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**Research Report**

## Economic outlook for representative dairies given the August 2006 FAPRI/AFPC baseline

AFPC Briefing Paper, No. 06-7

**Provided in Cooperation with:**

The Agricultural & Food Policy Center (AFPC), Texas A&M University

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# ***Economic Outlook for Representative Dairies Given the August 2006 FAPRI/AFPC Baseline***

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**AFPC Briefing Paper 06-7**

**October 2006**

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



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**ECONOMIC OUTLOOK FOR REPRESENTATIVE  
DAIRIES GIVEN THE AUGUST 2006  
FAPRI/AFPC BASELINE**

AFPC Briefing Paper 06-7

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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 2006 through 2011. 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 2006 Baseline that were used to analyze the viability of the AFPC representative dairies.

Under the August 2006 Baseline, the California dairy (CAD1710), the New Mexico dairy (NMD2125), the large Idaho dairy (IDD3000), the large Central Texas dairy (TXCD1300), the large Northeast Texas dairy (TXED1000), both Wisconsin dairies (WID145 and WID775), the moderate Central New York dairy (NYCD110), the moderate Vermont dairy (VTD140), 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 2011). The moderate Washington dairy (WAD250), the moderate Idaho dairy (IDD1000), and the large Central New York dairy (NYCD500) are considered in marginal liquidity condition (between a 25 percent and a 50 percent chance of negative ending cash in 2011). The large Washington dairy (WAD850), the Texas Northern High Plains dairy (TXND3000), the moderate Central Texas and Northeast Texas dairies (TXCD550 and TXED550), the Western New York dairies (NYWD800 and NYWD1200), the large Vermont dairy (VTD400), the moderate Missouri dairy (MOD85), and the South Florida dairy (FLSD1500) are all considered in poor liquidity condition (greater than a 50 percent chance of negative ending cash in 2011).

Twelve of the twenty-three dairies (CAD1710, NMD2125, WAD250, TXED1000, WID145, WID775, NYCD110, NYCD 500, VTD140, MOD85, MOD400, and FLND550) are in good equity position (less than a 25 percent chance of decreasing real net worth during 2006-2011). Two dairies (IDD3000 and TXCD1300) have between a 25 percent and 50 percent likelihood of losing real net worth (marginal equity position). The remaining nine dairies (WAD850, IDD1000, TXND3000, TXCD550, TXED550, NYWD800, NYWD1200, VTD400, and FLSD1500) have greater than a 50 percent probability of decreasing real net worth (poor equity position).

Overall rankings for the representative ranches are projected to be as follows: Nine of the dairies (CAD1710, NMD2125, TXED1000, WID145, WID775, NYCD110, VTD140, MOD400, and FLND550) are classified in good condition, five (WAD250, IDD3000, TXCD1300, NYCD500, and MOD85) are in marginal condition, and the remaining nine (WAD850, IDD1000, TXND3000, TXCD550, TXED550, NYWD800, NYWD1200, VTD400, and FLSD1500) are in poor condition.

## **FAPRI August 2006 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 2006 Baseline are presented in Table 1. In general, milk prices are projected to increase each year from 2007 through 2011. However, the prices are only increasing at a moderate rate and from the lower price in 2006. 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 increase from \$12.85/cwt in 2006 to \$13.55/cwt in 2011.
- The localized prices for each state move with the U.S. All Milk price.
- Feeder cattle prices are projected to decrease from \$117.27/cwt in 2006 to \$81.47/cwt in 2011.
- Cull cow prices start at \$49.58/cwt in 2006, decreasing to \$39.41/cwt by 2011.

Projected crop prices for FAPRI's August 2006 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 continue to climb from \$97.05/ton in 2006 to \$102.65/ton in 2011.
- Corn prices start at \$2.33/bu in 2006 and increase until they reach \$2.67/bu by 2011.
- Soybean Meal is expected to remain relatively level from \$155.91/ton in 2006 to \$157.10/ton by 2011.

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 2006 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 2006-2011 period are provided by the FAPRI Baseline and are projected to range between a -0.02% and 8.75% per year.

**Table 1. FAPRI August 2006 Baseline Projections of Livestock and Crop Prices, 2004-2011**

	2004	2005	2006	2007	2008	2009	2010	2011
<b>Milk Price</b>								
U.S. All Milk Price (\$/cwt)	16.13	15.2	12.85	13.15	13.38	13.41	13.5	13.55
California (\$/cwt)	14.73	13.92	11.72	12.00	12.24	12.28	12.37	12.43
Florida (\$/cwt)	19.20	18.60	16.07	16.41	16.64	16.70	16.81	16.87
Idaho (\$/cwt)	15.00	14.00	11.62	11.95	12.18	12.24	12.34	12.40
Missouri (\$/cwt)	16.40	15.50	13.11	13.43	13.66	13.72	13.82	13.88
New Mexico (\$/cwt)	15.10	14.30	11.96	12.27	12.51	12.56	12.66	12.72
New York (\$/cwt)	16.80	15.90	13.54	13.86	14.10	14.15	14.25	14.31
Texas (\$/cwt)	16.30	15.30	12.95	13.26	13.50	13.56	13.65	13.72
Vermont (\$/cwt)	16.90	16.00	13.65	13.96	14.20	14.25	14.35	14.41
Washington (\$/cwt)	15.90	14.90	12.64	12.94	13.19	13.23	13.32	13.38
Wisconsin (\$/cwt)	16.90	15.60	13.20	13.54	13.77	13.83	13.93	13.99
<b>Cattle Prices</b>								
Feeder Cattle (\$/cwt)	111.79	120.02	117.27	109.44	99.19	92.00	86.04	81.47
Culled Cows (\$/cwt)	52.35	54.36	49.58	47.54	44.81	42.83	41.00	39.41
<b>Crop Prices</b>								
Corn (\$/bu.)	2.06	1.98	2.33	2.54	2.58	2.61	2.64	2.67
Soybean Meal (\$/ton)	174.44	166.92	155.91	155.23	149.73	148.87	153.01	157.10
All Hay (\$/ton)	92.00	98.00	97.05	98.52	100.18	101.38	102.07	102.65

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

**Table 2. FAPRI August 2006 Baseline Assumed Rates of Change in Input Prices, Annual Interest Rate, and Annual Changes in Land Values, 2005-2011**

	2005	2006	2007	2008	2009	2010	2011
<b>Annual Rate of Change for Input Prices Paid</b>							
Seed Prices (%)	6.57	6.18	1.46	-1.30	0.97	1.44	1.64
All Fertilizer Prices (%)	16.88	3.52	0.57	-1.09	-1.17	1.37	0.89
Herbicide Prices (%)	1.19	3.09	-0.30	-1.19	0.88	0.98	1.01
Insecticide Prices (%)	-0.83	1.52	-1.42	-2.45	1.44	1.74	1.62
Fuel and Lube Prices (%)	37.98	11.65	-1.37	-5.79	-3.26	-2.74	-2.14
Machinery Prices (%)	5.92	4.00	2.24	2.34	3.58	3.19	2.87
Wages (%)	2.34	2.50	3.04	3.24	2.78	2.42	2.63
Supplies (%)	6.36	8.64	2.11	-0.68	1.43	1.42	1.20
Repairs (%)	4.46	3.55	1.28	1.19	1.45	1.53	1.66
Services (%)	3.77	5.81	-0.01	-1.40	1.30	1.95	2.23
Taxes (%)	-0.60	4.54	-0.08	-1.19	2.03	1.15	1.39
PPI Items (%)	5.55	3.51	0.52	-0.41	1.17	1.25	1.15
PPI Total (%)	5.01	3.75	0.25	1.03	1.01	0.49	0.70
<b>Annual Change in Consumer Price Index (%)</b>	3.40	2.64	1.83	1.99	1.96	1.89	2.08
<b>Annual Interest Rates</b>							
Long-Term (%)	5.51	6.22	6.35	6.20	6.34	6.34	6.43
Intermediate-Term (%)	4.46	5.04	5.14	5.02	5.13	5.13	5.21
Savings Account (%)	1.53	1.73	1.76	1.72	1.76	1.76	1.78
<b>Annual Rate of Change for U.S. Land Prices (%)</b>	11.00	8.75	3.67	-0.02	1.15	1.35	1.99

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

## Economic Viability of Representative Dairies over the 2006-2011 Period

Farm Name	Overall Ranking		P(Negative Ending Cash)	P(Real Net Worth Declines)
	2006	2011		
9/5/9			2006-2011	2006-2011
CAD1710			1-2	1-10
NMD2125			1-2	1-16
WAD250			16-36	1-15
WAD850			52-80	1-73
IDD1000			11-49	1-54
IDD3000			1-10	1-25
TXND3000			7-68	1-83
TXCD550			80-99	1-99
TXCD1300			1-4	1-27
TXED550			8-52	1-73
TXED1000			1-4	1-20
WID145			1-21	1-12
WID775			1-1	1-1
NYWD800			56-82	1-78
NYWD1200			42-76	1-74
NYCD110			1-1	1-1
NYCD500			2-31	1-24
VTD140			1-21	1-24
VTD400			43-69	1-63
MOD85			65-87	1-16
MOD400			1-9	1-10
FLND550			1-1	1-1
FLSD1500			85-98	1-97

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

<25

25-50

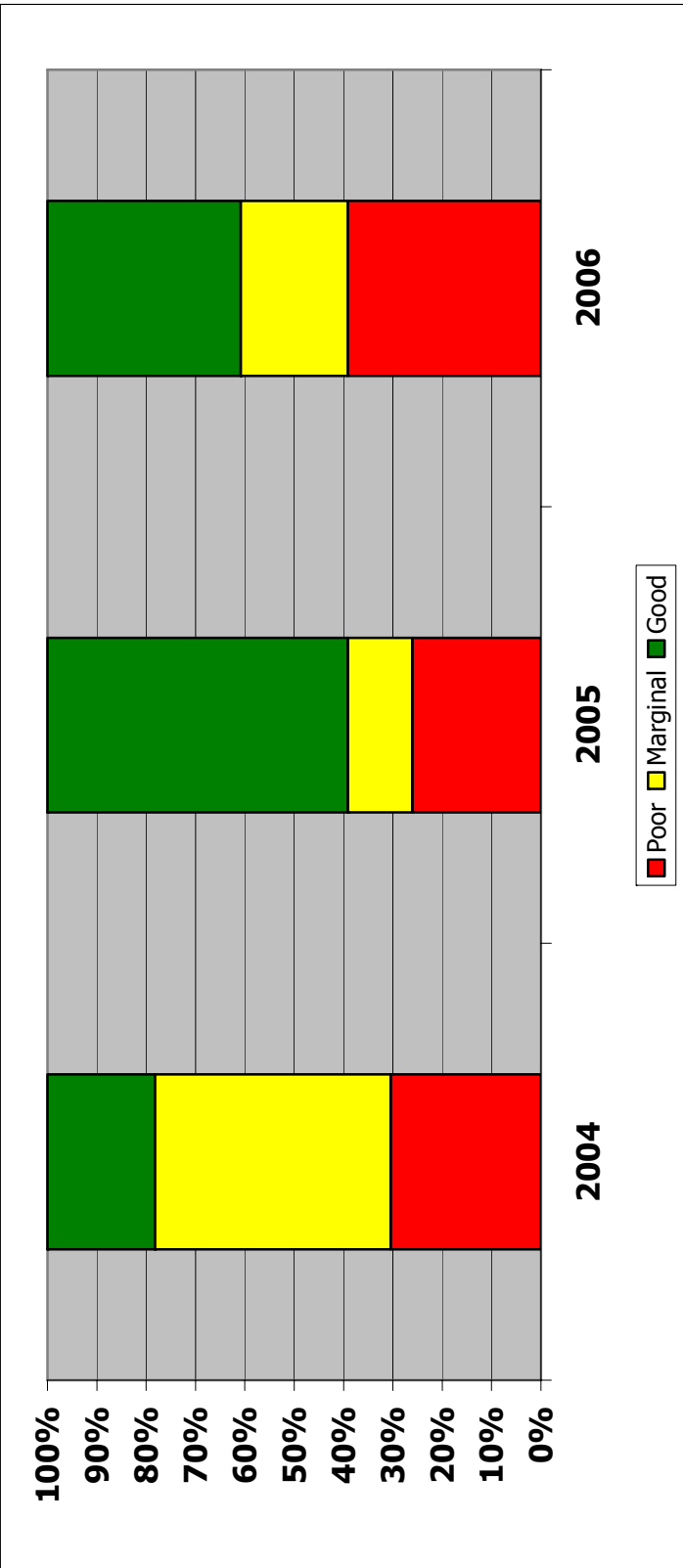
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2. P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2006 and 2011.

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 2004 to 2006 and from 2004 to 2011.



# **Comparison of Projected Overall Economic Viability of Representative Dairies Between the August 2004<sup>1</sup>, August 2005<sup>2</sup>, and August 2006<sup>3</sup> FAPRI/AFPC Baselines**



<sup>1</sup> Projected overall economic viability for August 2004 Baseline is based on a 2004-2008 study period.

<sup>2</sup> Projected overall economic viability for August 2005 Baseline is based on a 2005-2009 study period.

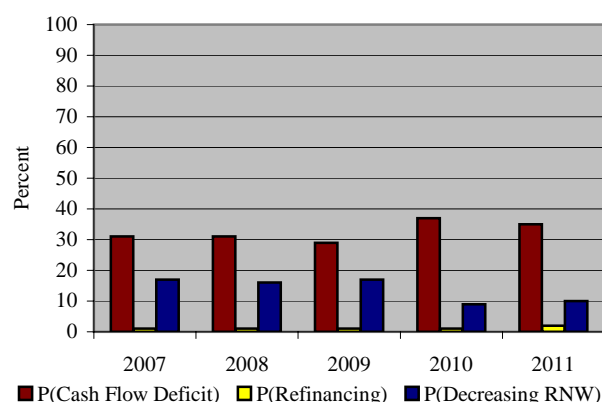
<sup>3</sup> Projected overall economic viability for August 2006 Baseline is based on a 2006-2011 study period.

# CAD1710

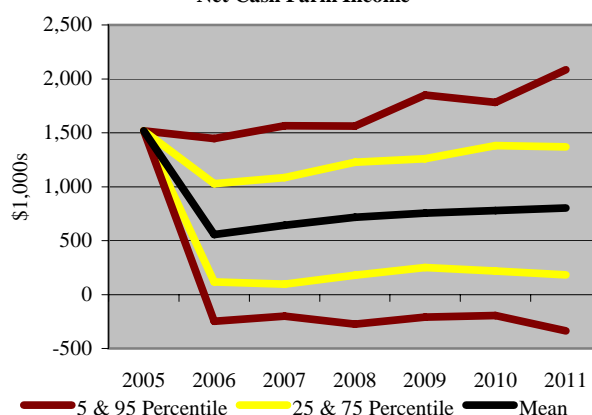
A 1,710-cow, large-sized central California (Tulare County) dairy. The farm plants 1,100 acres of hay/silage for which it employs custom harvesting. Milk sales generated 92 percent of 2005 total receipts.



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



**Net Cash Farm Income**

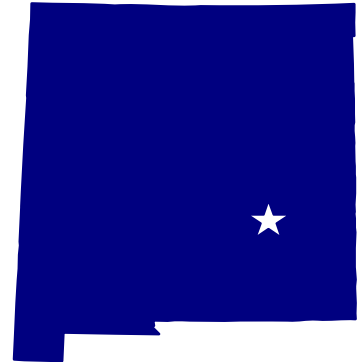


	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	5,336.7	5,473.2	5,557.5	5,630.5	5,726.9
Government Payments (\$1,000)	41.5	25.5	24.8	24.2	23.8
Total Receipts (\$1,000)	5,378.2	5,498.8	5,582.3	5,654.7	5,750.7
Total Expenses (\$1,000)	4,736.0	4,780.7	4,827.7	4,875.3	4,948.4
Net Cash Farm Income (\$1,000)	642.2	718.0	754.6	779.4	802.4
Ending Cash (\$1,000)	1,659.6	1,901.7	2,145.7	2,382.9	2,586.7
Net Worth (\$1,000)	12,179.4	12,341.6	12,621.9	12,945.4	13,309.7
Return on Assets (%)	4.4	3.1	4.0	4.4	4.7
P(Cash Flow Deficit) (%)	31.0	31.0	29.0	37.0	35.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	2.0
P(Decreasing RNW) (%)	17.0	16.0	17.0	9.0	10.0

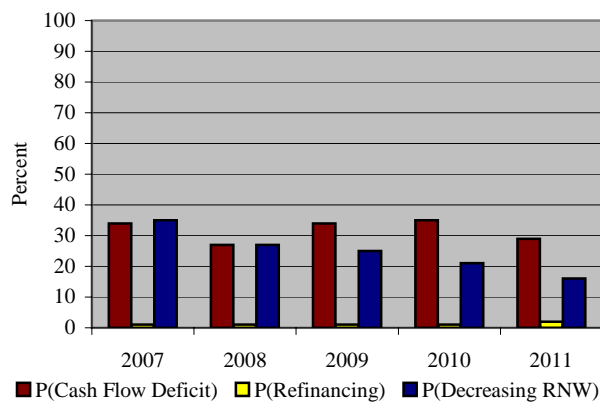
Producers participating in the panel include: Chuck Draxler, James Netto, Jeff Wilbur, and John Zonneveld. Carol Collar and Carl Matz serve as facilitators.

# NMD2125

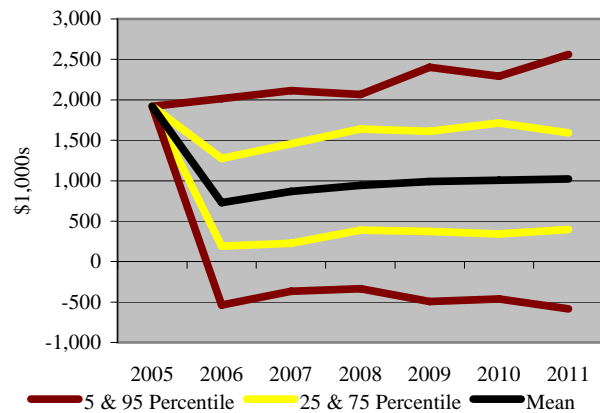
A 2,125 cow, large-sized southern New Mexico (Dona Ana and Chaves Counties) dairy. This farm purchases all commodities necessary for blending its own total mixed ration and plants no crops. Milk sales accounted for 91 percent of 2005 total receipts.



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



**Net Cash Farm Income**

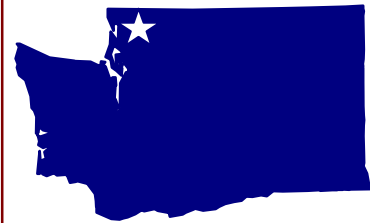


	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	6,451.5	6,608.1	6,729.2	6,814.8	6,908.9
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	6,465.7	6,608.1	6,729.2	6,814.8	6,908.9
Total Expenses (\$1,000)	5,596.7	5,666.8	5,738.9	5,810.0	5,885.7
Net Cash Farm Income (\$1,000)	869.0	941.3	990.3	1,004.8	1,023.2
Ending Cash (\$1,000)	2,077.2	2,323.9	2,550.3	2,765.9	3,031.5
Net Worth (\$1,000)	9,911.3	10,094.4	10,379.2	10,709.4	11,060.7
Return on Assets (%)	5.4	4.4	5.5	6.1	5.9
P(Cash Flow Deficit) (%)	34.0	27.0	34.0	35.0	29.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	2.0
P(Decreasing RNW) (%)	35.0	27.0	25.0	21.0	16.0

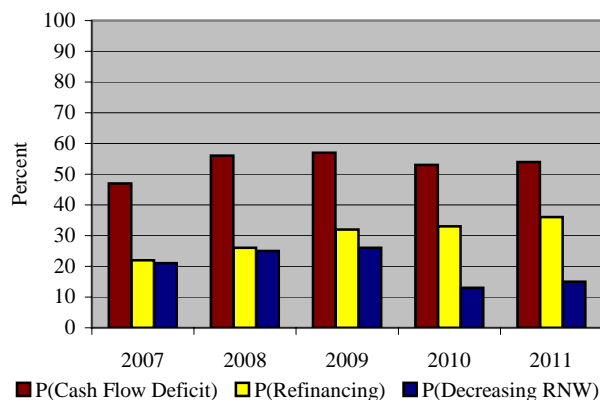
Producers participating in the panel include: Isaak Bos, Joe Gonzalez, Eric Palla, and Wayne Palla. Robert Hagevoort and Sharon Lombardi serve as facilitators.

# WAD250

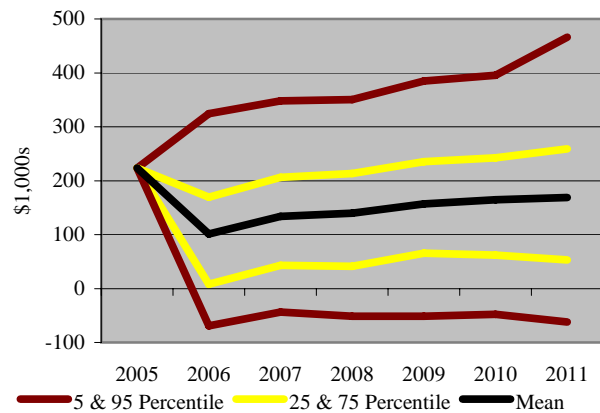
A 250-cow, moderate-sized northern Washington (Whatcom County) dairy. This farm plants 200 acres of silage and generated 90 percent of its 2005 gross receipts from milk sales.



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



**Net Cash Farm Income**

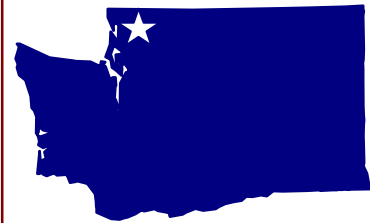


	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	827.6	847.5	864.3	874.4	887.2
Government Payments (\$1,000)	16.3	1.8	1.7	1.7	1.6
Total Receipts (\$1,000)	843.9	849.3	866.1	876.1	888.8
Total Expenses (\$1,000)	710.0	709.4	708.9	711.5	720.2
Net Cash Farm Income (\$1,000)	133.9	139.9	157.2	164.6	168.6
Ending Cash (\$1,000)	102.5	90.8	84.3	90.7	90.7
Net Worth (\$1,000)	2,413.0	2,430.0	2,481.1	2,554.3	2,624.5
Return on Assets (%)	4.2	1.6	2.8	3.4	4.8
P(Cash Flow Deficit) (%)	47.0	56.0	57.0	53.0	54.0
P(Refinancing) (%)	22.0	26.0	32.0	33.0	36.0
P(Decreasing RNW) (%)	21.0	25.0	26.0	13.0	15.0

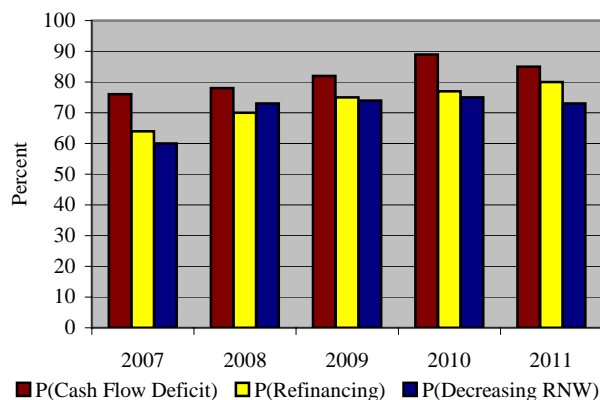
Producers participating in the panel include: Ron Bronsema, Larry DeHaan, John Steensma, and Peter Vlas. Craig MacConnell serves as the facilitator.

# WAD850

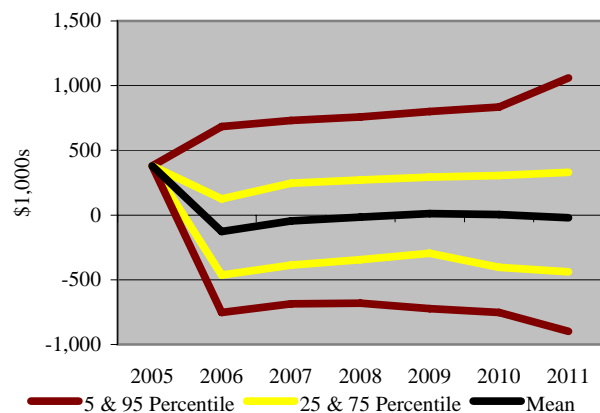
An 850-cow, large-sized northern Washington (Whatcom County) dairy. This farm plants 605 acres for silage annually. During 2005, 93 percent of this farm's gross receipts came from milk.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	2,799.5	2,872.4	2,933.4	2,970.2	3,016.5
Government Payments (\$1,000)	30.1	13.5	12.9	12.4	12.0
Total Receipts (\$1,000)	2,829.6	2,885.8	2,946.4	2,982.7	3,028.5
Total Expenses (\$1,000)	2,875.7	2,901.1	2,935.1	2,979.0	3,048.6
Net Cash Farm Income (\$1,000)	-46.1	-15.2	11.3	3.6	-20.1
Ending Cash (\$1,000)	-260.9	-478.5	-737.7	-995.1	-1,255.1
Net Worth (\$1,000)	5,050.7	4,804.1	4,597.7	4,405.4	4,241.5
Return on Assets (%)	-0.9	-1.6	-0.3	-0.3	0.5
P(Cash Flow Deficit) (%)	76.0	78.0	82.0	89.0	85.0
P(Refinancing) (%)	64.0	70.0	75.0	77.0	80.0
P(Decreasing RNW) (%)	60.0	73.0	74.0	75.0	73.0

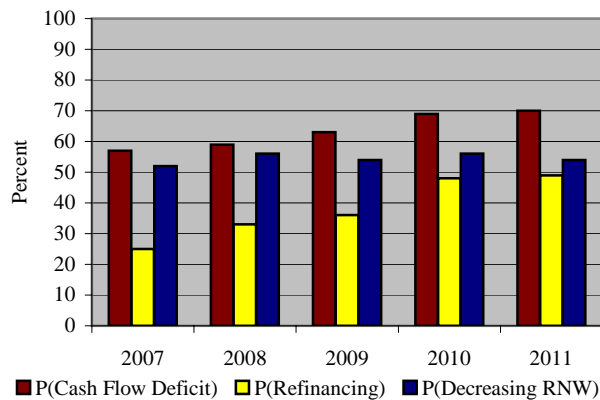
Producers participating in the panel include: Dick Bengen, Rod De Jong, Ed Pomeroy, and Jeff Rainey. Craig MacConnell serves as the facilitator.

# IDD1000

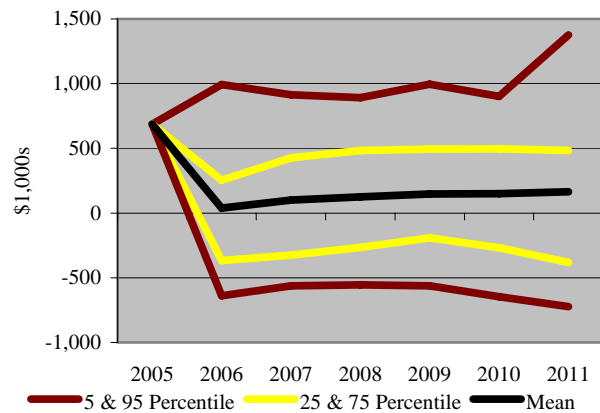
A 1,000-cow, moderate-sized Idaho (Twin Falls County) dairy. This farm plants no crops. Milk sales accounted for 89 percent of IDD1000's gross receipts for 2005.



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



Net Cash Farm Income



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	3,256.7	3,338.6	3,400.8	3,453.0	3,514.9
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	3,342.9	3,410.6	3,472.8	3,525.0	3,586.9
Total Expenses (\$1,000)	3,243.4	3,284.8	3,324.3	3,375.2	3,421.9
Net Cash Farm Income (\$1,000)	99.5	125.8	148.5	149.8	164.9
Ending Cash (\$1,000)	355.0	264.8	175.1	18.9	-125.2
Net Worth (\$1,000)	5,478.5	5,362.9	5,310.4	5,246.9	5,218.7
Return on Assets (%)	0.6	-1.2	0.6	0.6	0.5
P(Cash Flow Deficit) (%)	57.0	59.0	63.0	69.0	70.0
P(Refinancing) (%)	25.0	33.0	36.0	48.0	49.0
P(Decreasing RNW) (%)	52.0	56.0	54.0	56.0	54.0

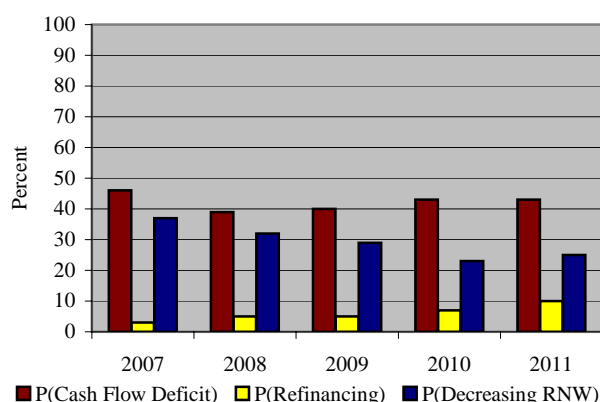
Producers participating in the panel include: William Bokma, Martin Lee, Michael Quesnell, Donald Taber, and John Wright. Mireille Chahine, Joe Dalton, and Wilson Gray serve as facilitators.

# IDD3000

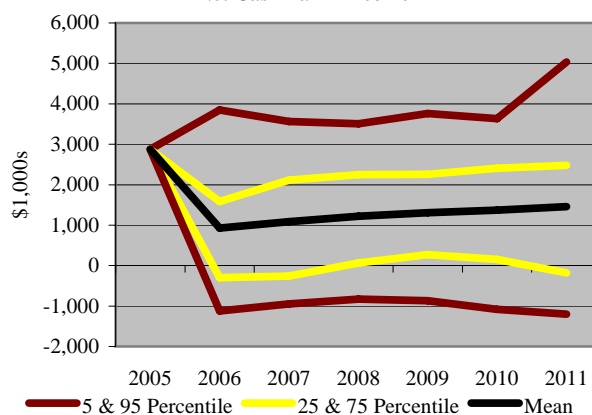
A 3,000-cow, large-sized Idaho (Twin Falls County) dairy. This farm plants 2,000 acres for silage annually. Milk sales represent 91 percent of this farm's gross receipts.



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



Net Cash Farm Income



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	9,667.0	9,917.6	10,107.9	10,267.2	10,455.0
Government Payments (\$1,000)	46.7	27.3	26.2	25.2	24.3
Total Receipts (\$1,000)	9,713.7	9,944.9	10,134.1	10,292.4	10,479.3
Total Expenses (\$1,000)	8,626.1	8,728.1	8,830.4	8,921.0	9,021.8
Net Cash Farm Income (\$1,000)	1,087.6	1,216.9	1,303.7	1,371.4	1,457.5
Ending Cash (\$1,000)	2,559.4	2,753.4	2,920.2	3,096.7	3,256.3
Net Worth (\$1,000)	19,210.9	19,365.9	19,701.3	20,119.1	20,616.0
Return on Assets (%)	4.9	3.5	4.7	5.2	5.5
P(Cash Flow Deficit) (%)	46.0	39.0	40.0	43.0	43.0
P(Refinancing) (%)	3.0	5.0	5.0	7.0	10.0
P(Decreasing RNW) (%)	37.0	32.0	29.0	23.0	25.0

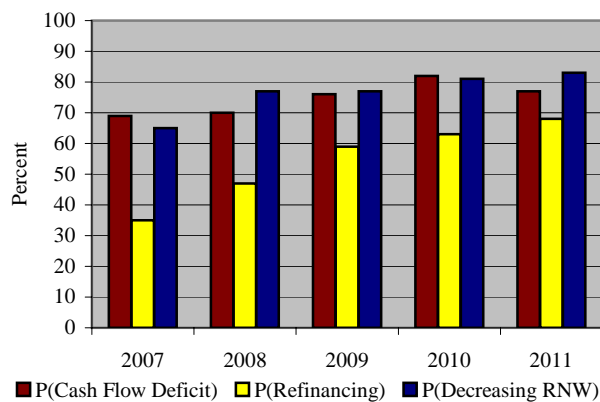
Producers participating in the panel include: Harry Hogland, Mike Roth, Edwin Southfield, and Rick Thompson. Mireille Chahine, Joe Dalton, and Wilson Gray serve as facilitators.

# TXND3000

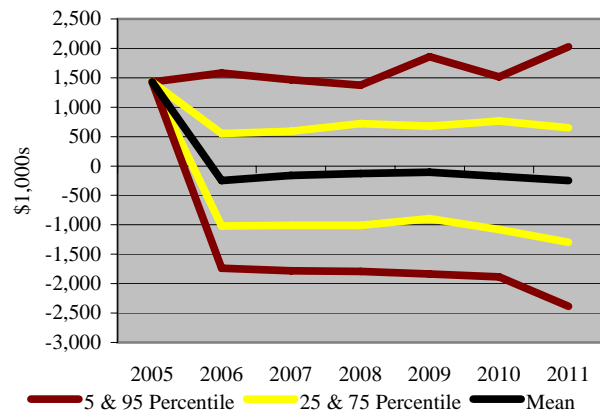
A 3,000-cow, large-sized dairy located in the South Plains of Texas (Bailey County). This farm plants 180 acres of sorghum for silage annually. Milk sales account for 90 percent of 2005 gross receipts.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	8,608.9	8,825.6	8,999.7	9,099.8	9,222.4
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	8,623.1	8,825.6	8,999.7	9,099.8	9,222.4
Total Expenses (\$1,000)	8,782.5	8,951.6	9,105.5	9,273.7	9,469.6
Net Cash Farm Income (\$1,000)	-159.4	-125.9	-105.7	-173.9	-247.2
Ending Cash (\$1,000)	654.6	113.9	-459.3	-1,027.5	-1,707.0
Net Worth (\$1,000)	11,274.3	10,553.0	9,899.3	9,264.7	8,534.7
Return on Assets (%)	-4.1	-5.2	-4.2	-3.7	-3.9
P(Cash Flow Deficit) (%)	69.0	70.0	76.0	82.0	77.0
P(Refinancing) (%)	35.0	47.0	59.0	63.0	68.0
P(Decreasing RNW) (%)	65.0	77.0	77.0	81.0	83.0

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

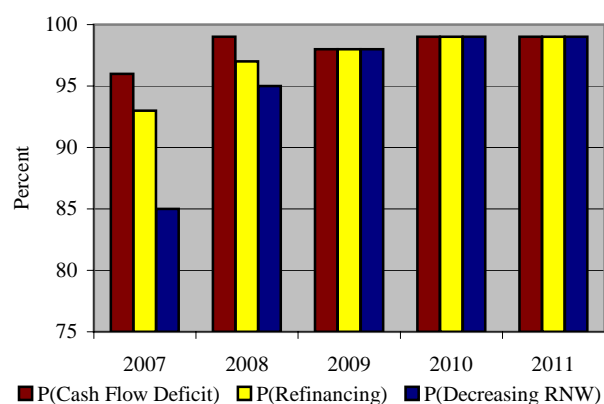


# TXCD550

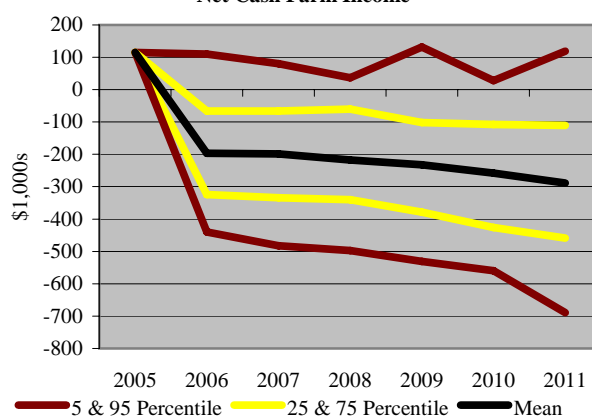
A 550-cow, moderate-sized central Texas (Erath County) dairy. TXCD550 plants 500 acres of hay each year. Milk sales represented 91 percent of this farm's 2005 gross receipts.



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



Net Cash Farm Income



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,493.0	1,529.6	1,559.2	1,576.7	1,598.0
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	1,507.2	1,529.6	1,559.2	1,576.7	1,598.0
Total Expenses (\$1,000)	1,705.7	1,746.5	1,791.1	1,834.2	1,886.9
Net Cash Farm Income (\$1,000)	-198.4	-217.0	-231.9	-257.5	-288.9
Ending Cash (\$1,000)	-435.7	-738.5	-1,069.4	-1,429.9	-1,804.9
Net Worth (\$1,000)	1,806.3	1,477.0	1,157.1	834.0	493.3
Return on Assets (%)	-9.3	-11.2	-10.0	-9.7	-8.4
P(Cash Flow Deficit) (%)	96.0	99.0	98.0	99.0	99.0
P(Refinancing) (%)	93.0	97.0	98.0	99.0	99.0
P(Decreasing RNW) (%)	85.0	95.0	98.0	99.0	99.0

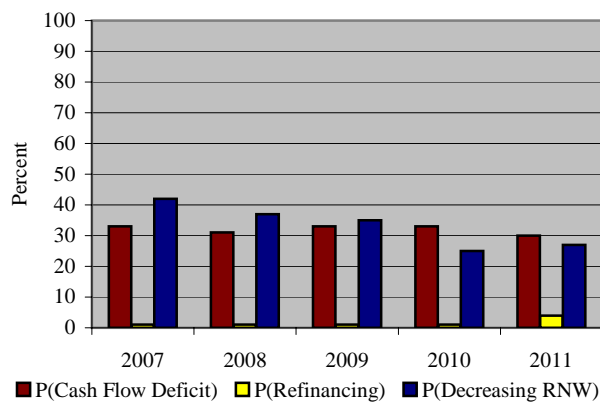
Producers participating in the panel include: Carson Lovoing, Leonard Moncrief, and Jack Parks. Tamilee Nennich and Robert Scott serve as facilitators.

# TXCD1300

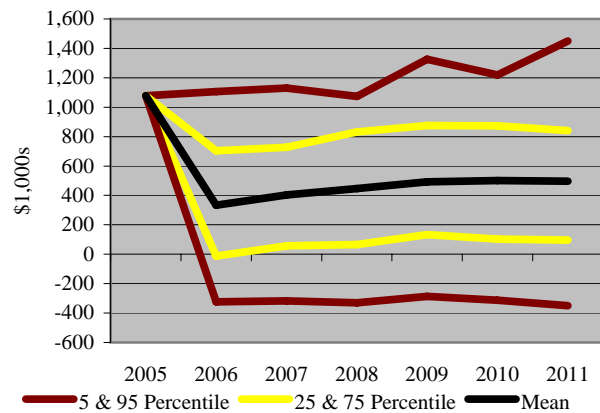
A 1,300-cow, large-sized central Texas (Erath County) dairy. TXCD1300 plants 400 acres of silage annually. During 2005, milk sales accounted for 92 percent of receipts.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	3,966.1	4,064.3	4,144.7	4,193.2	4,251.4
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	3,980.2	4,064.3	4,144.7	4,193.2	4,251.4
Total Expenses (\$1,000)	3,577.9	3,616.8	3,651.7	3,692.7	3,754.8
Net Cash Farm Income (\$1,000)	402.4	447.6	493.0	500.5	496.6
Ending Cash (\$1,000)	1,192.6	1,312.5	1,457.8	1,593.5	1,723.4
Net Worth (\$1,000)	6,068.2	6,119.2	6,242.6	6,384.2	6,533.3
Return on Assets (%)	2.8	2.2	3.6	4.1	4.3
P(Cash Flow Deficit) (%)	33.0	31.0	33.0	33.0	30.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	4.0
P(Decreasing RNW) (%)	42.0	37.0	35.0	25.0	27.0

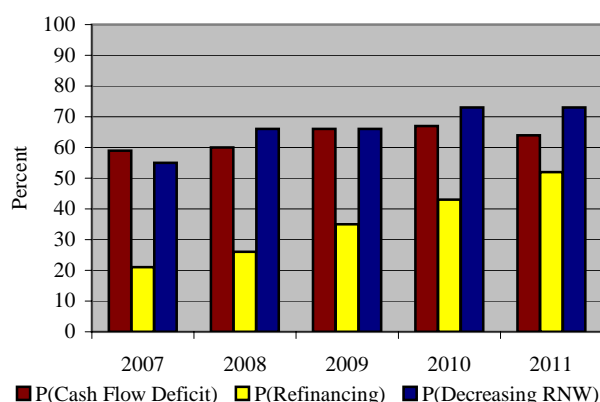
Producers participating in the panel include: Frans Buekeboom, Leeann Moos, Nova Schouten and Alan Vander Horst. Tamilee Nennich and Robert Scott serve as facilitators.

# TXED550

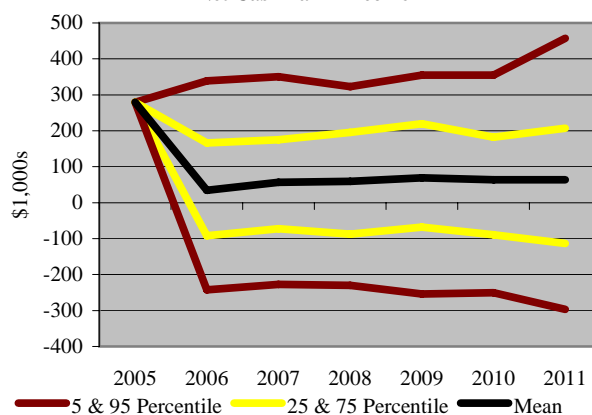
A 550-cow, moderate-sized northeast Texas (Hopkins County) dairy. This farm has 300 acres of improved pasture and 50 acres of hay. During 2005, milk sales represented 92 percent of annual receipts.



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



**Net Cash Farm Income**

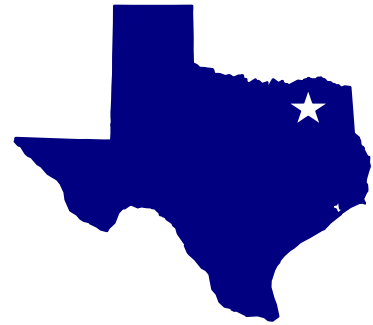


	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,338.8	1,372.6	1,400.0	1,416.1	1,436.0
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	1,352.9	1,372.6	1,400.0	1,416.1	1,436.0
Total Expenses (\$1,000)	1,296.3	1,312.9	1,331.0	1,352.2	1,371.8
Net Cash Farm Income (\$1,000)	56.7	59.7	69.1	63.9	64.1
Ending Cash (\$1,000)	183.7	145.3	98.0	40.2	-20.6
Net Worth (\$1,000)	1,659.1	1,579.1	1,516.3	1,454.1	1,397.9
Return on Assets (%)	-2.1	-3.7	-2.7	-2.2	-0.8
P(Cash Flow Deficit) (%)	59.0	60.0	66.0	67.0	64.0
P(Refinancing) (%)	21.0	26.0	35.0	43.0	52.0
P(Decreasing RNW) (%)	55.0	66.0	66.0	73.0	73.0

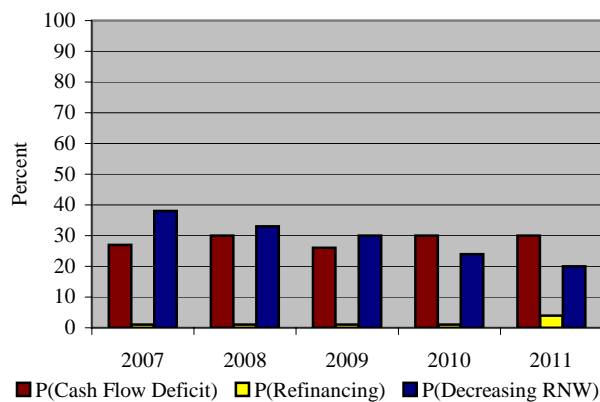
Producers participating in the panel include: Allen Bullock, Rene Couman, and Pete Van Ryn. G. H. Cain, Larry Spradlin, and Ron Tosh serve as facilitators.

# TXED1000

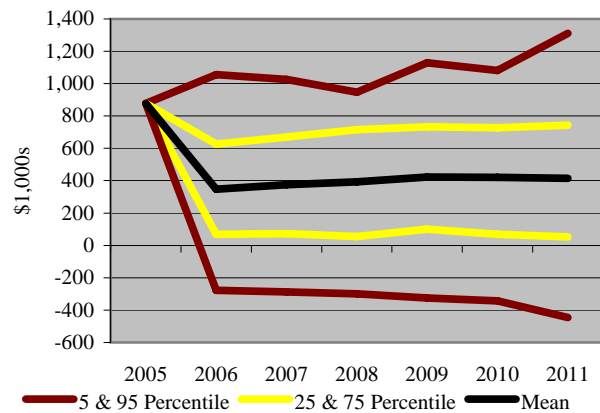
A 1,000-cow, large-sized northeast Texas (Hopkins County) dairy. This farm plants 750 acres of hay/silage. This farm generated 90 percent of 2005 receipts from milk sales.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	3,008.3	3,084.2	3,146.0	3,181.8	3,225.6
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	3,022.5	3,084.2	3,146.0	3,181.8	3,225.6
Total Expenses (\$1,000)	2,647.2	2,690.7	2,723.1	2,761.9	2,811.1
Net Cash Farm Income (\$1,000)	375.3	393.4	422.9	420.0	414.5
Ending Cash (\$1,000)	1,090.7	1,236.6	1,396.3	1,541.9	1,652.7
Net Worth (\$1,000)	4,812.5	4,879.5	5,004.0	5,141.9	5,265.0
Return on Assets (%)	5.2	3.6	4.9	4.9	4.7
P(Cash Flow Deficit) (%)	27.0	30.0	26.0	30.0	30.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	4.0
P(Decreasing RNW) (%)	38.0	33.0	30.0	24.0	20.0

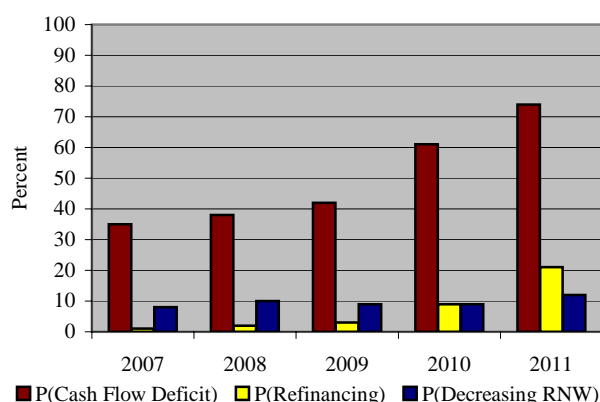
Producers participating in the panel include: Okle Jongsma, Jack Kempenaar, Luke Oosterloo, Scott Opitz, and Douwe Plantinga. G. H. Cain, Larry Spradlin, and Ron Tosh serve as facilitators.

# WID145

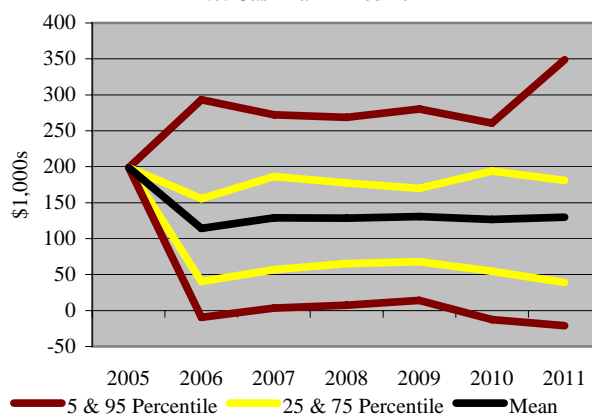
A 145-cow, moderate-sized eastern Wisconsin (Winnebago County) dairy. The farm plants 237 acres of silage, 60 acres for hay, 184 acres of corn, and 99 acres of soybeans. Milk constituted 90 percent of this farm's 2005 receipts.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	3.7	3.4	3.1	3.0	2.9
Livestock Receipts (\$1,000)	543.3	555.0	562.4	571.7	582.4
Government Payments (\$1,000)	19.3	4.5	4.2	4.0	4.0
Total Receipts (\$1,000)	566.3	562.8	569.7	578.8	589.3
Total Expenses (\$1,000)	437.4	434.1	438.7	452.1	459.5
Net Cash Farm Income (\$1,000)	128.9	128.7	130.9	126.6	129.8
Ending Cash (\$1,000)	168.9	192.0	209.7	183.9	142.1
Net Worth (\$1,000)	2,437.1	2,457.5	2,502.1	2,526.2	2,572.1
Return on Assets (%)	5.1	2.0	2.7	2.0	2.1
P(Cash Flow Deficit) (%)	35.0	38.0	42.0	61.0	74.0
P(Refinancing) (%)	1.0	2.0	3.0	9.0	21.0
P(Decreasing RNW) (%)	8.0	10.0	9.0	9.0	12.0

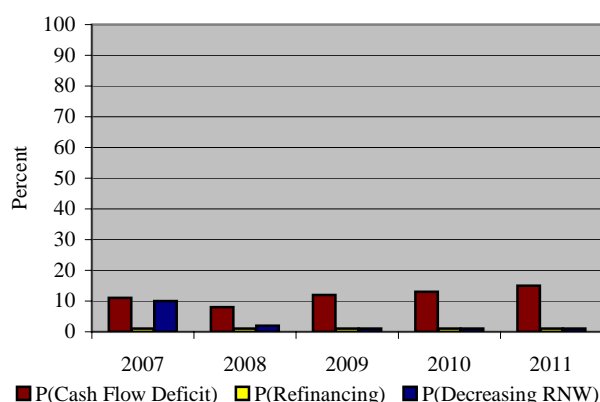
Producers participating in the panel include: Charlie Knigge, Joe Kuehn, Larry Pollack, and Rob Stone. Christine Kniep serves as the facilitator.

# WID775

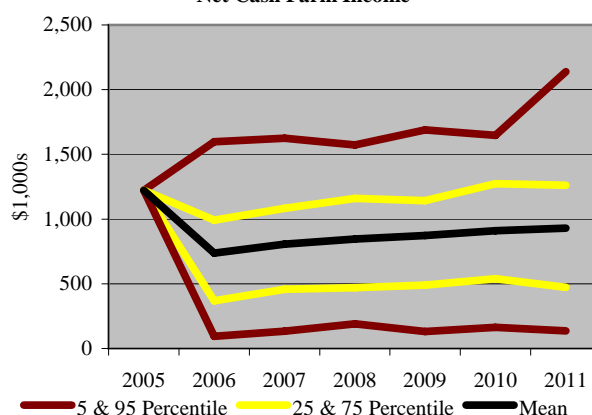
A 775-cow, large-sized eastern Wisconsin (Winnebago County) dairy. The farm plants 696 acres of hay and 454 acres of silage each year. Milk sales comprised 93 percent of the farm's 2005 receipts.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	9.2	9.8	10.2	10.9	11.2
Livestock Receipts (\$1,000)	2,935.9	3,006.3	3,052.1	3,107.2	3,168.6
Government Payments (\$1,000)	29.7	13.1	12.5	12.0	11.6
Total Receipts (\$1,000)	2,974.8	3,029.2	3,074.8	3,130.1	3,191.4
Total Expenses (\$1,000)	2,168.9	2,182.3	2,201.2	2,218.9	2,260.7
Net Cash Farm Income (\$1,000)	805.9	846.9	873.7	911.2	930.7
Ending Cash (\$1,000)	1,738.2	2,070.7	2,379.2	2,719.4	3,042.0
Net Worth (\$1,000)	5,689.2	5,992.0	6,330.4	6,721.1	7,120.7
Return on Assets (%)	11.1	9.4	9.8	9.9	10.1
P(Cash Flow Deficit) (%)	11.0	8.0	12.0	13.0	15.0
P(Refinancing) (%)	1.0	1.0	1.0	1.0	1.0
P(Decreasing RNW) (%)	10.0	2.0	1.0	1.0	1.0

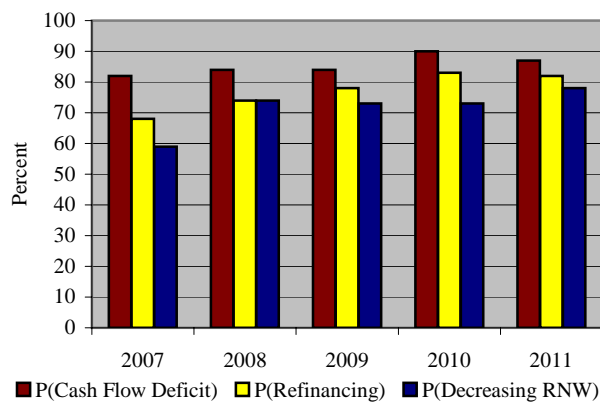
Producers participating in the panel include: Chris Bonlender, Douglas Hodorff, and Kevin Krentz. Christine Kniép serves as the facilitator.

# NYWD800

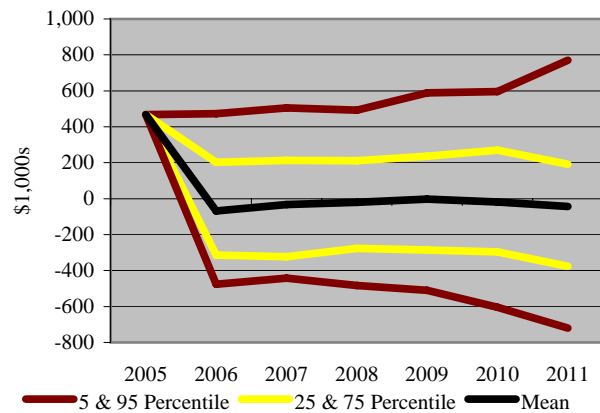
An 800-cow, moderate-sized western New York (Wyoming County) dairy. This farm plants 690 acres of silage and 750 acres of haylage annually. Milk sales accounted for 93 percent of the gross receipts for this farm in 2005.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	2,898.6	2,965.8	3,026.4	3,075.3	3,114.4
Government Payments (\$1,000)	43.8	25.7	24.8	24.1	23.4
Total Receipts (\$1,000)	2,942.4	2,991.5	3,051.2	3,099.4	3,137.8
Total Expenses (\$1,000)	2,974.6	3,011.3	3,053.9	3,117.1	3,181.2
Net Cash Farm Income (\$1,000)	-32.2	-19.7	-2.7	-17.7	-43.4
Ending Cash (\$1,000)	-226.9	-473.1	-713.9	-946.0	-1,219.7
Net Worth (\$1,000)	4,484.0	4,237.3	4,069.0	3,932.2	3,731.4
Return on Assets (%)	0.0	-2.0	-0.1	1.0	1.1
P(Cash Flow Deficit) (%)	82.0	84.0	84.0	90.0	87.0
P(Refinancing) (%)	68.0	74.0	78.0	83.0	82.0
P(Decreasing RNW) (%)	59.0	74.0	73.0	73.0	78.0

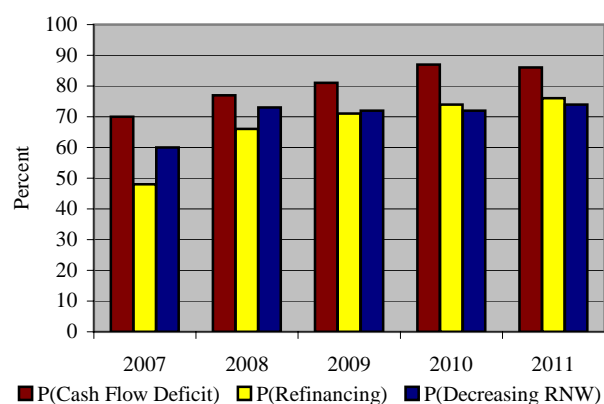
Producers participating in the panel include: Kitty Dziedzic, Walter Faryns, and Todd Galton. Steve Richards serves as the facilitator.

# NYWD1200

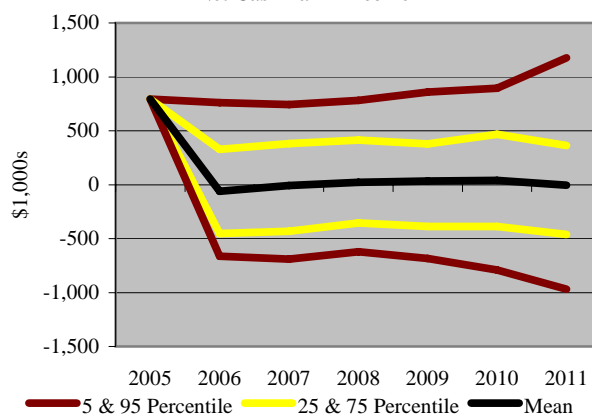
A 1,200-cow, large-sized western New York (Wyoming County) dairy. This farm plants 2,160 acres for silage annually. Milk sales accounted for 92 percent of the gross receipts for this farm in 2005.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	4,336.5	4,436.2	4,525.7	4,598.4	4,656.3
Government Payments (\$1,000)	55.0	35.3	34.1	33.1	32.2
Total Receipts (\$1,000)	4,391.5	4,471.6	4,559.8	4,631.5	4,688.5
Total Expenses (\$1,000)	4,399.0	4,450.0	4,524.9	4,591.9	4,694.4
Net Cash Farm Income (\$1,000)	-7.5	21.6	34.9	39.7	-5.9
Ending Cash (\$1,000)	-42.4	-325.9	-612.8	-896.0	-1,309.1
Net Worth (\$1,000)	7,121.9	6,807.3	6,586.9	6,396.0	6,145.2
Return on Assets (%)	-2.3	-3.8	-1.9	-1.6	-1.5
P(Cash Flow Deficit) (%)	70.0	77.0	81.0	87.0	86.0
P(Refinancing) (%)	48.0	66.0	71.0	74.0	76.0
P(Decreasing RNW) (%)	60.0	73.0	72.0	72.0	74.0

Producers participating in the panel include: Collin Broughton, Bill Fitch, Tom Fitch, and John Noble. Steve Richards serves as the facilitator.

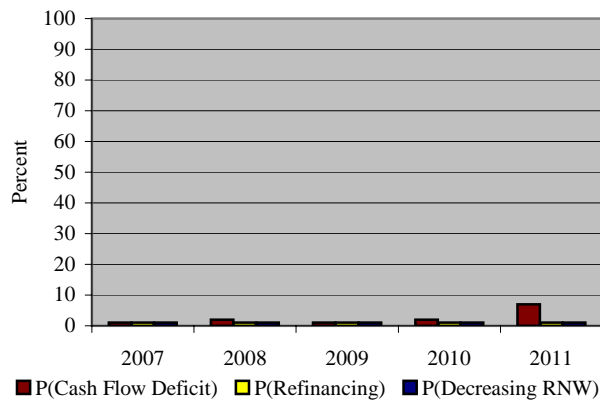


# NYCD110

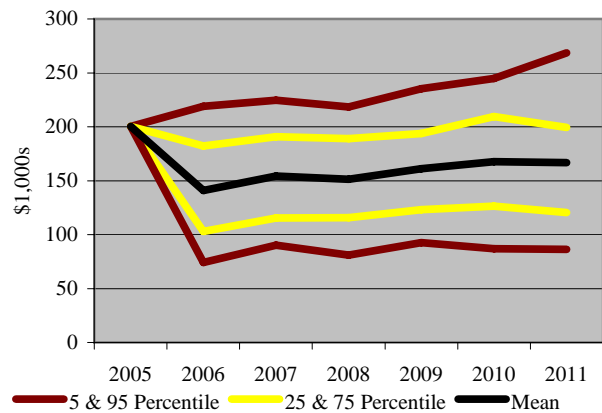
A 110-cow, moderate-sized central New York (Cayuga County) dairy. The farm plants 80 acres for hay, 64 acres for corn, and 131 acres for silage annually. Milk accounted for 90 percent of the gross receipts for 2005 on this dairy.



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



**Net Cash Farm Income**



	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	452.8	462.8	471.8	479.1	485.1
Government Payments (\$1,000)	19.4	4.5	4.3	4.2	4.1
Total Receipts (\$1,000)	472.1	467.3	476.1	483.3	489.2
Total Expenses (\$1,000)	317.9	316.0	314.9	315.8	322.3
Net Cash Farm Income (\$1,000)	154.3	151.3	161.2	167.6	166.9
Ending Cash (\$1,000)	294.8	348.3	400.6	459.9	509.0
Net Worth (\$1,000)	1,013.1	1,065.5	1,125.0	1,195.3	1,261.3
Return on Assets (%)	8.7	6.2	9.1	9.7	9.2
P(Cash Flow Deficit) (%)	1.0	2.0	1.0	2.0	7.0
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

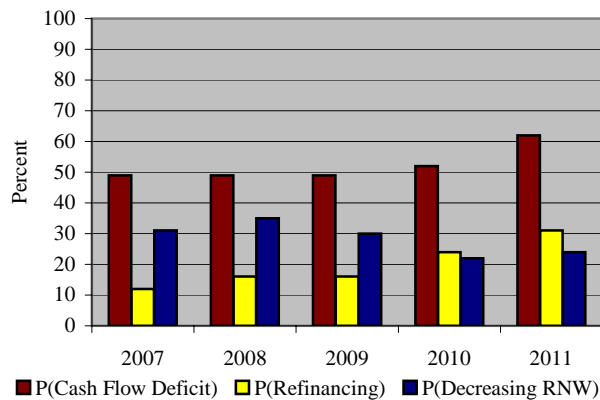
Producers participating in the panel include: Robert Howland, Bill Kilcer, Gary Mutschler, and Robert Space. Wayne Knoblauch serves as the facilitator.

# NYCD500

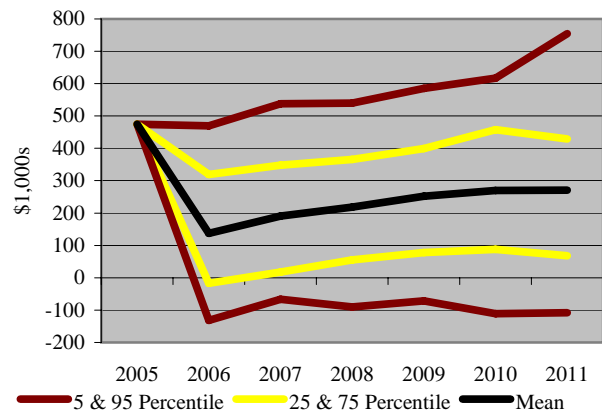
A 500-cow, large-sized central New York (Cayuga County) dairy. This farm plants 714 acres of hay and haylage and 386 acres of silage. Milk sales make up 93 percent of the 2005 total receipts for this dairy.



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



**Net Cash Farm Income**

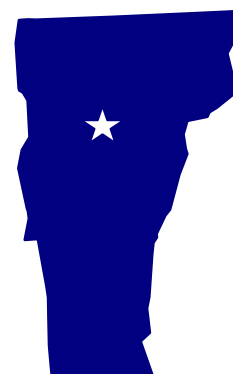


	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,926.2	1,970.5	2,010.5	2,043.0	2,069.3
Government Payments (\$1,000)	30.6	14.3	13.8	13.4	13.0
Total Receipts (\$1,000)	1,956.8	1,984.8	2,024.2	2,056.3	2,082.3
Total Expenses (\$1,000)	1,766.3	1,766.6	1,771.9	1,786.2	1,811.5
Net Cash Farm Income (\$1,000)	190.5	218.2	252.3	270.2	270.8
Ending Cash (\$1,000)	263.1	264.1	267.3	271.3	222.2
Net Worth (\$1,000)	3,464.6	3,468.2	3,544.5	3,624.6	3,697.8
Return on Assets (%)	4.2	2.1	3.6	4.2	4.6
P(Cash Flow Deficit) (%)	49.0	49.0	49.0	52.0	62.0
P(Refinancing) (%)	12.0	16.0	16.0	24.0	31.0
P(Decreasing RNW) (%)	31.0	35.0	30.0	22.0	24.0

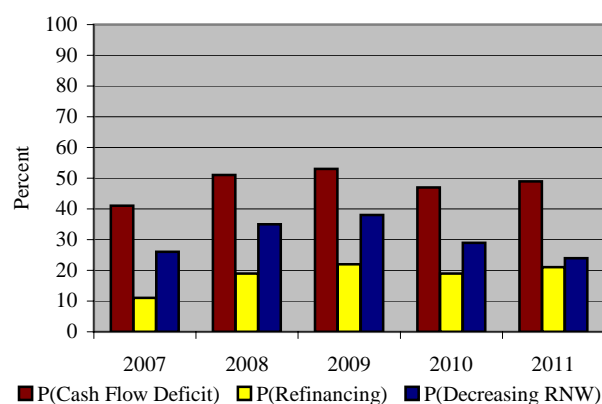
Producers participating in the panel include: Chuck Benson, Mike Learn, Mike McMahon, Kenton Patchen, and Martin Young. Wayne Knoblauch serves as the facilitator.

# VTD140

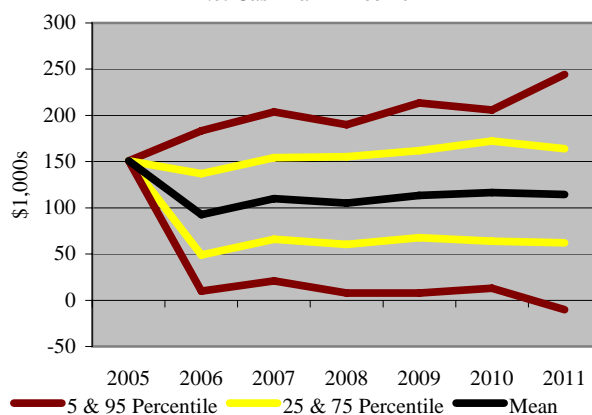
A 140-cow, moderate-sized Vermont (Washington County) dairy. VTD140 plants 30 acres of hay, and 190 acres of silage annually. Milk accounted for 89 percent of the 2005 receipts for this farm.



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



Net Cash Farm Income

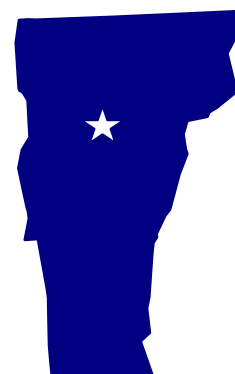


	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	544.8	555.1	563.6	571.1	579.7
Government Payments (\$1,000)	20.2	5.2	5.0	4.8	4.7
Total Receipts (\$1,000)	570.4	565.7	574.1	581.4	589.8
Total Expenses (\$1,000)	460.6	460.7	460.8	464.8	475.4
Net Cash Farm Income (\$1,000)	109.8	105.0	113.3	116.6	114.4
Ending Cash (\$1,000)	88.8	86.3	90.8	98.3	101.6
Net Worth (\$1,000)	1,470.2	1,461.2	1,479.8	1,502.9	1,534.7
Return on Assets (%)	3.7	0.2	3.2	2.8	4.2
P(Cash Flow Deficit) (%)	41.0	51.0	53.0	47.0	49.0
P(Refinancing) (%)	11.0	19.0	22.0	19.0	21.0
P(Decreasing RNW) (%)	26.0	35.0	38.0	29.0	24.0

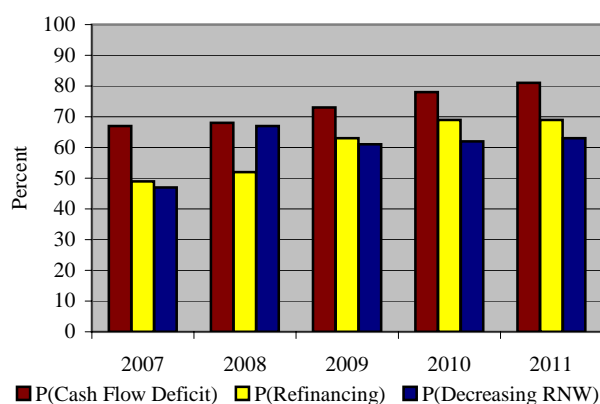
Producers participating in the panel include: Ashley Farr, Kim Harvey, Steven Jones, and Les Pike. Bob Parsons serves as the facilitator.

# VTD400

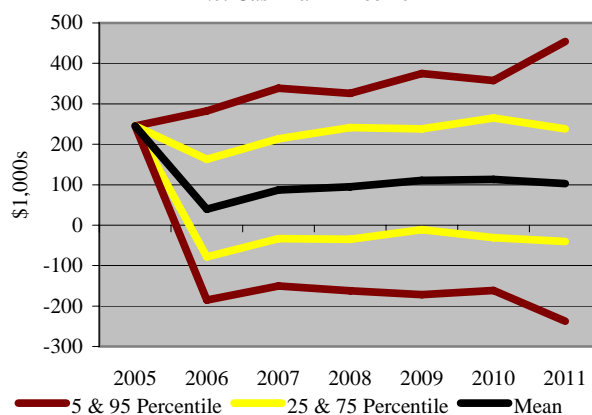
A 400-cow, large-sized Vermont (Washington County) dairy. This farm plants 100 acres of hay and 900 acres of silage annually. Milk sales represent 90 percent of VTD400's gross receipts in 2005.



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



Net Cash Farm Income



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,448.0	1,477.9	1,502.6	1,523.6	1,547.6
Government Payments (\$1,000)	35.8	18.6	17.9	17.4	16.9
Total Receipts (\$1,000)	1,483.8	1,496.6	1,520.5	1,541.1	1,564.5
Total Expenses (\$1,000)	1,396.8	1,401.5	1,410.2	1,428.1	1,461.6
Net Cash Farm Income (\$1,000)	87.0	95.0	110.4	112.9	102.9
Ending Cash (\$1,000)	-6.1	-75.1	-128.8	-182.4	-272.1
Net Worth (\$1,000)	3,514.3	3,410.0	3,369.5	3,344.0	3,307.8
Return on Assets (%)	-0.1	-2.2	0.0	0.3	1.0
P(Cash Flow Deficit) (%)	67.0	68.0	73.0	78.0	81.0
P(Refinancing) (%)	49.0	52.0	63.0	69.0	69.0
P(Decreasing RNW) (%)	47.0	67.0	61.0	62.0	63.0

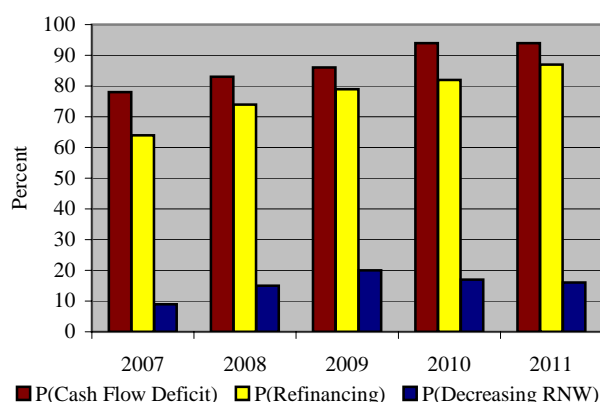
Producers participating in the panel include: Paul Bourbeau, David Conant, Ted Foster, Polly McEwing, Stanley Scribner, and Onan Whitcomb. Bob Parsons serves as the facilitator.

# MOD85

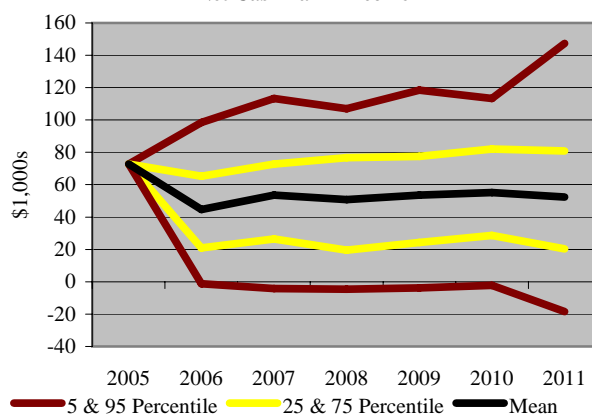
An 85-cow, moderate-sized southwest Missouri (Christian County) dairy. The farm plants 190 acres of hay and 32 acres of silage. Milk accounted for 86 percent of gross farm receipts for 2005.



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



Net Cash Farm Income



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	242.9	248.0	251.5	254.9	258.1
Government Payments (\$1,000)	9.4	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	252.3	248.0	251.5	254.9	258.1
Total Expenses (\$1,000)	198.8	197.2	197.9	199.9	205.6
Net Cash Farm Income (\$1,000)	53.5	50.8	53.6	55.1	52.4
Ending Cash (\$1,000)	-18.9	-34.3	-56.8	-83.0	-119.0
Net Worth (\$1,000)	1,156.3	1,156.9	1,171.0	1,188.1	1,205.0
Return on Assets (%)	2.8	1.0	1.3	1.7	3.4
P(Cash Flow Deficit) (%)	78.0	83.0	86.0	94.0	94.0
P(Refinancing) (%)	64.0	74.0	79.0	82.0	87.0
P(Decreasing RNW) (%)	9.0	15.0	20.0	17.0	16.0

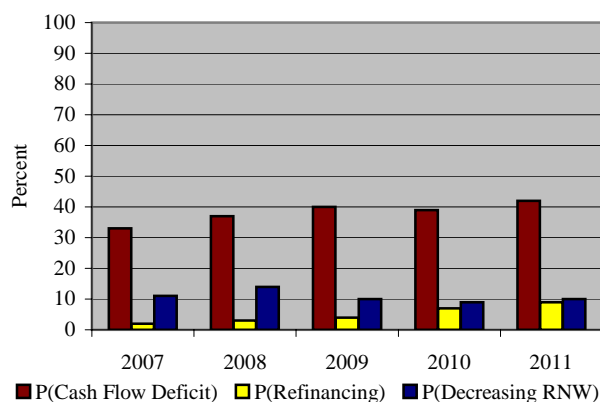
Producers participating in the panel include: Herb Dighero, Robert Hensley, and Doug Owen. Stacey Hamilton serves as the facilitator.

# MOD400

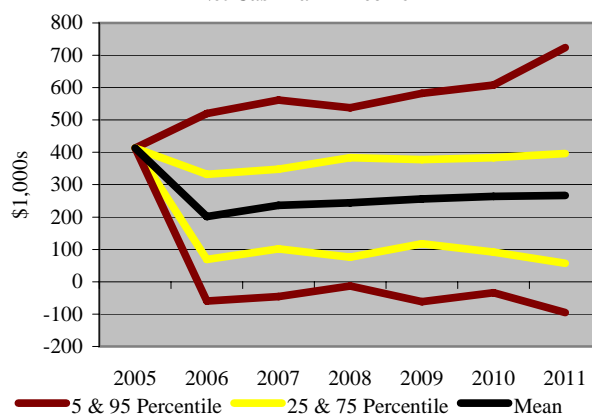
A 400-cow, large-sized southwest Missouri (Dade County) dairy. The farm plants 315 acres of hay, 135 acres of silage, and 150 acres of improved pasture annually. Milk accounted for 93 percent of gross farm receipts for 2005.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,276.4	1,308.2	1,329.8	1,351.0	1,370.4
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	1,290.6	1,308.2	1,329.8	1,351.0	1,370.4
Total Expenses (\$1,000)	1,054.1	1,064.4	1,073.4	1,086.8	1,104.0
Net Cash Farm Income (\$1,000)	236.5	243.8	256.4	264.1	266.5
Ending Cash (\$1,000)	392.4	428.6	453.9	478.3	489.8
Net Worth (\$1,000)	3,389.4	3,454.8	3,557.3	3,661.3	3,775.2
Return on Assets (%)	3.1	1.1	2.3	2.8	3.3
P(Cash Flow Deficit) (%)	33.0	37.0	40.0	39.0	42.0
P(Refinancing) (%)	2.0	3.0	4.0	7.0	9.0
P(Decreasing RNW) (%)	11.0	14.0	10.0	9.0	10.0

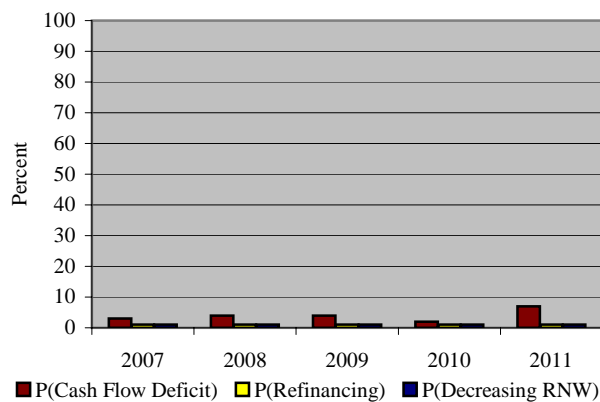
Producers participating in the panel include: Daryl Davis, Steve Gallivan, Freddie Martin, John McArthur, and Wayne Whitehead. Stacey Hamilton serves as the facilitator.

# FLND550

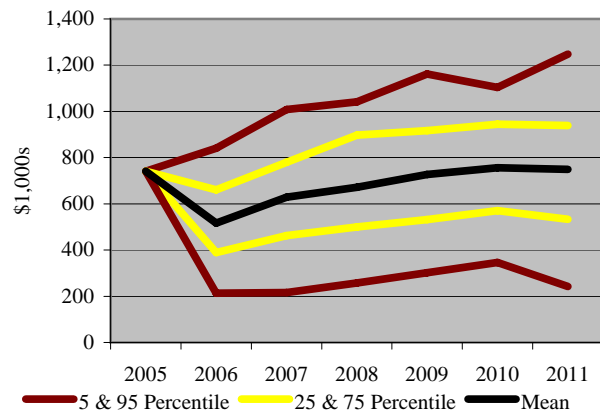
A 550-cow, moderate-sized north Florida (Lafayette County) dairy. The dairy grows 130 acres of hay each year. All other feed requirements are purchased in a pre-mixed ration. Milk sales accounted for 93 percent of the farm receipts.



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



**Net Cash Farm Income**



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	1,813.4	1,850.3	1,883.4	1,912.1	1,939.1
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	1,827.5	1,850.3	1,883.4	1,912.1	1,939.1
Total Expenses (\$1,000)	1,198.8	1,179.4	1,156.0	1,156.4	1,190.6
Net Cash Farm Income (\$1,000)	628.7	671.0	727.4	755.8	748.5
Ending Cash (\$1,000)	1,054.2	1,304.6	1,580.5	1,867.7	2,141.8
Net Worth (\$1,000)	4,007.6	4,268.3	4,593.0	4,940.1	5,296.0
Return on Assets (%)	13.1	11.0	12.5	12.3	11.9
P(Cash Flow Deficit) (%)	3.0	4.0	4.0	2.0	7.0
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

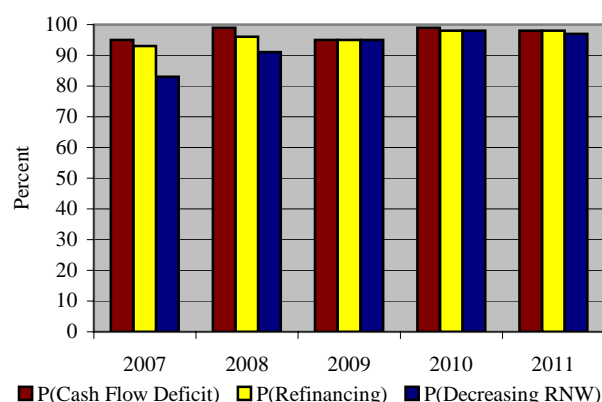
Producers participating in the panel include: Morris Jackson, Dwayne Koon, Kevin Koon, Brian McAdams, and Keith Shiver. Chris Vann serves as the facilitator.

# FLSD1500

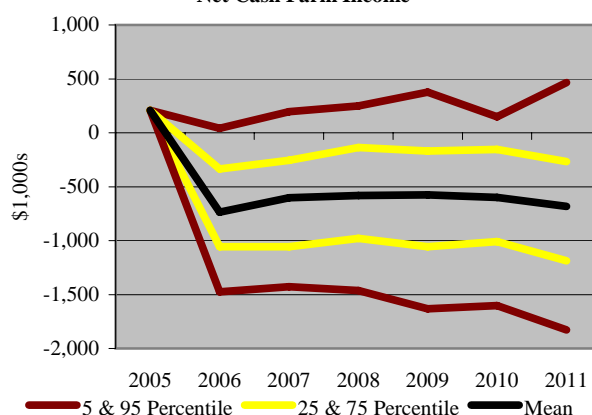
A 1,500-cow, large-sized south central Florida (Okeechobee County) dairy. FLSD1500 plants 100 acres of hay and 400 acres of silage annually. Milk sales represent 94 percent of 2005 total receipts.



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



Net Cash Farm Income



	2007	2008	2009	2010	2011
Market Receipts (\$1,000)	0.0	0.0	0.0	0.0	0.0
Livestock Receipts (\$1,000)	4,645.3	4,740.3	4,825.6	4,899.4	4,968.6
Government Payments (\$1,000)	14.2	0.0	0.0	0.0	0.0
Total Receipts (\$1,000)	4,659.5	4,740.3	4,825.6	4,899.4	4,968.6
Total Expenses (\$1,000)	5,263.1	5,321.2	5,399.7	5,497.6	5,650.6
Net Cash Farm Income (\$1,000)	-603.6	-580.9	-574.2	-598.2	-682.1
Ending Cash (\$1,000)	-1,319.9	-2,027.6	-2,734.8	-3,482.4	-4,319.2
Net Worth (\$1,000)	6,069.2	5,279.9	4,577.6	3,863.8	3,122.9
Return on Assets (%)	-6.5	-7.6	-5.6	-5.2	-4.7
P(Cash Flow Deficit) (%)	95.0	99.0	95.0	99.0	98.0
P(Refinancing) (%)	93.0	96.0	95.0	98.0	98.0
P(Decreasing RNW) (%)	83.0	91.0	95.0	98.0	97.0

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