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Research Report

Economic outlook for representative dairies given the August 2007 FAPRI/AFPC baseline

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Economic Outlook for Representative Dairies Given the August 2007 FAPRI/AFPC Baseline

AFPC Briefing Paper 07-13

September 2007

Agricultural and Food Policy Center The Texas A&M University System



AFPC

Teaching Research Extension

**ECONOMIC OUTLOOK FOR REPRESENTATIVE
DAIRIES GIVEN THE AUGUST 2007
FAPRI/AFPC BASELINE**

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Executive Summary

The Agricultural and Food Policy Center (AFPC) at Texas A&M University develops and maintains data to simulate twenty-three representative dairy operations in major production areas of ten states. The chief purpose of this analysis is to project the economic viability of the dairies for 2007 through 2012. The data necessary to simulate the economic activity of these operations is developed through ongoing cooperation with panels of operators in each of these states. The Food and Agricultural Policy Research Institute (FAPRI) provided projected prices, policy variables, and input inflation rates in their August 2007 Baseline that were used to analyze the viability of the AFPC representative dairies.

Under the August 2007 Baseline, the California dairy (CAD1710), the New Mexico dairy (NMD2125), the moderate Washington dairy (WAD250), both Idaho dairies (IDD1000 and IDD3000), the large Central Texas dairy (TXCD1300), both Northeast Texas dairies (TXED450 and TXED1000), the Texas Northern High Plains dairy (TXND3000), both Wisconsin dairies (WID145 and WID775), the large Western New York dairy (NYWD1200), both Central New York dairies (NYCD110 and NYCD500), both Vermont dairies (VTD140 and VTD400), the large Missouri dairy (MOD400), and the Northern Florida dairy (FLND550) are all considered in good liquidity condition (less than a 25 percent chance of negative ending cash in 2012). The large Washington dairy (WAD850) and the South Florida dairy (FLSD1500) are considered in marginal liquidity condition (between a 25 percent and a 50 percent chance of negative ending cash in 2012). The moderate Central Texas dairy (TXCD550), the moderate Western New York dairy (NYWD800), and the moderate Missouri dairy (MOD85) are all considered in poor liquidity condition (greater than a 50 percent chance of negative ending cash in 2012).

Twenty-two of the twenty-three dairies are in good equity position (less than a 25 percent chance of decreasing real net worth during 2007-2012). Only TXCD550 has greater than a 50 percent probability of decreasing real net worth (poor equity position).

Overall rankings for the representative dairies are projected to be as follows: Eighteen of the dairies (CAD1710, NMD2125, WAD250, IDD1000, IDD3000, TXND3000, TXCD1300, TXED450, TXED1000, WID145, WID775, NYWD1200, NYCD110, NYCD500, VTD140, VTD400, MOD400, and FLND550) are classified in good condition, four (WAD850, NYWD800, MOD85, and FLSD1500) are in marginal condition, and one (TXCD550) are in poor condition.

FAPRI August 2007 Baseline

While projected milk prices are a primary determinant of the financial viability of the representative dairies, the prices of feed crops and cattle prices can also have an impact. Most of the dairies produce hay, silage, and other crops and are often net buyers. Commodity prices have a major impact on dairy returns because feed represents the number one cost for dairies. With the recent increase in demand for corn, prices are projected to increase, potentially affecting rations and feed costs.

Projected milk and livestock prices for FAPRI's August 2007 Baseline are presented in Table 1. In general, milk prices are projected to decrease each year from 2007 through 2012 after the large increase in price from 2006 to 2007. Cattle prices are expected to decrease with the downturn in the cattle cycle. Specifically, prices for milk and cattle are projected to move as follows:

- U.S. All Milk price is expected to decrease from \$19.07/cwt in 2007 to \$15.72/cwt in 2012.
- The localized prices for each state move with the U.S. All Milk price.
- Feeder cattle prices are projected to decrease from \$117.53/cwt in 2007 to \$102.03/cwt in 2012.
- Cull cow prices start at \$50.94/cwt in 2007, increase to \$52.98/cwt in 2008 and then decrease to \$47.14/cwt by 2012.

Projected crop prices for FAPRI's August 2007 Baseline are also summarized in Table 1. Individual crop prices are projected to move as follows:

- The U.S. all hay prices are expected to fall from \$123.20/ton in 2007 to \$110.86/ton in 2009 and then rise to \$111.52/ton in 2012.
- Corn prices start at \$3.10/bu in 2007 and increase in 2008 to \$3.38/bu and then fall to \$3.25/bu by 2012.
- Soybean Meal is expected to fall from \$207.88/ton in 2007 to \$192.68/ton by 2012.

Projected annual rates of change for variable cash expenses are summarized in Table 2. The rate of change in input prices comes from FAPRI's August 2007 Baseline. Based on projections from Global Insight, annual interest rates paid for intermediate-term and long-term loans and interest rates earned on savings are also reported in Table 2. Assumed annual rates of change in land values over the 2007-2012 period are provided by the FAPRI Baseline and are projected to range between a 3.51% and 13.68% per year.

Table 1. FAPRI August 2007 Baseline Projections of Livestock and Crop Prices, 2005-2012.

	2005	2006	2007	2008	2009	2010	2011	2012
Milk Price								
U.S. All Milk Price (\$/cwt)	15.19	12.97	19.07	16.05	15.78	15.72	15.74	15.72
California (\$/cwt)	13.92	11.58	16.93	14.66	14.44	14.37	14.39	14.37
Florida (\$/cwt)	18.60	15.90	22.18	19.08	18.68	18.65	18.70	18.70
Idaho (\$/cwt)	14.00	11.80	18.11	14.86	14.65	14.61	14.66	14.65
Missouri (\$/cwt)	15.50	13.30	19.63	16.46	16.15	16.11	16.16	16.15
New Mexico (\$/cwt)	14.30	12.10	18.47	15.27	14.99	14.94	14.99	14.98
New York (\$/cwt)	15.90	13.40	19.81	16.65	16.32	16.27	16.31	16.30
Texas (\$/cwt)	15.30	13.30	19.67	16.48	16.18	16.14	16.19	16.18
Vermont (\$/cwt)	16.00	13.70	20.12	16.96	16.63	16.58	16.62	16.61
Washington (\$/cwt)	14.90	12.60	19.11	15.94	15.62	15.56	15.59	15.58
Wisconsin (\$/cwt)	15.60	13.30	19.53	16.25	16.07	16.05	16.10	16.10
Cattle Prices								
Feeder Cattle (\$/cwt)	120.11	117.68	117.53	118.46	114.27	107.60	103.83	102.03
Culled Cows (\$/cwt)	54.36	47.56	50.94	52.98	52.36	49.92	47.93	47.14
Crop Prices								
Corn (\$/bu.)	2.00	3.03	3.10	3.38	3.35	3.34	3.28	3.25
Soybean Meal (\$/ton)	166.12	195.53	207.88	205.71	200.41	196.80	194.79	192.68
All Hay (\$/ton)	98.20	109.00	123.20	114.46	110.86	110.46	111.15	111.52

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

Table 2. FAPRI August 2007 Baseline Assumed Rates of Change in Input Prices, Annual Interest Rates, and Annual Changes in Land Values, 2006-2012.

	2006	2007	2008	2009	2010	2011	2012
Annual Rate of Change for Input Prices Paid							
Seed Prices (%)	8.03	3.60	2.18	1.45	1.49	1.66	1.40
All Fertilizer Prices (%)	6.95	4.52	3.37	0.12	-0.07	0.55	-0.01
Herbicide Prices (%)	3.71	1.80	1.73	1.19	1.08	1.29	1.09
Insecticide Prices (%)	3.06	0.97	0.80	0.70	1.42	1.72	1.46
Fuel and Lube Prices (%)	8.08	0.89	1.70	-0.75	-0.51	-1.17	-1.41
Machinery Prices (%)	4.04	3.39	3.00	1.71	1.81	2.10	2.08
Wages (%)	2.72	3.14	2.22	2.75	2.96	3.09	3.12
Supplies (%)	5.11	3.68	4.07	3.13	2.22	2.03	1.61
Repairs (%)	3.38	2.87	2.43	2.40	2.47	2.60	2.51
Services (%)	4.14	2.30	1.90	1.30	1.88	2.11	2.03
Taxes (%)	2.59	4.24	2.95	2.04	2.08	2.65	1.44
PPI Items (%)	3.53	5.11	1.77	0.82	0.81	1.08	0.74
PPI Total (%)	3.64	4.70	2.03	1.37	1.15	1.37	1.06
Annual Change in Consumer Price Index (%)	2.64	1.83	1.99	1.96	1.89	2.08	2.26
Annual Interest Rates							
Long-Term (%)	5.81	5.89	6.24	6.73	6.87	6.97	7.06
Intermediate-Term (%)	4.70	4.77	5.05	5.44	5.56	5.65	5.72
Savings Account (%)	1.61	1.63	1.73	1.86	1.90	1.93	1.96
Annual Rate of Change for U.S. Land Prices (%)	15.15	13.68	9.20	4.37	3.65	3.51	3.51

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

Economic Viability of Representative Dairy Farms over the 2007-2012 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2007	2012	2007-2012	2007-2012
18/4/1				
CAD1710			1-1	1-1
NMD2125			1-1	1-1
WAD250			5-7	1-1
WAD850			36-44	1-18
IDD1000			1-2	1-1
IDD3000			1-1	1-1
TXND3000			1-9	1-20
TXCD550			84-98	1-87
TXCD1300			1-1	1-1
TXED450			6-12	1-2
TXED1000			4-12	1-10
WID145			1-5	1-1
WID775			1-1	1-1
NYWD800			26-54	1-13
NYWD1200			6-22	1-10
NYCD110			1-1	1-1
NYCD500			1-2	1-1
VTD140			1-2	1-1
VTD400			10-18	1-1
MOD85			76-92	1-1
MOD400			1-2	1-1
FLND550			1-1	1-1
FLSD1500			20-29	1-10

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

<25

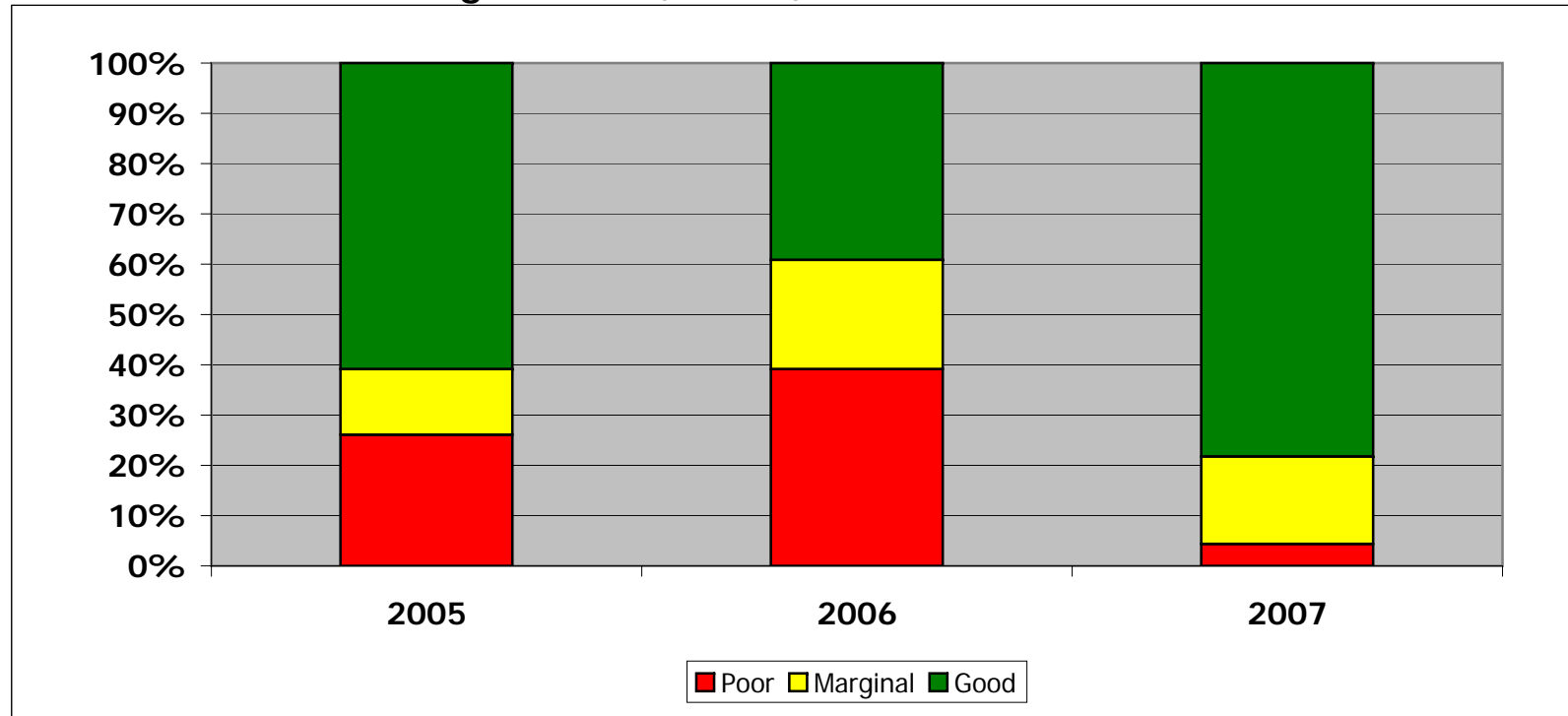
25-50

>50

2 P(NegativeEnding Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2007 and 2012.

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 2005 to 2007 and from 2005 to 2012.

Comparison of Projected Overall Economic Viability of Representative Dairies Between the August 2005¹, 2006², and 2007³ FAPRI/AFPC Baselines



¹ Projected overall economic viability for August 2005 Baseline is based on a 2005-2009 study period.

² Projected overall economic viability for August 2006 Baseline is based on a 2006-2011 study period.

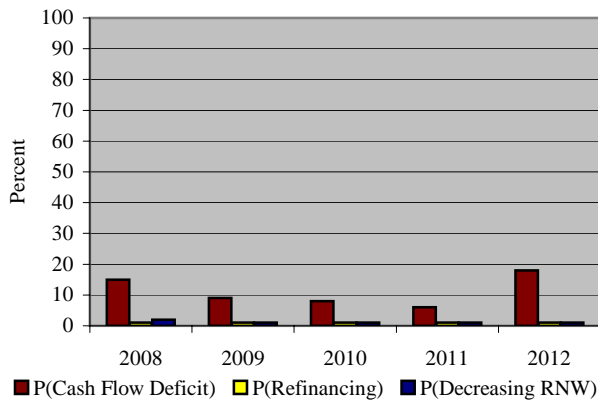
³ Projected overall economic viability for August 2007 Baseline is based on a 2007-2012 study period.

CAD1710

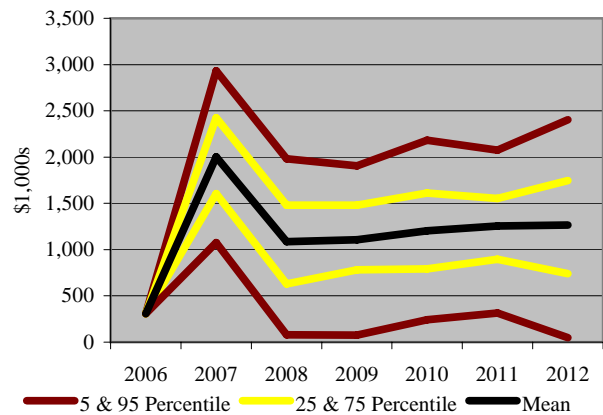
A 1,710-cow, large-sized central California (Tulare County) dairy. The farm plants 1,100 acres of hay/silage for which it employs custom harvesting. Milk sales generated 91 percent of 2006 total receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income

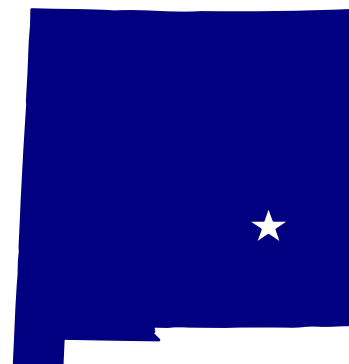


	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	6,421.7	6,472.0	6,605.9	6,704.6	6,769.7
Government Payments (\$1,000)	4.0	9.9	5.5	9.8	7.1
Total Receipts (\$1,000)	6,425.6	6,481.9	6,611.4	6,714.4	6,776.8
Total Expenses (\$1,000)	5,341.0	5,375.0	5,407.6	5,460.6	5,509.8
Net Cash Farm Income (\$1,000)	1,084.7	1,106.9	1,203.9	1,253.8	1,267.0
Ending Cash (\$1,000)	2,226.9	2,739.3	3,303.9	3,868.4	4,421.2
Net Worth (\$1,000)	14,548.1	15,420.9	16,265.4	17,190.9	18,091.1
Return on Assets (%)	11.2	7.6	6.7	7.3	6.4
P(Cash Flow Deficit) (%)	15.0	9.0	8.0	6.0	18.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	1.0
P(Decreasing RNW) (%)	2.0	1.0	1.0	1.0	1.0

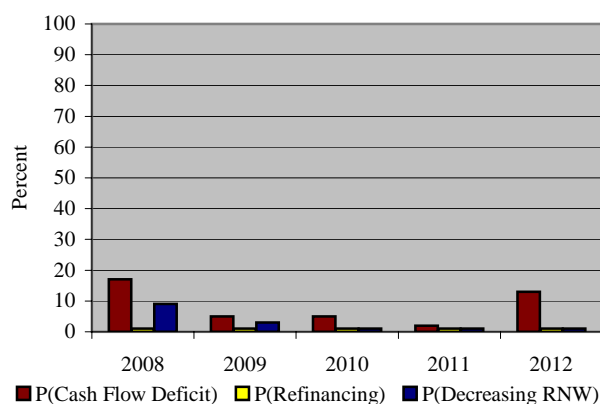
Producers participating in the panel include: Chuck Draxler, James Netto, Jeff Wilbur, and John Zonneveld. Carol Collar and Carl Matz serve as facilitators.

NMD2125

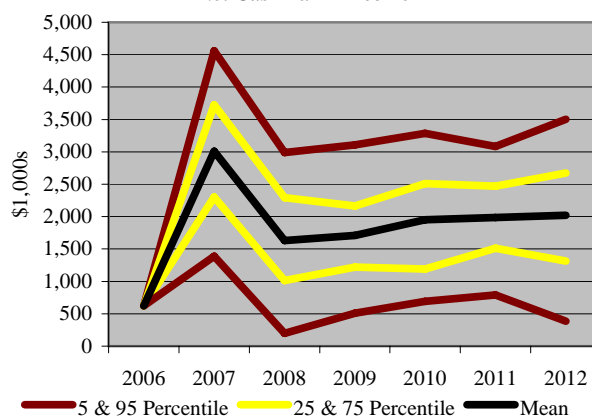
A 2,125 cow, large-sized southern New Mexico (Dona Ana and Chaves Counties) dairy. This farm purchases all commodities necessary for blending its own total mixed ration and plants no crops. Milk sales accounted for 91 percent of 2006 total receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income

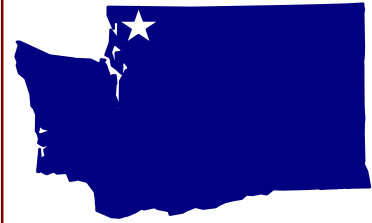


	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	7,847.1	7,898.3	8,169.4	8,281.4	8,375.9
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	7,847.1	7,898.3	8,169.4	8,281.4	8,375.9
Total Expenses (\$1,000)	6,215.9	6,190.4	6,218.7	6,292.8	6,356.2
Net Cash Farm Income (\$1,000)	1,631.1	1,707.9	1,950.8	1,988.6	2,019.7
Ending Cash (\$1,000)	3,479.7	4,253.6	5,178.0	6,170.3	7,169.8
Net Worth (\$1,000)	12,519.3	13,529.9	14,638.8	15,834.1	16,990.0
Return on Assets (%)	14.2	11.2	10.8	10.9	9.8
P(Cash Flow Deficit) (%)	17.0	5.0	5.0	2.0	13.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	1.0
P(Decreasing RNW) (%)	9.0	3.0	1.0	1.0	1.0

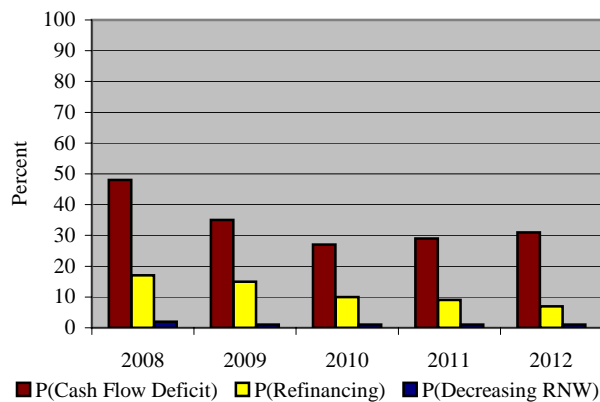
Producers participating in the panel include: Isaak Bos, Joe Gonzalez, Eric Palla, and Wayne Palla. Robert Hagevoort and Sharon Lombardi serve as facilitators.

WAD250

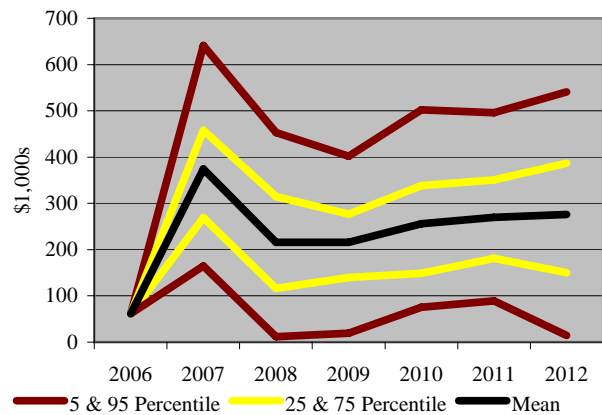
A 250-cow, moderate-sized northern Washington (Whatcom County) dairy. This farm plants 200 acres of silage and generated 88 percent of its 2006 gross receipts from milk sales.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income

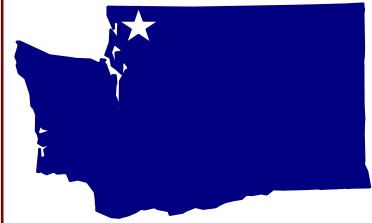


	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,009.6	1,005.8	1,046.6	1,062.2	1,072.4
Government Payments (\$1,000)	2.6	2.7	2.4	2.8	2.3
Total Receipts (\$1,000)	1,012.2	1,008.5	1,049.0	1,065.0	1,074.7
Total Expenses (\$1,000)	796.3	792.4	793.4	795.1	798.5
Net Cash Farm Income (\$1,000)	215.9	216.1	255.6	269.9	276.2
Ending Cash (\$1,000)	145.0	173.2	240.0	302.3	357.3
Net Worth (\$1,000)	2,881.7	3,039.9	3,221.5	3,399.9	3,565.2
Return on Assets (%)	9.6	6.2	6.5	7.8	7.2
P(Cash Flow Deficit) (%)	48.0	35.0	27.0	29.0	31.0
P(Refinancing) (%)	17.0	15.0	10.0	9.0	7.0
P(Decreasing RNW) (%)	2.0	1.0	1.0	1.0	1.0

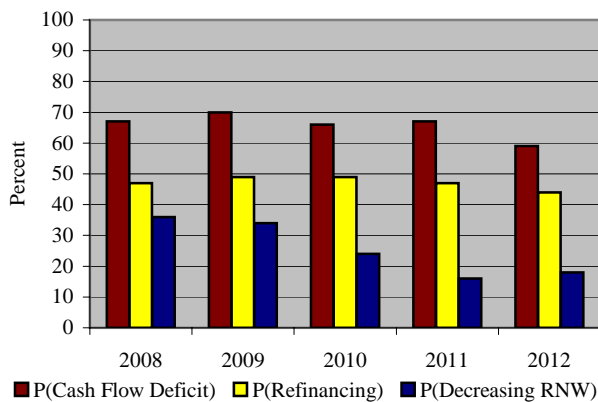
Producers participating in the panel include: Ron Bronsema, Larry DeHaan, John Steensma, and Peter Vlas. Craig MacConnell serves as the facilitator.

WAD850

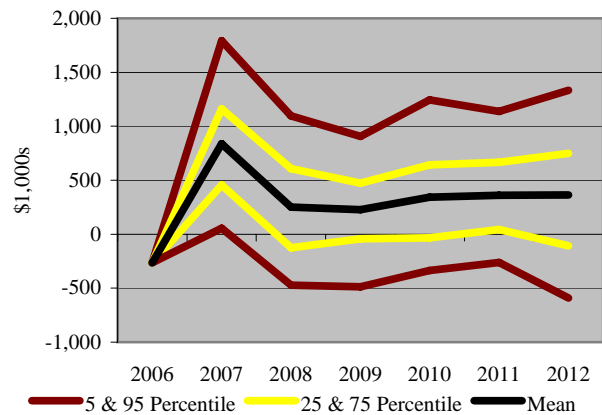
An 850-cow, large-sized northern Washington (Whatcom County) dairy. This farm plants 605 acres for silage annually. During 2006, 93 percent of this farm's gross receipts came from milk.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	3,454.2	3,439.9	3,586.4	3,642.4	3,680.3
Government Payments (\$1,000)	16.1	16.3	15.2	16.7	14.6
Total Receipts (\$1,000)	3,470.3	3,456.2	3,601.6	3,659.0	3,694.9
Total Expenses (\$1,000)	3,217.8	3,229.7	3,259.7	3,297.4	3,332.7
Net Cash Farm Income (\$1,000)	252.4	226.5	341.8	361.6	362.2
Ending Cash (\$1,000)	49.0	-30.9	-7.2	58.9	74.1
Net Worth (\$1,000)	6,016.2	6,098.6	6,250.1	6,483.2	6,626.3
Return on Assets (%)	6.5	4.1	4.4	5.7	5.2
P(Cash Flow Deficit) (%)	67.0	70.0	66.0	67.0	59.0
P(Refinancing) (%)	47.0	49.0	49.0	47.0	44.0
P(Decreasing RNW) (%)	36.0	34.0	24.0	16.0	18.0

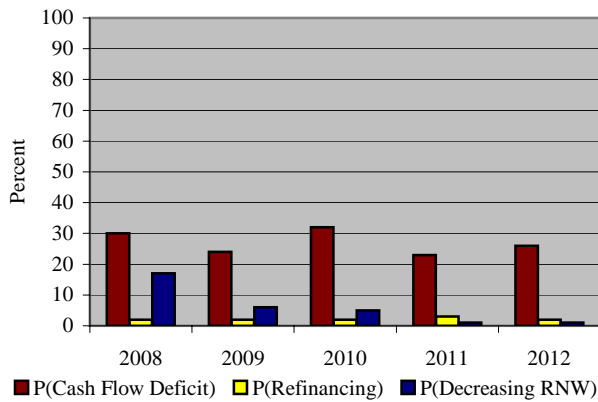
Producers participating in the panel include: Dick Bengen, Rod De Jong, Ed Pomeroy, and Jeff Rainey. Craig MacConnell serves as the facilitator.

IDD1000

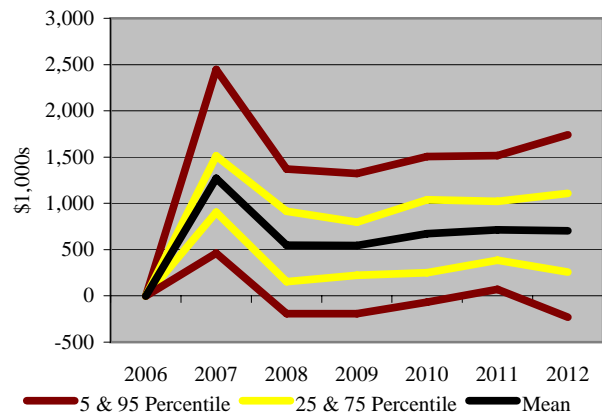
A 1,000-cow, moderate-sized Idaho (Twin Falls County) dairy. This farm plants no crops. Milk sales accounted for 88 percent of IDD1000's gross receipts for 2006.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	2008	2009	2010	2011	2012
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	4,006.5	4,014.7	4,177.5	4,262.2	4,284.7
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	4,078.5	4,086.7	4,249.5	4,334.2	4,356.7
Total Expenses (\$1,000)	3,532.0	3,540.9	3,577.6	3,619.4	3,651.8
Net Cash Farm Income (\$1,000)	546.5	545.8	671.9	714.8	704.9
Ending Cash (\$1,000)	1,041.6	1,238.4	1,457.3	1,732.2	1,991.2
Net Worth (\$1,000)	6,932.2	7,303.6	7,681.3	8,155.0	8,602.1
Return on Assets (%)	11.3	7.6	7.3	7.8	6.9
P(Cash Flow Deficit) (%)	30.0	24.0	32.0	23.0	26.0
P(Refinancing) (%)	2.0	2.0	2.0	3.0	2.0
P(Decreasing RNW) (%)	17.0	6.0	5.0	1.0	1.0

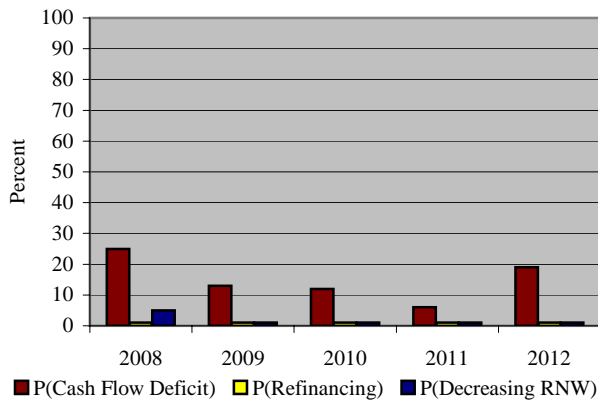
Producers participating in the panel include: William Bokma, Martin Lee, Michael Quesnell, Donald Taber, and John Wright. Mireille Chahine, Joe Dalton, and Wilson Gray serve as facilitators.

IDD3000

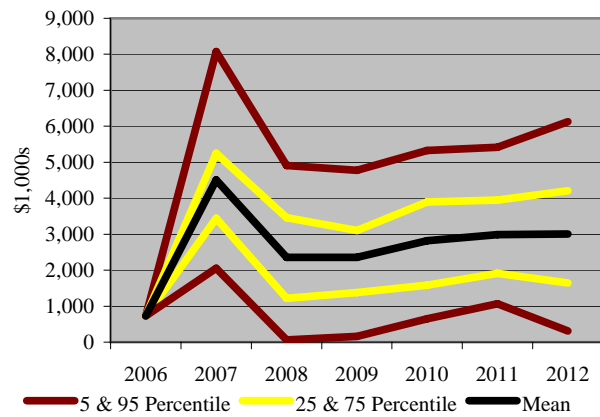
A 3,000-cow, large-sized Idaho (Twin Falls County) dairy. This farm plants 2,000 acres for silage annually. Milk sales represent 91 percent of this farm's gross receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	11,909.7	11,935.9	12,427.8	12,683.4	12,753.6
Government Payments (\$1,000)	0.0	0.4	0.2	0.8	0.2
Total Receipts (\$1,000)	11,909.7	11,936.3	12,428.0	12,684.2	12,753.8
Total Expenses (\$1,000)	9,553.2	9,575.6	9,609.7	9,695.6	9,751.0
Net Cash Farm Income (\$1,000)	2,356.5	2,360.7	2,818.3	2,988.6	3,002.8
Ending Cash (\$1,000)	4,579.1	5,506.1	6,753.5	8,033.8	9,292.8
Net Worth (\$1,000)	23,762.9	25,294.1	27,014.5	28,902.6	30,757.0
Return on Assets (%)	12.7	9.4	9.4	9.9	8.8
P(Cash Flow Deficit) (%)	25.0	13.0	12.0	6.0	19.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	1.0
P(Decreasing RNW) (%)	5.0	1.0	1.0	1.0	1.0

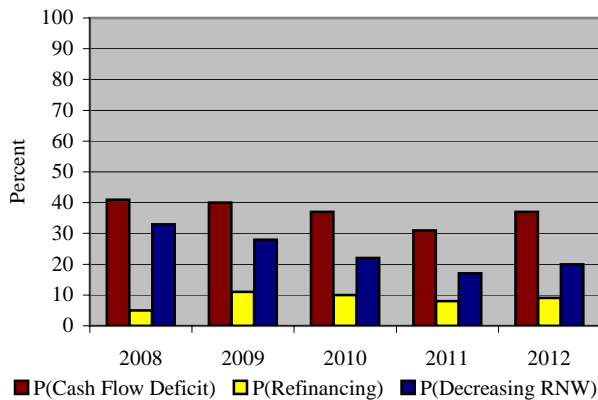
Producers participating in the panel include: Harry Hogland, Mike Roth, Edwin Southfield, and Rick Thompson. Mireille Chahine, Joe Dalton, and Wilson Gray serve as facilitators.

TXND3000

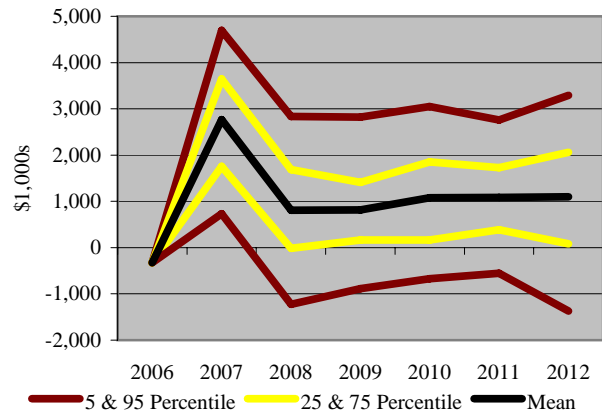
A 3,000-cow, large-sized dairy located in the Southern High Plains of Texas (Bailey County). This farm plants 180 acres of sorghum for silage annually. Milk sales accounted for 90 percent of 2006 gross receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	2008	2009	2010	2011	2012
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	10,700.5	10,728.2	11,064.0	11,201.3	11,322.9
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	10,700.5	10,728.2	11,064.0	11,201.3	11,322.9
Total Expenses (\$1,000)	9,892.9	9,913.8	9,984.5	10,115.6	10,226.5
Net Cash Farm Income (\$1,000)	807.7	814.4	1,079.5	1,085.8	1,096.4
Ending Cash (\$1,000)	2,370.9	2,632.9	3,114.0	3,638.7	4,121.9
Net Worth (\$1,000)	13,651.4	13,959.1	14,394.3	14,937.3	15,369.0
Return on Assets (%)	8.0	4.2	4.4	5.8	4.6
P(Cash Flow Deficit) (%)	41.0	40.0	37.0	31.0	37.0
P(Refinancing) (%)	5.0	11.0	10.0	8.0	9.0
P(Decreasing RNW) (%)	33.0	28.0	22.0	17.0	20.0

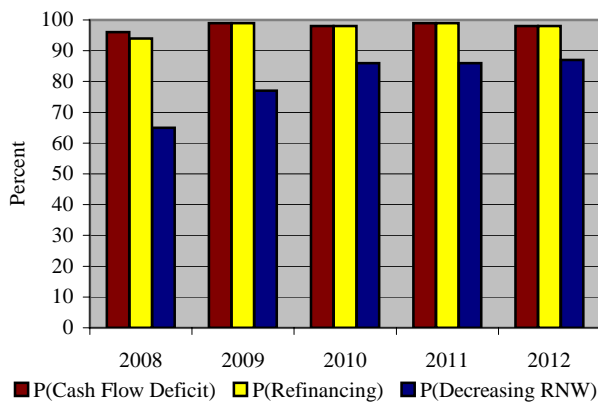
Producers participating in the panel include: Brian Boehning, Larry Hancock, David Lawrence, Mark Long, Reed Mulliken, Robert "Bob" Wade. Janet Claborn and Curtis Preston serve as facilitators.

TXCD550

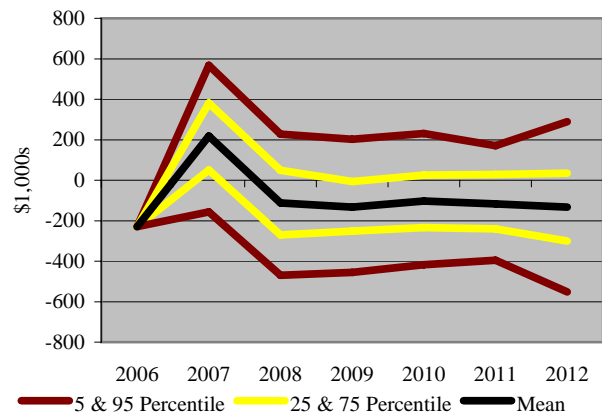
A 550-cow, moderate-sized central Texas (Erath County) dairy. TXCD550 plants 500 acres of hay each year. Milk sales represented 90 percent of this farm's 2006 gross receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,840.6	1,846.4	1,904.7	1,928.5	1,949.3
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	1,840.6	1,846.4	1,904.7	1,928.5	1,949.3
Total Expenses (\$1,000)	1,953.6	1,978.7	2,008.1	2,046.1	2,082.3
Net Cash Farm Income (\$1,000)	-113.0	-132.3	-103.4	-117.6	-133.0
Ending Cash (\$1,000)	-459.7	-700.4	-914.1	-1,125.4	-1,329.3
Net Worth (\$1,000)	2,150.7	1,981.6	1,831.8	1,691.6	1,536.5
Return on Assets (%)	0.5	-3.2	-3.2	-1.1	-1.9
P(Cash Flow Deficit) (%)	96.0	99.0	98.0	99.0	98.0
P(Refinancing) (%)	94.0	99.0	98.0	99.0	98.0
P(Decreasing RNW) (%)	65.0	77.0	86.0	86.0	87.0

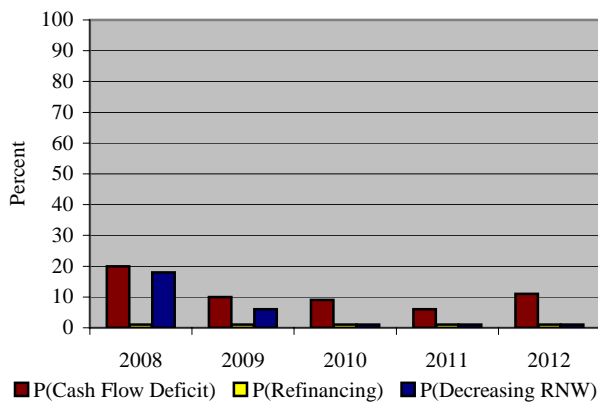
Producers participating in the panel include: Carson Lovoing, Leonard Moncrief, and Jack Parks. Tamilee Nennich and Robert Scott serve as facilitators.

TXCD1300

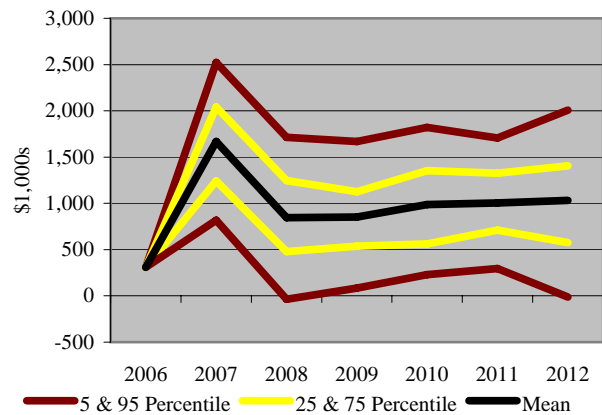
A 1,300-cow, large-sized central Texas (Erath County) dairy. TXCD1300 plants 400 acres of silage annually. During 2006, milk sales accounted for 91 percent of receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	4,852.8	4,870.1	5,027.4	5,091.1	5,149.0
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	4,852.8	4,870.1	5,027.4	5,091.1	5,149.0
Total Expenses (\$1,000)	4,008.2	4,018.5	4,041.2	4,085.3	4,115.8
Net Cash Farm Income (\$1,000)	844.6	851.6	986.2	1,005.8	1,033.1
Ending Cash (\$1,000)	1,838.3	2,239.0	2,740.5	3,253.5	3,792.1
Net Worth (\$1,000)	7,181.0	7,638.5	8,158.9	8,735.2	9,284.8
Return on Assets (%)	11.2	8.6	8.6	9.4	8.3
P(Cash Flow Deficit) (%)	20.0	10.0	9.0	6.0	11.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	1.0
P(Decreasing RNW) (%)	18.0	6.0	1.0	1.0	1.0

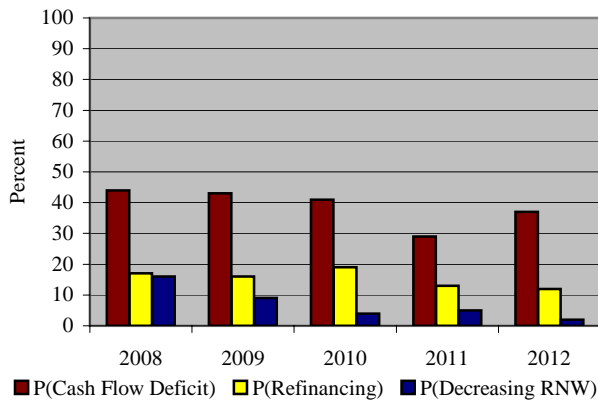
Producers participating in the panel include: Frans Buekeboom, Leann Moos, Nova Schouten, and Alan Vander Horst. Tamilee Nennich and Robert Scott serve as facilitators.

TXED450

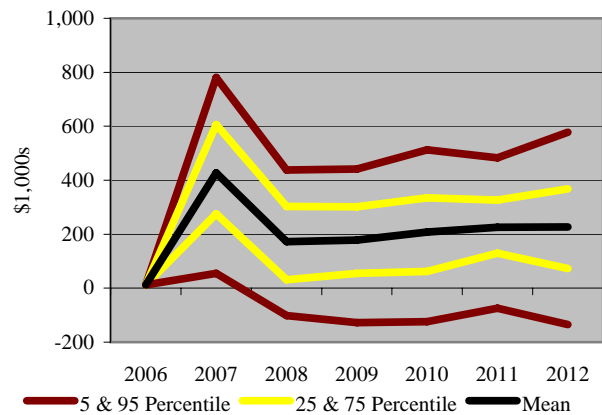
A 450-cow, moderate-sized northeast Texas (Hopkins County) dairy. This farm has 850 acres of improved pasture and 50 acres of hay. During 2006, milk sales represented 87 percent of annual receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income

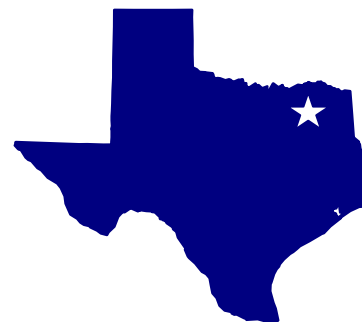


	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,471.7	1,484.1	1,522.6	1,554.9	1,567.0
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	1,471.7	1,484.1	1,522.6	1,554.9	1,567.0
Total Expenses (\$1,000)	1,299.9	1,306.0	1,315.2	1,329.6	1,339.9
Net Cash Farm Income (\$1,000)	171.9	178.1	207.4	225.3	227.1
Ending Cash (\$1,000)	241.2	261.7	303.7	357.5	407.5
Net Worth (\$1,000)	2,971.0	3,082.1	3,198.7	3,334.9	3,458.5
Return on Assets (%)	9.4	5.3	4.6	6.4	5.6
P(Cash Flow Deficit) (%)	44.0	43.0	41.0	29.0	37.0
P(Refinancing) (%)	17.0	16.0	19.0	13.0	12.0
P(Decreasing RNW) (%)	16.0	9.0	4.0	5.0	2.0

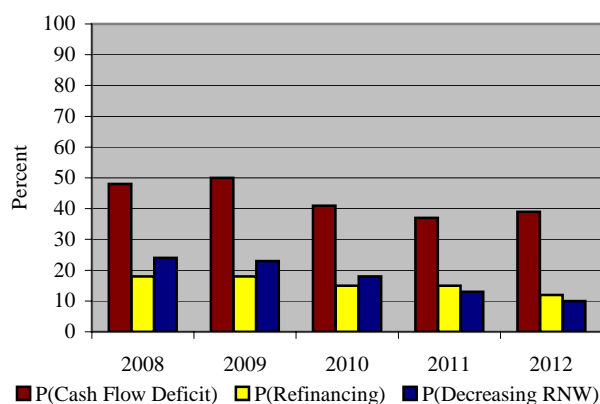
Producers participating in the panel include: Alan Bullock, Alan Screws, Don Smith, Mark Sustaire, and Mike Webb. G. H. Cain, Larry Spradlin, and Ron Tosh serve as facilitators.

TXED1000

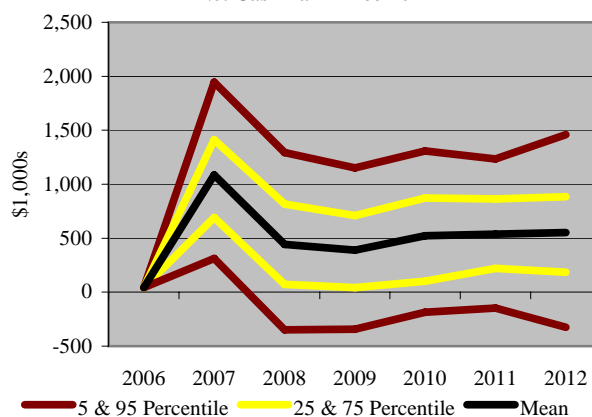
A 1,000-cow, large-sized northeast Texas (Hopkins County) dairy. This farm plants 1,025 acres of hay/silage. This farm generated 93 percent of 2006 receipts from milk sales.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	2008	2009	2010	2011	2012
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	3,564.7	3,566.7	3,732.7	3,782.9	3,824.7
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	3,564.7	3,566.7	3,732.7	3,782.9	3,824.7
Total Expenses (\$1,000)	3,121.4	3,177.5	3,208.9	3,245.7	3,271.9
Net Cash Farm Income (\$1,000)	443.2	389.2	523.8	537.2	552.8
Ending Cash (\$1,000)	649.9	674.6	806.2	931.2	1,048.8
Net Worth (\$1,000)	6,001.0	6,142.3	6,361.3	6,621.1	6,837.7
Return on Assets (%)	9.0	4.8	5.5	6.7	5.8
P(Cash Flow Deficit) (%)	48.0	50.0	41.0	37.0	39.0
P(Refinancing) (%)	18.0	18.0	15.0	15.0	12.0
P(Decreasing RNW) (%)	24.0	23.0	18.0	13.0	10.0

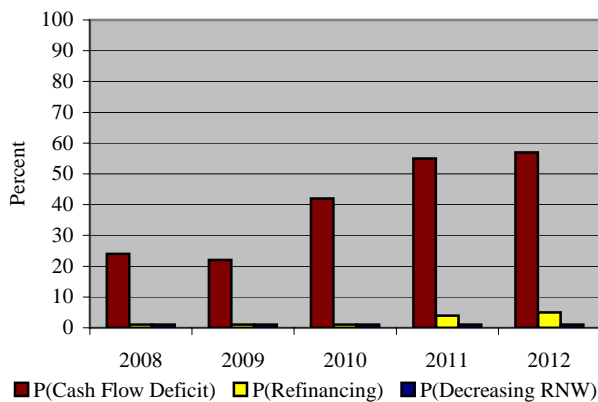
Producers participating in the panel include: Rene Coumans, Okle Jongsma, Jack Kempenaar, Luke Oosterloo, Douwe Plantinga, Adrie Vanderjagt, and Piet Vanryn. G. H. Cain, Larry Spradlin, and Ron Tosh serve as facilitators.

WID145

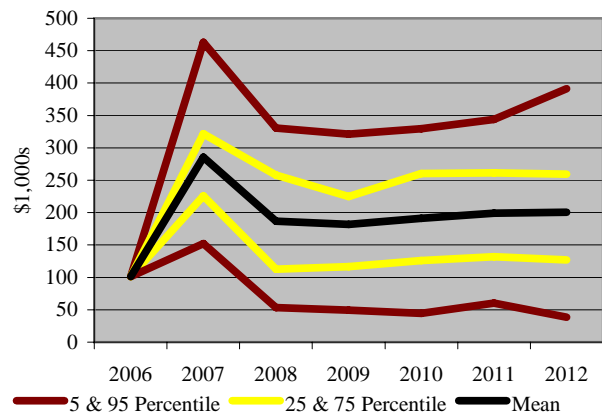
A 145-cow, moderate-sized eastern Wisconsin (Winnebago County) dairy. The farm plants 237 acres of silage, 60 acres of hay, 184 acres of corn, and 99 acres of soybeans. Milk constituted 87 percent of this farm's 2006 receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	4.8	4.6	3.5	3.5	4.0
Livestock Receipts (\$1,000)	647.6	647.6	674.6	688.7	690.4
Government Payments (\$1,000)	5.4	5.5	5.1	5.7	4.9
Total Receipts (\$1,000)	657.8	657.7	683.2	697.9	699.3
Total Expenses (\$1,000)	471.1	475.8	491.9	498.8	498.6
Net Cash Farm Income (\$1,000)	186.7	181.9	191.3	199.2	200.7
Ending Cash (\$1,000)	187.4	230.7	244.5	246.7	242.7
Net Worth (\$1,000)	2,972.9	3,131.4	3,258.8	3,407.2	3,556.0
Return on Assets (%)	10.6	6.3	4.9	4.9	4.4
P(Cash Flow Deficit) (%)	24.0	22.0	42.0	55.0	57.0
P(Refinancing) (%)	1.0	1.0	1.0	4.0	5.0
P(Decreasing RNW) (%)	1.0	1.0	1.0	1.0	1.0

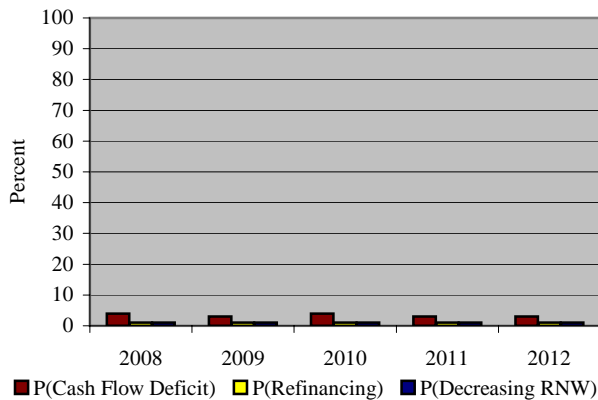
Producers participating in the panel include: Charlie Knigge, Joe Kuehnl, Larry Pollack, and Rob Stone. Christine Kniep serves as the facilitator.

WID775

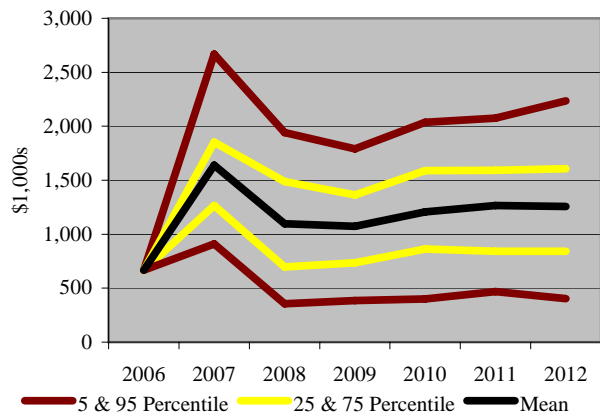
A 775-cow, large-sized eastern Wisconsin (Winnebago County) dairy. The farm plants 696 acres of hay and 454 acres of silage each year. Milk sales comprised 92 percent of the farm's 2006 receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	10.7	10.4	11.2	12.0	13.3
Livestock Receipts (\$1,000)	3,486.6	3,489.2	3,643.0	3,722.4	3,735.2
Government Payments (\$1,000)	5.9	7.8	5.0	6.5	4.1
Total Receipts (\$1,000)	3,503.2	3,507.5	3,659.2	3,740.9	3,752.6
Total Expenses (\$1,000)	2,406.2	2,433.1	2,451.2	2,473.7	2,496.6
Net Cash Farm Income (\$1,000)	1,097.1	1,074.4	1,208.0	1,267.2	1,256.1
Ending Cash (\$1,000)	2,321.4	2,814.0	3,411.5	4,019.4	4,638.8
Net Worth (\$1,000)	6,872.4	7,498.5	8,202.6	8,954.0	9,699.3
Return on Assets (%)	16.6	12.6	12.2	12.8	11.2
P(Cash Flow Deficit) (%)	4.0	3.0	4.0	3.0	3.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	1.0
P(Decreasing RNW) (%)	1.0	1.0	1.0	1.0	1.0

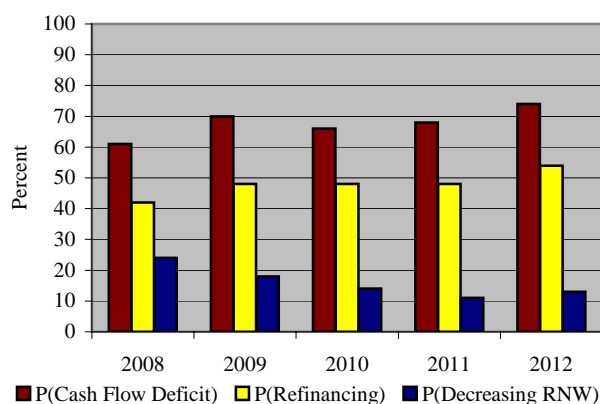
Producers participating in the panel include: Chris Bonlender, Douglas Hodorff, and Kevin Krentz. Christine Kniep serves as the facilitator.

NYWD800

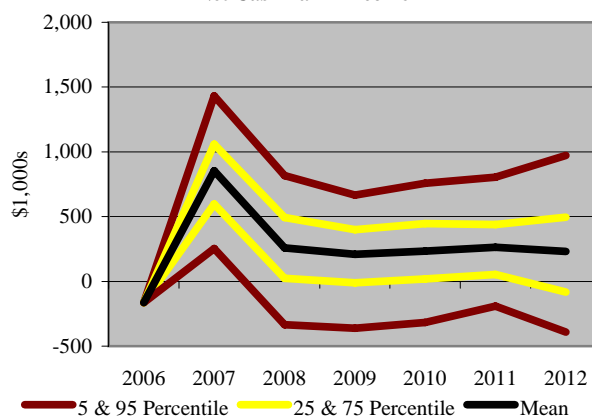
An 800-cow, moderate-sized western New York (Wyoming County) dairy. This farm plants 690 acres of silage and 750 acres of haylage annually. Milk sales accounted for 92 percent of the gross receipts for this farm in 2006.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	3,472.1	3,476.4	3,556.0	3,634.7	3,648.1
Government Payments (\$1,000)	20.1	20.3	20.2	20.4	20.6
Total Receipts (\$1,000)	3,492.2	3,496.6	3,576.3	3,655.1	3,668.6
Total Expenses (\$1,000)	3,234.4	3,288.2	3,341.5	3,391.0	3,436.5
Net Cash Farm Income (\$1,000)	257.8	208.4	234.8	264.2	232.2
Ending Cash (\$1,000)	45.8	-30.0	-61.0	-69.4	-163.0
Net Worth (\$1,000)	5,846.7	5,982.5	6,144.4	6,311.4	6,428.3
Return on Assets (%)	8.3	4.9	4.9	5.8	4.7
P(Cash Flow Deficit) (%)	61.0	70.0	66.0	68.0	74.0
P(Refinancing) (%)	42.0	48.0	48.0	48.0	54.0
P(Decreasing RNW) (%)	24.0	18.0	14.0	11.0	13.0

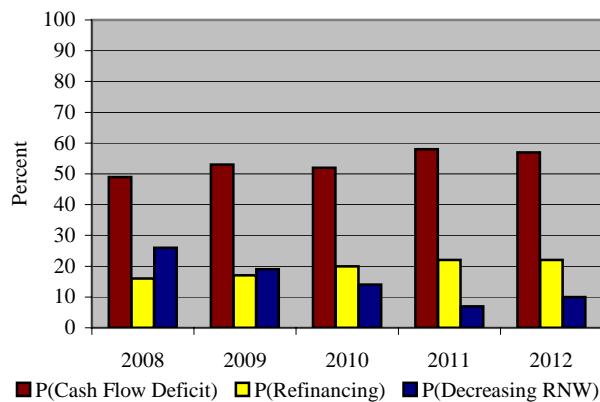
Producers participating in the panel include: Gerry Coyne, Malachy Coyne, Kitty Dziedzic, Walter Faryns, and Jeff Mulligan. William Maddison serves as the facilitator.

NYWD1200

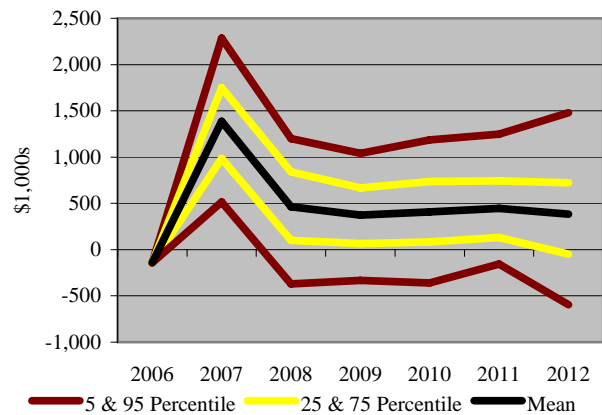
A 1,200-cow, large-sized western New York (Wyoming County) dairy. This farm plants 2,160 acres for silage annually. Milk sales accounted for 92 percent of the gross receipts for this farm in 2006.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	5,182.5	5,189.3	5,307.6	5,424.0	5,443.7
Government Payments (\$1,000)	27.6	27.8	27.2	27.5	28.2
Total Receipts (\$1,000)	5,210.1	5,217.1	5,334.8	5,451.5	5,471.9
Total Expenses (\$1,000)	4,745.7	4,845.7	4,928.6	5,004.8	5,088.4
Net Cash Farm Income (\$1,000)	464.5	371.4	406.2	446.7	383.5
Ending Cash (\$1,000)	652.3	622.0	631.5	609.3	534.6
Net Worth (\$1,000)	9,210.7	9,410.9	9,633.7	9,907.4	10,087.9
Return on Assets (%)	6.2	3.3	2.5	3.7	2.3
P(Cash Flow Deficit) (%)	49.0	53.0	52.0	58.0	57.0
P(Refinancing) (%)	16.0	17.0	20.0	22.0	22.0
P(Decreasing RNW) (%)	26.0	19.0	14.0	7.0	10.0

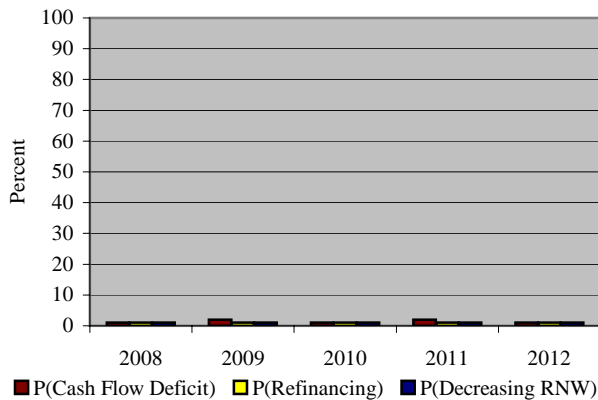
Producers participating in the panel include: Pete Duppengieser, John Emerling, Bill Fitch, Tom Fitch, Kent Miller, and John Noble. William Maddison serves as the facilitator.

NYCD110

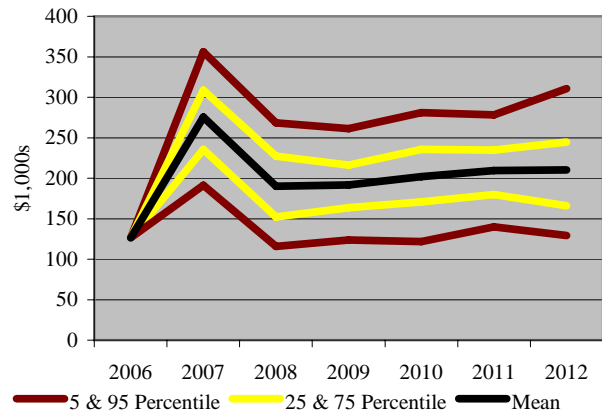
A 110-cow, moderate-sized central New York (Cayuga County) dairy. The farm plants 80 acres for hay, 64 acres for corn, and 131 acres for silage annually. Milk accounted for 87 percent of the gross receipts for 2006 on this dairy.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	534.6	535.6	547.7	559.4	561.5
Government Payments (\$1,000)	3.6	3.6	3.6	3.6	3.6
Total Receipts (\$1,000)	538.2	539.2	551.3	563.0	565.1
Total Expenses (\$1,000)	348.2	347.5	349.2	353.6	355.1
Net Cash Farm Income (\$1,000)	190.0	191.8	202.1	209.4	210.1
Ending Cash (\$1,000)	314.7	382.3	458.8	529.9	612.6
Net Worth (\$1,000)	1,161.1	1,255.2	1,353.2	1,452.6	1,557.3
Return on Assets (%)	14.3	12.3	11.5	11.8	10.1
P(Cash Flow Deficit) (%)	1.0	2.0	1.0	2.0	1.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	1.0
P(Decreasing RNW) (%)	1.0	1.0	1.0	1.0	1.0

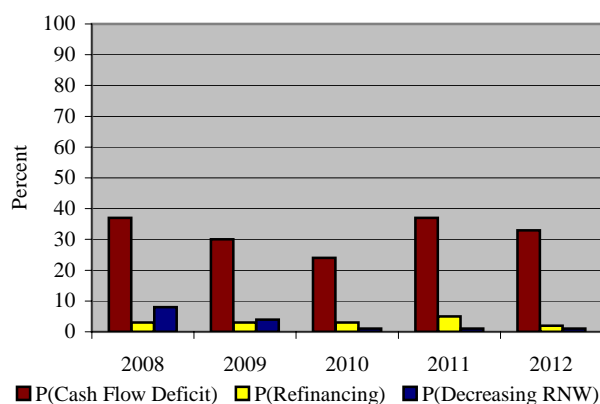
Producers participating in the panel include: David Boor, Robert Howland, Bill Leonard, Dan Leonard, and Bill Kilcer. Wayne Knoblauch serves as the facilitator.

NYCD500

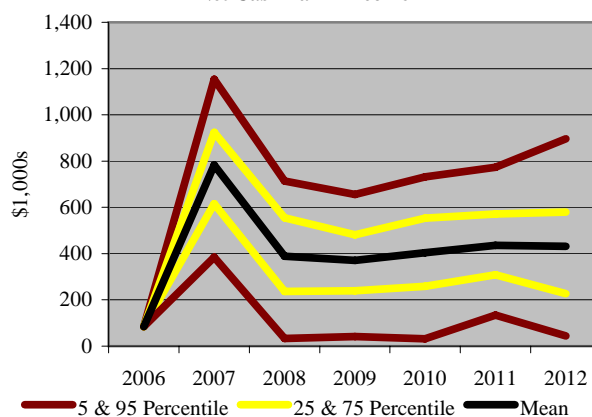
A 500-cow, large-sized central New York (Cayuga County) dairy. This farm plants 714 acres of hay and haylage and 386 acres of silage. Milk sales made up 92 percent of the 2006 total receipts for this dairy.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income

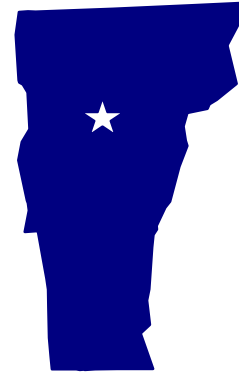


	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	2,288.3	2,292.3	2,345.8	2,397.4	2,407.0
Government Payments (\$1,000)	11.2	11.2	11.2	11.3	11.4
Total Receipts (\$1,000)	2,299.5	2,303.6	2,357.0	2,408.7	2,418.4
Total Expenses (\$1,000)	1,911.4	1,932.9	1,953.7	1,973.3	1,987.1
Net Cash Farm Income (\$1,000)	388.1	370.7	403.4	435.4	431.4
Ending Cash (\$1,000)	454.6	514.5	600.3	657.6	728.7
Net Worth (\$1,000)	4,337.4	4,567.1	4,794.2	5,042.9	5,288.6
Return on Assets (%)	11.5	7.4	6.8	7.9	6.7
P(Cash Flow Deficit) (%)	37.0	30.0	24.0	37.0	33.0
P(Refinancing) (%)	3.0	3.0	3.0	5.0	2.0
P(Decreasing RNW) (%)	8.0	4.0	1.0	1.0	1.0

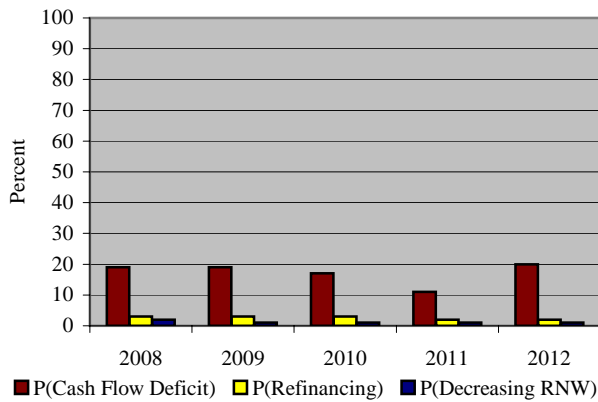
Producers participating in the panel include: Mike Learn, Mike McMahon, Kenton Patchen, Ron Space, and Martin Young. Wayne Knoblauch serves as the facilitator.

VTD140

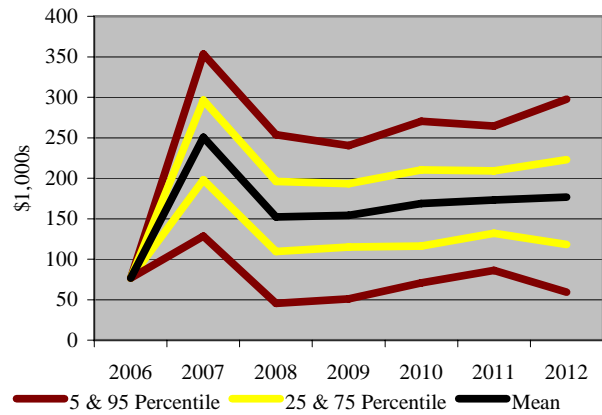
A 140-cow, moderate-sized Vermont (Washington County) dairy. VTD140 plants 30 acres of hay and 190 acres of silage annually. Milk accounted for 85 percent of the 2006 receipts for this farm.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income

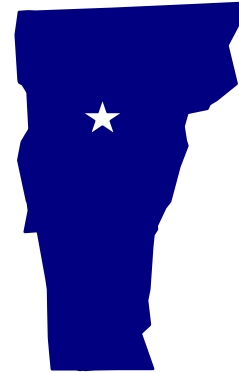


	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	648.6	650.5	668.0	678.2	683.7
Government Payments (\$1,000)	4.0	4.0	4.0	4.0	4.1
Total Receipts (\$1,000)	658.1	660.1	677.5	687.7	693.3
Total Expenses (\$1,000)	506.1	506.1	508.9	514.6	516.5
Net Cash Farm Income (\$1,000)	152.1	154.0	168.6	173.1	176.8
Ending Cash (\$1,000)	140.6	170.6	211.6	252.6	292.7
Net Worth (\$1,000)	1,782.7	1,864.7	1,948.6	2,046.4	2,127.8
Return on Assets (%)	8.4	6.3	5.1	6.8	6.1
P(Cash Flow Deficit) (%)	19.0	19.0	17.0	11.0	20.0
P(Refinancing) (%)	3.0	3.0	3.0	2.0	2.0
P(Decreasing RNW) (%)	2.0	1.0	1.0	1.0	1.0

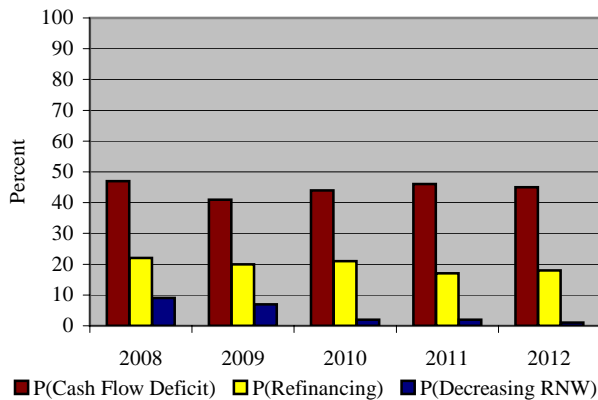
Producers participating in the panel include: Ashley Farr, Kim Harvey, Steven Jones, and Les Pike. Bob Parsons serves as the facilitator.

VTD400

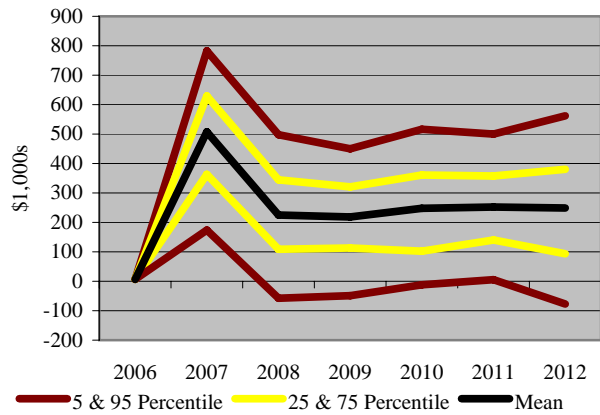
A 400-cow, large-sized Vermont (Washington County) dairy. This farm plants 100 acres of hay and 900 acres of silage annually. Milk sales represented 88 percent of VTD400's gross receipts in 2006.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	2008	2009	2010	2011	2012
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,733.7	1,739.1	1,787.3	1,815.5	1,831.1
Government Payments (\$1,000)	14.4	14.5	14.5	14.6	14.7
Total Receipts (\$1,000)	1,748.0	1,753.6	1,801.8	1,830.0	1,845.8
Total Expenses (\$1,000)	1,523.3	1,535.5	1,553.6	1,577.5	1,596.7
Net Cash Farm Income (\$1,000)	224.7	218.2	248.2	252.6	249.2
Ending Cash (\$1,000)	173.2	194.8	236.6	258.6	270.4
Net Worth (\$1,000)	4,182.5	4,313.6	4,444.8	4,587.2	4,709.5
Return on Assets (%)	8.1	4.4	3.7	5.0	4.0
P(Cash Flow Deficit) (%)	47.0	41.0	44.0	46.0	45.0
P(Refinancing) (%)	22.0	20.0	21.0	17.0	18.0
P(Decreasing RNW) (%)	9.0	7.0	2.0	2.0	1.0

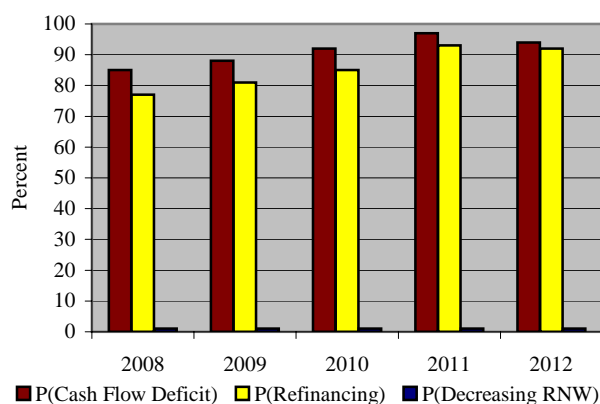
Producers participating in the panel include: Paul Bourbeau, David Conant, Ted Foster, Polly McEwing, Stanley Scribner, and Onan Whitcomb. Bob Parsons serves as the facilitator.

MOD85

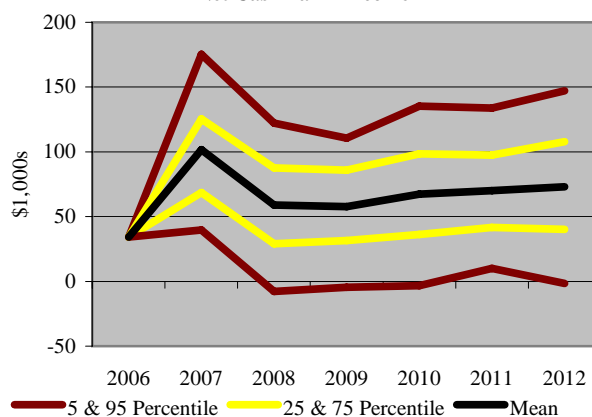
An 85-cow, moderate-sized southwest Missouri (Christian County) dairy. The farm plants 190 acres of hay and 32 acres of silage. Milk accounted for 82 percent of gross farm receipts for 2006.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	2008	2009	2010	2011	2012
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	292.8	291.6	303.3	307.3	309.9
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	292.8	291.6	303.3	307.3	309.9
Total Expenses (\$1,000)	233.8	233.9	236.0	237.2	236.9
Net Cash Farm Income (\$1,000)	59.0	57.7	67.3	70.1	73.0
Ending Cash (\$1,000)	-35.6	-58.2	-77.9	-102.0	-124.1
Net Worth (\$1,000)	1,409.1	1,466.4	1,523.4	1,582.1	1,642.6
Return on Assets (%)	8.5	4.1	3.8	5.3	4.9
P(Cash Flow Deficit) (%)	85.0	88.0	92.0	97.0	94.0
P(Refinancing) (%)	77.0	81.0	85.0	93.0	92.0
P(Decreasing RNW) (%)	1.0	1.0	1.0	1.0	1.0

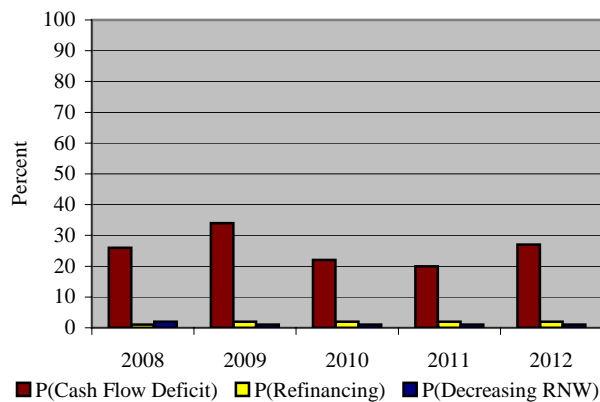
Producers participating in the panel include: Doug Owen, Herb Dighero, and Robert Hensley. Stacey Hamilton serves as the facilitator.

MOD400

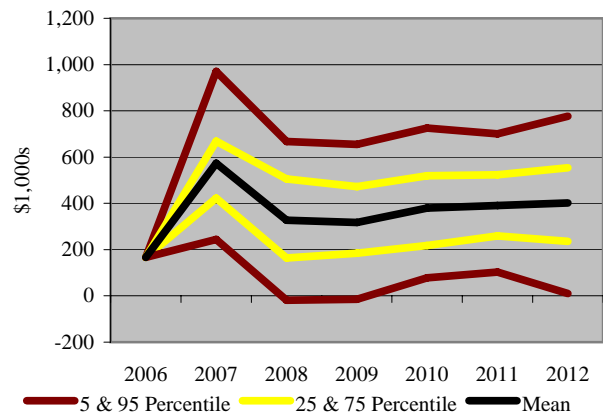
A 400-cow, large-sized southwest Missouri (Dade County) dairy. The farm plants 315 acres of hay, 135 acres of silage, and 150 acres of improved pasture annually. Milk accounted for 92 percent of gross farm receipts for 2006.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,548.9	1,543.3	1,612.3	1,636.0	1,652.4
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	1,548.9	1,543.3	1,612.3	1,636.0	1,652.4
Total Expenses (\$1,000)	1,222.4	1,226.6	1,233.3	1,244.6	1,250.8
Net Cash Farm Income (\$1,000)	326.4	316.7	379.0	391.4	401.5
Ending Cash (\$1,000)	494.1	561.0	668.7	772.9	878.4
Net Worth (\$1,000)	4,064.5	4,297.0	4,546.5	4,814.2	5,072.0
Return on Assets (%)	8.8	5.3	5.5	6.3	5.8
P(Cash Flow Deficit) (%)	26.0	34.0	22.0	20.0	27.0
P(Refinancing) (%)	1.0	2.0	2.0	2.0	2.0
P(Decreasing RNW) (%)	2.0	1.0	1.0	1.0	1.0

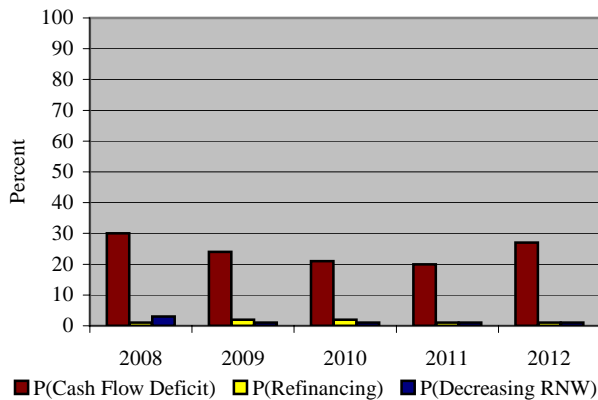
Producers participating in the panel include: Daryl Davis, Steve Gallivan, Freddie Martin, John McArthur, and Wayne Whitehead. Stacey Hamilton serves as the facilitator.

FLND550

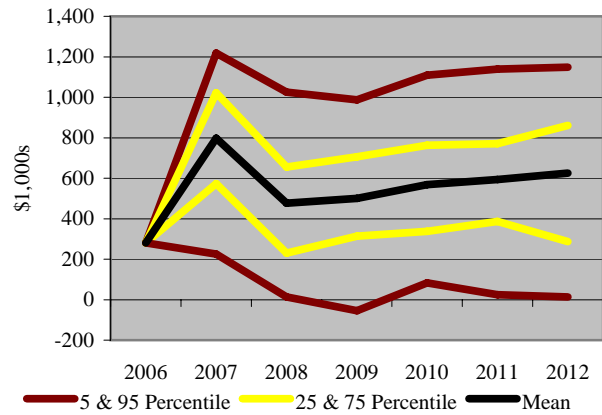
A 550-cow, moderate-sized north Florida (Lafayette County) dairy. The dairy grows 130 acres of hay each year. All other feed requirements are purchased in a pre-mixed ration. Milk sales accounted for 92 percent of the farm receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	2,155.9	2,168.6	2,239.2	2,277.5	2,298.9
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	2,155.9	2,168.6	2,239.2	2,277.5	2,298.9
Total Expenses (\$1,000)	1,678.5	1,668.0	1,671.2	1,684.2	1,674.4
Net Cash Farm Income (\$1,000)	477.4	500.6	568.0	593.2	624.6
Ending Cash (\$1,000)	726.0	881.4	1,070.9	1,267.4	1,485.1
Net Worth (\$1,000)	4,867.8	5,217.1	5,563.5	5,945.5	6,348.1
Return on Assets (%)	11.8	9.4	8.2	8.9	8.8
P(Cash Flow Deficit) (%)	30.0	24.0	21.0	20.0	27.0
P(Refinancing) (%)	1.0	2.0	2.0	1.0	1.0
P(Decreasing RNW) (%)	3.0	1.0	1.0	1.0	1.0

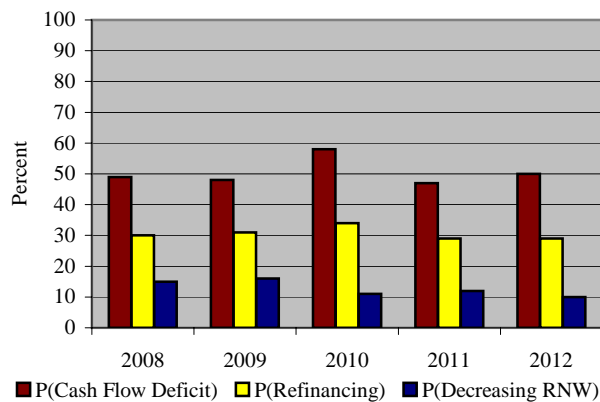
Producers participating in the panel include: Darren Driver, Morris Jackson, Bobby Koon, Dwayne Koon, Kevin Koon, Brian McAdams, Terry Reagan, and Keith Shiver. Mary Sowerby and Chris Vann serve as facilitators.

FLSD1500

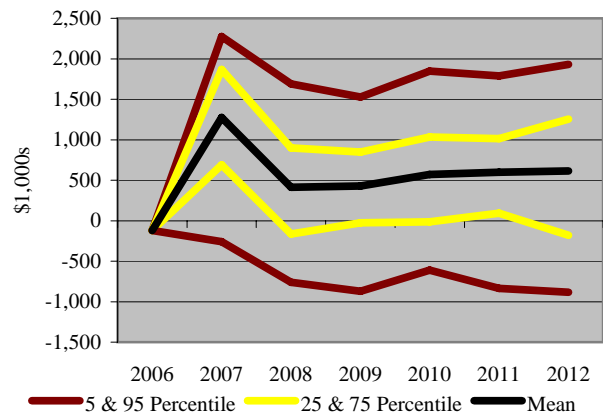
A 1,500-cow, large-sized south central Florida (Okeechobee County) dairy. FLSD1500 plants 100 acres of hay and 400 acres of silage annually. Milk sales represented 92 percent of 2006 total receipts.



Probabilities of a Cash Flow Deficit, Refinancing, and Decreasing Real Net Worth



Net Cash Farm Income



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	5,936.9	5,973.8	6,169.3	6,274.1	6,334.0
Government Payments (\$1,000)	0.0	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	5,936.9	5,973.8	6,169.3	6,274.1	6,334.0
Total Expenses (\$1,000)	5,522.1	5,545.5	5,598.4	5,676.0	5,717.7
Net Cash Farm Income (\$1,000)	414.9	428.3	570.9	598.1	616.3
Ending Cash (\$1,000)	497.5	542.8	714.9	877.1	1,033.3
Net Worth (\$1,000)	11,430.8	11,851.9	12,298.7	12,788.5	13,283.9
Return on Assets (%)	7.3	4.7	4.3	5.2	5.0
P(Cash Flow Deficit) (%)	49.0	48.0	58.0	47.0	50.0
P(Refinancing) (%)	30.0	31.0	34.0	29.0	29.0
P(Decreasing RNW) (%)	15.0	16.0	11.0	12.0	10.0

Producers participating in the panel include: Bob Butler, Woody Larson, Keith Rucks, Sutton Rucks, Jr., Glynn Rutledge, Bob Rydzewski, and Tom Watkins. Art Darling serves as the facilitator.