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Research Report

Representative farms economic outlook for the January 2010 FAPRI/AFPC baseline

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Representative Farms Economic Outlook for the January 2010 FAPRI/AFPC Baseline

Briefing Paper 10-1

March 2010



Agricultural and Food Policy Center

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**REPRESENTATIVE FARMS ECONOMIC
OUTLOOK FOR THE JANUARY 2010
FAPRI/AFPC BASELINE**

AFPC Briefing Paper 10-1

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EXECUTIVE SUMMARY

The Agricultural and Food Policy Center (AFPC) at Texas A&M University develops and maintains data to simulate 98 representative crop, dairy, and livestock operations in major production areas in 28 states. The chief purpose of this analysis is to project those farms' economic viability by region and commodity for 2010 through 2015. The data necessary to simulate the economic activity of these operations is developed through ongoing cooperation with panels of agricultural producers in selected states. The Food and Agricultural Policy Research Institute (FAPRI) provided projected prices, policy variables, and input inflation rates in their January 2010 Baseline.

Under the January 2010 Baseline, 15 of the 64 crop farms are considered in good liquidity condition (less than a 25 percent chance of negative ending cash by 2015). Five crop farms have between a 25 percent and a 50 percent likelihood of negative ending cash, and the remaining 44 crop farms have greater than a 50 percent chance of negative ending cash. Furthermore, 20 of the 64 crop farms are considered in good equity position (less than a 25 percent chance of decreasing real net worth during the study period). Eight crop farms have between a 25 percent and 50 percent likelihood of losing real net worth, and 36 crop farms have greater than a 50 percent probability of decreasing real net worth. The following discussion provides an overall evaluation by commodity considering both liquidity and equity measures.

- **FEEDGRAIN FARMS:** Eight of the 23 feedgrain farms are in good overall financial condition. Four are classified in marginal condition, and eleven are in poor condition.
- **WHEAT FARMS:** Five of the 11 wheat farms are classified in good financial condition, two are in marginal condition, and four are in poor condition.
- **COTTON FARMS:** Two of the 16 cotton farms are classified in good condition, none are in marginal condition, and fourteen are in poor condition. In addition, thirteen of these farms have more than a 50 percent chance of losing real net worth by 2015.
- **RICE FARMS:** All 14 rice farms are projected to be in poor financial condition by 2015.
- **DAIRY FARMS:** Sixteen of the 22 dairy farms are in good overall financial condition. Five are considered to be in marginal condition, and one is in poor condition.
- **BEEF CATTLE RANCHES:** Six of the 12 cattle ranches are classified in good financial condition, five are in marginal condition, and only one is projected to be in poor condition.

REPRESENTATIVE FARMS ECONOMIC OUTLOOK FOR THE JANUARY 2010 FAPRI/AFPC BASELINE

The farm level economic impacts of the FAPRI January 2010 Baseline on representative crop and livestock operations are projected in this report. The analysis was conducted over the 2008-2015 planning horizon using FLIPSIM, AFPC's whole farm simulation model. Data to simulate farming operations in the nation's major production regions came from two sources:

- Producer panel cooperation to develop economic information to describe and simulate representative crop, livestock, and dairy farms.
- Projected prices, policy variables, and input inflation rates from the Food and Agricultural Policy Research Institute (FAPRI) January 2010 Baseline.

The FLIPSIM policy simulation model incorporates the historical risk faced by farmers for prices and production. This report presents the results of the January 2010 Baseline in a risk context using selected simulated probabilities and ranges for annual net cash farm income values. The probability of a farm experiencing negative ending cash reserves and the probability of a farm losing real net worth are included as indicators of the cash flow and equity risks facing farms through the year 2015.

DEFINITIONS OF VARIABLES IN THE SUMMARY TABLES

- **Overall Financial Position, 2010-2015** -- As a means of summarizing the representative farms' economic efficiency, liquidity, and solvency position, AFPC classifies each farm as being in either a good (green), marginal (yellow) or poor (red) position. AFPC defines a farm is in a good financial position when it has less than a 25 percent chance each of a negative ending cash position and less than a 25 percent chance of losing real net worth. If the probabilities of these events are between 25 and 50 percent the farm is classified as marginal. A probability greater than 50 percent places the farm in a poor financial position.
- **Receipts** -- 2010-2015 average of cash receipts from all farm related sources, including market sales, CCP/ACRE and direct payments, marketing loan gains/LDPs, crop insurance indemnities, and other receipts.
- **Payments** -- 2010-2015 average of annual CCP or ACRE payments, direct payments, and marketing loan gains/LDPs for crops and the MILC program payment for dairy farms.
- **NCFI** -- 2010-2015 average net cash farm income equals average total receipts minus average total cash expenses.
- **Reserve 2015** -- equals total cash on hand at the end of year 2015. 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 2015** -- equity equals total assets including land minus total debt from all sources and is reported at the end of 2015.
- **CRNW** -- annualized percentage change in the operator's net worth from January 1, 2010 through December 31, 2015, after adjusting for inflation.

Table 1. FAPRI January 2010 Baseline Projections of Crop and Livestock Prices, 2008-2015

	2008	2009	2010	2011	2012	2013	2014	2015
Crop Prices								
Corn (\$/bu.)	4.06	3.60	3.71	3.75	3.78	3.82	3.86	3.91
Wheat (\$/bu.)	6.78	4.92	4.58	4.74	4.81	4.90	4.90	4.99
Cotton (\$/lb.)	0.4780	0.6035	0.5819	0.5869	0.5930	0.6001	0.6133	0.6254
Sorghum (\$/bu.)	3.20	3.26	3.34	3.33	3.37	3.43	3.47	3.55
Soybeans (\$/bu.)	9.97	9.42	8.75	9.28	9.35	9.49	9.67	9.79
Barley (\$/bu.)	5.37	4.46	3.90	4.06	4.17	4.21	4.24	4.27
Oats (\$/bu.)	3.15	2.07	2.20	2.26	2.29	2.32	2.35	2.37
Rice (\$/cwt.)	16.80	13.79	9.91	9.81	9.90	9.89	9.88	9.87
Soybean Meal (\$/ton)	315.87	278.60	258.60	265.10	266.30	269.16	272.02	272.56
All Hay (\$/ton)	152.00	114.95	110.12	108.81	107.97	108.07	108.40	109.94
Peanuts (\$/ton)	460.00	426.71	496.09	485.34	493.67	498.38	503.61	510.23
Cattle Prices								
Feeder Cattle (\$/cwt)	107.55	101.85	109.46	119.45	130.03	132.24	133.15	130.95
Fed Cattle (\$/cwt)	92.27	82.68	87.80	95.57	101.11	102.41	102.57	101.88
Culled Cows (\$/cwt)	54.92	47.01	48.53	54.48	58.62	59.19	59.43	58.95
Milk Price								
U.S. All Milk Price (\$/cwt)	18.41	12.79	16.48	17.17	17.39	17.58	17.79	18.08

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

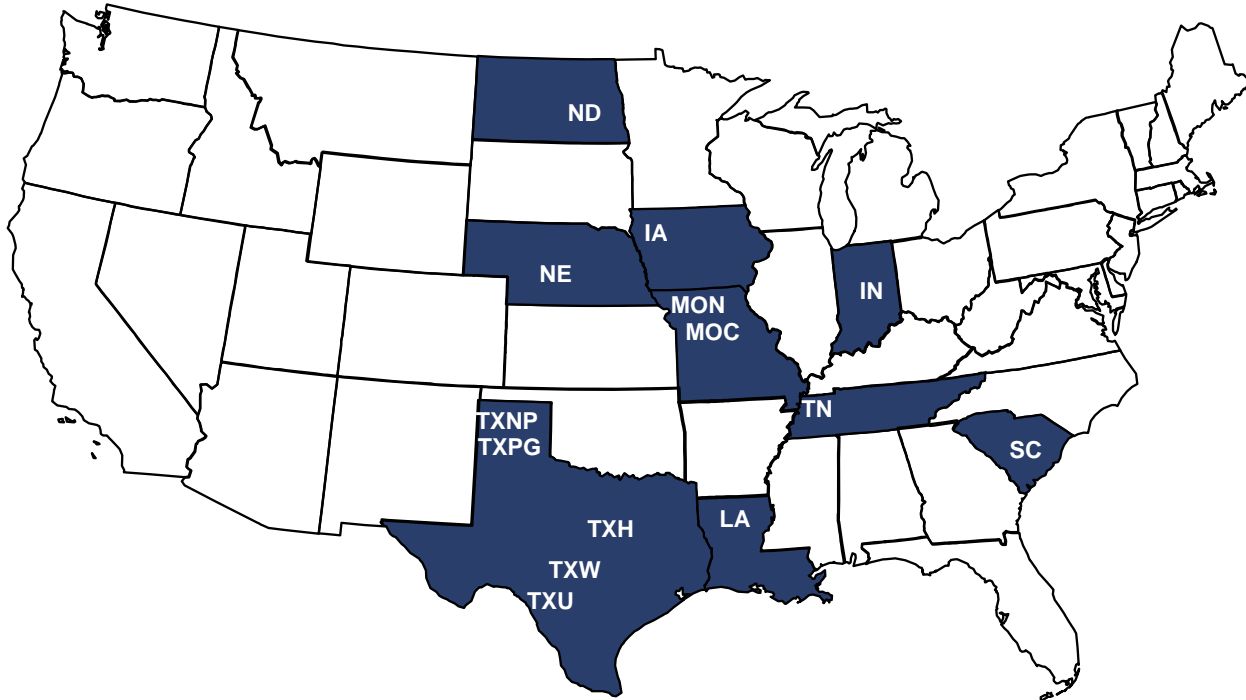
Table 2. FAPRI January 2010 Baseline Assumed Rates of Change in Input Prices and Annual Changes in Land Values, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Annual Rate of Change for Input Prices Paid							
Seed Prices (%)	15.51	6.83	3.56	2.88	2.61	2.49	2.40
All Fertilizer Prices (%)	-25.80	-7.41	18.21	3.41	1.47	0.39	3.21
Herbicide Prices (%)	7.24	4.45	5.67	3.10	2.13	1.66	1.42
Insecticide Prices (%)	-1.60	1.65	3.26	2.39	2.01	1.77	1.62
Fuel and Lube Prices (%)	-34.81	7.88	13.44	6.12	3.54	2.95	3.60
Machinery Prices (%)	6.66	3.86	3.85	2.12	2.21	2.52	2.51
Wages (%)	1.64	1.67	1.46	1.84	2.59	2.94	2.88
Supplies (%)	2.80	1.34	4.20	2.18	1.42	1.11	1.06
Repairs (%)	1.71	1.90	1.95	2.06	2.47	2.57	2.31
Services (%)	1.48	2.28	4.25	2.20	1.83	1.96	2.12
Taxes (%)	10.38	1.55	4.24	2.12	2.10	1.91	1.92
PPI Items (%)	-4.96	0.44	4.93	2.75	1.98	1.97	1.99
PPI Total (%)	-3.65	0.64	4.77	2.90	2.17	2.32	2.11
Annual Change in Consumer Price Index (%)	-0.39	1.40	2.23	2.04	1.88	1.92	1.93
Annual Rate of Change for U.S. Land Prices (%)	-3.23	-1.63	1.01	1.94	1.45	2.81	1.22

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

Representative Farm: Feed Grains

- Overall, eight feed grain farms are characterized as good, four are marginal, and eleven are in poor condition.
- Twelve of twenty-three farms will be under severe cash flow stress, and nine farms have a high probability of losing real net worth.



Characteristics of Panel Farms Producing Feed Grains, 2009.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Feed Grains (acres)
IAG1350	1,350	2,405.00	0.17	813.80	1,350
IAG3400	3,400	6,945.00	0.19	1,882.40	3,400
NEG2400	2,400	3,942.00	0.16	1,823.40	2,400
NEG4300	4,300	7,787.00	0.19	2,811.80	3,870
NDG2180	2,180	1,032.00	0.20	623.40	1,600
NDG7500	7,500	7,169.00	0.23	2,640.70	5,750
ING1000	1,000	2,581.00	0.21	492.20	1,000
ING2200	2,200	6,284.00	0.18	1,155.60	2,200
MOCG2050	2,050	6,784.00	0.17	1,039.20	2,050
MOCG4000	4,000	12,355.00	0.15	1,915.60	4,000
MONG1850	1,850	6,218.00	0.18	932.30	1,800
LAG2640	2,640	1,171.00	0.23	1,608.60	1,716
LANG2500	2,500	5,316.00	0.18	1,874.00	1,750
TNG900	900	1,031.00	0.34	358.60	900
TNG2750	2,750	3,639.00	0.22	1,172.20	2,750
SCG3500	3,500	6,657.00	0.19	1,685.20	3,500
TXNP3000	3,000	1,659.00	0.20	1,458.30	1,200
TXNP8000	8,000	4,834.00	0.21	3,988.10	3,987
TXPG2500	2,500	3,515.00	0.26	1,383.10	1,058
TXPG3760	3,760	4,685.00	0.42	2,731.70	1,878
TXHG2000	2,000	1,407.00	0.22	470.70	1,500
TXWG1600	1,600	1,079.00	0.19	439.10	1,300
TXUG1200	1,200	230.00	0.96	618.00	750

Representative Farm: Feed Grains

Economic Viability of Representative Farms over the 2010-2015 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2010	2015	2010-2015	2010-2015
8/4/11				
IAG1350			1-8	1-1
IAG3400			1-1	1-1
NEG2400			1-5	1-9
NEG4300			1-9	1-9
NDG2180			1-7	1-8
NDG7500			1-1	1-1
ING1000			93-92	1-31
ING2200			43-46	1-3
MOCG2050			1-1	1-1
MOCG4000			1-1	1-1
MONG1850			88-84	1-14
LAG2640			19-66	1-58
LANG2500			6-29	1-10
TNG900			97-99	1-94
TNG2750			81-66	1-32
SCG3500			21-42	1-24
TXNP3000			29-85	1-78
TXNP8000			36-66	1-55
TXPG2500			80-89	1-66
TXPG3760			98-99	1-99
TXHG2000			89-94	1-84
TXWG1600			90-93	1-78
TXUG1200			95-98	1-91

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

<25	25-50	>50
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2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2010 and 2015.

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 2008 to 2010 and from 2008 to 2015.

Implications of the January 2010 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Feed Grains and Oilseeds

	Receipts	Payments	NCFI	Reserve 2015	Net Worth 2015	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
IAG1350	891.28	43.31	276.09	591.39	2,808.02	6.12
IAG3400	2,045.33	68.91	754.69	1,795.20	7,834.67	5.71
NEG2400	1,973.26	74.37	481.56	1,470.57	4,540.09	4.96
NEG4300	3,095.22	95.02	779.99	1,807.55	8,257.53	4.42
NDG2180	676.84	41.36	212.18	567.83	1,382.97	9.24
NDG7500	2,859.39	82.58	1,048.61	3,557.95	9,241.28	9.51
ING1000	530.06	26.92	82.71	(423.20)	2,127.24	1.13
ING2200	1,246.83	60.50	295.18	73.44	6,297.26	3.46
MOCG2050	1,054.15	50.53	480.78	1,044.91	7,506.89	4.87
MOCG4000	1,998.71	29.88	1,029.67	3,222.57	14,753.84	5.99
MONG1850	1,029.75	50.73	148.10	(629.54)	5,712.95	2.00
LAG2640	1,703.18	174.81	120.21	(266.96)	742.41	(4.18)
LANG2500	1,855.48	163.07	366.02	361.34	5,361.29	3.27
TNG900	392.55	15.03	(48.84)	(884.57)	60.07	(15.54)
TNG2750	1,292.76	56.08	272.07	(473.17)	3,225.45	2.27
SCG3500	1,808.71	128.01	286.21	226.64	6,209.50	2.38
TXNP3000	1,503.87	56.50	45.59	(665.26)	893.83	(5.44)
TXNP8000	4,153.50	121.51	248.71	(705.25)	3,784.66	(0.92)
TXPG2500	1,456.37	117.56	131.28	(850.19)	2,438.15	(1.22)
TXPG3760	2,875.10	142.83	(763.14)	(6,884.44)	(2,535.53)	(38.11)
TXHG2000	502.07	36.41	12.05	(476.29)	792.43	(4.24)
TXWG1600	481.94	40.55	5.40	(520.76)	564.39	(5.51)
TXUG1200	800.27	59.16	(28.56)	(772.37)	(585.40)	23.38

1 Receipts are average annual total cash receipts including government payments, 2010-2015 (\$1,000)

2 Payments are average annual total government payments, 2010-2015 (\$1,000)

3 NCFI is average annual net cash farm income, 2010-2015 (\$1,000)

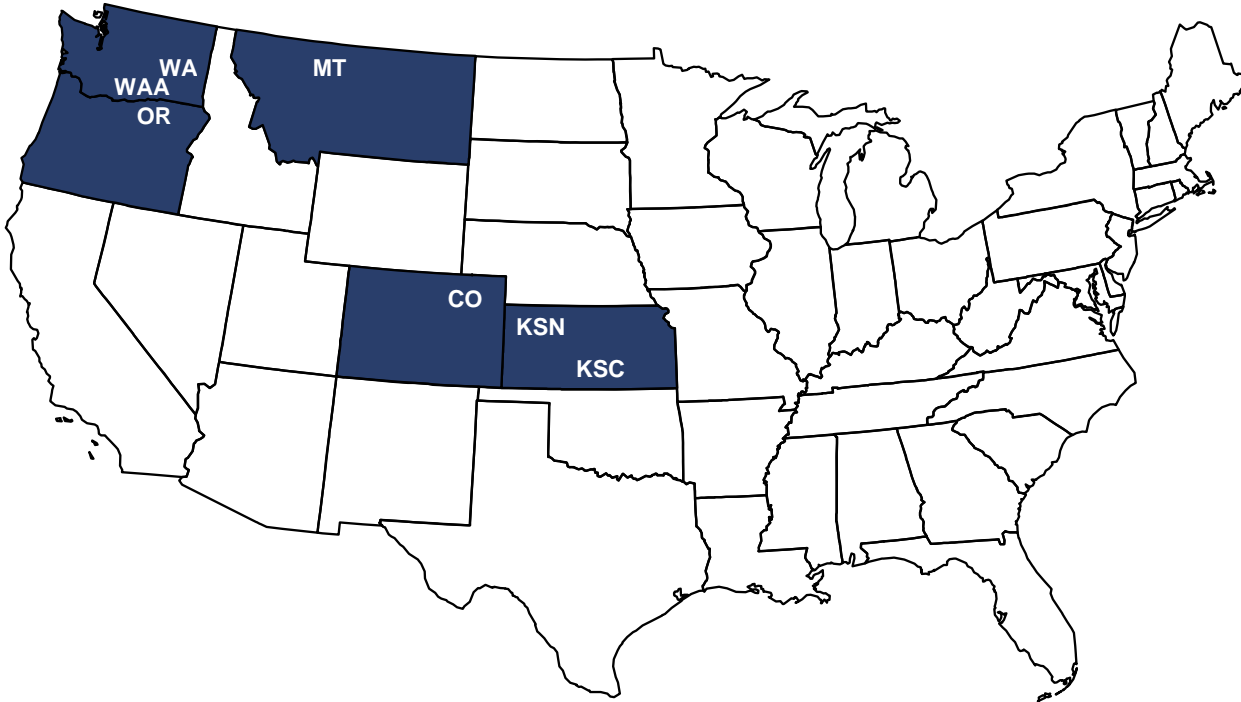
4 Reserve 2015 is average ending cash reserves, 2015 (\$1,000)

5 Net Worth 2015 is average nominal ending net worth, 2015 (\$1,000)

6 CRNW is average percentage change in real net worth over 2010-2015 period, (%)

Representative Farm: Wheat

- Five wheat farms are projected to be in good overall financial condition, two are marginal, and four are expected to be in poor condition.
- Four of the eleven wheat farms will feel severe liquidity pressure over the period.
- None of the wheat farms have greater than a 50 percent chance of losing real equity.



Characteristics of Panel Farms Producing Wheat, 2009.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Wheat (acres)
WAW1725	1,725	1,595.00	0.19	619.10	1,147
WAW5500	5,500	6,862.00	0.18	1,873.20	3,055
WAAW3500	3,500	1,444.00	0.17	342.40	1,500
ORW3600	3,600	1,377.00	0.13	435.10	1,600
MTW4500	4,500	2,783.00	0.17	471.50	2,330
KSCW2000	2,000	1,813.00	0.15	436.50	1,200
KSCW4500	4,500	2,992.00	0.22	916.80	2,700
KSNW4000	4,000	2,036.00	0.15	781.80	1,500
KSNW5500	5,500	3,559.00	0.16	1,551.10	1,820
COW3000	3,000	1,446.00	0.15	385.50	970
COW5640	5,640	2,529.00	0.19	680.10	2,256

Representative Farm: Wheat

Economic Viability of Representative Farms over the 2010-2015 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2010	2015	2010-2015	2010-2015
5/2/4				
WAW1725			1-1	1-1
WAW5500			1-1	1-1
WAAW3500			77-80	1-35
MTW4500			23-75	1-37
ORW3600			1-1	1-1
KSCW2000			1-29	1-27
KSCW4500			1-7	1-6
KSNW4000			1-34	1-12
KSNW5500			4-54	1-42
COW3000			1-22	1-8
COW5640			39-74	1-41

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 2010 and 2015.

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 2008 to 2010 and from 2008 to 2015.

Implications of the January 2010 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Wheat

	Receipts	Payments	NCFI	Reserve 2015	Net Worth 2015	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
WAW1725	636.39	48.38	267.48	944.41	2,183.95	8.91
WAW5500	1,904.00	132.76	511.72	1,579.67	7,353.48	4.40
WAAW3500	345.21	29.35	84.23	(132.00)	1,242.51	0.80
ORW3600	429.16	29.62	217.81	622.86	1,750.99	6.36
MTW4500	469.88	48.40	83.10	(208.77)	2,370.08	0.72
KSCW2000	467.46	43.47	119.57	151.00	1,704.24	1.64
KSCW4500	1,000.17	98.81	344.83	737.61	3,201.05	5.05
KSNW4000	811.50	37.63	214.39	173.30	2,196.50	3.56
KSNW5500	1,398.10	54.88	159.04	(64.26)	3,210.13	0.87
COW3000	381.35	24.43	131.80	176.77	1,489.49	3.27
COW5640	679.99	61.92	138.54	(304.54)	2,064.75	0.68

1 Receipts are average annual total cash receipts including government payments, 2010-2015 (\$1,000)

2 Payments are average annual total government payments, 2010-2015 (\$1,000)

3 NCFI is average annual net cash farm income, 2010-2015 (\$1,000)

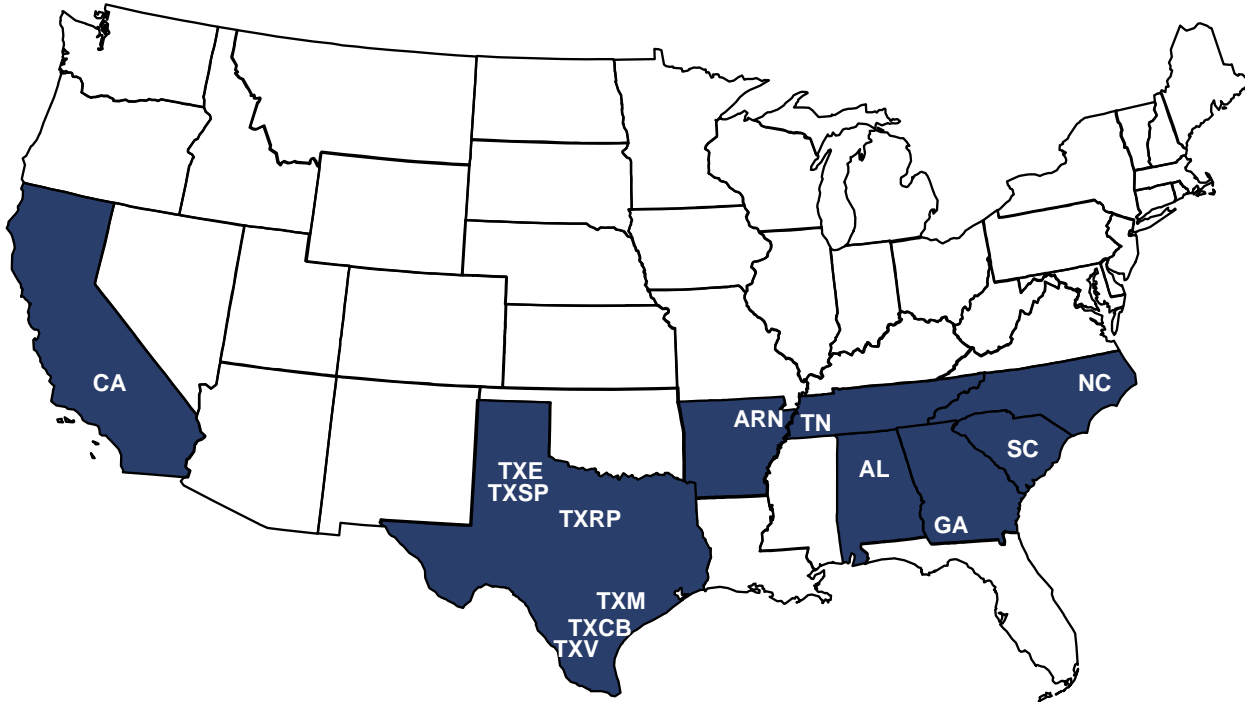
4 Reserve 2015 is average ending cash reserves, 2015 (\$1,000)

5 Net Worth 2015 is average nominal ending net worth, 2015 (\$1,000)

6 CRNW is average percentage change in real net worth over 2010-2015 period, (%)

Representative Farm: Cotton

- Two of the sixteen cotton farms are characterized in good overall financial condition, no farms are in marginal condition, and fourteen are in poor condition.
- Fourteen of the farms are projected to experience severe cash flow problems, and thirteen farms have more than a 50 percent chance of losing real equity over the period.



Characteristics of Panel Farms Producing Cotton, 2009.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Cotton (acres)
TXSP2500	2,500	896.00	0.41	652.40	1,958
TXSP3745	3,745	1,562.00	0.23	1,075.50	2,916
TXEC5000	5,000	1,915.00	0.18	1,946.20	3,650
TXRP2500	2,500	607.00	0.25	329.80	1,117
TXMC1800	1,800	967.00	0.16	647.20	600
TXCB2250	2,250	1,291.00	0.26	692.50	1,000
TXCB8000	8,000	2,149.00	0.23	1,703.60	2,800
TXVC4500	4,500	3,125.00	0.20	1,649.50	1,495
CAC4000	4,000	18,003.00	0.16	6,126.20	1,333
ARNC5000	5,000	6,561.00	0.24	3,623.80	5,000
TNC1900	1,900	2,644.00	0.18	1,018.10	990
TNC4050	4,050	5,958.00	0.54	1,785.20	2,670
ALC3000	3,000	1,749.00	0.29	1,230.10	1,500
GAC2300	2,300	4,522.00	0.37	1,820.00	1,495
SCC1500	1,500	1,134.00	0.24	861.70	525
NCC1500	1,500	3,307.00	0.27	827.70	575

Representative Farm: Cotton

Economic Viability of Representative Farms over the 2010-2015 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2010	2015	2010-2015	2010-2015
2/0/14				
TXSP2500			97-99	1-99
TXSP3745			91-99	1-99
TXEC5000			11-62	1-66
TXRP2500			87-96	1-89
TXMC1800			84-98	1-89
TXCB2250			69-89	1-67
TXCB8000			61-93	1-79
TXVC4500			21-21	1-12
CAC4000			1-8	1-9
ARNC5000			93-99	1-99
TNC1900			29-63	1-36
TNC4050			99-99	1-99
ALC3000			74-95	1-86
GAC2300			99-99	1-99
SCC1500			75-87	1-78
NCC1500			95-99	1-87

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 2010 and 2015.

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 2008 to 2010 and from 2008 to 2015.

Implications of the January 2010 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Cotton

	Receipts	Payments	NCFI	Reserve 2015	Net Worth 2015	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
TXSP2500	676.11	73.63	(154.92)	(1,596.86)	(827.59)	(62.25)
TXSP3745	1,128.05	120.22	(165.35)	(2,687.69)	(918.21)	(33.09)
TXEC5000	1,989.13	198.95	124.94	(250.99)	1,293.71	(3.03)
TXRP2500	356.59	46.04	(19.18)	(487.99)	42.53	(15.53)
TXMC1800	672.40	70.25	24.98	(892.11)	212.38	(12.60)
TXCB2250	761.73	83.88	25.72	(634.60)	646.20	(4.44)
TXCB8000	2,820.80	280.98	72.86	(2,106.30)	34.39	(18.16)
TXVC4500	1,734.89	179.72	348.93	567.47	3,449.07	5.69
CAC4000	6,017.89	63.28	641.09	2,379.43	17,429.88	2.27
ARNC5000	3,661.44	306.71	(83.55)	(4,105.62)	2,280.38	(8.67)
TNC1900	1,065.06	83.61	150.58	(231.93)	2,313.36	0.98
TNC4050	1,865.42	202.26	(1,284.42)	(11,780.82)	(6,254.97)	(80.85)
ALC3000	1,313.51	164.55	48.39	(1,637.24)	141.79	(15.82)
GAC2300	2,018.23	217.03	(363.21)	(4,545.65)	(164.05)	(17.87)
SCC1500	961.81	110.75	28.14	(548.99)	536.59	(6.72)
NCC1500	875.54	82.64	(18.92)	(1,288.63)	1,710.27	(4.19)

1 Receipts are average annual total cash receipts including government payments, 2010-2015 (\$1,000)

2 Payments are average annual total government payments, 2010-2015 (\$1,000)

3 NCFI is average annual net cash farm income, 2010-2015 (\$1,000)

4 Reserve 2015 is average ending cash reserves, 2015 (\$1,000)

5 Net Worth 2015 is average nominal ending net worth, 2015 (\$1,000)

6 CRNW is average percentage change in real net worth over 2010-2015 period, (%)

Representative Farm: Rice

- All fourteen representative rice farms are projected to be in poor overall financial condition.
- All of the rice farms are expected to face severe cash flow problems and have high likelihoods of losing real equity.



Characteristics of Panel Farms Producing Rice, 2009.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Rice (acres)
CAR550	550	2,055.00	0.17	675.60	500
CAR2365	2,365	6,832.00	0.19	3,058.90	2,240
CABR1300	1,300	4,835.00	0.20	1,672.10	1,200
CACR715	715	2,584.00	0.21	955.30	650
TXR1350	1,350	1,455.00	0.14	540.00	450
TXR3000	3,000	1,216.00	0.08	1,323.80	1,200
TXBR1800	1,800	746.00	0.22	961.70	600
TXER3200	3,200	1,342.00	0.14	1,519.20	1,067
LASR1200	1,200	761.00	0.14	782.60	660
ARMR7500	7,500	8,246.00	0.24	4,842.40	1,875
ARSR3240	3,240	3,927.00	0.20	1,869.70	1,620
ARWR1200	1,200	2,973.00	0.30	764.90	600
ARHR3000	3,000	4,850.00	0.23	1,949.10	1,450
MOWR4000	4,000	11,783.00	0.19	2,732.10	2,000

Representative Farm: Rice

Economic Viability of Representative Farms over the 2010-2015 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2010	2015	2010-2015	2010-2015
0/0/14				
CAR550			83-99	1-99
CAR2365			59-98	1-97
CABR1300			53-98	1-96
CACR715			59-98	1-96
TXR1350			76-99	1-99
TXR3000			3-71	1-84
TXBR1800			84-99	1-99
TXER3200			79-99	1-99
LASR1200			3-62	1-78
ARMR7500			68-99	1-94
ARSR3240			37-97	1-90
ARWR1200			99-99	1-99
ARHR3000			90-99	1-99
MOWR4000			42-89	1-59

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

<25	25-50	>50
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2 P(NegativeEnding Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2010 and 2015.

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 2008 to 2010 and from 2008 to 2015.

Implications of the January 2010 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Rice

	Receipts	Payments	NCFI	Reserve 2015	Net Worth 2015	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAR550	547.08	76.39	(149.66)	(1,525.43)	357.74	(12.93)
CAR2365	2,439.16	213.75	(509.39)	(4,635.24)	1,474.16	(11.94)
CABR1300	1,356.74	183.95	(166.28)	(2,262.91)	1,995.85	(7.69)
CACR715	774.82	102.59	(125.65)	(1,182.36)	1,001.38	(7.89)
TXR1350	434.54	75.06	(80.74)	(1,086.32)	269.62	(12.85)
TXR3000	1,061.65	173.08	3.08	(308.80)	452.34	(10.29)
TXBR1800	771.08	124.06	(236.75)	(2,083.91)	(1,409.33)	(77.33)
TXER3200	1,290.49	200.08	(298.10)	(2,455.56)	(1,245.50)	(43.63)
LASR1200	666.31	58.11	32.33	(110.57)	385.89	(7.08)
ARMR7500	4,601.20	346.23	(293.77)	(5,930.84)	1,460.35	(12.73)
ARSR3240	1,596.55	188.93	(29.93)	(2,106.73)	1,433.92	(8.59)
ARWR1200	645.99	76.05	(490.02)	(4,612.54)	(1,680.12)	(33.79)
ARHR3000	1,684.67	194.07	(401.25)	(4,898.71)	(228.95)	(18.18)
MOWR4000	2,288.48	210.15	103.00	(1,975.09)	8,777.24	(0.93)

1 Receipts are average annual total cash receipts including government payments, 2010-2015 (\$1,000)

2 Payments are average annual total government payments, 2010-2015 (\$1,000)

3 NCFI is average annual net cash farm income, 2010-2015 (\$1,000)

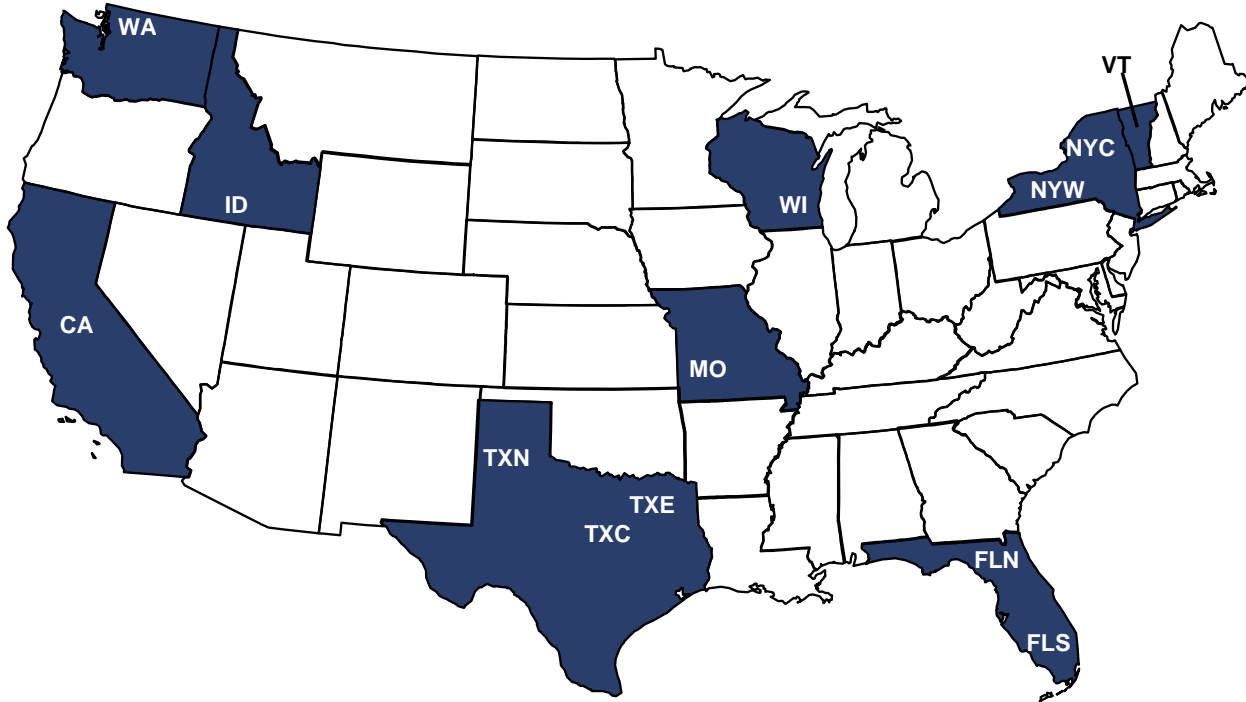
4 Reserve 2015 is average ending cash reserves, 2015 (\$1,000)

5 Net Worth 2015 is average nominal ending net worth, 2015 (\$1,000)

6 CRNW is average percentage change in real net worth over 2010-2015 period, (%)

Representative Farm: Dairy

- Sixteen of twenty-two dairy operations are in good overall financial condition. Five dairies are classified in marginal condition, and one is in poor condition.
- Six of the dairies are projected to experience severe liquidity pressure, but only one dairy is expected to face a 50 percent or greater chance of losing real equity.



Characteristics of Panel Farms Producing Milk, 2009.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Cows (number)
CAD1710	700	20,286.00	0.25	5,163.80	1,710
WAD250	200	3,730.00	0.25	852.80	250
WAD850	605	8,560.00	0.28	2,730.60	850
IDD1000	360	6,404.00	0.16	3,449.10	1,000
IDD3000	1,500	21,527.00	0.17	9,980.60	3,000
TXND3000	520	14,966.00	0.19	8,910.70	3,000
TXCD550	750	4,097.00	0.20	1,581.40	550
TXCD1300	560	7,302.00	0.22	3,873.50	1,300
TXED450	850	3,073.00	0.25	1,278.90	450
TXED1000	750	6,173.00	0.27	3,051.10	1,000
WID145	600	2,662.00	0.23	636.90	145
WID1000	2,000	7,443.00	0.25	4,012.20	1,000
NYWD600	1,200	5,199.00	0.33	2,031.70	600
NYWD1200	2,100	10,386.00	0.24	4,130.40	1,200
NYCD110	325	1,189.00	0.17	430.50	110
NYCD550	1,100	5,244.00	0.32	2,148.90	550
VTD140	220	1,314.00	0.25	499.40	140
VTD400	1,000	4,252.00	0.31	1,449.10	400
MOGD500	0	2,204.00	0.20	953.00	500
M OCD500	530	3,984.00	0.31	1,638.30	500
FLND550	600	4,129.00	0.17	1,798.10	550
FLSD1500	400	12,003.00	0.30	5,540.10	1,500

Representative Farm: Dairy

Economic Viability of Representative Farms over the 2010-2015 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2010	2015	2010-2015	2010-2015
16/5/1				
CAD1710			79-16	1-1
WAD250			89-29	1-1
WAD850			78-19	1-1
IDD1000			34-1	1-1
IDD3000			10-1	1-1
TXND3000			15-1	1-1
TXCD550			21-1	1-1
TXCD1300			58-4	1-1
TXED450			66-7	1-1
TXED1000			63-15	1-6
WID145			1-2	1-1
WID1000			65-12	1-5
NYWD600			98-96	1-61
NYWD1200			43-3	1-1
NYCD110			1-1	1-1
NYCD550			97-72	1-6
VTD140			99-76	1-34
VTD400			97-73	1-27
MOGD500			4-1	1-1
MOCD500			95-74	1-20
FLND550			1-1	1-1
FLSD1500			98-66	1-25

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

<25	25-50	>50
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2 P(NegativeEnding Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2010 and 2015.

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 2008 to 2010 and from 2008 to 2015.

Implications of the January 2010 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Milk

	Receipts	Payments	NCFI	Reserve 2015	Net Worth 2015	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAD1710	7,404.72	1.09	1,222.23	1,602.85	19,892.60	4.60
WAD250	1,199.34	0.60	260.44	184.97	3,755.57	5.29
WAD850	4,007.83	0.60	737.24	1,293.19	9,049.41	6.98
IDD1000	5,008.20	0.60	1,074.85	3,267.71	9,899.57	11.81
IDD3000	14,693.84	0.60	3,851.97	12,157.50	33,345.06	12.00
TXND3000	12,886.75	0.60	2,724.99	9,764.73	23,305.08	12.14
TXCD550	2,223.78	0.60	491.33	1,555.32	5,500.07	9.39
TXCD1300	5,446.78	0.60	872.34	2,415.74	9,212.77	8.55
TXED450	1,791.81	0.60	302.84	701.17	3,595.07	8.37
TXED1000	4,358.94	0.60	678.80	1,250.89	6,966.91	8.11
WID145	836.24	0.60	281.69	700.32	3,093.47	7.20
WID1000	5,637.16	15.08	769.66	1,912.80	8,838.95	8.97
NYWD600	2,836.92	0.60	74.32	(1,657.03)	3,213.94	(0.81)
NYWD1200	5,795.73	0.60	1,003.11	2,649.29	12,184.14	7.74
NYCD110	563.63	5.12	206.67	495.38	1,590.36	8.21
NYCD550	2,955.65	0.60	375.19	(360.79)	4,862.06	5.71
VTD140	660.14	0.60	64.72	(180.73)	1,057.83	1.24
VTD400	2,015.05	0.60	167.96	(472.61)	3,450.01	2.77
MOGD500	1,328.01	0.60	396.71	1,113.91	3,219.01	11.42
MOCD500	2,315.87	0.60	261.53	(462.87)	3,424.29	3.95
FLND550	2,457.86	0.60	665.92	2,395.53	6,294.23	11.12
FLSD1500	7,394.22	0.60	396.94	(1,220.35)	10,010.26	2.91

1 Receipts are average annual total cash receipts including government payments, 2010-2015 (\$1,000)

2 Payments are average annual total government payments, 2010-2015 (\$1,000)

3 NCFI is average annual net cash farm income, 2010-2015 (\$1,000)

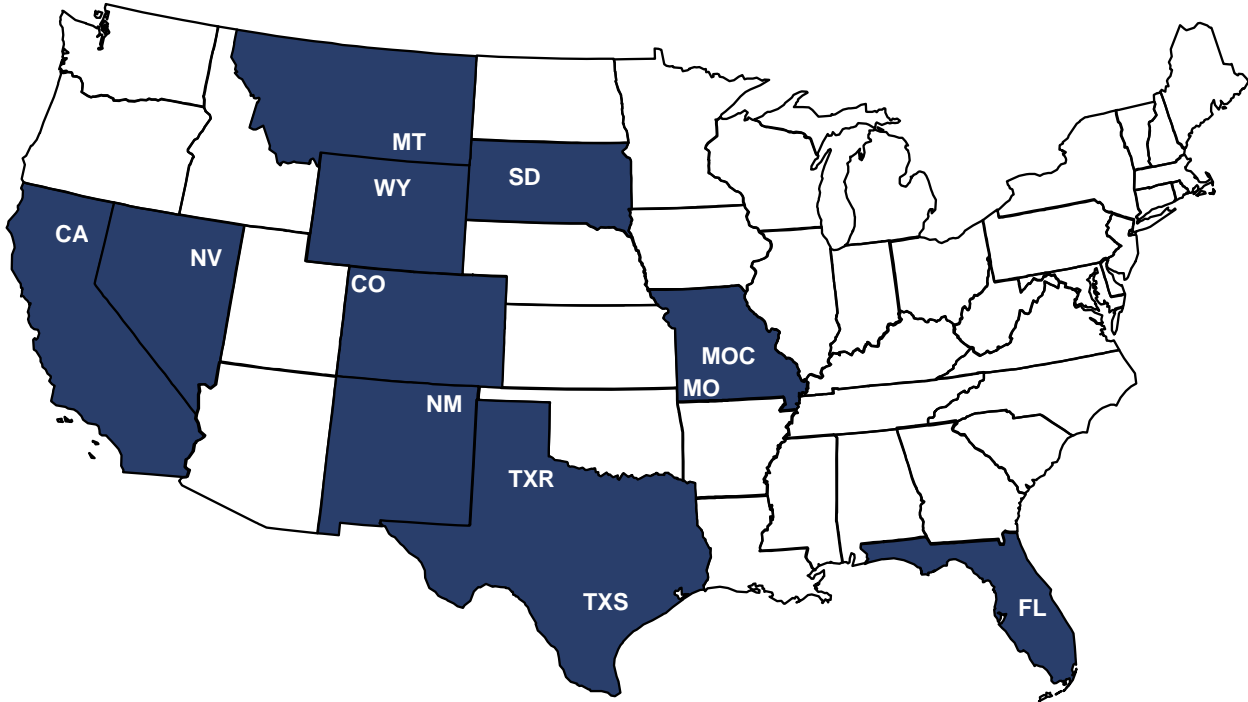
4 Reserve 2015 is average ending cash reserves, 2015 (\$1,000)

5 Net Worth 2015 is average nominal ending net worth, 2015 (\$1,000)

6 CRNW is average percentage change in real net worth over 2010-2015 period, (%)

Representative Farm: Cow/Calf

- Six of twelve cow-calf operations are projected to be in good overall financial condition, five are marginal, and one is expected to be in poor condition.
- Six of the operations will face significant liquidity pressure over the period, as their likelihoods of experiencing negative ending cash in 2015 exceed 50 percent.
- Only one of the twelve operations is projected to face a severe threat of losing real equity over the period.



Characteristics of Panel Farms Producing Beef Cattle, 2009.

	Cropland (acres)	Assets (\$1,000)	Debt/Asset (ratio)	Gross Receipts (\$1,000)	Cows (number)
CAB500	0	5,606.00	0.05	255.70	500
NVB700	1,300	4,564.00	0.03	327.60	700
MTB500	0	5,026.00	0.03	262.20	500
WYB435	330	3,461.00	0.02	255.50	435
COB250	450	17,405.00	0.01	193.50	250
NMB240	0	5,482.00	0.03	154.70	240
SDB375	1,150	5,182.00	0.02	203.80	375
MOB250	280	2,538.00	0.02	266.80	250
MOCB400	40	3,993.00	0.02	239.50	400
TXRB500	0	6,604.00	0.01	385.20	500
TXSB200	0	3,276.00	0.04	143.40	200
FLB1155	5,400	16,911.00	0.01	563.00	1,155

Representative Farm: Cow/Calf

Economic Viability of Representative Farms over the 2010-2015 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2010	2015	2010-2015	2010-2015
6/5/1				
CAB500			99-99	1-99
NVB700			99-98	1-8
MTB500			22-1	1-1
WYB435			96-89	1-9
COB250			9-98	1-1
NMB240			99-99	1-1
SDB375			10-7	1-1
MOB250			1-1	1-1
MOCB400			47-16	1-1
TXRB500			1-1	1-1
TXSB200			99-99	1-2
FLB1155			1-1	1-1

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

<25

25-50

>50

2 P(NegativeEnding Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2010 and 2015.

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 2008 to 2010 and from 2008 to 2015.

Implications of the January 2010 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Beef Cattle

	Receipts	Payments	NCFI	Reserve 2015	Net Worth 2015	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAB500	322.14	0.00	(79.85)	(946.44)	4,781.59	(1.67)
NVB700	401.16	0.00	28.87	(336.26)	4,778.92	1.43
MTB500	322.20	0.00	112.15	253.94	5,680.14	2.70
WYB435	306.02	0.00	45.27	(141.88)	3,633.80	1.34
COB250	223.70	0.00	11.47	(175.38)	18,267.65	1.22
NMB240	182.33	0.00	19.32	(149.41)	5,660.26	1.19
SDB375	251.75	0.00	79.98	152.38	5,664.34	1.90
MOB250	301.26	2.88	124.29	370.66	3,015.00	3.21
MOCB400	289.67	0.00	68.54	99.27	4,360.44	1.95
TXRB500	458.25	0.00	123.81	401.77	7,505.82	2.44
TXSB200	163.92	0.00	32.81	(208.36)	3,235.46	0.82
FLB1155	678.98	0.00	187.71	728.34	18,755.78	2.09

1 Receipts are average annual total cash receipts including government payments, 2010-2015 (\$1,000)

2 Payments are average annual total government payments, 2010-2015 (\$1,000)

3 NCFI is average annual net cash farm income, 2010-2015 (\$1,000)

4 Reserve 2015 is average ending cash reserves, 2015 (\$1,000)

5 Net Worth 2015 is average nominal ending net worth, 2015 (\$1,000)

6 CRNW is average percentage change in real net worth over 2010-2015 period, (%)