
Representative Farms Economic Outlook for the January 2021 FAPRI/AFPC Baseline

Briefing Paper 21-1
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**REPRESENTATIVE FARMS ECONOMIC
OUTLOOK FOR THE JANUARY 2021
FAPRI/AFPC BASELINE**

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REPRESENTATIVE FARMS ECONOMIC OUTLOOK FOR THE JANUARY 2021 FAPRI/AFPC BASELINE

The farm-level economic impacts of the FAPRI January 2021 Baseline on representative crop and livestock operations are projected in this report, assuming provisions of the 2018 Farm Bill are in effect and continue throughout the 2021-2026 study period. This iteration of the FAPRI January 2021 Baseline includes impacts of the U.S.-China Phase 1 trade deal along with current assumed impacts associated with the COVID-19 pandemic on agricultural markets. The current representative farm analysis output reflects an evaluation of ARC/PLC program elections for the farms given provisions of the 2018 Farm Bill. Producers are assumed to enroll in the program resulting in the highest ending cash reserves at the end of the projection period; as farm update meetings are conducted, adjustments, if necessary, are made to program elections. Full Market Facilitation Program (MFP) payments for 2018 and 2019 were included in this analysis along with the Coronavirus Food Assistance Program (CFAP) payments for 2020 on eligible inventory/production/acres. The analysis was conducted using a whole farm simulation model developed by AFPC with necessary data sourced from:

- 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 2021 Baseline.

The simulations incorporate historical risk faced by farmers for prices and production. This report presents the results of the January 2021 Baseline in a risk context using selected simulated probabilities and ranges for annual financial measures. 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 2026.

DEFINITIONS OF VARIABLES IN THE SUMMARY TABLES

- **Overall Financial Position, 2021-2026** -- As a means of summarizing the representative farms' economic efficiencies, liquidity positions, and solvency positions, AFPC classifies each farm as being in 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 through 2026. If the probabilities of these occurrences are between 25 and 50 percent, the farm is classified as marginal. Probabilities greater than 50 percent place the farm in a poor financial position.
- **Receipts** -- 2021-2026 average cash receipts from all farm related sources, including market sales, PLC/ARC payments, marketing loan gains/LDPs, crop insurance indemnities, and other receipts.
- **Payments** -- 2021-2026 average annual PLC or ARC payments and marketing loan gains/LDPs for crop farms along with MFP and CFAP payments.
- **NCFI** -- 2021-2026 average net cash farm income equals average total receipts minus average total cash expenses.
- **Reserve 2026** -- equals total cash on hand at the end of year 2026. 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 2026** -- equity equals total assets including land minus total debt from all sources and is reported at the end of 2026.
- **CRNW** -- annualized percentage change in the operator's real net worth from January 1, 2020 through December 31, 2026, after adjusting for inflation.

EXECUTIVE SUMMARY

The Agricultural and Food Policy Center (AFPC) at Texas A&M University develops and maintains data to simulate 94 representative crop, dairy, and livestock operations in major production areas in 30 states. The chief purpose of this analysis is to project the economic viability of those farms by region and commodity for 2021 through 2026. The data necessary to simulate the economic activity of these operations are cultivated through ongoing cooperation with panels of agricultural producers in selected states. The Food and Agricultural Policy Research Institute (FAPRI) provides projected prices, policy variables, and input inflation rates in their January 2021 Baseline.

Under the January 2021 Baseline, 30 of the 64 crop farms are in good liquidity condition (less than a 25 percent chance of negative ending cash reserves by 2026). Seven crop farms have between a 25 percent and a 50 percent likelihood of negative ending cash reserves, and the remaining 27 crop farms have greater than a 50 percent chance of negative ending cash reserves. Additionally, 49 of the 64 crop farms are in a good equity position (less than a 25 percent chance of decreasing real net worth during the study period). Nine crop farms have between a 25 percent and 50 percent likelihood of losing real net worth, and six crop farms have greater than a 50 percent probability of decreasing real net worth by 2026. The following discussion provides an overall evaluation by commodity considering both liquidity and equity measures.

- **FEEDGRAIN FARMS:** Twelve of the 25 feedgrain farms are in good overall financial condition. Ten farms are classified in marginal condition, and three are in poor condition.
- **WHEAT FARMS:** Seven representative wheat farms are classified in good overall financial condition, two are in marginal condition, and two are in poor condition.
- **COTTON FARMS:** Eight of the 13 cotton farms are classified in good condition, two are in marginal condition, and three are in poor condition.
- **RICE FARMS:** Three of the 15 rice farms are projected to be in good financial condition. Five rice farms are projected to be in marginal condition; seven are in poor condition.
- **DAIRY FARMS:** Ten of the 20 dairies are in good overall financial condition. Four of the dairies are classified in marginal condition; six are in poor condition.
- **BEEF CATTLE RANCHES:** Five of the 10 cattle ranches are classified in good financial condition, four are projected to be in marginal condition, and one is in poor condition.

Table 1. FAPRI January 2021 Baseline Crop and Livestock Prices, 2019-2026.

	2019	2020	2021	2022	2023	2024	2025	2026
Crop Prices								
Corn (\$/bu.)	3.56	4.22	4.04	3.96	3.91	3.85	3.80	3.78
Wheat (\$/bu.)	4.58	4.84	5.00	5.09	5.09	5.05	5.03	5.01
Upland Cotton Lint (\$/lb.)	0.5960	0.6816	0.6785	0.6675	0.6689	0.6807	0.6821	0.6919
Sorghum (\$/bu.)	3.34	4.59	4.06	3.98	3.90	3.86	3.82	3.82
Soybeans (\$/bu.)	8.57	11.15	10.49	10.34	10.09	9.80	9.60	9.45
Barley (\$/bu.)	4.69	4.64	4.76	4.78	4.73	4.68	4.63	4.61
Oats (\$/bu.)	2.82	2.77	2.63	2.69	2.70	2.69	2.67	2.67
All Rice (\$/cwt.)	13.50	13.10	12.61	12.85	12.98	13.12	13.33	13.60
Soybean Meal (\$/ton)	285.67	366.40	334.10	334.07	329.04	323.51	317.02	314.86
All Hay (\$/ton)	163.00	159.10	162.69	161.62	160.53	159.08	157.73	157.14
Peanuts (\$/ton)	410.00	426.61	412.71	404.76	400.25	401.29	402.55	404.02
Cattle Prices								
Feeder Cattle (\$/cwt)	153.65	145.83	148.81	163.34	171.77	177.61	182.36	184.49
Fed Cattle (\$/cwt)	116.78	108.46	116.47	122.63	127.73	131.68	134.85	136.33
Culled Cows (\$/cwt)	58.97	58.50	60.45	64.85	66.71	68.25	70.68	71.82
Milk Price								
U.S. All Milk Price (\$/cwt)	18.63	18.30	17.50	17.59	17.78	18.01	18.05	18.04

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

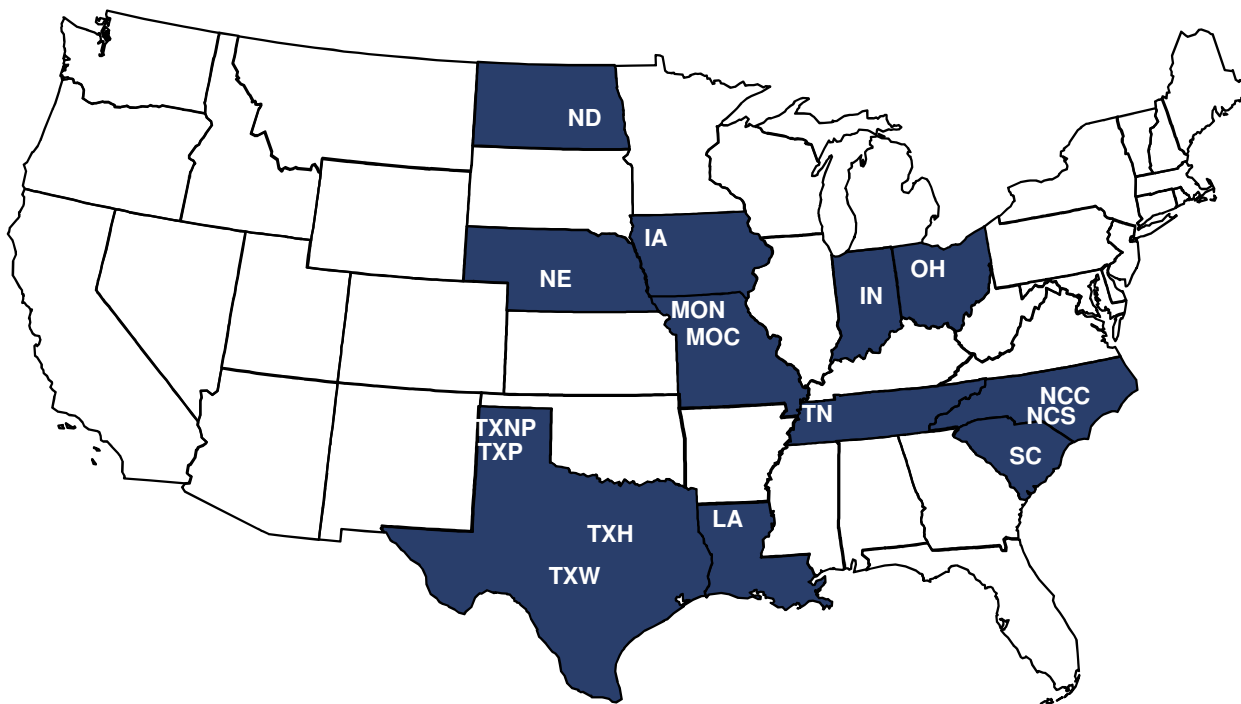
Table 2. FAPRI January 2021 Baseline Assumed Rates of Change in Input Prices and Annual Changes in Land Values, 2020-2026.

	2020	2021	2022	2023	2024	2025	2026
Annual Rate of Change for Input Prices Paid							
Seed Prices (%)	-2.00	2.45	3.17	2.51	1.94	1.47	1.22
All Fertilizer Prices (%)	3.29	3.63	4.11	-1.03	0.37	0.54	0.50
Herbicide Prices (%)	-1.85	3.80	1.96	1.51	1.62	1.58	1.67
Insecticide Prices (%)	-6.59	2.80	1.87	1.71	1.81	1.77	1.82
Fuel and Lube Prices (%)	-3.26	2.17	6.45	6.72	2.42	3.17	4.20
Machinery Prices (%)	-0.12	1.98	1.84	0.94	1.13	1.17	1.30
Wages (%)	1.48	2.62	3.31	3.42	3.22	3.20	3.30
Supplies (%)	1.49	1.63	1.42	1.43	1.39	1.57	1.62
Repairs (%)	1.29	2.57	2.35	2.39	2.29	2.42	2.50
Services (%)	-0.24	1.81	2.44	2.15	2.16	2.13	2.24
Taxes (%)	1.36	3.17	2.46	4.94	5.13	1.33	1.40
PPI Items (%)	-0.89	3.52	2.51	1.33	1.04	1.12	1.27
PPI Total (%)	-0.39	3.32	2.57	1.71	1.47	1.38	1.53
Annual Change in Consumer Price Index (%)	1.25	2.12	2.46	2.10	2.12	2.15	2.23
Annual Rate of Change for U.S. Land Prices (%)	0.00	5.15	5.10	-2.20	-1.92	-1.33	-1.20

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

Representative Farm: Feed Grains

- Overall, twelve feed grain farms are characterized as good, ten are marginal, and three are in poor condition.
- Seven of the twenty-five farms will be under severe cash flow stress; three of these farms also have relatively high likelihoods (greater than a 30 percent chance) of losing real net worth.



Characteristics of Panel Farms Producing Feed Grains, 2020.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Feed Grains (acres)
IAG1350	1,350	3,277.00	0.23	1,218.90	1,350
IAG3400	3,400	10,553.00	0.17	2,819.10	3,400
NEG2400	2,400	6,358.00	0.18	2,672.50	2,400
NEG4500	4,500	19,186.00	0.19	4,559.30	4,000
NDG3000	3,000	4,267.00	0.14	1,580.20	2,500
NDG9000	9,000	21,430.00	0.17	4,925.90	7,000
ING1000	1,000	3,438.00	0.18	799.90	1,000
ING3250	3,250	11,374.00	0.18	2,738.80	3,250
OHG700	700	3,341.00	0.18	300.80	385
OHG1500	1,500	4,269.00	0.17	513.10	506
MOCG2300	2,300	12,425.00	0.17	1,677.40	2,300
MOCG4200	4,200	18,071.00	0.16	3,015.50	4,200
MONG2300	2,300	12,921.00	0.16	1,832.40	2,250
LANG2500	2,500	3,891.00	0.19	2,155.60	1,625
TNG2500	2,500	5,379.00	0.19	1,777.50	2,500
TNG5000	5,000	11,954.00	0.15	3,822.30	5,000
NCSP2000	2,000	5,074.00	0.26	1,737.30	1,600
NCC2030	2,000	2,561.00	0.15	1,359.70	1,400
SCC2000	2,000	3,478.00	0.16	1,687.70	1,200
SCG3500	3,500	7,664.00	0.16	3,541.50	2,150
TXNP3450	3,450	8,552.00	0.14	3,198.80	1,554
TXNP10880	10,880	20,890.00	0.14	10,052.70	5,234
TXPG2500	2,500	6,045.00	0.18	2,248.80	1,183
TXHG3000	3,000	2,549.00	0.20	1,353.70	2,000
TXWG1600	1,600	1,879.00	0.18	730.70	1,100

Representative Farm: Feed Grains

Economic Viability of Representative Farms over the 2021-2026 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2021	2026	2021-2026	2021-2026
12/10/3				
IAG1350			92-96	10-47
IAG3400			12-30	1-1
NEG2400			1-16	1-1
NEG4500			67-90	1-5
NDG3000			3-27	1-2
NDG9000			1-1	1-1
ING1000			1-1	1-1
ING3250			1-6	1-1
OHG700			8-45	1-1
OHG1500			1-1	1-1
MOCG2300			6-9	1-1
MOCG4200			1-1	1-1
MONG2300			28-30	1-1
LANG2500			34-63	1-10
TNG2500			22-36	1-1
TNG5000			1-3	1-1
NCSP2000			93-93	12-37
NCC2030			1-1	1-1
SCC2000			37-57	1-13
SCG3500			4-14	1-1
TXNP3450			1-1	1-1
TXNP10880			1-1	1-1
TXPG2500			21-29	1-1
TXHG3000			28-65	1-15
TXWG1600			35-91	2-31

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 2021 and 2026.

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 2018 to 2021 and from 2018 to 2026.

Implications of the January 2021 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Feed Grains and Oilseeds

	Receipts	Payments	NCFI	Reserve 2026	Net Worth 2026	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
IAG1350	1,042.84	31.58	102.17	(857.20)	2,193.81	(0.30)
IAG3400	2,404.61	65.29	555.96	493.97	10,110.53	4.56
NEG2400	2,259.47	64.23	454.64	771.30	6,212.10	5.02
NEG4500	3,903.75	92.26	464.09	(2,087.65)	15,838.49	2.32
NDG3000	1,350.09	38.11	289.82	318.45	4,020.48	3.55
NDG9000	4,272.27	116.18	1,379.50	4,813.60	22,692.32	6.36
ING1000	690.42	19.49	259.29	394.71	3,394.62	5.24
ING3250	2,403.86	57.34	620.88	1,167.96	11,151.07	5.09
OHG700	472.84	5.85	130.38	14.29	2,863.96	2.86
OHG1500	1,042.73	24.34	417.05	1,252.07	4,642.52	6.74
MOCG2300	1,442.59	33.48	581.37	921.95	12,024.08	4.79
MOCG4200	2,610.28	53.31	1,135.31	3,188.15	18,890.04	5.81
MONG2300	1,576.71	38.16	591.70	289.14	13,185.99	5.46
LANG2500	1,898.42	109.43	212.69	(232.50)	3,242.82	2.52
TNG2500	1,558.38	36.09	329.84	183.00	5,156.14	4.93
TNG5000	3,349.94	63.79	888.16	2,349.18	13,168.83	6.65
NCSP2000	1,594.94	94.28	194.80	(1,021.86)	3,563.97	1.15
NCC2030	1,197.01	68.73	423.40	1,356.18	3,455.88	10.31
SCC2000	1,497.99	79.53	202.76	(115.56)	2,987.97	2.37
SCG3500	3,184.73	155.22	512.12	910.60	7,419.74	4.43
TXNP3450	2,723.70	102.67	680.85	2,038.66	9,790.45	6.99
TXNP10880	8,518.54	182.59	1,585.82	6,946.20	23,567.67	6.78
TXPG2500	1,951.47	104.71	340.13	366.65	5,730.21	4.64
TXHG3000	1,138.09	49.64	161.45	(212.69)	2,031.65	1.92
TXWG1600	599.27	37.29	69.74	(479.43)	1,386.07	0.27

1 Receipts are average annual total cash receipts including government payments, 2021-2026 (\$1,000)

2 Payments are average annual total government payments, 2021-2026 (\$1,000)

3 NCFI is average annual net cash farm income, 2021-2026 (\$1,000)

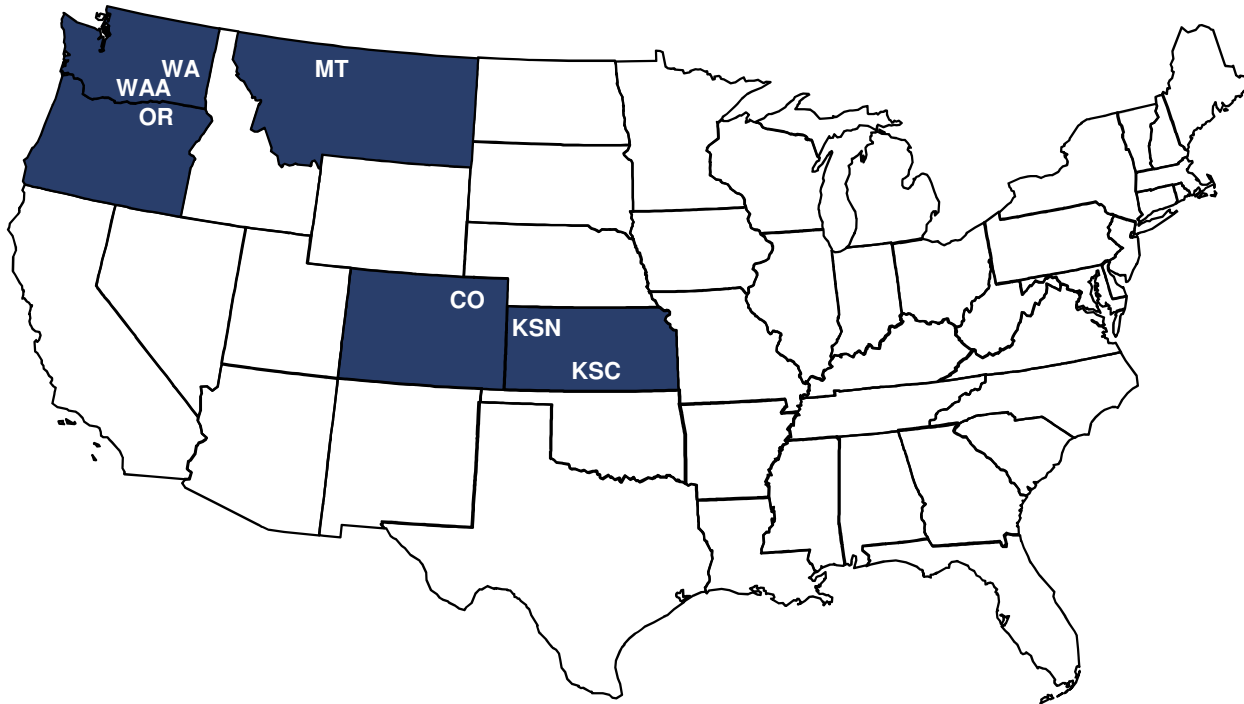
4 Reserve 2026 is average ending cash reserves, 2026 (\$1,000)

5 Net Worth 2026 is average nominal ending net worth, 2026 (\$1,000)

6 CRNW is average percentage change in real net worth over 2021-2026 period, (%)

Representative Farm: Wheat

- Seven wheat farms are projected to be in good overall financial condition, two are in marginal condition, and two are in poor condition.
- Four of the eleven wheat farms are expected to feel significant liquidity pressure over the period; two of these four farms also have a greater than 50 percent chance of losing wealth.



Characteristics of Panel Farms Producing Wheat, 2020.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Wheat (acres)
WAW2800	2,800	3,334.00	0.14	1,427.30	1,840
WAW10000	10,000	11,318.00	0.15	4,739.20	5,800
WAAW5500	5,500	2,394.00	0.23	727.60	2,600
ORW4500	4,500	1,943.00	0.18	550.00	2,250
MTW9500	9,500	9,227.00	0.18	2,326.00	3,534
KSCW2000	2,000	2,903.00	0.12	1,040.00	800
KSCW5300	5,300	6,617.00	0.14	2,606.10	2,385
KSNW4000	4,000	4,645.00	0.19	1,088.80	1,200
KSNW7000	7,000	8,690.00	0.16	2,404.80	1,700
COW3000	3,000	4,436.00	0.16	461.30	1,013
COW6000	6,000	6,856.00	0.21	999.90	2,000

Representative Farm: Wheat

Economic Viability of Representative Farms over the 2021-2026 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2021	2026	2021-2026	2021-2026
7/2/2				
WAW2800			5-4	1-1
WAW10000			6-16	1-1
WAAW5500			90-99	56-85
ORW4500			67-86	6-12
MTW9500			1-1	1-1
KSCW2000			1-1	1-1
KSCW5300			1-1	1-1
KSNW4000			8-17	1-1
KSNW7000			2-8	1-1
COW3000			41-76	1-1
COW6000			99-99	1-53

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 2021 and 2026.

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 2018 to 2021 and from 2018 to 2026.

Implications of the January 2021 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Wheat

	Receipts	Payments	NCFI	Reserve 2026	Net Worth 2026	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
WAW2800	1,365.85	132.41	314.08	702.59	3,665.93	6.35
WAW10000	4,549.09	333.45	788.17	1,654.49	12,038.65	5.99
WAAW5500	686.86	62.77	27.25	(1,153.04)	1,164.65	(5.34)
ORW4500	515.45	47.81	150.23	(274.48)	1,667.59	2.86
MTW9500	1,934.23	215.53	764.71	1,508.57	9,591.25	6.23
KSCW2000	920.25	26.83	320.05	766.81	3,352.16	6.83
KSCW5300	2,273.37	71.57	767.08	2,810.24	8,062.15	8.13
KSNW4000	959.35	46.40	290.38	354.71	4,364.24	4.56
KSNW7000	2,048.52	68.49	540.63	1,206.29	8,645.74	5.02
COW3000	441.64	23.93	176.59	(120.84)	4,221.16	4.17
COW6000	955.58	50.25	72.57	(2,420.80)	4,771.24	(0.10)

1 Receipts are average annual total cash receipts including government payments, 2021-2026 (\$1,000)

2 Payments are average annual total government payments, 2021-2026 (\$1,000)

3 NCFI is average annual net cash farm income, 2021-2026 (\$1,000)

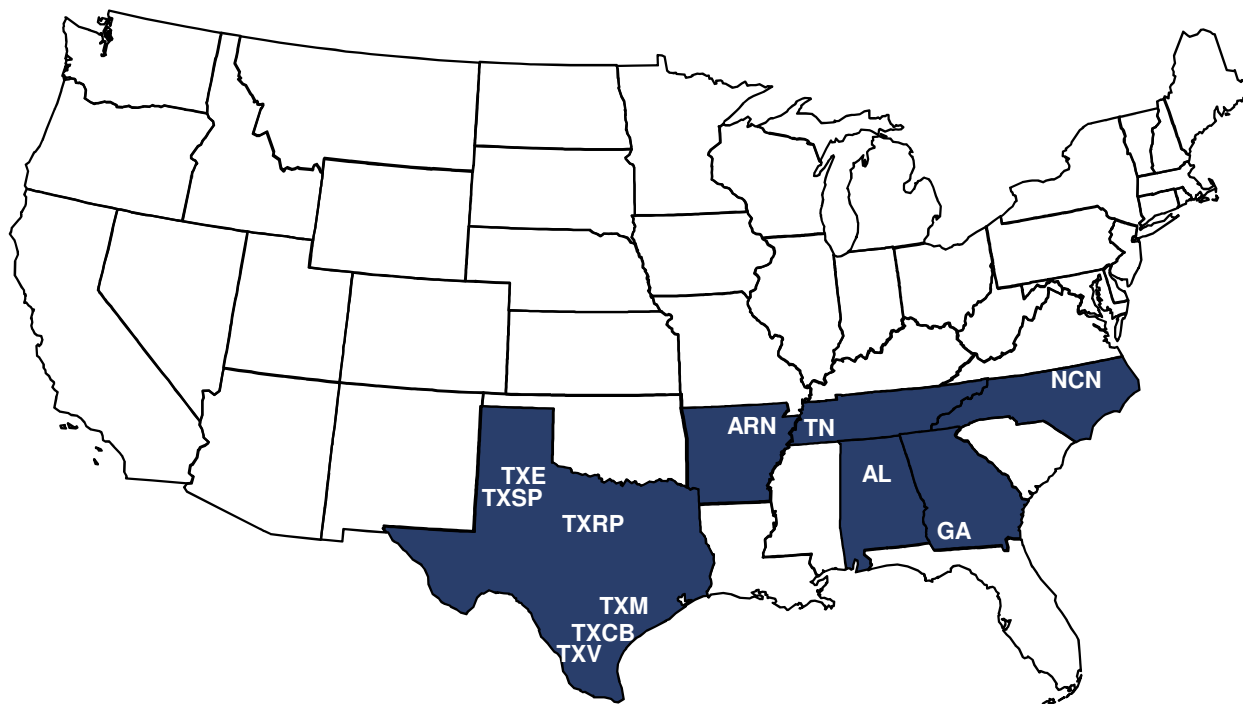
4 Reserve 2026 is average ending cash reserves, 2026 (\$1,000)

5 Net Worth 2026 is average nominal ending net worth, 2026 (\$1,000)

6 CRNW is average percentage change in real net worth over 2021-2026 period, (%)

Representative Farm: Cotton

- Eight of the thirteen cotton farms are characterized in good overall financial condition over the 2021-2026 projection period, two are in marginal condition, and three are in poor condition.
- Five representative cotton farms are projected to experience severe cash flow problems (having a greater than 50 percent chance of a cash flow deficit); three of these farms are expected to have a greater than 25 percent chance of losing real equity over the period.



Characteristics of Panel Farms Producing Cotton, 2020.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Cotton (acres)
TXSP4500	4,500	3,145.00	0.17	2,615.00	4,380
TXEC5000	5,000	4,503.00	0.11	2,972.20	4,700
TXRP3000	3,000	1,788.00	0.42	845.00	1,800
TXMC2500	2,500	2,558.00	0.19	1,808.20	1,455
TXCB4000	4,000	3,576.00	0.21	2,601.50	2,000
TXCB10000	10,000	10,571.00	0.19	6,852.40	5,000
TXVC5500	5,500	8,334.00	0.18	4,425.80	2,550
ARNC5000	5,000	12,556.00	0.15	5,137.10	2,500
TNC3000	3,000	3,206.00	0.14	2,464.00	825
TNC4050	4,050	7,734.00	0.15	3,413.20	1,500
ALC3500	3,500	6,151.00	0.16	3,275.00	1,050
GAC2500	1,250	10,841.00	0.17	3,555.40	1,250
NCNP1600	1,600	3,835.00	0.20	1,365.80	640

Representative Farm: Cotton

Economic Viability of Representative Farms over the 2021-2026 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2021	2026	2021-2026	2021-2026
8/2/3				
TXSP4500			15-59	2-18
TXEC5000			3-14	1-1
TXRP3000			90-98	26-73
TXMC2500			17-57	7-31
TXCB4000			11-50	1-13
TXCB10000			1-2	1-1
TXVC5500			1-1	1-1
ARNC5000			1-1	1-1
TNC3000			1-1	1-1
TNC4050			1-1	1-1
ALC3500			1-1	1-1
GAC2500			1-1	1-1
NCNP1600			90-99	1-28

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 2021 and 2026.

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 2018 to 2021 and from 2018 to 2026.

Implications of the January 2021 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Cotton

	Receipts	Payments	NCFI	Reserve 2026	Net Worth 2026	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
TXSP4500	2,170.37	106.65	248.95	(182.44)	2,438.93	0.98
TXEC5000	2,375.76	165.37	423.19	1,142.07	4,652.64	4.51
TXRP3000	710.22	39.12	11.84	(1,036.41)	586.13	(6.79)
TXMC2500	1,502.43	52.39	174.49	(149.43)	1,899.94	0.59
TXCB4000	2,106.20	75.29	187.25	(8.86)	2,685.51	1.11
TXCB10000	5,460.76	211.19	867.76	3,439.23	10,836.30	6.21
TXVC5500	3,658.17	145.72	613.18	2,406.74	8,614.01	6.08
ARNC5000	4,488.21	240.16	1,301.58	4,101.78	14,675.10	7.68
TNC3000	2,084.13	115.93	616.90	2,610.68	4,623.61	11.31
TNC4050	2,873.51	168.84	650.74	2,126.08	8,271.17	6.09
ALC3500	2,883.42	131.20	962.96	4,071.99	8,182.19	10.18
GAC2500	3,196.89	265.90	621.05	1,610.91	10,993.32	5.43
NCNP1600	1,191.11	101.82	84.54	(1,017.06)	2,702.79	(0.06)

1 Receipts are average annual total cash receipts including government payments, 2021-2026 (\$1,000)

2 Payments are average annual total government payments, 2021-2026 (\$1,000)

3 NCFI is average annual net cash farm income, 2021-2026 (\$1,000)

4 Reserve 2026 is average ending cash reserves, 2026 (\$1,000)

5 Net Worth 2026 is average nominal ending net worth, 2026 (\$1,000)

6 CRNW is average percentage change in real net worth over 2021-2026 period, (%)

Representative Farm: Rice

- Three of the fifteen representative rice farms are projected to be in good overall financial condition, five are in marginal condition, and seven are in poor condition.
- Eleven of the rice farms are expected to face moderate to severe cash flow problems; seven of those farms also have a greater than 25 percent chance of declining real net worth.



Characteristics of Panel Farms Producing Rice, 2020.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Rice (acres)
CAR1200	1,200	3,948.00	0.13	1,753.10	1,200
CAR3000	3,000	14,445.00	0.19	4,870.70	3,000
CABR1000	1,000	6,168.00	0.19	1,558.90	1,000
CACR800	800	4,513.00	0.20	1,238.10	800
TXR1500	1,500	2,523.00	0.28	850.30	600
TXR3000	3,000	1,777.00	0.31	1,889.40	1,500
TXBR1800	1,800	1,154.00	0.23	1,069.00	600
TXER2500	2,500	1,226.00	0.13	2,519.30	1,250
LASR2000	2,000	2,690.00	0.19	1,452.00	1,000
ARMR6500	6,500	9,963.00	0.16	5,965.30	650
ARSR3240	3,240	5,978.00	0.17	2,702.60	1,458
ARWR2500	2,500	7,843.00	0.15	1,886.50	1,250
ARHR4000	4,000	9,037.00	0.18	3,323.40	2,640
MSDR5000	5,000	18,907.00	0.18	4,023.20	1,667
MOBR4000	4,000	10,101.00	0.19	2,695.70	1,320

Representative Farm: Rice

Economic Viability of Representative Farms over the 2021-2026 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2021	2026	2021-2026	2021-2026
3/5/7				
CAR1200			1-5	1-1
CAR3000			45-93	7-21
CABR1000			18-62	1-1
CACR800			99-99	3-95
TXR1500			96-99	37-91
TXR3000			54-78	18-42
TXBR1800			37-70	19-31
TXER2500			35-51	14-28
LASR2000			58-92	20-54
ARMR6500			10-17	1-1
ARSR3240			14-36	3-6
ARWR2500			81-81	1-1
ARHR4000			83-99	6-42
MSDR5000			7-12	1-1
MOBR4000			36-83	1-5

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

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25-50

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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 2021 and 2026.

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 2018 to 2021 and from 2018 to 2026.

Implications of the January 2021 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Rice

	Receipts	Payments	NCFI	Reserve 2026	Net Worth 2026	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAR1200	1,765.82	207.58	368.27	518.37	4,026.69	4.77
CAR3000	4,755.18	441.26	209.69	(2,385.46)	10,884.32	0.91
CABR1000	1,565.94	173.35	236.38	(176.83)	5,219.14	2.71
CACR800	1,244.36	143.40	(38.36)	(1,421.94)	2,769.64	(2.20)
TXR1500	883.54	62.74	39.38	(1,125.09)	1,203.29	(4.62)
TXR3000	1,944.35	113.09	157.75	(452.00)	890.36	(3.23)
TXBR1800	1,100.00	71.37	144.29	(161.04)	771.40	(0.36)
TXER2500	2,441.05	105.20	221.41	(28.87)	1,042.40	1.72
LASR2000	1,475.15	73.75	102.63	(504.74)	1,780.83	(1.31)
ARMR6500	5,213.03	236.90	871.90	1,918.75	10,540.64	6.07
ARSR3240	2,586.58	127.51	324.67	275.59	5,351.24	3.27
ARWR2500	1,819.64	97.02	295.54	(620.28)	7,362.54	3.66
ARHR4000	3,274.60	163.90	218.34	(2,029.46)	6,471.69	(0.29)
MSDR5000	3,718.56	122.76	1,023.78	1,487.55	18,078.18	4.68
MOBR4000	2,476.68	93.65	246.61	(864.67)	8,231.78	2.20

1 Receipts are average annual total cash receipts including government payments, 2021-2026 (\$1,000)

2 Payments are average annual total government payments, 2021-2026 (\$1,000)

3 NCFI is average annual net cash farm income, 2021-2026 (\$1,000)

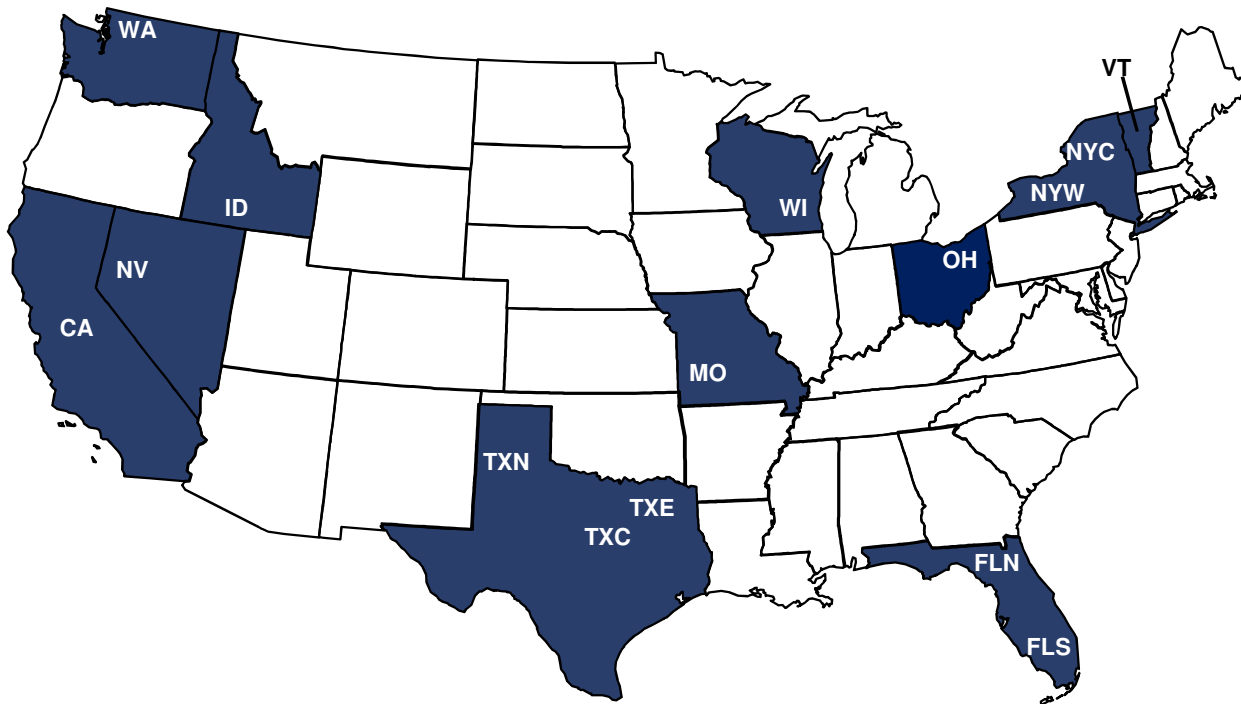
4 Reserve 2026 is average ending cash reserves, 2026 (\$1,000)

5 Net Worth 2026 is average nominal ending net worth, 2026 (\$1,000)

6 CRNW is average percentage change in real net worth over 2021-2026 period, (%)

Representative Farm: Dairy

- Ten of the twenty dairy operations are in good overall financial condition, four of the dairies are classified in marginal condition, and six dairies are in poor condition.
- Nine of the dairies are projected to experience severe cash flow stress; six of these operations are also projected to face a 50 percent or greater chance of losing real net worth by 2026.



Characteristics of Panel Farms Producing Milk, 2020.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Cows (number)
CAD2000	700	24,729.00	0.19	12,445.40	2,000
WAD300	250	4,493.00	0.31	1,477.90	300
WAD1200	850	16,027.00	0.20	6,988.50	1,200
IDD1500	850	12,581.00	0.18	9,513.10	1,500
NVD1000	500	8,139.00	0.16	5,841.10	1,000
TXND3800	1,920	24,244.00	0.08	19,209.00	3,800
TXCD1500	616	10,083.00	0.44	7,153.30	1,500
TXED400	950	2,643.00	0.27	1,412.50	400
WID180	800	4,410.00	0.21	1,532.70	180
WID1700	3,200	19,562.00	0.20	11,314.70	1,700
OHD350	700	7,426.00	0.29	2,071.40	350
NYWD400	800	5,482.00	0.22	2,283.90	400
NYWD1200	2,100	18,470.00	0.23	6,919.60	1,200
NYCD180	400	2,867.00	0.21	1,172.40	180
NYCD800	1,800	12,990.00	0.21	4,646.50	800
VTD160	220	1,847.00	0.33	845.90	160
VTD400	1,000	5,959.00	0.32	2,616.90	400
MOGD550	460	3,113.00	0.22	1,616.10	550
FLND550	600	4,048.00	0.16	3,258.90	550
FLSD1750	400	11,936.00	0.17	9,405.10	1,750

Representative Farm: Dairy

Economic Viability of Representative Farms over the 2021-2026 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2021	2026	2021-2026	2021-2026
10/4/6				
CAD2000			4-8	1-1
WAD300			99-99	5-72
WAD1200			8-55	1-2
IDD1500			1-1	1-1
NVD1000			1-1	1-1
TXND3800			5-2	1-1
TXCD1500			99-99	97-99
TXED400			99-99	18-76
WID180			1-1	1-1
WID1700			1-7	1-1
OHD350			99-99	3-67
NYWD400			1-14	1-1
NYWD1200			1-19	1-1
NYCD180			1-1	1-1
NYCD800			5-32	1-1
VTD160			99-99	67-99
VTD400			99-99	40-97
MOGD550			12-21	8-12
FLND550			20-65	3-10
FLSD1750			16-61	5-20

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 2021 and 2026.

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 2018 to 2021 and from 2018 to 2026.

Implications of the January 2021 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Milk

	Receipts	Payments	NCFI	Reserve 2026	Net Worth 2026	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAD2000	11,143.58	117.55	1,468.14	3,280.38	24,423.70	5.53
WAD300	1,364.10	76.41	(61.02)	(2,092.27)	2,463.32	(1.75)
WAD1200	6,329.89	86.18	375.77	(284.43)	13,527.43	2.91
IDD1500	8,641.87	100.57	1,251.65	3,888.03	14,245.79	7.69
NVD1000	5,252.74	75.88	814.15	3,146.17	9,605.46	7.96
TXND3800	17,761.59	125.92	2,278.17	9,200.07	31,615.72	8.16
TXCD1500	6,473.86	78.19	(1,277.18)	(12,456.98)	(3,054.35)	(55.91)
TXED400	1,318.79	74.35	(45.84)	(1,334.08)	1,411.86	(3.14)
WID180	1,404.23	76.83	350.52	734.47	4,374.17	6.07
WID1700	9,908.73	104.80	1,216.38	3,938.87	19,488.16	5.96
OHD350	1,893.77	84.65	(28.64)	(2,834.78)	4,374.86	(1.12)
NYWD400	2,104.48	84.40	267.09	448.46	4,874.78	4.30
NYWD1200	6,245.88	98.32	795.25	1,199.89	15,888.94	4.00
NYCD180	1,120.03	65.68	239.78	555.00	2,898.01	6.32
NYCD800	4,227.25	90.48	602.31	405.27	12,182.61	4.91
VTD160	800.74	46.39	(51.72)	(1,200.67)	576.40	(9.74)
VTD400	2,440.55	84.52	(144.12)	(3,034.80)	2,356.91	(6.67)
MOGD550	1,557.36	68.83	285.02	544.33	2,983.23	5.70
FLND550	3,023.24	75.62	126.93	(246.36)	3,425.91	2.13
FLSD1750	8,609.15	79.93	189.54	(715.85)	9,433.27	1.10

1 Receipts are average annual total cash receipts including government payments, 2021-2026 (\$1,000)

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3 NCFI is average annual net cash farm income, 2021-2026 (\$1,000)

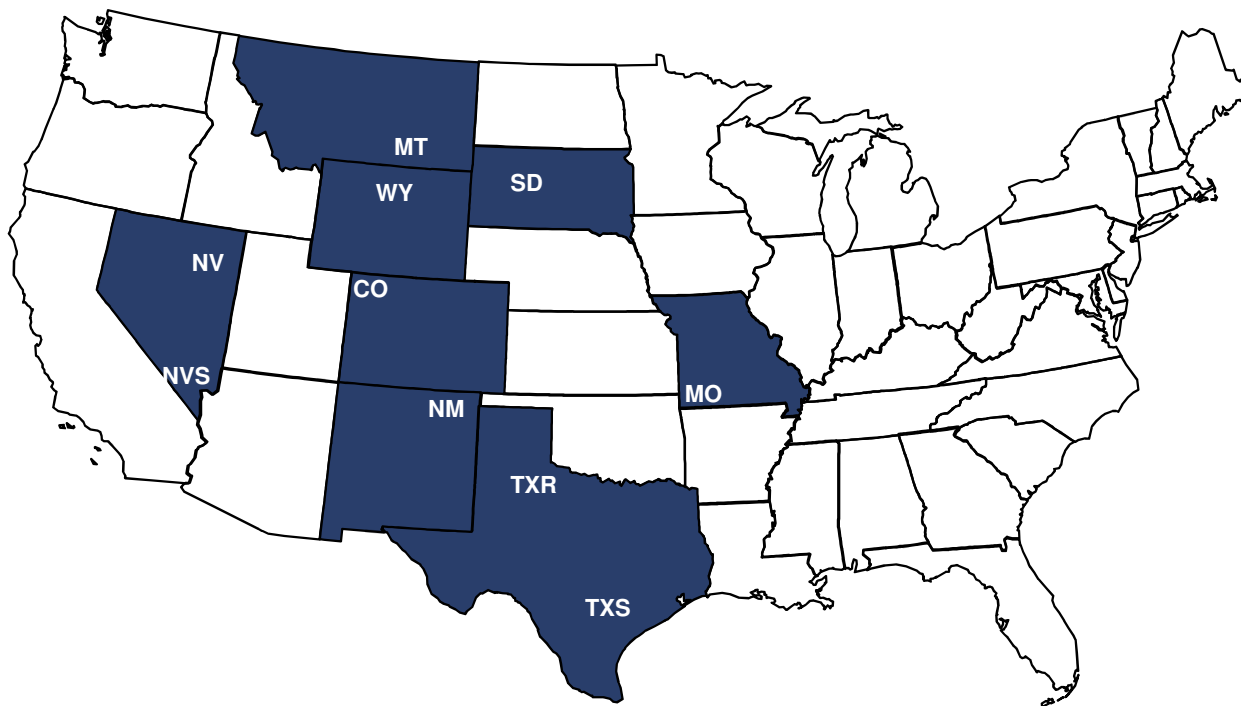
4 Reserve 2026 is average ending cash reserves, 2026 (\$1,000)

5 Net Worth 2026 is average nominal ending net worth, 2026 (\$1,000)

6 CRNW is average percentage change in real net worth over 2021-2026 period, (%)

Representative Farm: Cow/Calf

- Five of the ten cow-calf operations are projected to be in good overall financial condition, four are in marginal condition, and one is in poor condition.
- Five ranches face the threat of severe cash flow stress; however, only one of these five ranches faces a significant (25 percent or greater) chance of losing real wealth.



Characteristics of Panel Farms Producing Beef Cattle, 2020.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Cows (number)
NVB650	1,300	11,087.00	0.01	614.40	650
NVSB550	125	3,265.00	0.03	493.30	550
MTB600	900	8,133.00	0.02	587.40	600
WYB475	330	2,410.00	0.07	491.50	475
COB275	650	14,808.00	0.01	385.80	275
NMB210	0	5,835.00	0.02	203.20	210
SDB600	1,000	7,935.00	0.06	636.20	600
MOB250	360	3,411.00	0.03	506.80	250
TXRB400	0	8,309.00	0.01	450.30	400
TXSB300	100	5,716.00	0.01	358.50	300

Representative Farm: Cow/Calf

Economic Viability of Representative Farms over the 2021-2026 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2021	2026	2021-2026	2021-2026
5/4/1				
NVB650			16-73	1-1
NVSB550			50-59	1-1
MTB600			4-2	1-1
WYB475			99-99	17-32
COB275			7-1	1-1
NMB210			99-98	1-1
SDB600			99-99	1-3
MOB250			1-1	1-1
TXRB400			1-1	1-1
TXSB300			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 2021 and 2026.

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 2018 to 2021 and from 2018 to 2026.

Implications of the January 2021 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Beef Cattle

	Receipts	Payments	NCFI	Reserve 2026	Net Worth 2026	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
NVB650	588.72	0.00	91.65	(109.14)	11,395.69	2.78
NVSB550	490.86	0.00	77.89	(54.03)	3,330.74	2.96
MTB600	570.81	0.00	135.29	234.20	8,638.20	3.38
WYB475	475.54	0.00	34.14	(460.83)	2,076.05	0.78
COB275	374.61	0.00	148.03	461.74	15,459.91	3.01
NMB210	201.35	0.00	44.18	(77.99)	5,929.79	2.61
SDB600	632.76	0.00	4.65	(1,088.23)	7,098.48	1.20
MOB250	459.51	4.88	212.33	616.54	3,890.89	4.90
TXRB400	460.10	0.00	111.27	319.42	8,792.77	3.23
TXSB300	347.82	0.00	127.27	262.77	6,009.94	3.12

1 Receipts are average annual total cash receipts including government payments, 2021-2026 (\$1,000)

2 Payments are average annual total government payments, 2021-2026 (\$1,000)

3 NCFI is average annual net cash farm income, 2021-2026 (\$1,000)

4 Reserve 2026 is average ending cash reserves, 2026 (\$1,000)

5 Net Worth 2026 is average nominal ending net worth, 2026 (\$1,000)

6 CRNW is average percentage change in real net worth over 2021-2026 period, (%)

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