Nine of the rice farms are expected to face severe cash flow problems, and nine farms have high likelihoods of losing real equity.



Characteristics of Panel Farms Producing Rice, 2011.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Rice (acres)
CAR550	550	2,471.00	0.11	866.00	500
CAR3000	3,000	9,881.00	0.16	4,988.50	3,000
CABR1300	1,300	6,887.00	0.15	2,182.60	1,200
CACR800	800	4,246.00	0.11	1,442.10	800
TXR1350	1,350	1,585.00	0.23	566.60	450
TXR3000	3,000	1,177.00	0.11	1,388.90	1,200
TXBR1800	1,800	763.00	0.72	987.20	600
TXER3200	3,200	1,386.00	0.13	1,718.60	1,067
LASR1480	1,480	1,393.00	0.10	1,011.40	800
ARMR7500	7,500	9,554.00	0.16	6,334.30	1,875
ARSR3240	3,240	4,736.00	0.26	2,112.50	1,620
ARWR1400	1,400	3,132.00	0.19	1,058.70	700
ARHR3000	3,000	5,166.00	0.25	2,269.10	1,450
MOWR4000	4,000	14,199.00	0.14	3,069.30	2,000

Representative Farm: Rice

Economic Viability of Representative Farms over the 2012-2017 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2012	2017	2012-2017	2012-2017
2/3/9				
CAR550			52-88	1-54
CAR3000			30-46	1-40
CABR1300			1-1	1-1
CACR800			9-9	1-8
TXR1350			82-98	1-91
TXR3000			31-51	1-58
TXBR1800			85-88	1-74
TXER3200			60-96	1-91
LASR1480			57-92	1-85
ARMR7500			23-44	1-44
ARSR3240			52-69	1-52
ARWR1400			75-97	1-81
ARHR3000			75-97	1-84
MOWR4000			30-40	1-18

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 2012 and 2017.

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 2009 to 2012 and from 2009 to 2017.

Implications of the January 2012 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Rice

	Receipts	Payments	NCFI	Reserve 2017	Net Worth 2017	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAR550	826.79	75.63	110.50	(571.46)	2,211.51	(0.64)
CAR3000	4,713.36	175.25	372.75	167.59	9,260.14	1.16
CABR1300	2,059.99	144.76	622.15	2,412.44	8,324.24	4.58
CACR800	1,362.80	116.58	256.30	878.98	4,873.67	2.90
TXR1350	543.76	58.99	(57.53)	(1,235.70)	445.46	(11.23)
TXR3000	1,332.23	137.56	108.68	(155.28)	702.39	28.92
TXBR1800	976.37	91.50	(32.17)	(1,199.93)	(564.52)	37.36
TXER3200	1,597.01	159.80	(232.83)	(2,486.71)	(987.19)	(21.60)
LASR1480	987.46	68.85	(39.76)	(1,248.03)	202.20	(16.80)
ARMR7500	5,938.11	182.26	715.82	162.99	8,366.51	0.07
ARSR3240	2,016.10	171.83	208.31	(1,140.83)	3,231.65	(1.47)
ARWR1400	1,023.28	82.96	(7.80)	(1,718.02)	1,630.56	(6.07)
ARHR3000	2,175.91	176.19	(115.20)	(3,645.38)	1,599.16	(10.72)
MOWR4000	2,945.53	162.98	570.23	366.91	14,904.29	2.02

1 Receipts are average annual total cash receipts including government payments, 2012-2017 (\$1,000)

2 Payments are average annual total government payments, 2012-2017 (\$1,000)

3 NCFI is average annual net cash farm income, 2012-2017 (\$1,000)

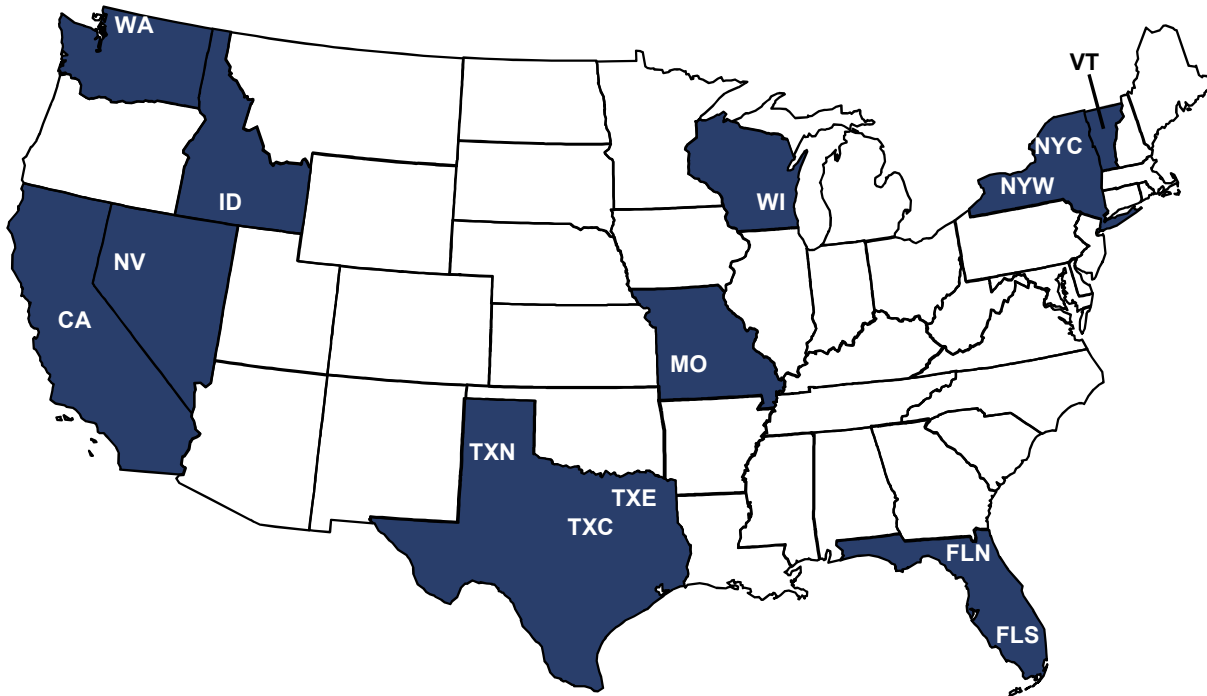
4 Reserve 2017 is average ending cash reserves, 2017 (\$1,000)

5 Net Worth 2017 is average nominal ending net worth, 2017 (\$1,000)

6 CRNW is average percentage change in real net worth over 2012-2017 period, (%)

Representative Farm: Dairy

- Thirteen of twenty-two dairy operations are in good overall financial condition. Six dairies are classified in marginal condition, and three are in poor condition.
- Nine of the dairies are projected to experience severe liquidity pressure, but none of the dairies are expected to face a 50 percent or greater chance of losing real equity.



Characteristics of Panel Farms Producing Milk, 2011.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Cows (number)
CAD1710	700	23,823.00	0.25	8,333.10	1,710
WAD250	200	4,357.00	0.21	1,407.40	250
WAD850	605	10,117.00	0.23	4,739.50	850
IDD3000	1,500	23,594.00	0.23	14,821.30	3,000
NVD500	200	3,929.00	0.17	2,697.90	500
TXND3000	520	15,500.00	0.29	14,668.90	3,000
TXCD550	750	4,637.00	0.23	2,476.20	550
TXCD1300	560	8,055.00	0.31	6,040.40	1,300
TXED400	950	2,622.00	0.36	1,540.30	400
TXED1000	750	7,030.00	0.37	4,843.30	1,000
WID145	600	3,127.00	0.20	906.30	145
WID1000	2,000	9,010.00	0.25	6,140.90	1,000
NYWD600	1,200	5,857.00	0.36	3,308.30	600
NYWD1200	2,100	11,615.00	0.21	6,745.40	1,200
NYCD110	325	1,394.00	0.19	651.70	110
NYCD550	1,100	6,109.00	0.33	3,419.40	550
VTD140	220	1,481.00	0.29	738.90	140
VTD400	1,000	4,795.00	0.32	2,268.10	400
MOGD550	0	3,237.00	0.13	1,608.40	550
MOGD180	0	1,301.00	0.06	544.30	180
FLND550	600	4,392.00	0.16	2,660.20	550
FLSD1500	400	10,205.00	0.26	8,157.20	1,500

Representative Farm: Dairy

Economic Viability of Representative Farms over the 2012-2017 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2012	2017	2012-2017	2012-2017
13/6/3				
CAD1710			93-59	1-2
WAD250			78-15	1-1
WAD850			58-4	1-1
IDD3000			81-59	1-21
NVD500			45-9	1-4
TXND3000			63-28	1-11
TXCD550			73-6	1-1
TXCD1300			92-52	1-16
TXED400			92-75	1-29
TXED1000			94-62	1-24
WID145			33-2	1-1
WID1000			68-15	1-3
NYWD600			97-80	1-34
NYWD1200			32-1	1-1
NYCD110			4-1	1-1
NYCD550			93-51	1-3
VTD140			96-80	1-28
VTD400			92-72	1-15
MOGD550			1-1	1-1
MOGD180			1-1	1-1
FLND550			22-1	1-1
FLSD1500			75-24	1-9

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(NegativeEnding Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2012 and 2017.

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 2009 to 2012 and from 2009 to 2017.

Implications of the January 2012 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Milk

	Receipts	Payments	NCFI	Reserve 2017	Net Worth 2017	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAD1710	8,200.45	0.03	1,218.64	(155.43)	23,885.84	3.20
WAD250	1,394.80	0.00	375.05	449.89	5,167.61	5.17
WAD850	4,686.69	0.00	1,152.94	2,742.03	12,840.13	7.10
IDD3000	14,627.98	0.00	1,130.01	(1,640.67)	23,470.30	2.93
NVD500	2,688.66	0.00	413.72	1,000.09	4,874.29	5.37
TXND3000	14,520.89	0.00	1,564.73	2,379.65	16,141.58	5.76
TXCD550	2,455.15	0.00	450.48	1,081.40	5,801.83	6.76
TXCD1300	5,996.29	0.00	588.12	(144.46)	7,588.40	3.94
TXED400	1,520.38	0.00	172.27	(438.58)	2,259.63	2.69
TXED1000	4,794.50	0.00	486.73	(836.44)	5,904.35	3.57
WID145	908.91	0.00	300.22	541.12	3,748.14	5.24
WID1000	6,173.02	11.96	1,014.84	2,114.23	11,183.26	7.59
NYWD600	3,266.82	0.00	267.31	(1,142.86)	4,693.20	1.78
NYWD1200	6,656.74	0.00	1,389.54	4,046.79	15,326.31	7.43
NYCD110	644.45	4.56	251.11	581.34	1,881.67	7.51
NYCD550	3,380.87	0.00	490.98	(119.80)	5,973.39	4.81
VTD140	734.36	0.00	93.96	(207.17)	1,292.91	1.53
VTD400	2,247.11	0.00	262.38	(399.71)	4,379.25	2.96
MOGD550	1,604.88	0.00	747.18	2,889.84	5,598.62	11.08
MOGD180	542.45	0.00	302.92	1,250.37	2,281.91	9.88
FLND550	2,637.23	0.00	625.96	1,874.64	6,559.55	8.15
FLSD1500	8,135.92	0.00	903.60	1,295.67	11,185.94	5.38

1 Receipts are average annual total cash receipts including government payments, 2012-2017 (\$1,000)

2 Payments are average annual total government payments, 2012-2017 (\$1,000)

3 NCFI is average annual net cash farm income, 2012-2017 (\$1,000)

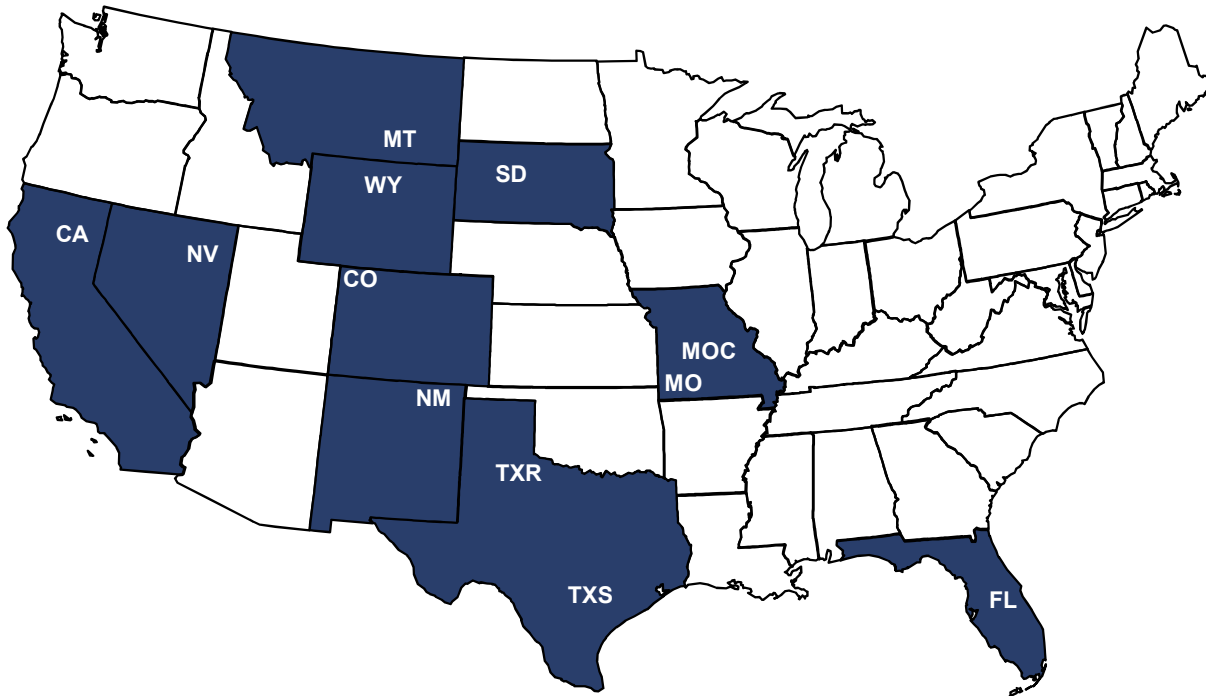
4 Reserve 2017 is average ending cash reserves, 2017 (\$1,000)

5 Net Worth 2017 is average nominal ending net worth, 2017 (\$1,000)

6 CRNW is average percentage change in real net worth over 2012-2017 period, (%)

Representative Farm: Cow/Calf

- Ten of twelve cow-calf operations are projected to be in good overall financial condition, one is marginal, and one is expected to be in poor condition.
- One of the operations will face significant liquidity pressure over the period, as its likelihood of experiencing negative ending cash in 2017 exceeds 50 percent.
- Only one of the twelve operations is projected to face a severe threat of losing real equity over the period.



Characteristics of Panel Farms Producing Beef Cattle, 2011.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Cows (number)
CAB500	0	4,488.00	0.05	353.70	500
NVB700	1,300	6,619.00	0.01	509.80	700
MTB500	0	5,780.00	0.01	362.20	500
WYB435	330	4,000.00	0.03	343.70	435
COB250	450	17,858.00	0.01	250.20	250
NMB240	0	6,131.00	0.01	201.60	240
SDB375	1,150	5,874.00	0.01	285.00	375
MOB250	280	3,021.00	0.03	359.20	250
MOCB400	40	5,123.00	0.01	330.30	400
TXRB500	0	7,601.00	0.01	505.60	500
TXSB200	0	3,639.00	0.02	184.10	200
FLB1155	5,400	19,315.00	0.01	788.60	1,155

Representative Farm: Cow/Calf

Economic Viability of Representative Farms over the 2012-2017 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2012	2017	2012-2017	2012-2017
10/1/1				
CAB500			99-99	1-81
NVB700			1-1	1-1
MTB500			1-1	1-1
WYB435			71-34	1-3
COB250			32-39	1-1
NMB240			65-42	1-1
SDB375			1-1	1-1
MOB250			1-1	1-1
MOCB400			1-1	1-1
TXRB500			1-1	1-1
TXSB200			17-6	1-1
FLB1155			1-1	1-1

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

<25

25-50

>50

2 P(NegativeEnding Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2012 and 2017.

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 2009 to 2012 and from 2009 to 2017.

Implications of the January 2012 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Beef Cattle

	Receipts	Payments	NCFI	Reserve 2017	Net Worth 2017	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAB500	397.79	0.00	16.71	(368.44)	4,168.27	(0.69)
NVB700	563.17	0.00	177.04	589.33	8,206.76	2.00
MTB500	402.68	0.00	175.90	649.75	7,361.53	2.54
WYB435	380.15	0.00	91.30	29.13	4,636.33	1.38
COB250	258.54	0.00	64.29	22.62	21,343.92	1.34
NMB240	219.63	0.00	42.74	5.47	7,235.66	1.24
SDB375	317.27	0.00	126.67	372.83	7,180.35	1.86
MOB250	362.61	2.84	157.43	393.94	3,713.99	2.27
MOCB400	363.01	0.00	122.15	519.43	6,468.25	2.21
TXRB500	554.59	0.00	195.26	715.40	9,542.48	2.16
TXSB200	199.34	0.00	70.00	76.62	4,286.12	1.37
FLB1155	866.57	0.00	307.58	1,497.21	23,996.54	1.97

1 Receipts are average annual total cash receipts including government payments, 2012-2017 (\$1,000)

2 Payments are average annual total government payments, 2012-2017 (\$1,000)

3 NCFI is average annual net cash farm income, 2012-2017 (\$1,000)

4 Reserve 2017 is average ending cash reserves, 2017 (\$1,000)

5 Net Worth 2017 is average nominal ending net worth, 2017 (\$1,000)

6 CRNW is average percentage change in real net worth over 2012-2017 period, (%)