

Advance Report

FARM INCOME & PRODUCTION COSTS

for
2009



AE-4566

December 2010



UNIVERSITY OF ILLINOIS
EXTENSION

Commercial Farms

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

Farm Income and Production Costs

for 2009:

Advance Report

This publication is prepared in the Department of Agricultural and Consumer Economics, College of Agricultural, Consumer and Environmental Sciences, University of Illinois at Urbana-Champaign by Dwight D. Raab, State Coordinator, Bradley L. Zwillig, Farm Business Analyst & Data Processing Specialist, and Jim Locher, Staff Development and Outreach Coordinator, Illinois FBFM Association, for use by FBFM field staff at meetings held in March 2010 and distributed to University of Illinois Extension staff. All data is based on Illinois Farm Business Records kept in cooperation with the Illinois Farm Business Farm Management (FBFM) Association and this department. An update of this report will be published in the 85th *Annual Summary of Illinois Farm Business Records for 2009*.

The Illinois Farm Business Farm Management Association, in cooperation with University of Illinois Extension and the Department of Agricultural and Consumer Economics, has been providing farm recordkeeping and business analysis services to Illinois farm operators for over 80 years.

Urbana, Illinois

December 2010

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DEFINITIONS

Operator's Share Net Farm Income—The sum of operator's share of gross sales plus net change in inventory and capital accounts less all expenses for items purchased, including interest paid and annual depreciation. This is the accrual earnings available to pay living expenses, pay income and social security taxes, and make principal payments on term debt.

Operator's Share Labor and Management Income—The wage (salary) for the operator of this farm, whether tenant-, part-owner-, or owner-operated, earned for labor and management performed. It is net farm income reduced by a charge for unpaid family labor used (non-operators), and 5.0 percent interest on equity capital (2.60 percent on current value of bare land to reflect a normalized annual net rent).

Crop Returns—The sum of grain and feed sales, value of all feed fed, government farm program payments, crop insurance proceeds, and change in feed and grain inventories less value of purchased feed on the total farm.

Return above Feed Cost—The sum of livestock and livestock products sold, change in inventories less value of livestock purchased, and market value (opportunity cost) for all feeds fed.

Return per \$1.00 of All Cost—The overall farm efficiency ratio (profit margin) showing total value of all farm production per \$1.00 of all non-feed cost on the total farm.

Grain Farms—Farms on which the value of the feed fed to livestock was *less* than 40 percent of the crop returns.

Hog or Beef Farms—Farms on which the value of feed fed was *more* than 40 percent of the crop returns and either hog or beef cattle enterprises received *more* than half of the value of the feed fed.

Dairy Farms—Farms on which the value of feed fed was *more* than 40 percent of the crop returns and where dairy enterprises received *more* than a third of the value of feed fed.

HIGHLIGHTS FOR 2009

Average farm operator returns for labor and management on 2,624 Illinois farms was lower for all geographic areas in the state in 2009 compared to 2008 and below the average for the last five years. The average return to the operator's labor and management income in 2009 was \$44,551. The 2009 returns were \$131,007 below the 2008 average of \$175,558 and \$56,093 below the average for the last five years. A reasonable charge for the farm operator's debt-free capital invested in machinery, equipment, land, and inventory averaged \$39,661. Combining this amount with the return to the operator's labor and management resulted in average operator net farm income of \$84,212. Lower corn yields along with higher input and drying costs were the main reasons for the lower incomes. Return above feed cost for all livestock enterprises was higher than the year before except dairy. Hog returns were higher due to lower feed costs and stable product prices. Returns to dairy enterprises were lower due to lower milk prices. Continued high grain prices resulted in minimum farm program payments. Thus, total government payments received in 2009 by producers were the lowest since 1996. Farm earnings were highest in the most southern areas of the state. Earnings were lowest in the northeastern part of the state.

Corn yields were below the record yields recorded the year before. Corn yields were 12 bushels per acre lower in 2009 compared to yields recorded in 2008. Soybean yields were 1 bushel per acre lower than in 2008. The average corn yield on the 2,624 farms was 182 bushels per acre. Soybean yields averaged 50 bushels per acre. Corn and soybean yields were generally highest in the central part of the state. Too much rainfall lowered yields in certain parts of the state, including northern Illinois. Year-end inventory price for the 2009 corn crop of \$3.50 per bushel was the same as a year earlier. Soybeans were inventoried at \$9.75 per bushel, 75 cents higher than

December 31, 2008. The average sales price received for the 2008 corn and soybean crop sold in 2009 was above their inventory price resulting in a positive marketing margin. Crop returns averaged \$654 per tillable acre, \$95 per acre lower than the 2008 crop returns. The average crop returns per acre were at an all time high in 2008.

Return above feed cost to all livestock enterprises was higher than the year before, except dairy. Also, returns to all five enterprises in 2009 were below the last five-year average. All livestock enterprises except dairy experienced slightly lower feed costs in 2009 compared to 2008. Mainly due to the lower prices received, returns for farrow-to-finish hog producers were estimated to be about \$8 to \$9 per hundredweight below the breakeven level in covering total costs in 2009. Dairy producers experienced lower returns due to lower milk prices, \$838 returns above feed per cow in 2009 compared to \$1,775 in 2008. Milk prices were 31 percent lower compared to the year before. Returns to feeder cattle enterprises were higher than the year before but slightly below then five year average. Prices received for market cattle were lower than the year before and prices paid in 2009 for feeder cattle were below the year before. Returns above feed per cow increased for beef cow enterprises due to lower feed costs. Returns were the second lowest for any year during the last five years.

Estimates in net worth change can be made by adjusting net farm income for nonfarm income, withdrawals for family living, and income and social security tax paid. This amount would be a modified-cost-basis change in net worth, which excludes changes due to inflation. As seen on page 5, estimated changes in net worth showed increases in central and southern areas of the state while northern areas showed decreases or no changes. Changes in net worth among individual farm operators will

vary greatly due to differences in farm and nonfarm income and family living withdrawals.

The average amount of interest paid per farm is shown on pages 3 and 6. Average operator interest paid in 2009 was \$21,025, down \$2,899 from 2008. Looking at the last ten years on a per-acre basis, interest paid has decreased from a high of \$25 in 2007 to a low of \$17 in 2004 but increased to \$20 in 2009. Interest paid as a percentage of gross farm returns was 3.9 percent in 2009 compared to 4.2 percent in 2008.

Some key financial factors, such as the current, debt-to-asset, and debt-to-equity ratios, can be found on pages 10 to 14 by type of farm. This type of information is useful in providing some benchmarks when evaluating the financial efficiency of a farm operation.

Returns and costs for crops and livestock enterprises can be seen on pages 25 to 31 and 33 to 40. Returns to farrow-to-finish hog producers were lower than the year before. Total returns averaged \$39.95 per hundredweight in 2009 compared to \$44.60 the year before. Feed costs decreased, averaging \$32.45 per hundredweight. The average price received per hundredweight for slaughter cattle was lower than the year before while the price paid for replacement feeder cattle was lower than the year before. Dairy returns were lower due to lower milk prices. The price received for milk was lower than the year before.

Total economic costs per acre to produce corn and soybeans in 2009 increased as compared to 2008 in all areas of the state. The main factors for the increase in per acre costs were due to higher fertilizer, seed, drying, and machinery depreciation. Cost per bushel to produce corn increased in all areas of the state due to higher costs per acre and lower yields. Cost per bushel to raise soybeans increased in all areas of the state primarily because of the higher per acre costs. Soybean yields were 1

bushel per acre lower in northern Illinois, 1 bushel per acre higher in central Illinois with the higher rated soils, 2 bushels per acre higher in central Illinois with the lower rated soils and 4 bushels per acre lower in southern Illinois. Total economic costs per acre to raise corn and soybeans on these farms averaged \$756 and \$522, respectively.

From a sample of pure grain farms in the state, the total economic cost per bushel of corn produced was \$4.11 with an average yield of 184 bushels per acre. The total cost per bushel of soybeans was \$10.24 with an average yield of 51 bushels per acre. This compared with costs per bushel of \$3.34 and \$9.35 for corn and soybeans, respectively, in 2008. This was the highest cost per bushel to grow corn since 1988. The 2009 cost to grow soybeans was the highest cost per bushel since this study began in 1972. The variation in yields and costs during the past few years makes it important to analyze these costs over more than one year. The 2005-09 five-year average to produce corn and soybeans on these farms is \$3.23 per bushel for corn and \$8.32 per bushel for soybeans.

In summary, farm earnings in 2009 were significantly lower than the 2008 earnings and considerably below the average for the last five years. Lower corn yields along with higher input and drying costs were the main reasons for the lower incomes. Livestock returns were higher for all enterprises except dairy primarily due to lower feed costs.

ILLINOIS FARM BUSINESS FARM MANAGEMENT ASSOCIATION

cooperating with nine local farm management associations and the
 Department of Agricultural and Consumer Economics, College of Agricultural, Consumer and Environmental Sciences,
 University of Illinois at Urbana-Champaign

STATE TOTAL--5,801 cooperating farmers and 61 member field staff*
 July 1, 2009, distribution of cooperators by counties and associations

Associations and Field Staff

Associations and Field Staff

BLACKHAWK

605

Jeffery L. Johnson
 Alan A. Petersohn
 Rodney B. Gieseke
 David A. Goodell
 Tonya M. Wiersema
 Adam W. Drinkall

WESTERN

750

Gary R. Goodwin
 Roberta Boarman
 Robert Rhea
 Miriam M. Mock
 Mike R. Shepherd
 Nathan P. Edlfson
 Adam J. Kestner
 Jeffrey R. Reed
 Krista J. Ubbenga

SANGAMON VALLEY

550

Todd F. Behrends
 James E. Phelan
 Kevin E. Coultas
 John Kloppenburg
 Kent D. Leesman

LINCOLN

718

Michael E. Schmitz
 Thomas J. Nolte
 Dathel W. Davidson
 Daniel A. Doan
 Randall J. Harmon
 Mitchel W. Fickling
 Amy A. Cope
 Michael P. Bruns

NORTHEASTERN

174

David J. O'Brien
 Sarah R. Mussmann

ILLINOIS VALLEY

633

Danny L. Stetson
 John A. Hudson
 Bradley G. Lenschow
 James P. McCabe
 Scott M. Newport
 Leslie M. Johnson

PIONEER

1,102

Gary Freeman
 Maurice E. Sprout
 Kent V. Meister
 Darren L. Bray
 Michael C. Heiser
 Brian J. Pulley
 Nathan A. Waibel
 Jeffrey A. Marquis
 Lowell J. Stoller
 Jacob M. Springer
 Blair H. Nelson

EAST CENTRAL

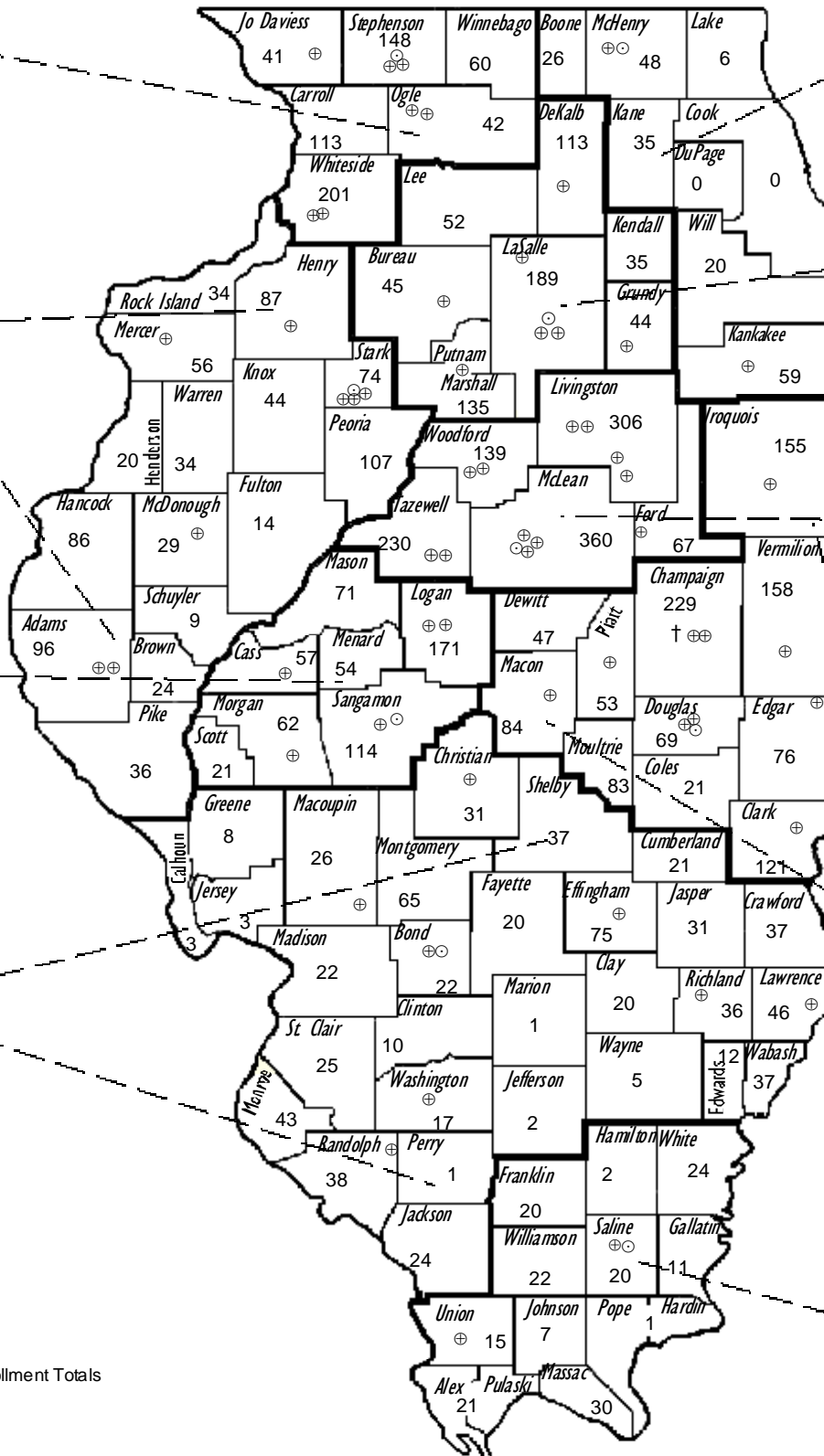
1,096

James E. Cullison
 Bruce E. Burk
 Donald E. Becker
 Mitchell A. Fruhling
 Jeffrey D. Lewis
 Robert Daggett
 Richard Thomas
 Gary L. Knoblett
 Christopher A. Leman
 Michael L. Clark

SHAWNEE

173

Robert D. Kieseccoms
 Douglas E. Hileman



OFFICIAL ENROLLMENT
 July 1, 2009

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

**Average Size, Income, Returns, and Costs on Illinois FBFM Record-Keeping Farms
by Type of Farm—2005 to 2009***

Year	Number of Farms	Tillable Acres (TA)	All Operators		Crop Returns/TA	Livestock Ret. Above Feed/TA	Net Mach. & Labor Cost/TA**
			Net Farm Income	Labor-Mgmt. Income			
			\$	\$	\$	\$	\$
All Farms							
2009	2,624	1,031	84,212	44,551	654	7	145
2008	2,572	1,049	211,890	175,558	749	10	143
2007	2,748	1,019	209,012	171,507	657	20	126
2006	2,640	1,005	103,303	72,818	481	19	114
2005	2,940	977	62,940	38,787	407	31	111
Grain Farms							
2009	2,361	1,089	93,363	52,733	656	1	136
2008	2,317	1,104	225,802	188,614	749	0	133
2007	2,471	1,072	220,797	183,038	657	5	116
2006	2,352	1,068	109,569	78,899	481	5	105
2005	2,587	1,034	60,273	36,472	83	9	100
Hog Farms							
2009	52	884	(47,105)	(85,657)	626	113	279
2008	60	916	79,684	43,585	803	157	289
2007	77	764	96,892	52,330	696	271	296
2006	72	661	108,461	66,149	503	400	269
2005	103	782	122,184	89,912	408	343	218
Dairy Farms							
2009	65	370	(13,254)	(47,369)	628	255	484
2008	71	369	88,806	54,437	722	502	538
2007	58	416	166,276	117,024	609	631	460
2006	58	427	57,073	17,120	505	354	399
2005	83	426	103,370	72,012	405	568	384
Beef Farms							
2009	28	480	618	(36,441)	537	98	263
2008	31	431	51,340	20,444	666	39	258
2007	24	534	97,537	55,150	590	136	247
2006	33	424	12,243	(13,600)	490	79	251
2005	42	498	50,733	15,830	379	152	201

*In 2009, 90% of the farms were classified as grain, 2% as hog, 3% as dairy, 1% as beef, and 4% as part-time or other types.

**This is net above custom work income.

Summary of Income, Corn Yields, Crop and Livestock Returns by Farm Type and Location, Average per Farm—2006 to 2009

	Northern Illinois					Central Illinois					Southern Illinois				
	Grain	Hog	Beef	Dairy	All*	Grain <i>SPR 86-00</i>	Grain	Hog	All*	Grain	Hog	Beef	Dairy	All*	
Operator's Share of Net Farm Income															
2009	\$67,740	(\$49,330)	(\$1,274)	(\$21,025)	\$56,910	\$116,712	\$84,199	(\$62,182)	\$99,918	\$103,677	(\$10,876)	\$7,556	\$74,222	\$95,814	
2008	\$212,207	\$55,936	\$73,667	\$73,287	\$193,691	\$259,282	\$176,614	\$84,622	\$224,305	\$240,126	\$86,831	(\$15,021)	\$190,679	\$227,069	
2007	\$214,948	\$86,566	\$83,052	\$165,682	\$205,517	\$268,116	\$186,267	\$110,038	\$231,268	\$157,906	\$74,579	\$169,962	\$176,990	\$155,453	
2006	\$112,352	\$126,803	\$14,434	\$48,730	\$105,882	\$119,344	\$87,719	\$107,251	\$107,961	\$109,190	\$125,611	\$4,107	\$105,450	\$107,499	
Corn Yields															
2009	177	175	182	164	176	192	185	181	189	161	175	150	151	161	
2008	196	195	181	176	194	199	190	202	196	165	189	147	173	166	
2007	191	193	182	162	189	199	185	196	194	141	164	153	134	142	
2006	181	177	168	171	180	178	168	175	174	141	144	136	121	140	
Crop Returns per Tillable Acre															
2009	\$647	\$627	\$549	\$643	\$644	\$693	\$645	\$659	\$674	\$539	\$559	\$442	\$507	\$538	
2008	\$764	\$788	\$671	\$741	\$760	\$770	\$706	\$804	\$749	\$635	\$706	\$292	\$628	\$630	
2007	\$681	\$711	\$635	\$626	\$678	\$701	\$639	\$698	\$678	\$486	\$548	\$454	\$492	\$489	
2006	\$511	\$546	\$465	\$527	\$511	\$488	\$448	\$517	\$476	\$407	\$403	\$378	\$411	\$406	
Livestock Returns above Feed Cost per Tillable Acre															
2009	\$1	\$116	\$77	\$303	\$27	\$0	\$0	\$109	\$3	\$0	\$45	\$113	\$198	\$8	
2008	(\$2)	\$87	\$38	\$564	\$44	\$1	(\$1)	\$149	\$6	(\$2)	\$114	\$17	\$339	\$15	
2007	\$6	\$214	\$108	\$701	\$51	\$4	\$4	\$336	\$18	\$1	\$99	\$135	\$453	\$27	
2006	\$5	\$434	\$52	\$396	\$40	\$4	\$5	\$407	\$21	\$3	\$388	\$98	\$272	\$30	
Return per \$1.00 of All Costs															
2009	\$0.96	\$0.82	\$0.78	\$0.74	\$0.93	\$1.05	\$1.02	\$0.82	\$1.03	\$1.00	\$0.79	\$0.80	\$0.90	\$0.98	
2008	\$1.21	\$0.97	\$0.96	\$0.98	\$1.18	\$1.31	\$1.24	\$1.01	\$1.27	\$1.26	\$1.02	\$0.46	\$1.15	\$1.23	
2007	\$1.29	\$1.00	\$1.00	\$1.15	\$1.27	\$1.40	\$1.31	\$1.03	\$1.35	\$1.14	\$0.92	\$1.11	\$1.16	\$1.13	
2006	\$1.09	\$1.11	\$0.78	\$0.92	\$1.07	\$1.11	\$1.05	\$1.05	\$1.09	\$1.05	\$1.06	\$0.70	\$0.99	\$1.05	

* Average size of farm in 2009 is 889 tillable acres for northern Illinois, 1,100 for central, and 1,284 for southern.

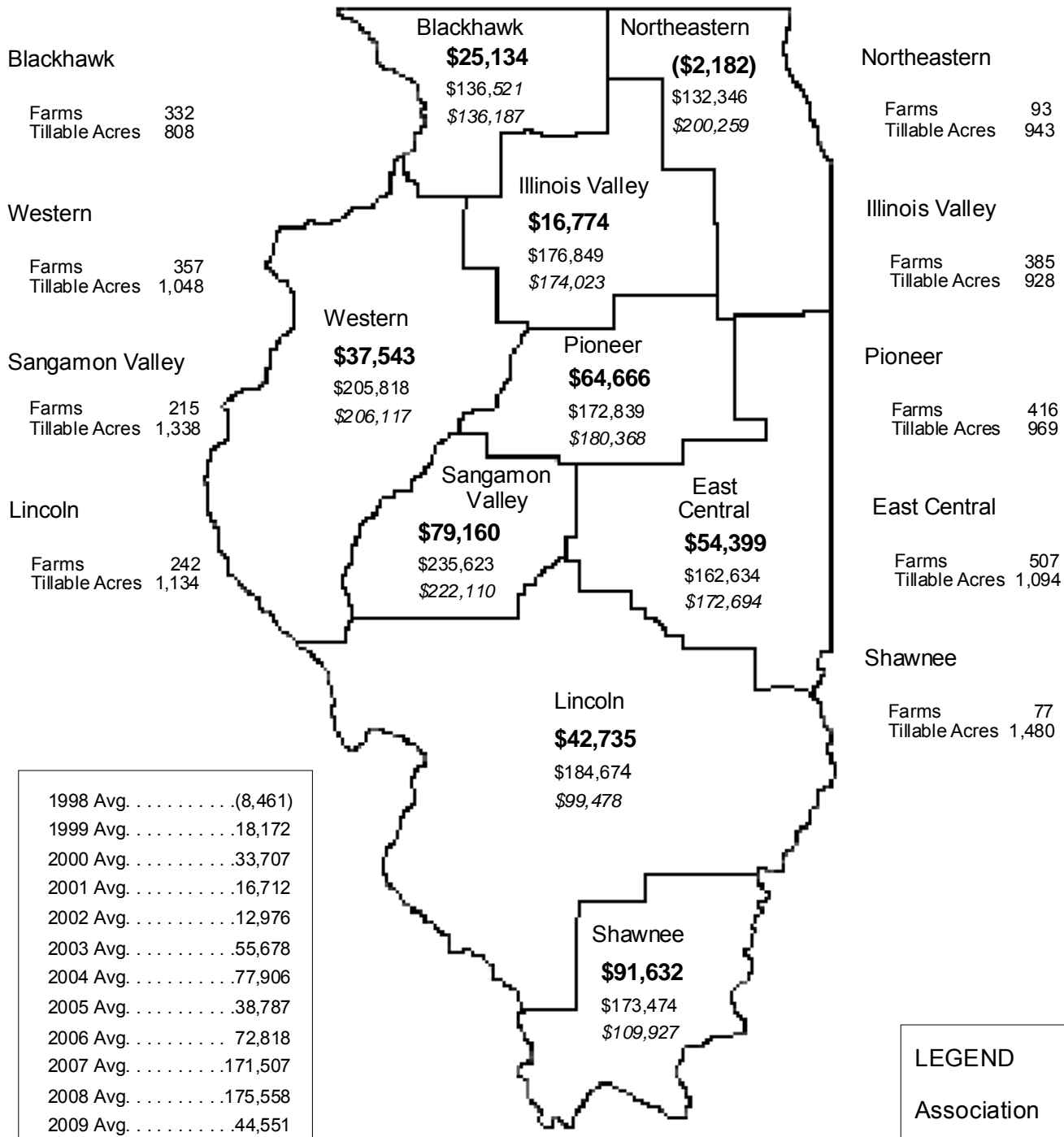
**Net Farm Income and Other Selected Factors
Illinois FBFM Association—2009¹**

	Black-hawk	East Central	Illinois Valley	Lincoln	North-eastern	Pioneer
Number of Farms	332	507	385	242	93	416
Tillable Acres	764	1,094	928	1,134	943	969
Corn Yield	178	187	180	161	162	193
Soybean Yield	49	54	48	42	46	54
Crop Returns/TA	\$680	\$664	\$658	\$556	\$592	\$680
Income before Depreciation	\$100,296	\$128,896	\$91,290	\$131,874	\$73,613	\$139,929
Depreciation	38,616	39,597	37,419	53,311	38,780	36,409
Net Farm Income	61,680	89,299	53,871	78,563	34,833	103,520
Capital Purchases	\$79,041	\$84,695	\$77,320	\$108,678	\$67,427	\$77,608
Interest Paid	27,290	17,141	19,568	23,422	21,029	14,052

	Sangamon Valley	Shawnee	Western	2009 State Average	2008 State Average
Number of Farms	215	77	357	2,624	2,572
Tillable Acres	1,338	1,480	1,048	1,031	1,049
Corn Yield	197	171	183	182	194
Soybean Yield	54	48	49	50	51
Crop Returns/TA	\$715	\$573	\$666	\$654	\$749
Income before Depreciation	\$177,920	\$206,623	\$131,144	\$126,428	\$247,698
Depreciation	51,674	58,648	45,357	42,216	35,808
Net Farm Income	126,246	147,975	85,787	84,212	211,890
Capital Purchases	\$117,316	\$134,592	\$99,970	\$89,589	\$90,381
Interest Paid	25,165	22,276	26,027	21,025	23,924

¹ Sum of all operators per farm.

Illinois FBFM Association
Operators' Share of Labor and Management Income per Farm—2007, 2008, and 2009
 (Sum of All Operators/Farm)



LEGEND

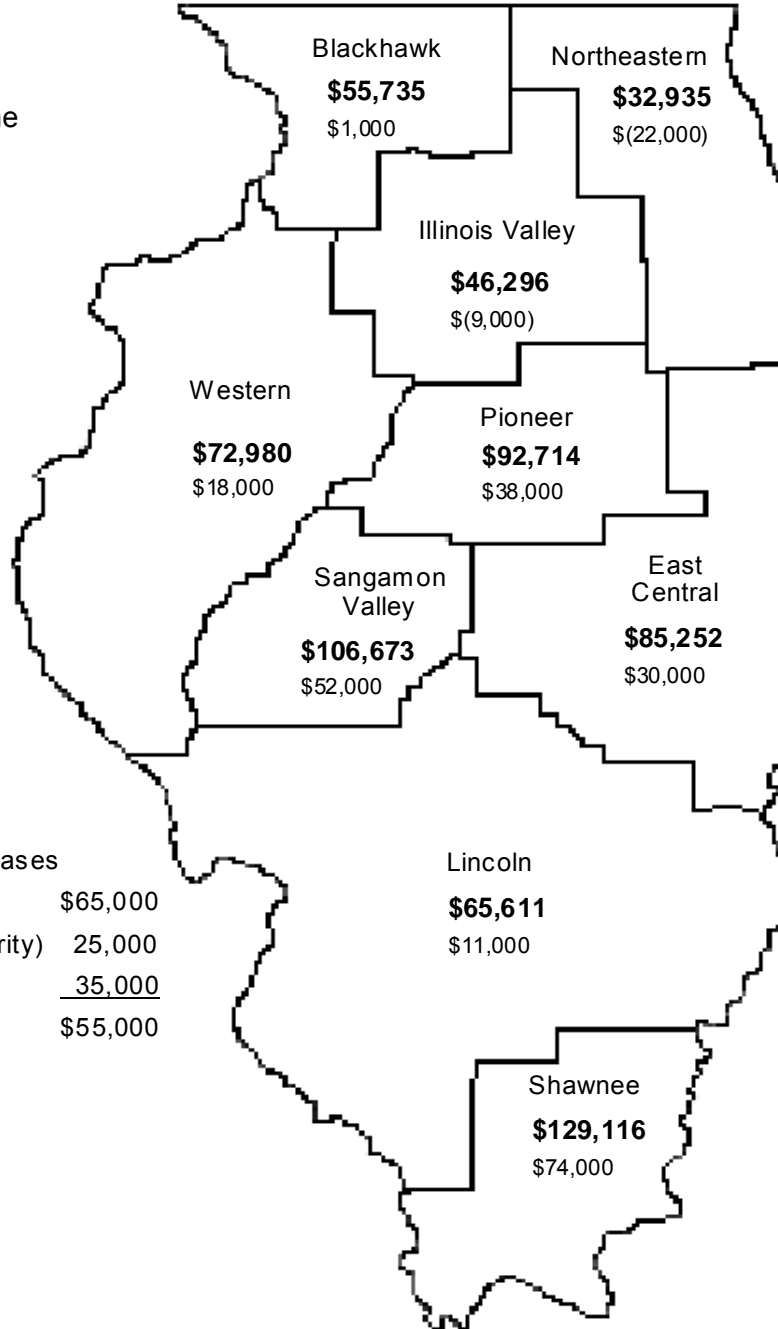
Association
2009 Average
 2008 Average
 2007 Average

Illinois FBFM Association
Net Farm Income per Operator and
Estimated Change in Net Worth After Living Expenses and Taxes—2009

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

Average Net Farm Income
per Operator

\$74,692
\$20,000



Net Draw Against Net Worth Increases	
Living Cost	\$65,000
Taxes (Income & Social Security)	25,000
Net Nonfarm Income	<u>35,000</u>
TOTAL	\$55,000

All figures are cost basis.

Capital Debt Repayment Capacity (CDRC), Illinois Farm Operators—2005 to 2009

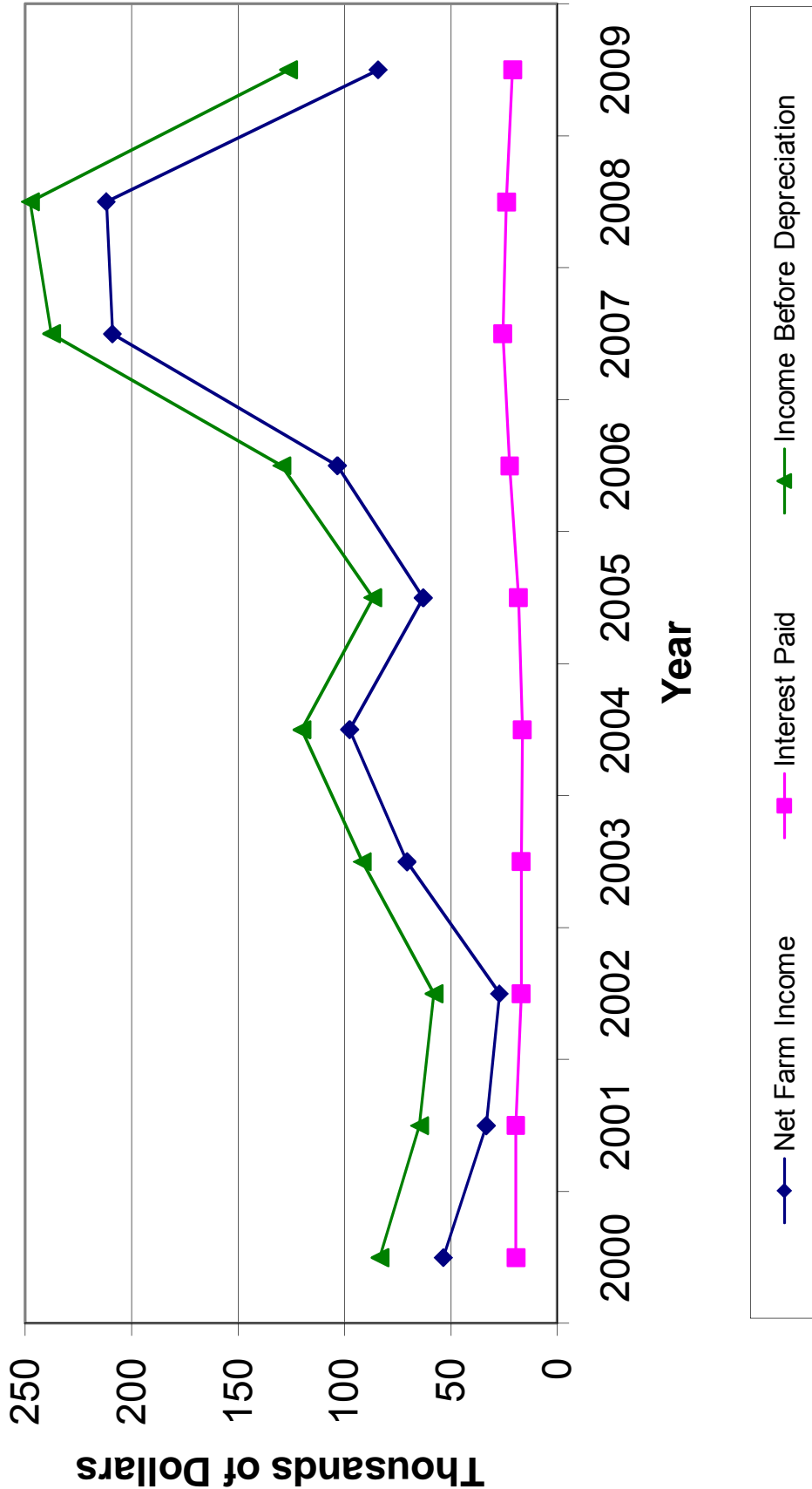
	2005	2006	2007	2008	2009
Net Farm Income	\$62,940	\$103,303	\$209,012	\$211,890	\$84,212
+ Net Nonfarm Income ¹	27,810	29,614	31,668	30,913	34,567
- Family Living ²	(52,457)	(53,717)	(59,771)	(65,417)	(65,191)
- Income & Social Security Taxes ²	(9,316)	(9,226)	(9,868)	(14,193)	(18,604)
Change in Net Worth ³	\$28,977	\$69,974	\$171,041	\$163,193	\$34,984
+ Depreciation	<u>\$23,749</u>	<u>\$26,240</u>	<u>\$28,616</u>	<u>\$35,808</u>	<u>\$42,216</u>
Funds Available for Debt Repayment	\$52,726	\$96,214	\$199,657	\$199,001	\$77,200
Capital Purchases	\$44,110	\$45,659	\$62,951	\$90,381	\$89,589
Cash Interest Paid	\$18,268	\$22,373	\$25,598	\$23,924	\$21,025

¹ Actual net nonfarm income received.

² Actual amounts less 10 percent used.

³ Cost basis—no change in land value included.

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



Selected Financial Factors, Operator Only—2009

Item	Farm Type				All
	Grain	Hog	Dairy	Beef	
Number of Farms	2,361	52	65	28	2,624
Tillable Acres	1,089	884	370	480	1,031
Gross Farm Returns/Operator Acre	\$676	\$766	\$899	\$654	\$681
Total Nonfeed Costs/Operator Acre	\$658	\$942	\$1,147	\$822	\$672
Management Returns/Operator Acre	\$22	(\$169)	(\$245)	(\$165)	\$13
Net Farm Income per Operator	\$82,313	(\$24,589)	(\$8,940)	\$78	\$74,692
Labor & Management Income per Operator	\$45,995	(\$48,790)	(\$35,242)	(\$30,861)	\$39,529
Capital Purchases	\$94,181	\$80,258	\$38,694	\$41,839	\$89,589
Farm Production per Man Year	\$521,958	\$271,739	\$145,110	\$182,829	\$489,437
Production per \$1.00 Nonfeed Costs	\$1.03	\$0.81	\$0.78	\$0.80	\$1.01
Percent of Farm Production					
Cash Operating Expenses	78.0	100.4	94.0	90.5	78.8
Depreciation	6.2	7.5	10.1	9.3	6.3
Operator Income	15.8	(7.9)	(4.1)	0.2	14.9

Selected FBFM Factors, Operator Only—2000 to 2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of Farms	3,143	3,072	3,165	3,018	3,015	2,940	2,640	2,748	2,572	2,624
Total Acres	902	934	947	974	1,010	1,027	1,058	1,070	1,101	1,077
Tillable Acres	850	879	895	923	959	977	1,005	1,019	1,049	1,031
Corn Yield	156	159	145	172	184	148	173	189	194	182
Soybean Yield	47	48	47	38	53	51	52	50	51	50
Wheat Yield	62	64	52	69	63	64	69	58	67	61
% Tillable Land in Corn/Corn Silage	49	49	49	50	52	54	52	60	56	55
Total Cash Operating Income	\$277,733	\$296,275	\$276,889	\$316,260	\$367,239	\$374,808	\$389,786	\$482,852	\$638,147	\$620,268
Crop and Livestock Inventory Change	14,988	(529)	3,569	22,837	22,141	403	67,785	119,507	46,071	(18,431)
Misc. Income and Change in Acct. Rec.	316	(1,632)	1,562	(1,915)	6,866	5,327	(14,757)	2	9,394	(7,877)
Less: Purchased Feed and PIK Certs.	(14,838)	(15,421)	(14,730)	(16,709)	(19,389)	(14,536)	(13,913)	(18,802)	(21,639)	(16,607)
Purchased Livestock	(14,238)	(15,795)	(13,753)	(15,250)	(16,234)	(16,113)	(14,295)	(15,694)	(14,064)	(11,318)
Gross Farm Returns	\$263,961	\$262,898	\$253,537	\$305,223	\$360,623	\$349,889	\$414,606	\$567,865	\$657,909	\$566,035
Total Operating Expense	\$182,254	\$199,804	\$197,181	\$215,539	\$242,942	\$266,019	\$288,076	\$333,564	\$414,021	\$442,905
Income before Depreciation	81,707	63,094	56,356	89,684	117,681	83,870	126,530	234,301	243,888	123,130
Less Depreciation (Plus Capital Acct. Adj.)	28,166	29,698	29,152	19,044	20,167	20,930	23,227	25,289	31,998	38,918
Net Farm Income	\$53,541	\$33,396	\$27,204	\$70,640	\$97,514	\$62,940	\$103,303	\$209,012	\$211,890	\$84,212
Net Farm Income as % GFR	20.3	12.7	10.7	23.1	27.0	18.0	24.9	36.8	32.2	14.9
Operator's Labor and Mgmt. Income	\$33,707	\$16,712	\$12,976	\$55,678	\$77,906	\$38,787	\$72,818	\$171,507	\$175,558	\$44,551
Interest Expense	\$19,416	\$19,491	\$16,994	\$16,921	\$16,427	\$18,268	\$22,373	\$25,598	\$23,924	\$21,025
Interest Expense as % of GFR	7.4	7.4	6.7	5.5	4.6	5.2	5.4	4.5	3.6	3.7
Gross Farm Returns/Tillable Acre	\$311	\$299	\$283	\$331	\$376	\$358	\$413	\$557	\$627	\$549
Total Operating Expense/Tillable Acre	\$214	\$227	\$220	\$234	\$253	\$272	\$287	\$327	\$395	\$430
Depreciation/Tillable Acre	\$33	\$34	\$33	\$21	\$21	\$21	\$23	\$25	\$31	\$38
Net farm Income/Tillable Acre	\$63	\$38	\$30	\$77	\$102	\$64	\$103	\$205	\$202	\$82
Total Investment	\$135,015	\$143,355	\$143,976	\$155,083	\$177,242	\$186,107	\$221,028	\$310,853	\$392,252	\$394,206
Crops and Feed	26,820	30,224	27,521	27,223	32,553	32,868	29,190	31,374	30,520	25,873
Livestock (Market & Breeding Stock)	54,210	56,272	54,580	61,487	76,887	91,374	104,476	122,725	158,305	187,560
Machinery (Book Value)	22,253	23,038	23,259	26,135	27,768	31,713	34,476	37,501	45,191	49,940
Buildings (Book Value)	483,148	511,097	544,009	564,278	637,063	698,471	729,032	821,007	942,781	929,995
Land	\$721,446	\$763,986	\$793,345	\$834,206	\$951,513	\$1,040,533	\$1,118,202	\$1,323,460	\$1,569,049	\$1,587,574
Total										

Financial Characteristics of Illinois FBFM Grain Farms

	2009	2008	2007	2006	4-Year Average	My Farm
Number of Farms	2,410	2,421	2,443	2,254	2,382	
Liquidity						
Working Capital	\$317,726	\$351,299	\$288,994	\$181,573	\$284,898	
Current Ratio						
Upper Quartile	5.63	5.85	5.79	4.58	5.46	
Median	2.31	2.51	2.38	1.86	2.27	
Solvency						
Net Worth (Market)	\$1,759,082	\$1,651,985	\$1,474,834	\$1,241,174	\$1,531,769	
Debt/Equity Ratio (%)						
Upper Quartile	11.5	11.5	12.0	13.7	12.2	
Median	28.7	29.0	30.4	35.0	30.8	
Debt/Total Asset Ratio (%)						
Upper Quartile	10.4	10.4	10.8	12.2	11.0	
Median	22.4	22.7	23.6	26.1	23.7	
Profitability						
Net Farm Income	\$80,760	\$196,347	\$189,000	\$91,431	\$139,385	
Return on Farm Assets (%)						
Upper Quartile	6.7	17.1	21.0	10.2	13.8	
Median	3.3	10.8	13.2	6.2	8.4	
Return on Farm Equity (%)						
Upper Quartile	7.9	24.7	30.8	13.8	19.3	
Median	3.0	12.9	16.2	6.4	9.6	
Repayment Capacity						
Debt/Farm Operating Income	5.25	2.25	2.05	4.09	3.41	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	1.1	1.1	1.7	2.2	1.5	
Median	3.1	2.9	3.8	4.7	3.6	
Operating Expense Ratio						
Upper Quartile	62.1	49.3	44.6	54.5	52.6	
Median	71.2	57.0	51.5	62.5	60.6	
Depreciation Expense Ratio						
Upper Quartile	4.9	3.4	3.0	3.6	3.7	
Median	7.1	5.0	4.6	5.6	5.6	
Farm Operating Income Ratio						
Upper Quartile	28.5	43.1	48.0	35.5	38.8	
Median	18.0	34.5	39.7	26.5	29.7	
Asset Turnover Ratio						
Upper Quartile	0.44	0.55	0.59	0.48	0.52	
Median	0.30	0.37	0.38	0.31	0.34	

NA = not available yet.

Financial Characteristics of Illinois FBFM Hog Farms

	2009	2008	2007	2006	4-Year Average	My Farm
Number of Farms	51	51	60	61	56	
Liquidity						
Working Capital	\$190,303	\$243,776	\$225,750	\$199,690	\$214,880	
Current Ratio						
Upper Quartile	3.63	4.54	3.98	5.75	4.48	
Median	1.73	1.89	1.66	1.92	1.80	
Solvency						
Net Worth (Market)	\$1,745,308	\$1,772,966	\$1,640,487	\$1,251,418	\$1,602,545	
Debt/Equity Ratio						
Upper Quartile	14.6	14.9	12.6	12.3	13.6	
Median	39.5	44.7	46.1	50.5	45.2	
Debt/Total Asset Ratio						
Upper Quartile	12.9	13.6	12.8	12.7	13.0	
Median	32.8	31.2	33.2	34.4	32.9	
Profitability						
Net Farm Income	-\$65,685	\$47,807	\$82,022	\$85,620	\$37,441	
Return on Farm Assets						
Upper Quartile	1.8	8.6	10.7	9.8	7.7	
Median	(2.5)	2.7	5.2	4.9	2.6	
Return on Farm Equity						
Upper Quartile	0.6	9.7	11.6	11.0	8.2	
Median	(4.4)	1.4	3.8	4.3	1.3	
Repayment Capacity						
Debt/Farm Operating Income	*	7.83	5.43	5.03	6.1	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	2.3	1.9	3.3	2.4	7.2	
Median	6.6	6.5	6.8	6.3	6.6	
Operating Expense Ratio						
Upper Quartile	70.5	57.1	53.1	56.9	59.4	
Median	89.3	68.8	65.0	63.2	71.6	
Depreciation Expense Ratio						
Upper Quartile	6.1	4.5	4.1	4.1	4.7	
Median	8.6	6.8	6.7	6.1	7.1	
Farm Operating Income Ratio						
Upper Quartile	14.5	32.2	33.0	32.5	28.1	
Median	-4.6	14.4	18.8	20.3	12.2	
Asset Turnover Ratio						
Upper Quartile	0.35	0.44	0.42	0.42	0.41	
Median	0.24	0.27	0.27	0.27	0.26	

* Undefined due to negative farm operating income.

NA = not available yet.

Financial Characteristics of Illinois FBFM Beef Farms

	2009	2008	2007	2006	4-Year Average	My Farm
Number of Farms	21	24	19	23	22	
Liquidity						
Working Capital	\$240,168	\$229,777	\$188,407	\$176,536	\$208,722	
Current Ratio						
Upper Quartile	4.00	6.13	5.87	5.35	5.34	
Median	1.62	2.09	2.15	1.81	1.67	
Solvency						
Net Worth (Market)	\$1,554,669	\$1,541,633	\$1,348,433	\$1,258,334	\$1,425,767	
Debt/Equity Ratio						
Upper Quartile	11.1	10.2	14.9	13.3	12.4	
Median	42.9	25.4	30.4	56.6	38.8	
Debt/Total Asset Ratio						
Upper Quartile	10.0	9.3	13.0	11.7	11.0	
Median	30.0	20.2	23.3	36.1	27.4	
Profitability						
Net Farm Income	\$4,761	\$50,518	\$51,940	\$48,574	\$38,948	
Return on Farm Assets						
Upper Quartile	0.7	6.3	5.4	5.5	4.5	
Median	(1.4)	1.1	1.3	2.0	0.8	
Return on Farm Equity						
Upper Quartile	-	6.3	4.7	13.8	6.2	
Median	(5.2)	0.5	0.1	(0.2)	-1.2	
Repayment Capacity						
Debt/Farm Operating Income	45.16	5.64	10.45	9.63	14.18	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	3.4	2.6	3.0	2.1	2.8	
Median	6.6	5.1	8.7	9.0	7.4	
Operating Expense Ratio						
Upper Quartile	69.7	53.1	62.7	56.1	60.4	
Median	80.2	65.3	64.8	67.1	69.4	
Depreciation Expense Ratio						
Upper Quartile	6.9	6.2	4.8	6.3	6.1	
Median	8.0	9.6	7.4	8.1	8.3	
Farm Operating Income Ratio						
Upper Quartile	16.2	36.9	26.2	28.2	26.9	
Median	1.1	19.3	18.5	14.6	13.4	
Asset Turnover Ratio						
Upper Quartile	0.28	0.32	0.35	0.29	0.31	
Median	0.19	0.17	0.17	0.21	0.19	

NA = not available yet.

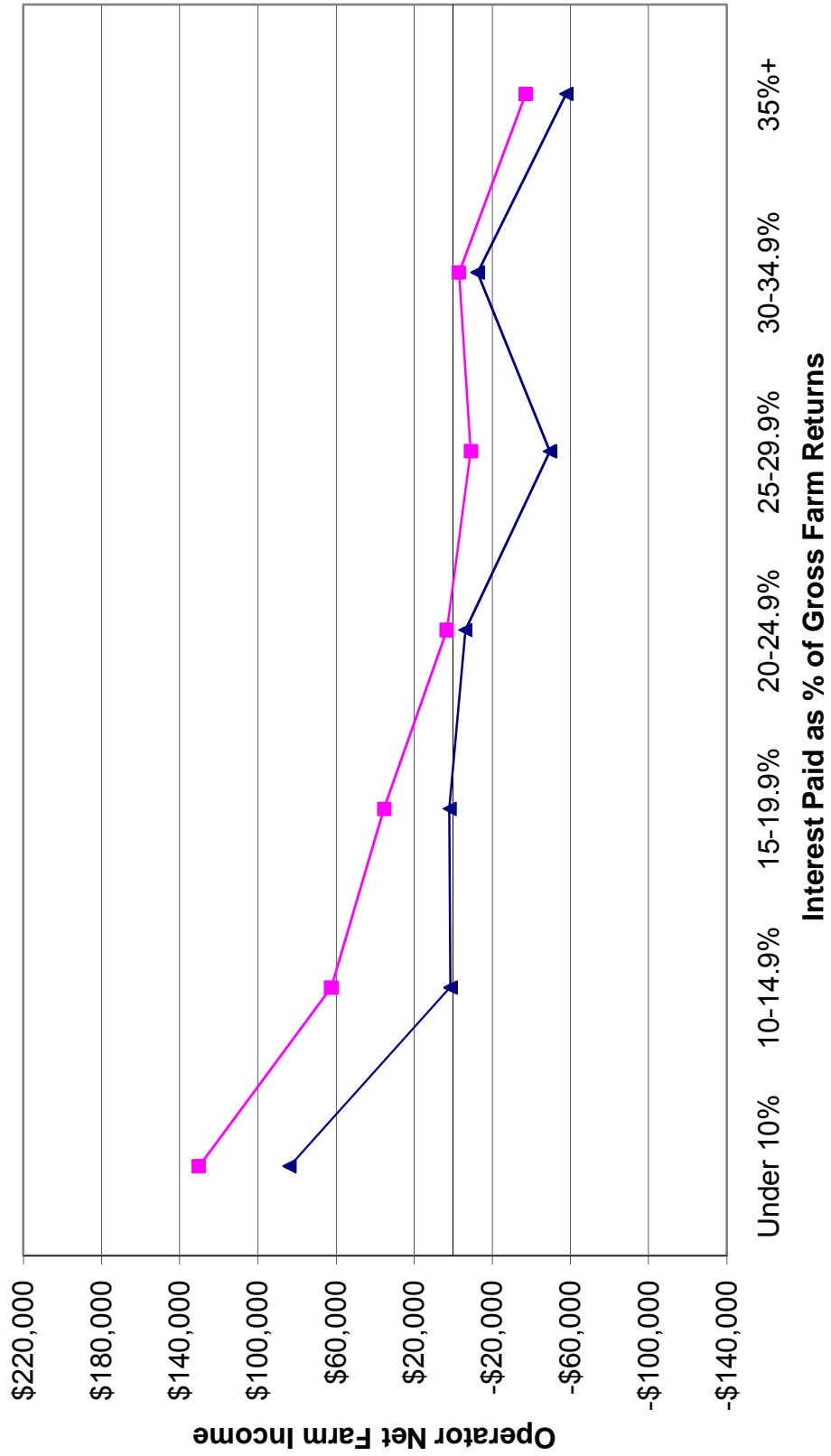
Financial Characteristics of Illinois FBFM Dairy Farms

	2009	2008	2007	2006	4-Year Average	My Farm
Number of Farms	62	66	67	60	64	
Liquidity						
Working Capital	\$47,983	\$61,241	\$88,151	\$55,772	\$63,287	
Current Ratio						
Upper Quartile	3.98	3.38	4.59	3.28	3.81	
Median	1.50	1.53	1.83	1.37	1.56	
Solvency						
Net Worth (Market)	\$1,085,580	\$1,068,647	\$954,331	\$920,913	\$1,007,368	
Debt/Equity Ratio						
Upper Quartile	19.7	22.5	12.0	22.4	19.2	
Median	43.2	45.8	35.0	36.8	40.2	
Debt/Total Asset Ratio						
Upper Quartile	18.5	18.3	12.3	18.3	16.9	
Median	31.6	31.4	26.6	26.9	29.1	
Profitability						
Net Farm Income	(\$20,886)	\$56,929	\$123,807	\$55,766	\$53,904	
Return on Farm Assets						
Upper Quartile	(0.2)	7.5	15.7	6.5	7.4	
Median	(2.7)	3.6	9.2	3.6	3.4	
Return on Farm Equity						
Upper Quartile	(2.7)	7.1	23.2	7.2	8.7	
Median	(6.2)	1.5	9.6	1.9	1.7	
Repayment Capacity						
Debt/Farm Operating Income	*	6.17	3.26	5.44	4.96	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	3.2	3.3	2.1	3.9	3.1	
Median	9.0	7.2	4.8	6.5	6.9	
Operating Expense Ratio						
Upper Quartile	71.8	57.3	44.8	54.5	57.1	
Median	83.0	66.3	52.5	61.3	65.8	
Depreciation Expense Ratio						
Upper Quartile	7.6	5.4	2.8	4.5	5.1	
Median	10.5	6.9	4.7	6.5	7.2	
Farm Operating Income Ratio						
Upper Quartile	6.6	29.7	45.9	32.7	28.7	
Median	(5.9)	20.8	34.1	25.7	18.7	
Asset Turnover Ratio						
Upper Quartile	0.29	0.44	0.58	0.35	0.42	
Median	0.20	0.27	0.37	0.27	0.28	

* Undefined due to negative farm operating income.

NA = not available yet.

Operator's Net Farm Income by Interest Paid as a Percent of Gross Farm Returns



—▲— 2009 —■— 2005-2009 Avg.

Illinois FBFM Management Returns per Tillable Acre by Farm Type¹

	Northern and Central Illinois				Southern Illinois			
	Dairy	Beef	Hog	Grain	Dairy	Beef	Hog	Grain
1961-65	4	8	20	12	14	11	22	13
1966-70	5	(5)	12	3	17	3	17	6
1971-75	4	9	76	51	21	19	51	29
1976-80	(4)	(74)	(11)	(17)	40	(56)	(4)	5
1981-85	(107)	(101)	(58)	(16)	(65)	(111)	(48)	(32)
1986-90	(5)	(23)	17	5	46	(31)	38	15
1991-95	(22)	(44)	6	25	26	(54)	7	26
1996-00	(34)	(47)	(10)	8	(14)	(112)	(29)	(10)
2001-05	28	(10)	47	18	67	(66)	11	7
2001	5	(80)	8	(14)	56	(117)	17	(9)
2002	(62)	(59)	(80)	(6)	(82)	(132)	(110)	(59)
2003	4	85	21	39	55	(10)	28	42
2004	91	22	227	56	248	(3)	176	55
2005	78	(37)	75	11	106	(17)	86	12
2006	(119)	(42)	44	63	12	(157)	105	34
2007	211	38	43	200	156	135	(6)	79
2008	(7)	(8)	(4)	165	135	(287)	19	135
2009 ²	(169)	(284)	(181)	26	(76)	(146)	(123)	20

¹ 1995 and later, data is operator's management returns per operator tillable acre. Prior to 1995, data is total farm management returns per total farm tillable acre.

² Estimated from preliminary data.

Summary of Farm and Family Sources and Uses of Dollars—1999 to 2009

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of Families	938	1,087	1,175	1,216	1,102	1,225	1,209	1,196	1,232	1,176	1,164
Total Tillable Operator Acres	581	591	596	623	668	699	694	725	729	745	723
Net Farm Income	\$38,091	\$49,960	\$29,678	\$32,168	\$66,290	\$93,704	\$55,030	\$94,756	\$193,675	\$194,207	\$76,697
SOURCES OF DOLLARS											
Nontaxable Receipts	\$34,025	\$42,542	\$39,162	\$38,503	\$38,042	\$53,396	\$48,633	\$48,772	\$63,164	\$82,347	\$74,433
Net Nonfarm Income	19,170	22,424	23,374	24,716	25,919	27,280	27,810	29,614	31,668	30,913	34,567
Money Borrowed	185,424	172,889	194,479	198,884	240,363	246,566	252,685	262,230	306,747	368,663	340,794
Total Farm Receipts	249,956	260,066	266,422	257,579	305,957	351,327	351,457	364,712	446,952	581,949	568,554
TOTAL SOURCE ALL DOLLARS	\$488,575	\$497,921	\$523,437	\$519,682	\$610,281	\$678,569	\$680,565	\$705,328	\$848,531	\$1,063,872	\$1,018,348
USES OF DOLLARS—FARM											
Interest Paid	\$19,585	\$19,213	\$19,297	\$17,194	\$17,713	\$17,491	\$18,303	\$21,386	\$25,681	\$25,387	\$22,664
Other Farm Expenses	166,255	174,594	185,154	182,720	218,726	252,258	260,479	265,931	319,035	409,072	389,334
Mach. & Bldg. Purchases	23,232	29,877	30,557	29,699	35,291	46,156	42,495	40,029	59,969	82,684	85,120
TOTAL FARM EXPENDITURES	\$209,072	\$223,684	\$235,008	\$229,613	\$271,730	\$315,905	\$321,277	\$327,346	\$404,685	\$517,143	\$497,118
Principal Payments	\$182,933	\$166,890	\$179,988	\$183,423	\$225,968	\$229,008	\$230,072	\$245,450	\$274,809	\$332,573	\$319,492
Income & Social Security Taxes	11,046	10,998	11,475	9,867	7,571	8,208	10,351	10,251	10,964	15,770	20,671
Savings & Investment	40,252	48,826	48,866	47,915	52,076	66,885	60,541	62,540	91,829	125,731	108,615
LIVING EXPENSES											
Contributions	\$1,448	\$1,597	\$1,567	\$1,454	\$1,583	\$1,816	\$2,058	\$1,888	\$2,303	\$2,667	\$2,788
Medical	5,613	5,561	5,710	6,335	6,581	7,320	7,433	7,665	8,071	8,328	8,579
Life Insurance	2,575	2,701	2,660	2,590	2,681	2,753	2,900	2,978	3,039	3,202	3,431
Expendables	31,218	32,685	33,275	34,096	37,314	40,700	40,352	42,463	46,881	50,975	50,369
Total Noncapital	\$40,854	\$42,544	\$43,212	\$44,475	\$48,159	\$52,589	\$52,743	\$54,994	\$60,294	\$65,172	\$65,167
Capital	4,371	4,982	4,885	4,380	4,749	5,960	5,542	4,692	6,118	7,514	7,267
TOTAL LIVING EXPENSE	\$45,225	\$47,526	\$48,097	\$48,855	\$52,908	\$58,549	\$58,285	\$59,686	\$66,412	\$72,686	\$72,434
TOTAL USE ALL DOLLARS	\$488,528	\$497,924	\$523,434	\$519,673	\$610,253	\$678,555	\$680,526	\$705,273	\$848,699	\$1,063,903	\$1,018,330
Interest as % of Farm Receipts	7.8	7.4	7.2	6.7	5.8	5.0	5.2	5.9	5.7	4.4	4.0
Total Family Living/Opr. TA	\$78	\$80	\$81	\$78	\$79	\$84	\$84	\$82	\$91	\$98	\$100
Nonfarm Income/Opr. TA	33	38	39	40	39	39	40	41	43	41	48
Net Family Living/Opr. TA	\$45	\$42	\$41	\$39	\$40	\$45	\$44	\$41	\$48	\$56	\$52
Net Farm Cash/Opr. TA	51	43	33	29	40	39	29	37	43	66	70
Cash Surplus (Deficit)/Opr. TA	\$7	\$0	(\$8)	(\$10)	(\$0)	(\$6)	(\$15)	(\$4)	(\$5)	\$10	\$18

Equivalent Cash Rent Based on Landlord's Crop-Share Data—1983 to 2009

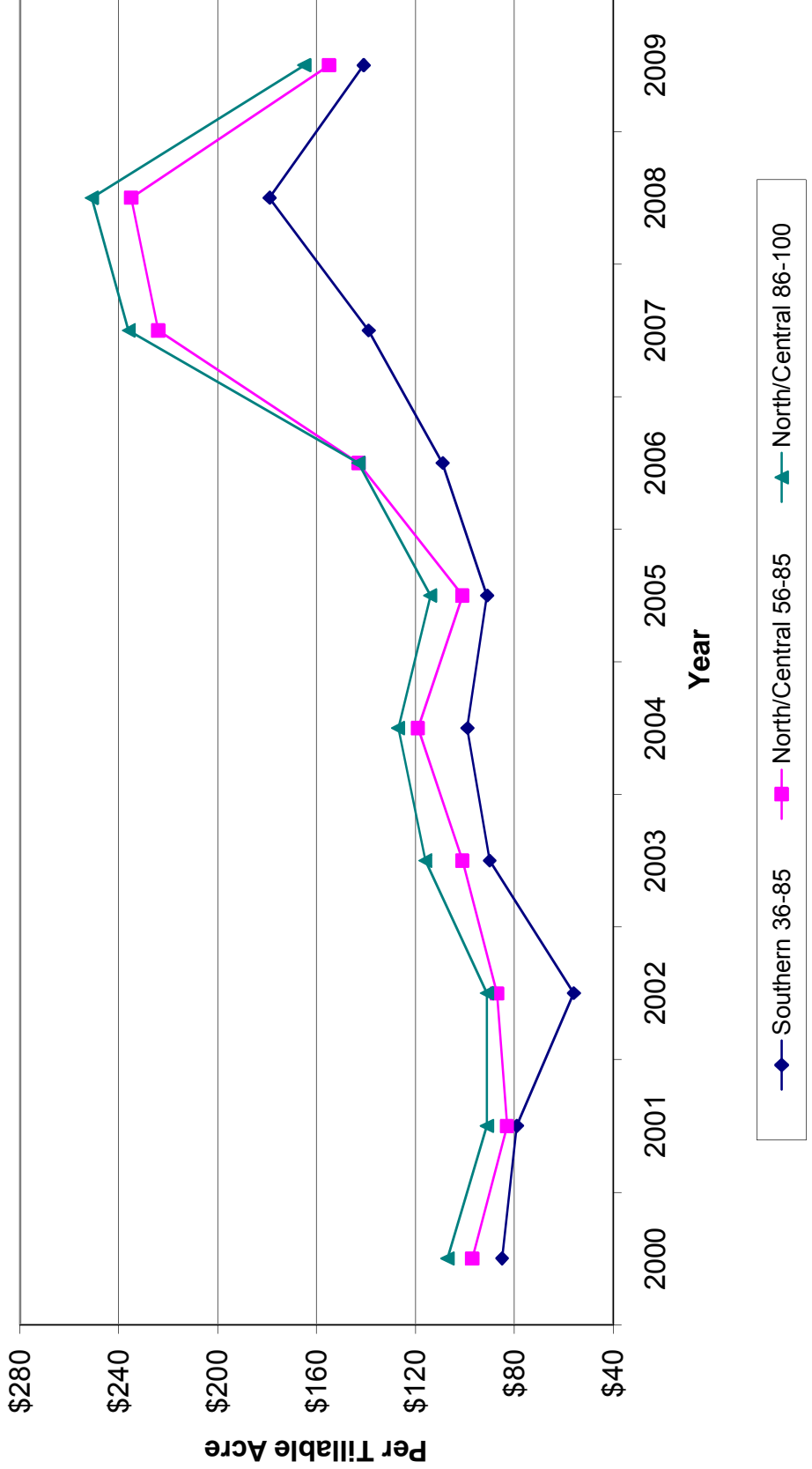
	Gross Returns	-	Expenses	=	Net Rents	+	Taxes, Bldg., & Misc. Expenses	=	Equivalent Gross Cash Rents ¹
(per tillable acre)									
86–100 SPR									
1983	162.41		59.02		102.39		29.67		132.06
1984	156.45		67.47		88.98		30.31		119.29
1985	179.40		69.19		110.20		29.64		139.84
1987	147.66		57.85		89.81		27.38		117.19
1988	122.49		61.33		61.16		27.14		88.30
1989	160.32		65.07		95.25		27.41		122.66
1990	161.19		64.97		96.22		27.00		123.22
1991	146.53		65.74		80.79		25.71		106.50
1992	173.68		65.84		107.84		25.64		133.48
1993	187.86		66.11		121.75		25.85		147.60
1994	177.45		67.67		109.78		26.04		135.82
1995	183.44		78.93		104.51		29.57		134.08
1996	211.41		85.18		126.23		31.99		158.22
1997	202.03		87.42		114.61		32.50		147.11
1998	168.45		88.08		80.37		33.04		113.41
1999	183.90		86.99		96.91		35.18		132.09
2000	195.55		88.18		107.37		36.82		144.19
2001	181.81		90.58		91.23		37.04		128.27
2002	179.81		89.26		90.55		34.92		125.47
2003	203.30		87.45		115.85		31.64		147.49
2004	221.45		94.52		126.93		33.45		160.38
2005	217.19		102.83		114.36		33.62		147.98
2006	246.90		104.22		142.68		34.31		176.99
2007	351.33		114.99		236.34		34.86		271.20
2008	390.50		139.95		250.55		37.53		288.08
2009	350.91		185.66		165.25		41.93		207.18
56–85 SPR									
1983	138.81		59.59		79.22		28.76		107.98
1984	135.45		63.33		72.12		28.47		100.59
1985	158.69		65.75		92.94		29.82		122.76
1986	127.56		60.48		67.08		27.99		95.07
1987	133.53		55.88		77.65		26.36		104.01
1988	102.06		57.38		44.68		24.23		68.91
1989	146.12		56.93		89.19		24.60		113.79
1990	146.95		61.33		85.62		23.86		109.48
1991	114.58		55.30		59.28		22.53		81.81
1992	155.86		55.33		100.53		21.29		121.82
1993	158.87		58.25		100.62		25.13		125.75
1994	161.54		61.33		100.21		21.13		121.34
1995	167.26		70.21		97.05		24.34		121.39
1996	182.63		77.27		105.36		26.13		131.49
1997	186.20		81.33		104.87		27.76		132.63
1998	154.75		81.76		72.99		28.15		101.14
1999	164.00		79.00		85.00		30.04		115.04
2000	178.64		81.65		96.99		32.64		129.63
2001	171.43		86.19		85.24		33.37		118.61
2002	171.89		83.23		88.66		30.66		119.32
2003	186.27		84.22		102.05		28.06		130.11
2004	209.05		88.76		120.29		29.91		150.20
2005	200.09		98.41		101.68		30.31		131.99
2006	232.78		98.34		134.44		30.86		165.30
2007	330.69		108.74		221.95		30.83		252.78
2008	368.99		137.43		231.56		35.32		266.88
2009	333.67		168.95		164.72		36.39		201.11

¹ Net rents plus taxes, building repairs, depreciation, and miscellaneous expenses.

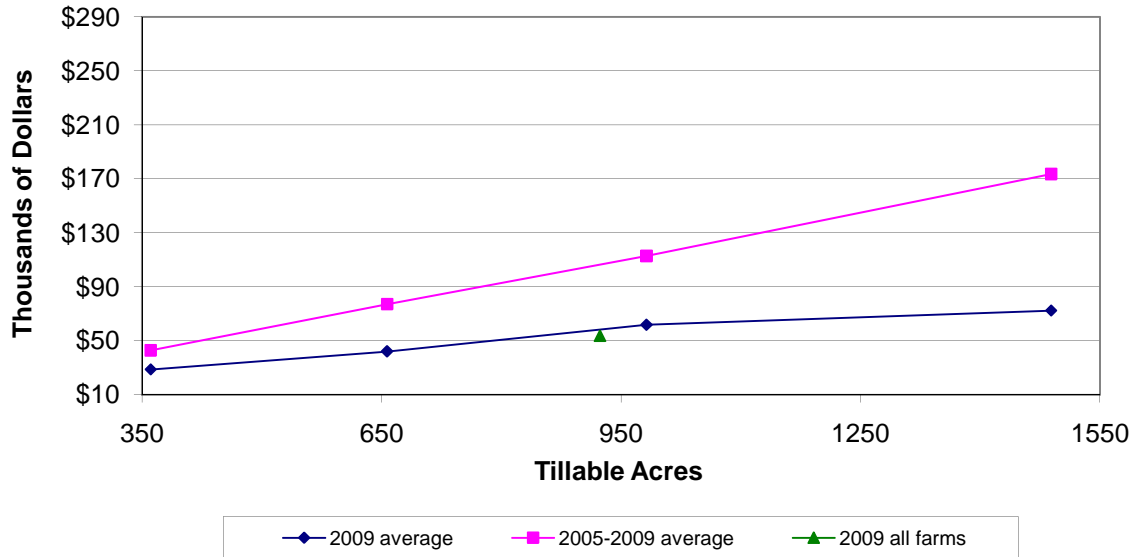
Source: Landlord Shares and Farm Returns reports AE-4693; AE-4657; AERR 205, 203, 199, 197, 190, 187; and unpublished data, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign. For years 1995 and after, landlord's income and expenses estimated from operator data from FBFM record summaries.

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

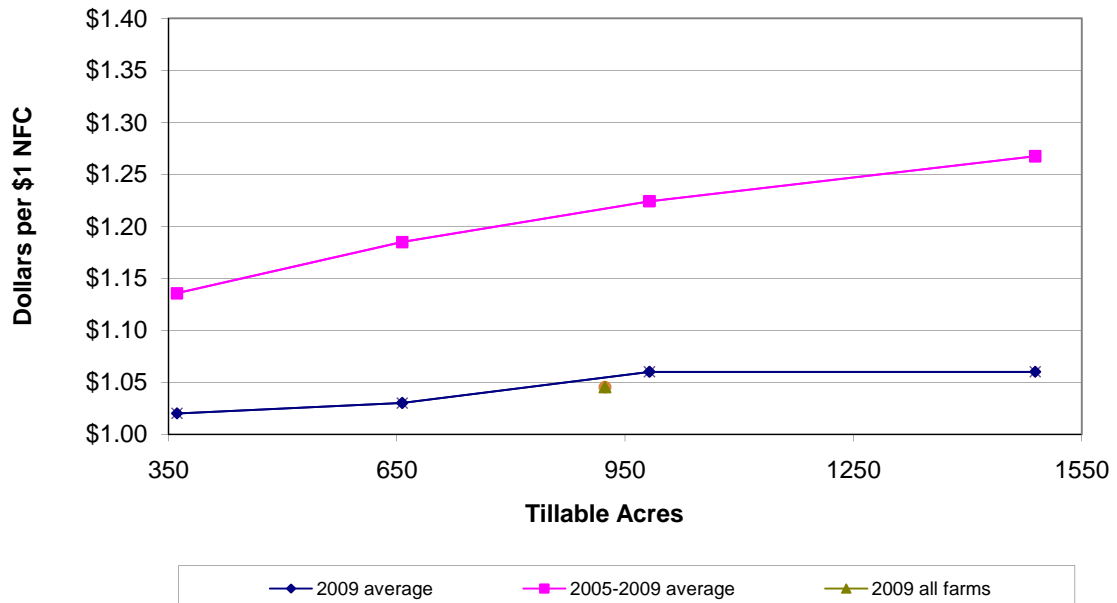
Landlord's Net Rent per Tillable Acre on Full Tenant Farms, Crop-Share Lease 2000 to 2009



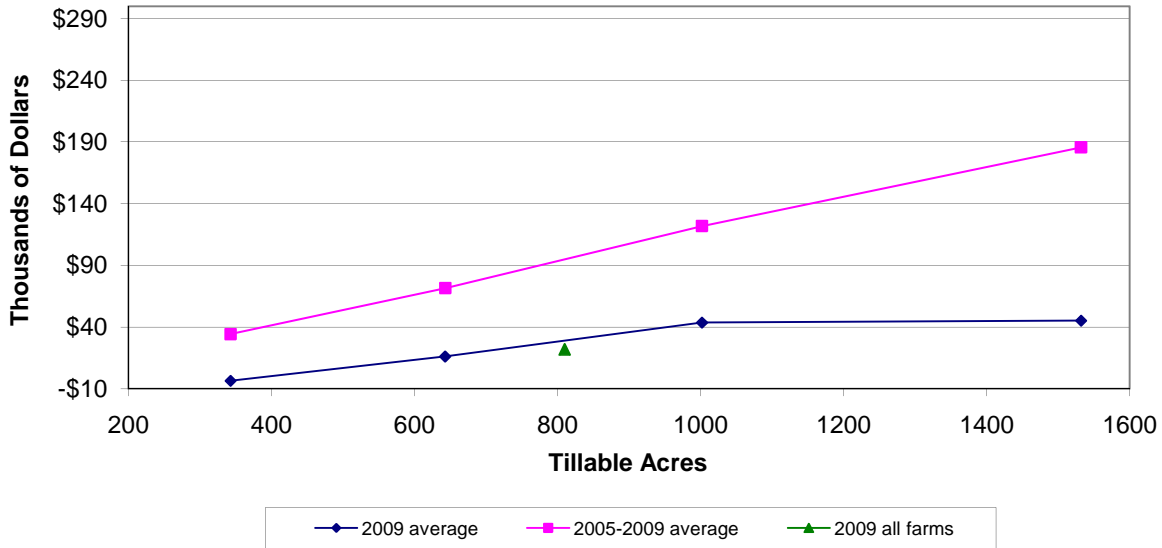
Central Illinois Grain Farms Operator's Share of Labor and Management Earnings



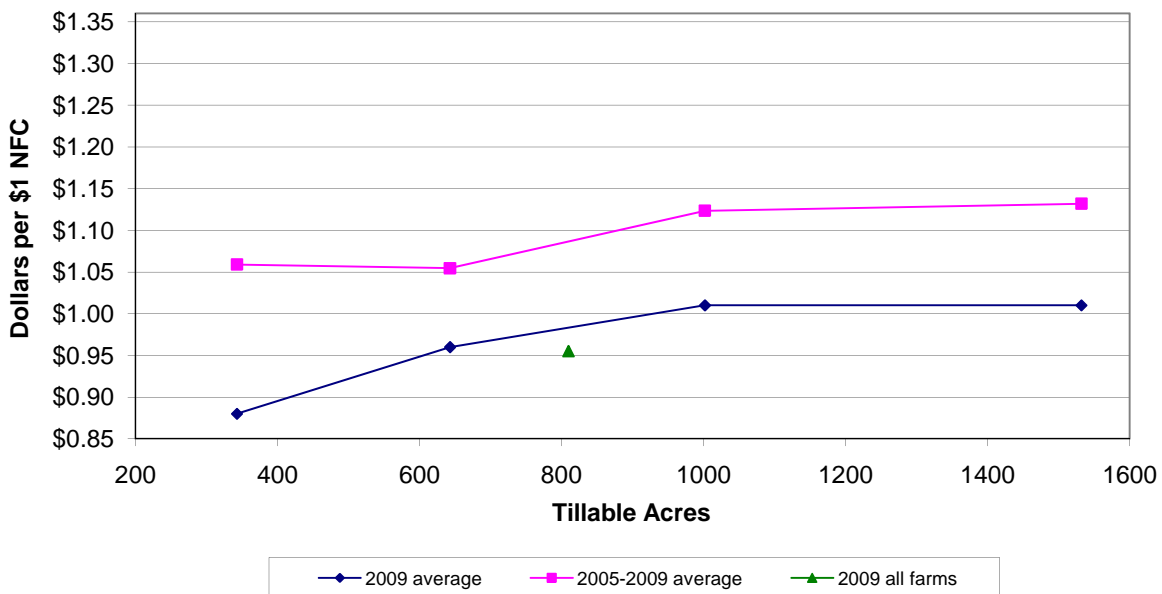
Central Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



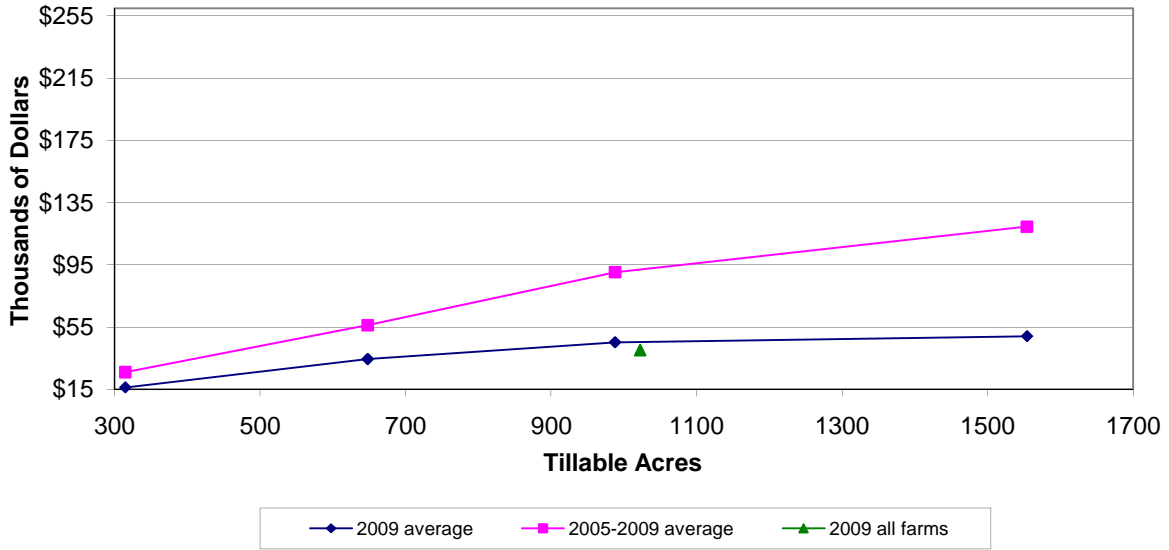
Northern Illinois Grain Farms Operator's Share of Labor and Management Earnings



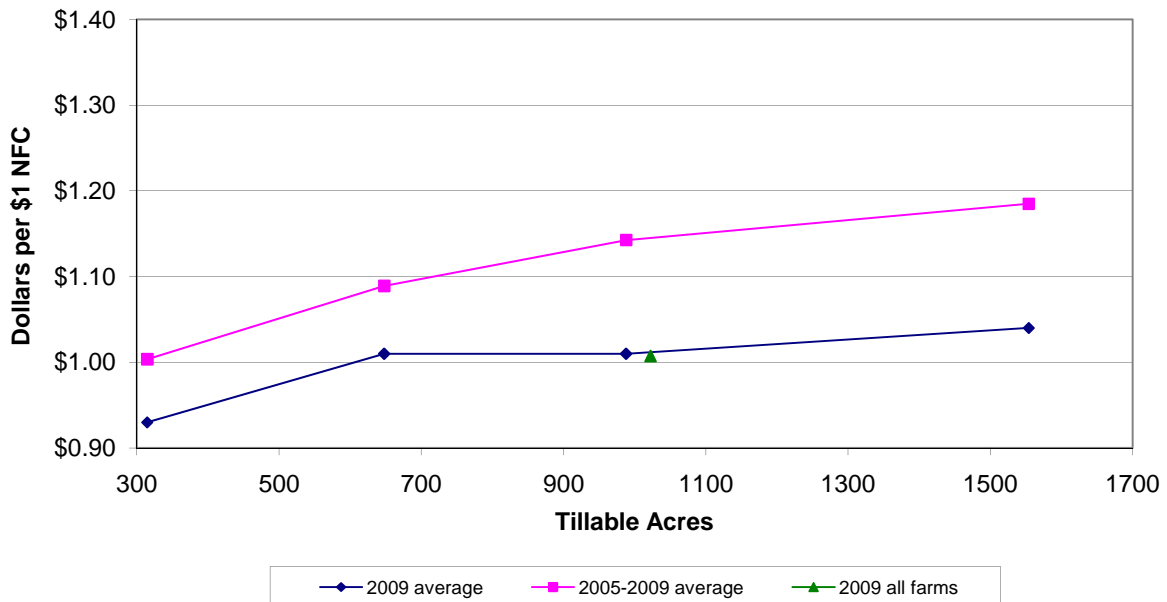
Northern Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



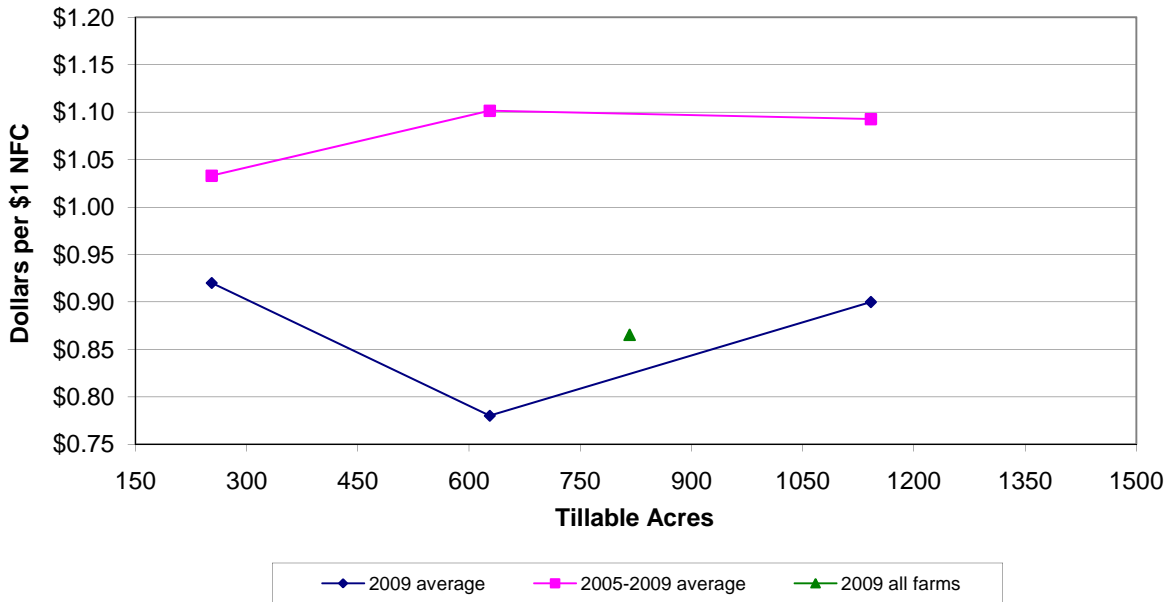
Southern Illinois Grain Farms Operator's Share of Labor and Management Earnings



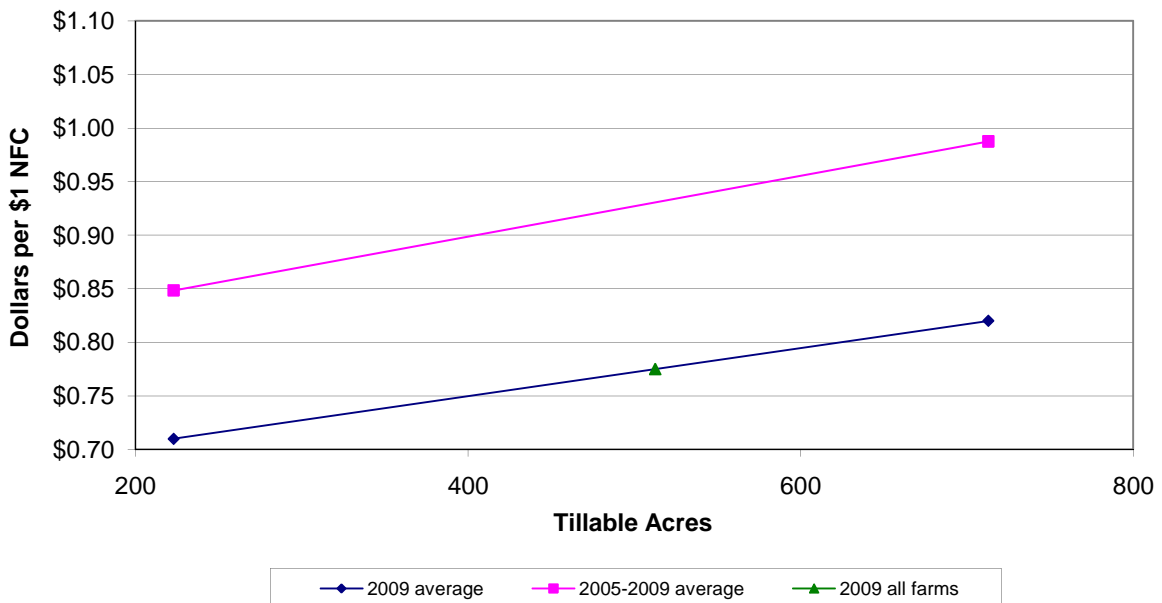
Southern Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



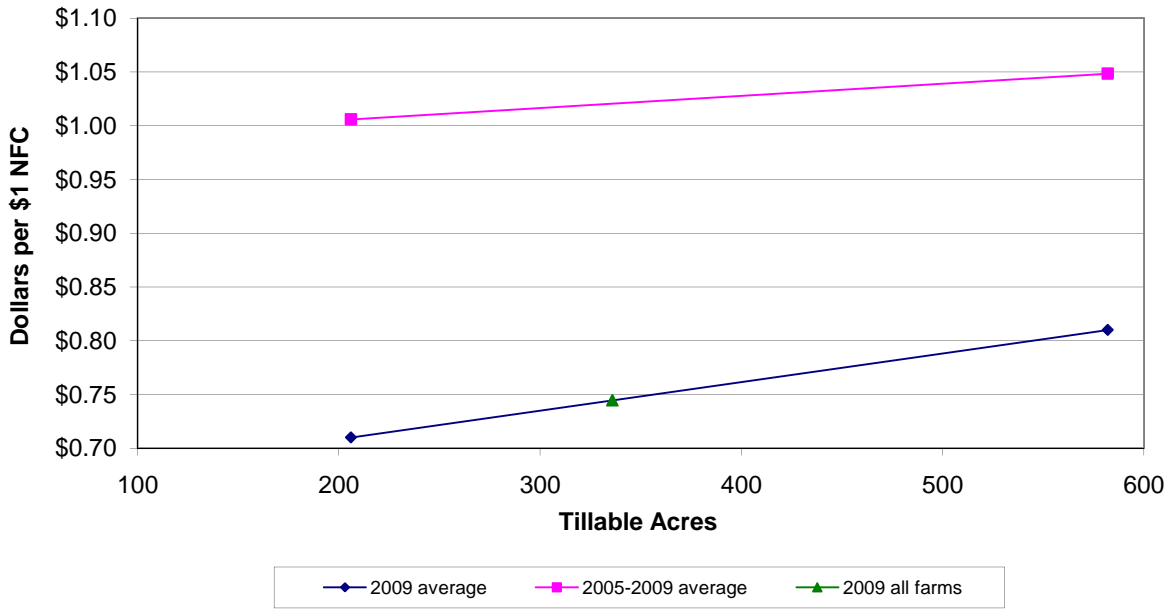
North and Central Illinois Hog Farms Value of Production per \$1.00 of Nonfeed Cost



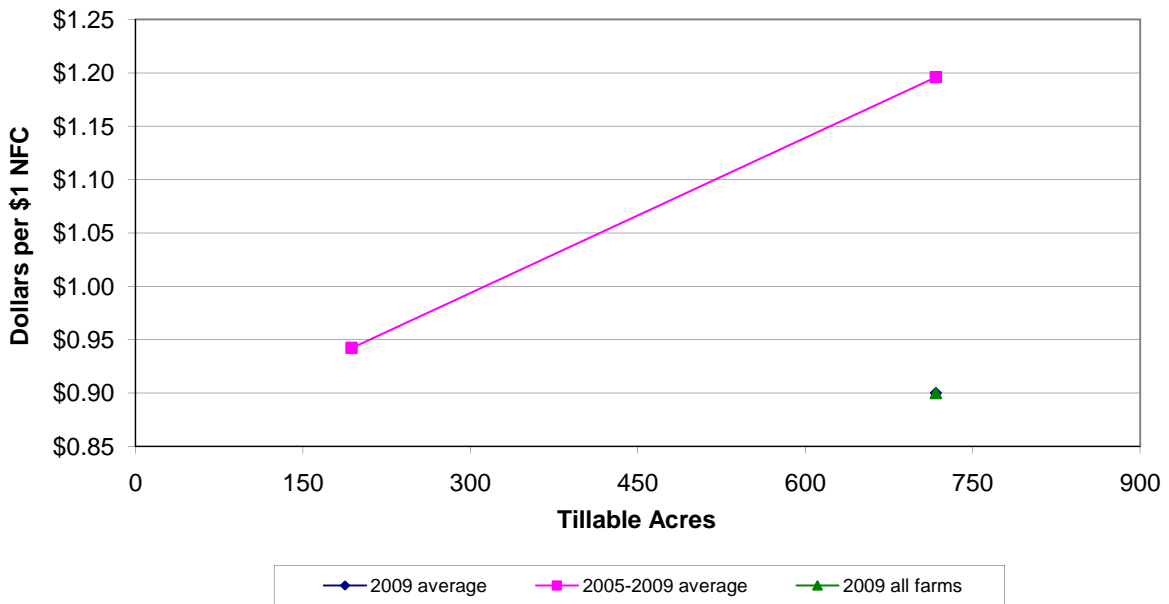
North and Central Illinois Beef Farms Value of Production per \$1.00 of Nonfeed Cost



North and Central Illinois Dairy Farms Value of Production per \$1.00 of Nonfeed Cost



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



**Per Acre Cost to Grow Corn and Soybeans
Northern Illinois Grain Farms—No Livestock (56–100 SPR)**

	Corn		Projected 2010		Soybeans		Projected 2010	
	2008	2009	Average	My	2008	2009	Average	My
			Farm	Farm			Farm	Farm
Number of Farms	392	371			392	371		
Acres of Crop	846	803			398	416		
% Land in Crop	66.3	63.7			31.2	33.0		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$119	\$154	\$90		\$36	\$45	\$50	
Pesticides	44	47	47		27	28	29	
Seed	62	84	100		46	53	53	
Drying	33	48	17		3	4	5	
Machinery Repair, Fuel & Hire	68	65	48		59	56	49	
Total Variable	\$326	\$398	\$302		\$171	\$186	\$186	
% Change	10%	22%	-24%		14%	9%	0%	
Other Nonland Costs								
Labor	\$35	\$40	\$40		\$33	\$36	\$36	
Building	16	15	9		9	8	9	
Storage	7	9	6		4	5	3	
Machinery Depreciation	28	38	40		24	33	35	
Nonland Interest	45	42	42		40	37	37	
Overhead	55	45	49		55	45	45	
Total Other	\$186	\$189	\$186		\$165	\$164	\$165	
Total Nonland Costs	\$512	\$587	\$488		\$336	\$350	\$351	
% Change	7%	15%	-17%		17%	4%	0%	
LAND COSTS								
Taxes	\$25	\$29	\$32		\$25	\$29	\$32	
Adjusted Net Rent	139	151	152		139	151	152	
Total Land Costs	\$164	\$180	\$184		\$164	\$180	\$184	
TOTAL—ALL COSTS	\$676	\$767	\$672		\$500	\$530	\$535	
% Change	2%	13%	-12%		14%	6%	1%	
Yield per Acre, Bushel	200	178			50	49		
Nonland Costs per Bushel	\$2.56	\$3.30			\$6.72	\$7.14		
All Costs per Bushel	\$3.38	\$4.31			\$10.00	\$10.82		
Average Yield Past 4 Years	181	189	189		51	51	51	
All Costs per Bushel	\$3.73	\$4.06	\$3.56		\$9.80	\$10.39	\$10.49	

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

	Corn		Projected 2010		Soybeans		Projected 2010	
	2008	2009	Average Farm	My Farm	2008	2009	Average Farm	My Farm
Number of Farms	624	617			624	617		
Acres of Crop	723	736			514	513		
% Land in Crop	57.1	58.1			40.6	40.5		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$124	\$185	\$95	\$62	\$42	\$62	\$50	\$50
Pesticides	46	52	47	31	28	31	30	30
Seed	67	90	100	58	43	58	56	56
Drying	19	38	19	1	1	1	3	3
Machinery Repair, Fuel & Hire	52	45	44	40	45	40	38	38
Total Variable	\$308	\$410	\$305	\$192	\$159	\$192	\$177	\$177
% Change	10%	33%	-26%	21%	9%	21%	-8%	-8%
Other Nonland Costs								
Labor	\$38	\$40	\$41	\$38	\$36	\$38	\$39	\$39
Building	10	10	9	7	6	7	6	6
Storage	11	14	11	7	5	7	4	4
Machinery Depreciation	29	35	37	31	26	31	33	33
Nonland Interest	47	46	46	42	43	42	42	42
Overhead	42	38	51	36	40	36	38	38
Total Other	\$177	\$183	\$195	\$161	\$156	\$161	\$162	\$162
Total Nonland Costs	\$485	\$593	\$500	\$353	\$315	\$353	\$339	\$339
% Change	12%	22%	-16%	12%	12%	12%	-4%	-4%
LAND COSTS								
Taxes	\$25	\$29	\$32	\$29	\$25	\$29	\$32	\$32
Adjusted Net Rent	145	164	165	164	145	164	165	165
Total Land Costs	\$170	\$193	\$197	\$193	\$170	\$193	\$197	\$197
TOTAL—ALL COSTS	\$655	\$786	\$697	\$546	\$485	\$546	\$536	\$536
% Change	11%	20%	-11%	13%	11%	13%	-2%	-2%
Yield per Acre, Bushel	199	192	54	55	54	55	55	55
Nonland Costs per Bushel	\$2.44	\$3.09	\$5.83	\$6.42	\$5.83	\$6.42	\$6.42	\$6.42
All Costs per Bushel	\$3.29	\$4.09	\$8.98	\$9.93	\$8.98	\$9.93	\$9.93	\$9.93
Average Yield Past 4 Years	185	193	193	55	55	55	55	55
All costs per bushel	\$3.54	\$4.07	\$3.61	\$8.82	\$8.82	\$9.93	\$9.75	\$9.75

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

	Corn		Projected 2010		Soybeans		Projected 2010	
	2008	2009	Average	My	2008	2009	Average	My
			Farm	Farm			Farm	Farm
Number of Farms	333	352			333	352		
Acres of Crop	692	717			512	531		
% Land in Crop	55.2	55.7			40.8	41.2		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$127	\$172	\$90		\$41	\$48	\$45	
Pesticides	48	52	47		33	33	30	
Seed	64	90	100		43	47	55	
Drying	20	37	10		1	1	2	
Machinery Repair, Fuel & Hire	60	55	49		50	49	42	
Total Variable	\$319	\$406	\$296		\$168	\$178	\$174	
% Change	13%	27%	-27%		8%	6%	-2%	
Other Nonland Costs								
Labor	\$37	\$40	\$40		\$35	\$40	\$40	
Building	12	12	12		8	10	8	
Storage	9	9	6		4	4	4	
Machinery Depreciation	27	29	32		24	32	32	
Nonland Interest	44	43	43		38	38	37	
Overhead	45	52	53		43	42	42	
Total Other	\$174	\$185	\$186		\$152	\$166	\$163	
Total Nonland Costs	\$493	\$591	\$482		\$320	\$344	\$337	
% Change	13%	20%	-18%		10%	8%	-2%	
LAND COSTS								
Taxes	\$19	\$22	\$24		\$19	\$22	\$24	
Adjusted Net Rent	124	139	139		124	139	139	
Total Land Costs	\$143	\$161	\$163		\$143	\$161	\$163	
TOTAL—ALL COSTS	\$636	\$752	\$645		\$463	\$505	\$500	
% Change	11%	18%	-14%		9%	9%	-1%	
Yield per Acre, Bushel	191	187			50	52		
Nonland Costs per Bushel	\$2.58	\$3.16			\$6.40	\$6.62		
All Costs per Bushel	\$3.33	\$4.02			\$9.26	\$9.71		
Average Yield Past 4 Years	175	185	185		51	52	52	
All Costs per Bushel	\$3.63	\$4.06	\$3.49		\$9.08	\$9.71	\$9.62	

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

	Corn		Projected 2010		Soybeans		Projected 2010	
	2008	2009	Average	My	2008	2009	Average	My
			Farm	Farm			Farm	Farm
Number of Farms	185	207			185	207		
Acres of Crop	600	612			661	694		
% Land in Crop	40.5	40.2			44.6	45.6		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$126	\$149	\$85		\$39	\$46	\$40	
Pesticides	55	55	47		40	40	35	
Seed	58	84	98		38	49	54	
Drying	10	18	9		1	1	1	
Machinery Repair, Fuel & Hire	57	57	44		54	53	43	
Total Variable	\$306	\$363	\$283		\$172	\$189	\$173	
% Change	7%	19%	-22%		5%	10%	-8%	
Other Nonland Costs								
Labor	\$40	\$44	\$44		\$38	\$40	\$40	
Building	12	16	12		6	10	6	
Storage	3	4	4		1	1	2	
Machinery Depreciation	30	44	45		26	42	43	
Nonland Interest	38	39	39		32	38	38	
Overhead	41	41	40		40	40	33	
Total Other	\$164	\$188	\$184		\$143	\$171	\$162	
Total Nonland Costs	\$470	\$551	\$467		\$315	\$360	\$335	
% Change	8%	17%	-15%		7%	14%	-7%	
LAND COSTS								
Taxes	\$13	\$16	\$18		\$13	\$16	\$18	
Adjusted Net Rent	97	89	89		97	89	89	
Total Land Costs	\$110	\$105	\$107		\$110	\$105	\$107	
TOTAL—ALL COSTS	\$580	\$656	\$574		\$425	\$465	\$442	
% Change	8%	13%	-13%		7%	9%	-5%	
Yield per Acre, Bushel	168	163			48	44		
Nonland Costs per Bushel	\$2.80	\$3.38			\$6.56	\$8.18		
All Costs per Bushel	\$3.45	\$4.02			\$8.85	\$10.57		
Average Yield Past 4 Years	149	155	155		46	44	44	
All Costs per Bushel	\$3.89	\$4.23	\$3.70		\$9.24	\$10.57	\$10.05	

ILLINOIS Cost to Grow Corn—1976 to Date

YEAR	YIELD	TOTAL COST/A.	COST PER BUSHEL	ILLINOIS * ANNUAL AVE. PRICE	MANAGEMENT MARGIN
1976	143	288	2.01	2.14	0.13
1977	121	300	2.48	2.09	-0.39
1978	132	308	2.33	2.30	-0.03
1979	148	349	2.36	2.57	0.21
1980	94	385	4.10	3.14	-0.96
1981	138	390	2.83	2.53	-0.30
1982	145	380	2.62	2.66	0.04
1983	86	374	4.35	3.26	-1.09
1984	129	364	2.82	2.65	-0.17
1985	153	356	2.33	2.27	-0.06
1986	149	341	2.29	1.54	-0.75
1987	145	329	2.27	1.96	-0.31
1988	78	324	4.15	2.59	-1.56
1989	140	322	2.30	2.40	0.10
1990	137	332	2.42	2.36	-0.06
1991	113	320	2.83	2.46	-0.37
1992	163	321	1.97	2.11	0.14
1993	138	345	2.50	2.57	0.07
1994	170	360	2.12	2.27	0.15
1995	122	395	3.24	3.30	0.06
1996	146	414	2.84	2.79	-0.05
1997	138	432	3.13	2.53	-0.60
1998	149	427	2.87	2.04	-0.83
1999	152	407	2.68	1.91	-0.77
2000	158	416	2.63	1.91	-0.72
2001	161	420	2.61	2.04	-0.57
2002	145	401	2.77	2.35	-0.42
2003	174	395	2.27	2.42	0.15
2004	184	425	2.31	2.14	-0.17
2005	150	458	3.05	2.08	-0.97
2006	174	488	2.80	3.07	0.27
2007	190	542	2.85	4.09	1.24
2008	194	647	3.34	4.01 **	0.67
2009	184	756	4.11	3.88 **	-0.23
2005-2009 Avg.	178	578	3.23	3.43	0.20
2000-2009 Avg.	171	495	2.87	2.80	-0.08

2000-09 Ave. cost per bu. to grow soybeans was 2.70 times the cost per bu. to grow corn in the same period.

* Seasonal average annual price for corresponding crop year.

** Estimated

ILLINOIS

Cost to Grow Soybeans—1976 to Date

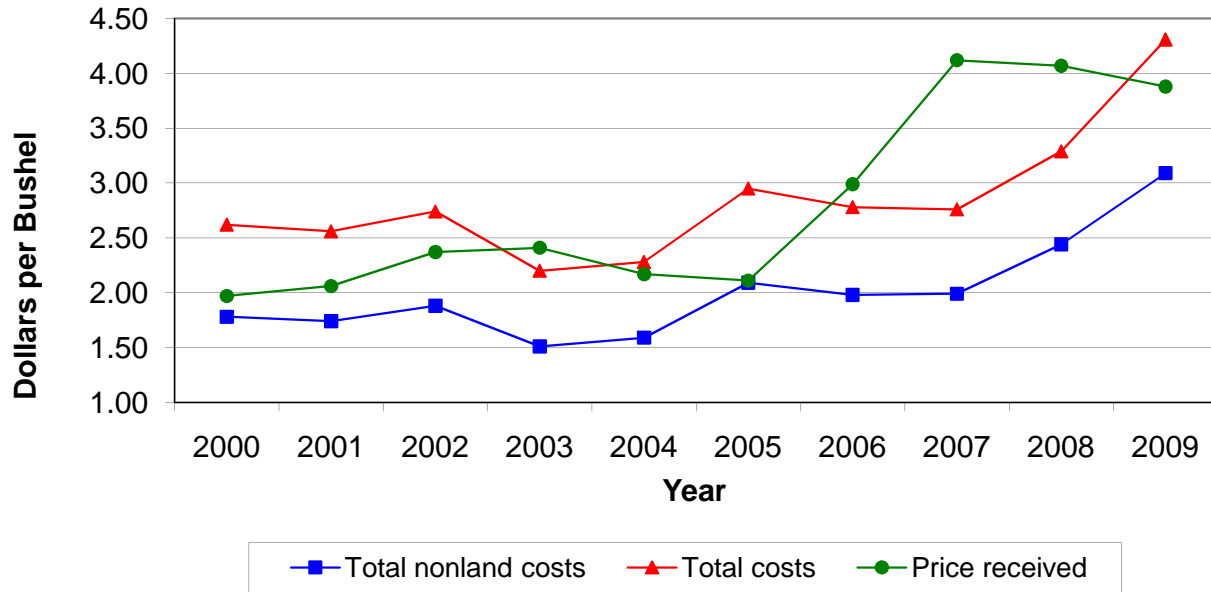
YEAR	YIELD	TOTAL COST/A.	COST PER BUSHEL	ILLINOIS * ANNUAL AVE. PRICE	MANAGEMENT MARGIN
1976	42	231	5.50	7.05	1.55
1977	46	248	5.39	6.01	0.62
1978	43	255	5.93	6.75	0.82
1979	45	283	6.29	6.46	0.17
1980	40	310	7.75	7.62	-0.13
1981	42	308	7.33	6.15	-1.18
1982	43	297	6.91	5.89	-1.02
1983	35	296	8.46	7.94	-0.52
1984	37	289	7.81	5.85	-1.96
1985	49	276	5.63	5.17	-0.46
1986	45	264	5.87	4.91	-0.96
1987	44	260	5.91	6.00	0.09
1988	28	261	9.32	7.45	-1.87
1989	46	257	5.59	5.76	0.17
1990	45	265	5.89	5.85	-0.04
1991	41	258	6.29	5.70	-0.59
1992	47	255	5.43	5.69	0.26
1993	46	280	6.09	6.49	0.40
1994	50	291	5.82	5.61	-0.21
1995	43	317	7.37	6.88	-0.49
1996	44	334	7.59	7.55	-0.04
1997	48	351	7.31	6.56	-0.75
1998	48	347	7.23	5.01	-2.22
1999	48	333	6.94	4.75	-2.19
2000	47	341	7.26	4.62	-2.64
2001	48	338	7.04	4.55	-2.49
2002	48	326	6.79	5.66	-1.13
2003	38	320	8.42	7.51	-0.91
2004	54	333	6.17	5.84	-0.33
2005	52	353	6.79	5.76	-1.03
2006	53	375	7.08	6.68	-0.40
2007	51	416	8.16	10.40	2.24
2008	51	477	9.35	10.20 **	0.85
2009	51	522	10.24	9.46 **	-0.78
2005-2009 Avg.	52	429	8.32	8.50	0.18
2000-2009 Avg.	49	380	7.73	7.07	-0.66

2000-09 Ave. cost per bu. to grow soybeans was 2.70 times the cost per bu. to grow corn in the same period.

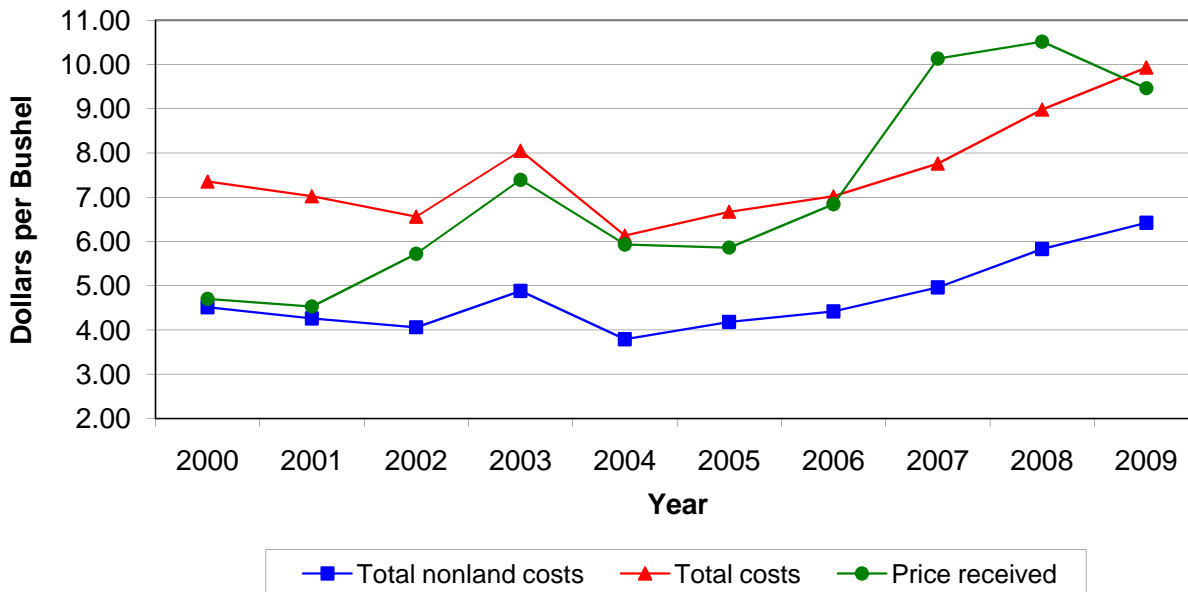
* Seasonal average annual price for corresponding crop year.

** Estimated

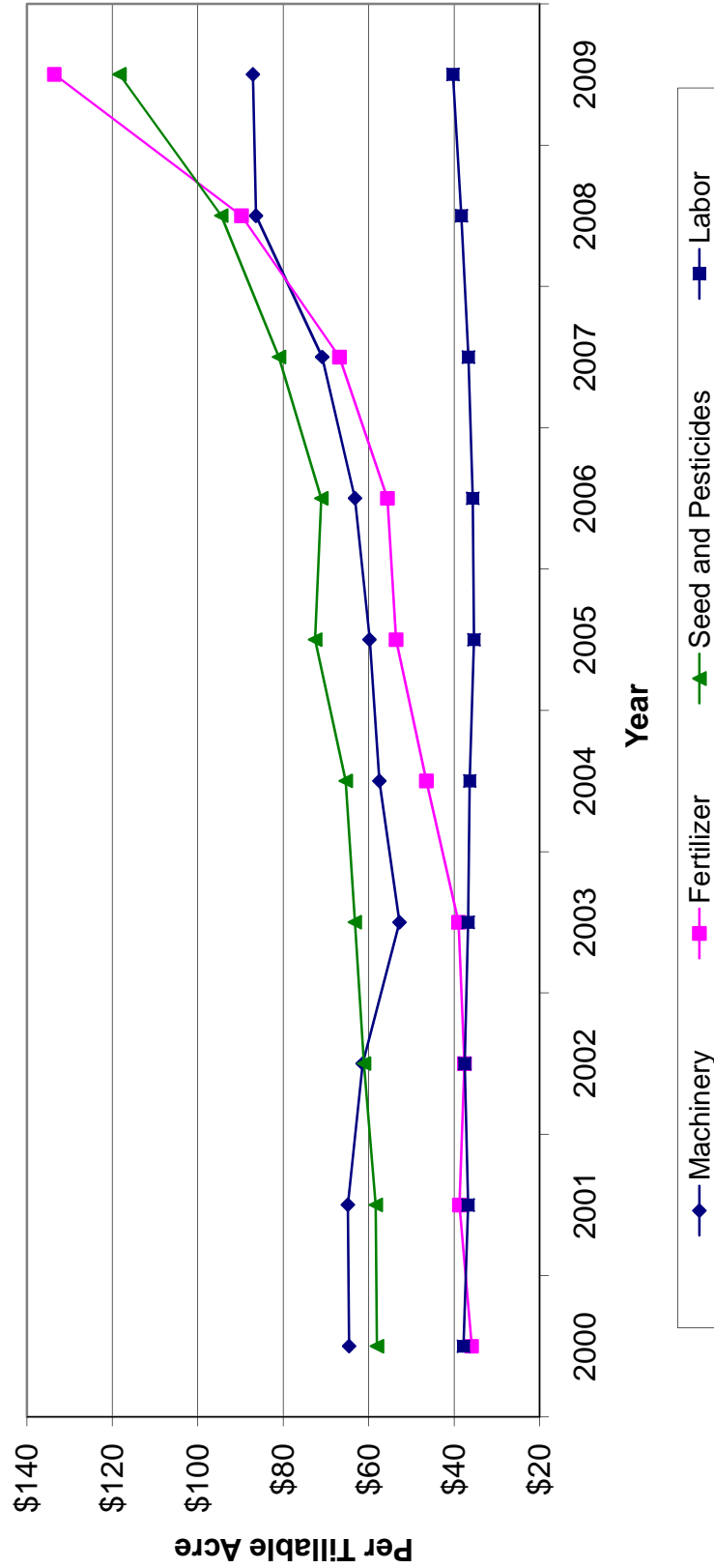
Costs and Returns per Bushel of Corn, Central Illinois Grain Farms 2000 to 2009



Costs and Returns per Bushel of Soybeans, Central Illinois Grain Farms 2000 to 2009



Trends in Selected Operating Costs per Acre, Central Illinois Pure-Grain Farms 2000 to 2009



Livestock Enterprise Standards of Performance—2009

Farrow-to-Finish Hog Enterprise	Average Farm	High 1/3 Return	Litters Farrowed		
			10-149	150-349	350+
Number of Farms	44	15	15	13	15
Pounds of Pork Produced	963,755	1,766,687	216,811	557,452	2,126,178
Pounds of Pork per Litter	2,396	2,397	2,370	2,349	2,410
Total Returns	385,013	738,913	84,274	217,829	856,051
Value of Feed Fed	312,700	531,113	85,080	203,990	655,000
Returns per \$100 Feed Fed	123	139	99	107	131
Returns above Feed per Litter	180	282	-9	58	228
Number of Litters Farrowed	402	737	91	237	882
Pigs Farrowed per Litter	10.77	10.88	10.07	10.18	10.98
Pigs Weaned per Litter	9.28	9.42	8.70	8.70	9.48
Weaning Survival Rate %	86	87	86	85	86
Litters Farrowed per Female Year	1.92	1.99	1.54	1.93	1.97
Pigs Weaned per Female Year	17.22	18.30	13.42	16.33	17.98
Number of Crates	42	55	22	34	75
Pigs Weaned per Crate	74.0	94.7	39.3	58.6	94.1
Death Loss Total—% of Pounds Produced	2.5	2.3	1.4	2.4	2.7
Weight per Market Hog Sold	262	264	259	261	263
Weight per Breeding Hog Sold	479	472	495	476	476
Price Received / 100 Pounds - Market	41.33	42.18	41.95	40.68	41.41
Price Received / 100 Pounds - Breeding	33.18	34.99	30.89	29.81	34.88
Total Return per 100 Pounds Produced	39.95	41.82	38.87	39.08	40.26
Feed Cost per 100 Pounds Produced	32.45	30.06	39.24	36.59	30.81
Pounds of Feed per 100 Pounds Produced:					
Grain/Complete Feed	230	212	272	243	222
Supplement	75	74	84	83	72
Total Concentrates	305	285	356	326	294
Cost per 100 Pounds of Supplement	22.49	21.14	24.86	24.38	21.71
Cost per 100 Pounds of Concentrates	10.65	10.54	11.00	11.20	10.46

Feeder Pig Producing Enterprise	Average Farm	
Number of Farms		
Pounds of Pork Produced		
Pounds of Pork per Litter		
Total Returns		
Value of Feed Fed		
Returns per \$100 Feed Fed		
Returns above Feed per Litter		
Number of Litters Farrowed		
Pigs Farrowed per Litter		
Pigs Weaned per Litter		
Weaning Survival Rate %		
Litters Farrowed per Female Year		
Pigs Weaned per Female Year		
Number of Crates		
Pigs Weaned per Crate		
Death Loss Total—% of Pounds Produced		
Weight per Feeder Pig Sold		
Price Received per Pig		
Price Received per 100 Pounds		
Total Return per 100 Pounds Produced		
Feed Cost per 100 Pounds Produced		
Pounds of Feed per 100 Pounds Produced:		
Grain/Complete Feed		
Supplement		
Total Concentrates		
Cost per 100 Pounds of Supplement		
Cost per 100 Pounds of Concentrates		

Feeder Cattle Enterprise	Average Farm	High 1/3 Return	Purchase Weight		
			1-500	500-749	750+
Number of Farms	89	29	19	52	14
Total Pounds Produced	170,338	263,491	72,132	163,544	376,227
Total Returns	111,097	180,935	51,813	104,710	245,456
Value of Feed Fed	88,223	99,749	45,630	83,871	184,904
Returns per \$100 Feed Fed	126	181	114	125	133
Average Weight Purchased	694	718	259	622	841
Price Paid per 100 Pounds	93.49	92.07	90.41	94.29	92.80
Price Paid per Head	649	661	234	587	780
Average Weight Sold	1,288	1,293	1,296	1,237	1,358
Price Received per 100 Pounds	82.63	83.56	77.17	81.98	84.20
Total Return per 100 Pounds	65.22	68.67	71.83	64.03	65.24
Feed Cost per 100 Pounds	51.79	37.86	63.26	51.28	49.15
Death Loss: Numbers	6	10	4	7	8
Pounds	4,222	6,621	1,520	4,896	6,596
% of Pounds Produced	2.5	2.5	2.1	3.0	1.8
Pounds of Feed per 100 Pounds Produced:					
Grain/Complete Feed	685	688	575	661	748
Supplement	48	27	94	51	30
Total Concentrates	732	715	669	712	778
Hay & Dry Roughage	60	25	90	64	44
Corn Silage	235	216	146	222	277
Other Silage	48	59	1	56	49
Hay Equivalent—Tons	0.09	0.07	0.08	0.09	0.09
Cost per 100 Pounds of Supplement	17.20	18.31	17.64	16.85	17.91
Cost per 100 Pounds of Concentrates	6.07	4.56	8.18	6.19	5.38

Feeder Pig Feeding Enterprise	Purchase Weight	
	<20	35+
Number of Farms	40	7
Total Pounds Produced	2,404,973	305,854
Total Returns	687,419	100,184
Value of Feed Fed	607,257	96,158
Returns per \$100 Feed Fed	113	104
Average Weight Purchased	14	45
Price Paid per 100 Pounds	245.79	108.50
Price Paid per Pig	33.68	48.75
Average Weight Sold	269	259
Price Received per 100 Pounds	39.37	48.66
Total Return per 100 Pounds	28.58	32.76
Feed Cost per 100 Pounds	25.25	31.44
Death Loss: Numbers	369	46
Pounds	27,751	6,276
% of Pounds Produced	1.2	2.1
Pounds of Feed per 100 Pounds Produced:		
Grain/Complete Feed	120	73
Supplement	126	231
Total Concentrates	246	303
Cost per 100 Pounds of Supplement	13.63	11.52
Cost per 100 Pounds of Concentrates	10.26	10.37

Livestock Enterprise Standards of Performance—2009 (cont.)

Beef Cow Enterprise	Pounds of Beef Produced per Cow			High Return <600	Average All Farms	Sheep Enterprise	Average Farm
	<600	600-900	900+				
Number of Farms	60	67	34	20	161	Number of Farms	8
Number of Cows in Herd	54	54	57	52	55	Number of Ewes in Flock	66
Number of Calves Born	47	53	57	43	52	Number of Lambs Born	80
Calving %	87	98	100	82	94	% Lamb Crop	121
Total Pounds Produced	25,405	39,308	61,563	24,022	38,827	Total Pounds Produced	10,355
Total Returns	21,499	29,487	43,029	23,945	29,370	Total Returns	7,651
Value of Feed Fed	19,737	26,492	37,899	14,349	26,383	Value of Feed Fed	10,224
Returns per \$100 Feed Fed	109	111	114	167	111	Returns per \$100 Feed Fed	75
Returns above Feed per Cow	32	56	90	186	55	Returns above Feed per Ewe	-39
Pounds of Beef per Cow in Herd	467	731	1,078	466	710	Pounds Produced per Ewe in Flock	156
Death Loss Total—% of Pounds Produced	8.4	5.2	4.3	8.1	5.7	Death Loss Total—% of Pounds Produced	12.4
Market Survival Rate %	89.9	93.8	93.0	89.5	92.4	Market Survival Rate %	
Breeding Survival Rate %	97.5	97.8	97.8	97.7	97.7	Breeding Survival Rate %	92.4
Weight per Market Animal Sold	610	651	1,044	559	730	Weight per Market Animal Sold	123
Price Received / 100 Pounds Sold—Market	97.80	92.16	80.91	97.59	89.96	Price Received / 100 Pounds Sold—Market	102.57
Price Received / 100 Pounds Sold—Breeding	51.94	49.03	41.02	64.07	48.16	Price Received / 100 Pounds Sold—Breeding	58.72
Feed Cost per 100 Pounds Produced	77.69	67.39	61.56	59.73	67.95	Feed Cost per 100 Pounds Produced	98.73
Pounds of Feed per 100 Pounds Produced:						Pounds of Feed per 100 Pounds Produced:	
Grain/Complete Feed	180	181	425	79	213	Grain/Complete Feed	313
Supplement	56	92	67	46	75	Supplement	186
Total Concentrates	235	274	492	125	288	Total Concentrates	499
Hay & Dry Roughage	1,152	810	494	905	787	Hay & Dry Roughage	710
Corn Silage	521	364	321	265	388	Other Silage	0
Other Silage	27	40	81	56	51	Pasture Days	14
Pasture Days	30	26	21	36	26	Hay Equiv.	0.49
Pasture Days per Animal Unit	102	132	122	119	119	Pasture Days per Animal Unit	80
Hay Equivalent per Cow—Tons	4.6	5.5	5.9	4.2	5.2	Hay Equivalent per Ewe—Tons	0.8
Cost per 100 Pounds of Concentrates	8.59	8.17	8.32	11.99	8.31	Cost per 100 Pounds of Concentrates	12.76

Dairy Cattle Enterprise	Average Farm	Number of Cows			High 1/3 80-149 Cows
		40-79	80-149	150+	
Number of Farms	84	30	33	10	11
Number of Cows	100.7	58.8	106.3	283.2	114.6
% of Cows Dry	12.6	14.0	12.0	12.6	11.9
Animal Units in Herd	190	110	200	543	202
Total Cwt. of Milk Produced	20,547	10,162	21,891	63,871	24,234
Pounds of Beef Produced	62,594	38,882	62,616	173,593	71,048
Total Returns	308,170	150,471	323,158	975,720	372,235
Value of Feed	223,826	134,718	223,402	651,594	205,251
Returns per \$100 Feed Fed	138	112	145	150	181
Returns above Feed per Cow	838	268	938	1,144	1,457
Pounds of Beef per Cow	622	661	589	613	620
Pounds of Milk per Cow	20,414	17,285	20,591	22,551	21,147
Pounds of Butterfat per Cow	752	682	767	791	785
Death Loss: % of Pounds Produced	18.9	25.6	16.7	17.8	9.0
Feed Cost Per Cwt. Milk Equivalent *	10.37	12.91	9.76	9.61	8.05
Price Received for 100 Pounds Milk	13.12	12.95	13.02	13.35	13.37
Price Received for 100 Pounds Beef—Market	76.35	80.62	75.85	75.00	80.72
Pounds of Feed Per Cwt. Milk Equivalent *					
Grain/Complete Feed	28	39	28	24	22
Supplement	18	17	18	18	19
Total Concentrates	46	56	46	41	41
Hay & Dry Roughage	21	34	21	13	20
Corn Silage	87	104	79	85	76
Other Silage	55	65	39	70	25
Pasture Days per Animal Unit	6	9	7	3	6
Hay Equivalent per Cow—Tons	8.0	8.6	7.0	8.6	6.3
Cost per 100 Pounds of Supplement	19.09	19.42	19.28	18.56	16.20
Cost per 100 Pounds of Concentrates	11.70	11.09	11.86	11.87	11.31
Dairy Patronage/FSA Payments/Cwt. Milk	1.20	1.48	1.14	1.11	1.26

Enterprise smaller than following not included:
 Hogs..... 10 Litters
 Beef & Dairy..... 10 cows
 Feeder Cattle..... 10,000 lbs produced

Value of Feed Fed Average Grain Prices:
 Corn..... \$3.76
 Oats..... \$2.63
 Wheat..... \$4.22

Commercial Feeds priced at actual cost.
 Hay and Silage priced at Farm Value.
 Pasture charged at \$0.40 per Animal Unit Pasture Day.

* Milk equivalent equals value of beef produced divided by average price received per cwt. milk plus cwt. of milk produced.

Livestock Returns above Cost of Feed and Purchased Animals—2005 to 2009

Year	Hogs	Feeder	Feeder	Dairy	Beef Herd
	(per cwt.)	Pigs (per cwt.)	Cattle (per cwt.)	(per cow)	Calves Sold (per cow)
2005	24.32	16.95	23.94	2,196	261
2006	19.25	12.97	9.60	1,501	128
2007	11.04	6.67	21.37	2,360	45
2008	5.84	1.77	1.60	1,775	(51)
2009	7.50	3.46	13.43	838	32
5-Yr. Average	13.59	8.36	13.99	1,734	83
Nonfeed Costs, 2005–2009					
Direct Cash	9.44	4.27	19.97	870	31
Other Costs	<u>8.14</u>	<u>4.51</u>	<u>9.15</u>	<u>824</u>	<u>156</u>
TOTAL	17.58	8.78	29.12	1694	186
Nonfeed Costs—For Future Expansion					
Direct Cash	12.42	5.62	26.28	1288	45
Other Costs	<u>10.71</u>	<u>5.94</u>	<u>12.05</u>	<u>1220</u>	<u>230</u>
TOTAL	23.13	11.56	38.32	2508	276

Cost to Produce Pork, Farms Under 500 Litters—2006 to 2009¹

Items	2006	2007	2008	2009 Est
Number of Farms	16	8	7	
Tillable Acres	486	542	811	
Number of Litters	255	250	209	
Total Returns	\$43.17	\$39.73	\$42.89	\$39.00
Cash Costs				
Feed	\$24.97	\$30.44	\$38.84	\$37.33
Operating Expenses				
Maintenance and Power ²	\$4.84	\$5.10	\$4.79	
Livestock Expense	2.31	3.13	3.22	
Insurance, Taxes, and Overhead	<u>1.13</u>	<u>1.35</u>	<u>1.53</u>	
Total Operating Expenses	\$8.28	\$9.58	\$9.54	\$9.75
Total Cash Costs	\$33.25	\$40.02	\$48.38	\$47.08
Other Costs				
Depreciation ³	\$1.26	\$1.19	\$1.11	
Labor	4.45	4.82	4.43	
Interest Charge on All Capital	<u>3.23</u>	<u>3.43</u>	<u>2.75</u>	
Total Other Costs	\$8.94	\$9.44	\$8.29	\$8.20
Total Nonfeed Costs	\$17.22	\$19.02	\$17.83	\$17.95
Total All Costs	\$42.19	\$49.46	\$56.67	\$55.28
Return above All Costs	\$0.98	(\$9.73)	(\$13.78)	(\$16.28)

¹ Special Summary of Illinois Farm Business Records.

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

³ Includes machinery, equipment, and building depreciation.

Cost to Produce Pork, Farms Over 500 Litters—2006 to 2009¹

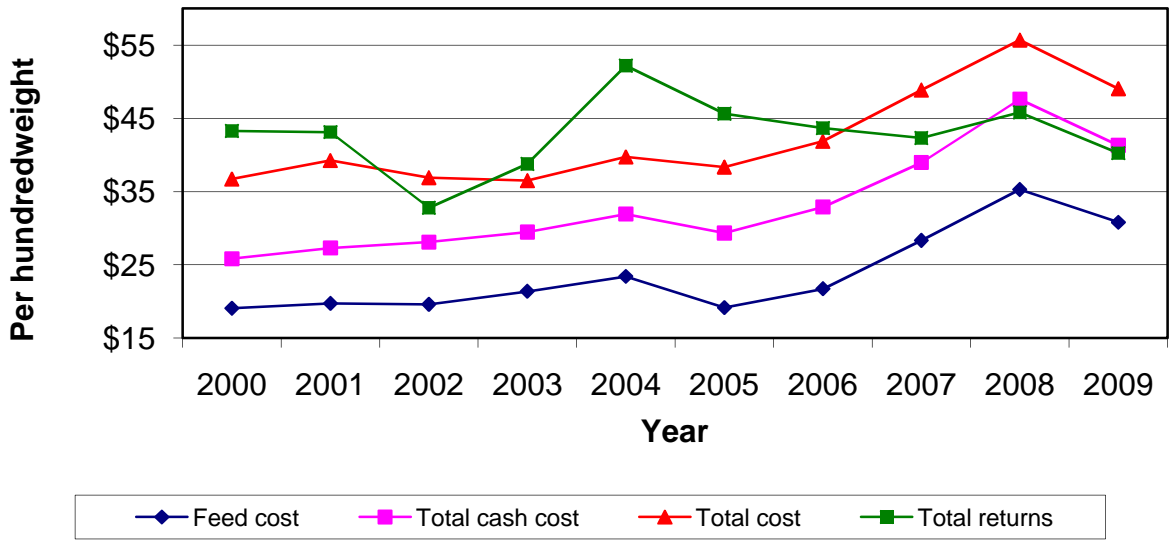
Items	2006	2007	2008	2009 Est
Number of Farms	7	5	7	
Tillable Acres	880	333	710	
Number of Litters	965	1056	1019	
Total Returns	\$43.67	\$42.33	\$45.83	\$40.25
Cash Costs				
Feed	\$21.72	\$28.35	\$35.30	\$30.81
Operating Expenses				
Maintenance and Power ²	5.99	5.68	5.76	
Livestock Expense	4.01	3.68	4.62	
Insurance, Taxes, and Overhead	<u>1.18</u>	<u>1.27</u>	<u>1.93</u>	
Total Operating Expenses	\$11.18	\$10.63	\$12.31	\$10.50
Total Cash Costs	\$32.90	\$38.98	\$47.61	\$41.31
Other Costs				
Depreciation ³	1.77	1.40	1.40	
Labor	4.55	5.62	4.72	
Interest Charge on All Capital	<u>2.66</u>	<u>2.88</u>	<u>1.98</u>	
Total Other Costs	\$8.98	\$9.90	\$8.10	\$7.75
Total Nonfeed Costs	\$20.16	\$20.53	\$20.41	\$18.25
Total All Costs	\$41.88	\$48.88	\$55.71	\$49.06
Return above All Costs	\$1.79	(\$6.55)	(\$9.88)	(\$8.81)

¹ Special Summary of Illinois Farm Business Records.

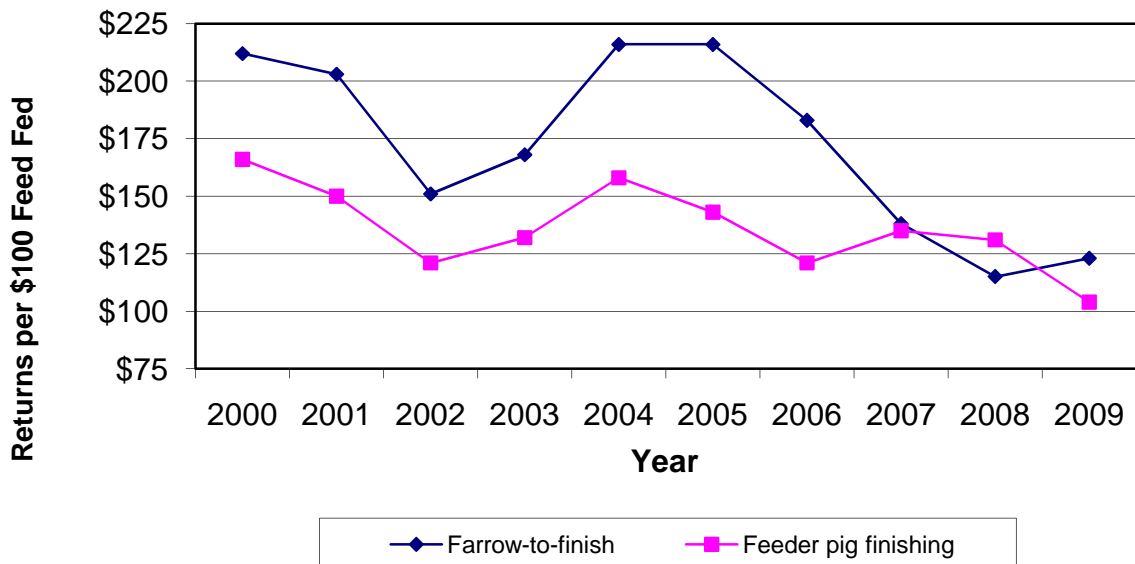
² Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

³ Includes machinery, equipment, and building depreciation.

Cost and Returns per 100 Pounds of Pork, on Farms Over 350 Litters 2000 to 2009



Returns per \$100 of Feed Fed for Hog Farms 2000 to 2009



Cost and Returns for Beef-Feeding Enterprises—2006 to 2009¹

Items	2006	2007	2008	2009 Est
Number of Farms	8	6	9	
Average per Farm				
Tillable Acres	549	543	464	
Hundredweight Beef Produced	4,734	4,431	3,855	
	-----Per 100 Pounds Produced-----			
Cash Costs				
Feed	\$38.21	\$43.17	\$62.34	\$51.80
Operating Expenses				
Maintenance and Power ²	\$7.18	\$7.99	\$6.21	
Livestock Expense	5.76	4.06	5.60	
Insurance, Taxes, and Overhead	1.28	2.12	2.52	
Interest on Cattle	<u>6.71</u>	<u>7.31</u>	<u>5.13</u>	
Total Operating Expenses	\$20.93	\$21.48	\$19.46	\$19.00
Total Cash Costs	\$59.14	\$64.65	\$81.80	\$70.80
Other Costs				
Depreciation ³	\$2.85	\$2.95	\$2.50	
Labor	4.09	5.00	3.54	
Interest on Other Capital	<u>2.30</u>	<u>3.13</u>	<u>1.77</u>	
Total Other Costs	\$9.24	\$11.08	\$7.81	\$8.00
Total All Costs	\$68.38	\$75.73	\$89.61	\$78.80
Total Returns	<u>\$51.83</u>	<u>\$64.92</u>	<u>\$70.62</u>	<u>\$65.22</u>
Return above All Costs	(\$16.55)	(\$10.81)	(\$18.99)	(\$13.58)

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

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

³ Includes machinery, equipment, and building depreciation.

Cost and Returns per 100 Pounds of Milk—2006 to 2009¹

Items	40-79 Cows				80+ Cows			
	2006	2007	2008	2009 Est	2006	2007	2008	2009 Est
Number of Farms	20	16	13		26	20	24	
Tillable Acres	228	214	207		549	515	368	
Number of Cows	55.3	55.8	56.9		146.7	221.9	180.5	
Pounds Milk per Cow	18,105	19,081	18,579		20,528	21,999	21,227	
				-----Per 100 Pounds of Milk Produced-----				
Price Received ²	\$12.78	\$18.70	\$19.15	\$12.95	\$12.95	\$18.94	\$19.25	\$13.02
Cash Costs								
Feed	\$7.98	\$9.83	\$10.44	\$10.50	\$7.41	\$8.40	\$10.07	\$10.20
Operating Expenses ³	2.07	2.22	2.36		2.14	2.14	2.42	
Livestock Expense	1.88	2.03	2.24		2.46	2.53	2.44	
Insurance, Taxes, and Overhead	<u>0.32</u>	<u>0.26</u>	<u>0.39</u>		<u>0.34</u>	<u>0.31</u>	<u>0.32</u>	
Total Operating Expenses	\$4.27	\$4.51	\$4.99	\$4.50	\$4.94	\$4.98	\$5.18	\$4.70
Total Operating and Feed	\$12.25	\$14.34	\$15.43	\$15.00	\$12.35	\$13.38	\$15.25	\$14.90
Other Costs								
Depreciation ⁴	\$0.42	\$0.60	\$0.65		\$0.76	\$0.75	\$0.81	
Labor	2.51	2.55	2.63		2.57	2.55	2.70	
Interest on All Capital	<u>1.11</u>	<u>1.20</u>	<u>0.95</u>		<u>1.46</u>	<u>1.52</u>	<u>1.11</u>	
Total Other Costs	\$4.04	\$4.35	\$4.23	\$4.00	\$4.79	\$4.82	\$4.62	\$4.35
Total Nonfeed Costs	\$8.31	\$8.86	\$9.22	\$8.50	\$9.73	\$9.80	\$9.80	\$9.05
Total All Costs	<u>\$16.29</u>	<u>\$18.69</u>	<u>\$19.66</u>	<u>\$19.00</u>	<u>\$17.14</u>	<u>\$18.20</u>	<u>\$19.87</u>	<u>\$19.25</u>
Return above All Costs	(\$3.51)	\$0.01	(\$0.51)	(\$6.05)	(\$4.19)	\$0.74	(\$0.62)	(\$6.23)

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

² FSA and patronage payments not included. They may have added \$0.15/cwt. of milk in 2008.

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

⁴ Includes machinery, equipment, and building depreciation.



Illinois Farm Business Farm Management Association

FBFM is a cooperative educational-service program designed to assist farmers with management decision making. It is available to all farm operators in Illinois. There are nine local not-for-profit associations organized to provide services throughout the state. The FBFM program provides:

- Financial and production business analysis reports.
- Experienced Farm Analysis Specialist to help interpret analysis reports and counsel on management problems.
- Computer-assisted record-processing options—on-farm or service center.
- Assistance with business and family records.
- Assistance with income tax management.

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

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<http://www.fbfm.org>

For U of I farm management information see
<http://www.farmdoc.illinois.edu>