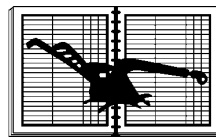


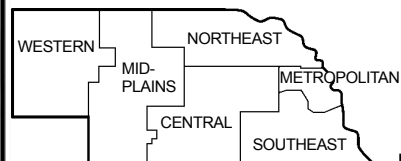
2002 Annual Report

Northeast Region



In cooperation with
**Nebraska Farm Business
Association and
Nebraskaland Farm & Ranch
Management Education Program**

Prepared by:



Nebraska Community Colleges



University of Nebraska
Cooperative Extension



\$25

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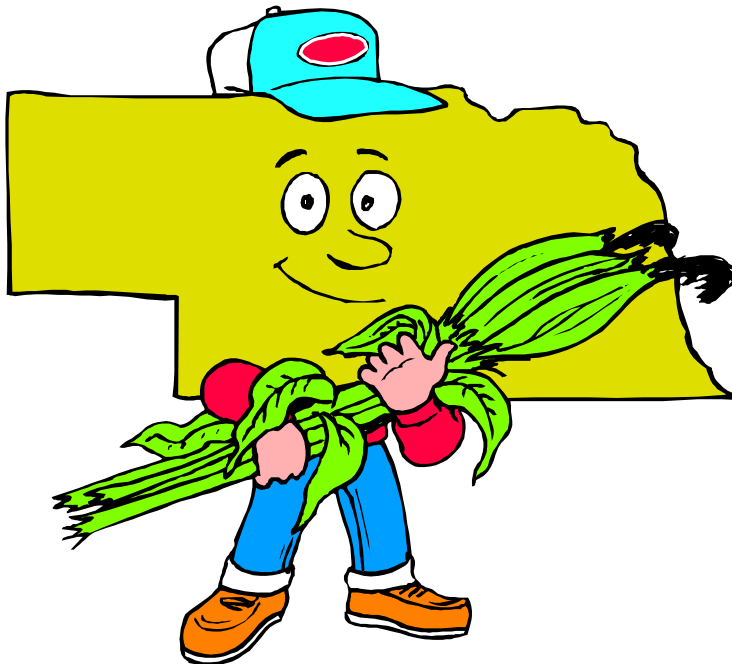
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(All historical data being presented in graphical form was collected from past Nebraska Farm Business Association averages.)

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Regional Explanation

It doesn't take long to drive across Nebraska and see the incredibly diverse landscape and farming practices. It also doesn't take long when working with production agriculture to know the profitability and financial outlook of operations are incredibly diverse across the state. In an effort to provide more detailed educational and resource materials, we have published 4 books, in addition to our Annual Report, that detail the financial situation of the average of our members in each of these four regions. Each book contains detail on one Region followed by general information about the other three.

The counties located in each of the four regions are as follows:

North East: Antelope, Boone, Burt, Butler, Cedar, Colfax, Cuming, Dakota, Dixon, Dodge, Douglas, Knox, Madison, Nance, Platte, Pierce, Stanton, Saunders, Thurston, Washington, and Wayne.

South East: Cass, Gage, Jefferson, Johnson, Lancaster, Nemaha, Otoe, Pawnee, Richardson, and Sarpy

South Central: Adams, Buffalo, Clay, Fillmore, Franklin, Hall, Hamilton, Harlan, Kearney, Merrick, Nuckolls, Phelps, Polk, Saline, Seward, Thayer, Webster, and York.

Western: Arthur, Banner, Blaine, Box Butte, Boyd, Chase, Cherry, Cheyenne, Custer, Dawes, Dawson, Deuel, Dundy, Frontier, Furnas, Garden, Garfield, Gosper, Grant, Greely, Hayes, Hitchcock, Holt, Hooker, Howard, Keith, Keya Paha, Kimball, Lincoln, Logan, Loup, McPherson, Morrill, Perkins, Red Willow, Rock, Scottsbluff, Sheridan, Sherman, Sioux, Thomas, Valley, and Wheeler.

These regions were selected for difference in farming practices such as irrigation versus dry land only potential, special opportunities such as seed corn contracts, and other historical differences. The Western region covers a very large territory, and we understand there are vast differences in this area, but we couldn't break it down any further due to limited number of operations.

The four regional books' contents vary from one another. Because of the number of operations, the variety among those operations and whether or not they've chosen to participate in the enterprise analysis program, some regions contain more or less sorts by gross income, debt-to-asset ratio, age of operator, and individual enterprise reports. We've tried to include as much information as possible without compromising the value of the data or the confidentiality of the producers participating. Remember the Annual Report contains data from the whole state with a larger number of farms and for the reasons above contain the most information we can gather. These regional books contain no state average data.

Table 1A: Northeast - Gross Cash Farm Income, 2002

	<u>Average Of 30 Farms</u>	<u>Average Of Low 33%</u>	<u>Average Of High 33%</u>
Crop Income			
Corn	79,042	57,562	130,766
Seed Corn	3,931	0	0
Soybeans	67,403	63,615	93,394
Wheat	0	0	0
Hay Crops	3,626	3,384	5,098
Grain Sorghum	137	4	0
White Corn	1,060	0	0
Sugar Beets	0	0	0
Great Northern Beans	0	0	0
Miscellaneous Crop Income	1,196	794	1,279
Total Crop Income	\$156,395	\$125,359	\$230,537
Livestock and Product Income			
Beef Finishing	101,443	31,386	149,031
Beef Calves	9,625	3,743	22,432
Background Beef	0	0	0
Farrow-to-Finish, Hogs	41,700	54,006	69,541
Finish Feeder Pigs	7,713	4,618	6,298
Dairy, Milk	20,111	0	54,849
Cull Breeding Livestock	11,709	3,590	7,514
Miscellaneous Livestock Income	6,211	599	366
Total Livestock Income	\$198,512	\$97,942	\$310,031
Other Farm Income			
Direct & CC Gov't Payments	10,099	7,908	15,492
CRP & Other Gov't Payments	6,242	6,989	6,716
Custom Work	2,682	309	3,798
Patronage Dividends, Cash	518	437	762
Insurance Income	4,950	7,456	1,969
Cash from Hedging Accounts	7,275	5,067	12,322
Contract Livestock Income	105	0	0
Other Miscellaneous Farm Income	6,103	5,965	10,071
Total Other Farm Income	\$37,974	\$34,131	\$51,130
Gross Cash Farm Income	\$392,881	\$257,432	\$591,698

Table 1B: Northeast - Gross Cash Farm Expenses, 2002

	Average Of 30 Farms	Average Of Low 33%	Average Of High 33%
Crop Expense			
Seed	19,879	14,892	28,481
Fertilizer	15,088	11,082	21,351
Crop Chemicals	14,679	10,833	18,818
Crop Insurance	3,747	3,897	3,706
Drying Fuel	361	167	603
Irrigation Energy	5,900	1,578	10,980
Irrigation Repairs	0	0	0
Crop Marketing	1,448	476	2,720
Crop Miscellaneous	3,680	891	5,478
CCC Buyback	5,820	0	12,994
Total Crop Expense	\$70,602	\$43,816	\$105,131
Livestock Expense			
Feeder Livestock Purchases	79,534	28,462	104,950
Purchased Feed	44,135	37,455	66,232
Breeding Fees	1,694	1,167	3,664
Veterinary	4,148	3,997	6,363
Livestock Supplies	5,225	2,540	10,913
Livestock Leases	0	0	0
Grazing Fees	1,753	1,129	1,541
Livestock Marketing	2,692	380	4,682
Livestock Custom Hire	1,976	3,380	1,558
Total Livestock Expense	\$141,157	\$78,510	\$199,903
Other Farm Expense			
Interest	18,785	21,234	18,825
Fuel and Oil	9,865	7,280	16,066
Repairs	23,870	22,559	31,019
Custom Hire	5,002	4,087	9,384
Hired Labor	11,866	11,989	17,034
Land Rent	24,759	22,343	25,535
Machinery and Building Lease	4,538	3,614	8,269
Real Estate Taxes	6,071	3,895	9,528
Personal Property Taxes	910	1,026	1,168
Farm Insurance	5,074	4,090	8,784
Utilities	5,771	4,916	8,813
Dues and Professional Fees	2,335	2,338	2,896
Hedging Account Deposits	9,216	6,536	9,452
Miscellaneous	2,831	3,249	4,016
Total Other Cash Farm Expense	\$130,893	\$119,156	\$170,789
Total Cash Operating Expense	\$342,652	\$241,482	\$475,823
Summary			
Gross Cash Farm Income (Table 2A)	\$392,881	\$257,432	\$591,698
- Total Cash Operating Expense	\$342,652	\$241,482	\$475,823
= Net Cash Farm Income	\$50,229	\$15,950	\$115,875

Table 2: Northeast - Inventory Changes, 2002

	Average Of 30 Farms	Average Of Low 33%	Average Of High 33%
Net Cash Farm Income	\$50,229	\$15,950	\$115,875
Crops and Feed			
Ending Inventory	115,395	71,853	200,949
Beginning Inventory	123,330	103,376	187,761
Inventory Change	(7,935)	(31,523)	13,188
Market Livestock			
Ending Inventory	104,672	54,757	130,151
Beginning Inventory	85,471	40,711	121,550
Inventory Change	19,201	14,046	8,601
Accounts Receivable & Other Current Assets			
Ending Inventory	10,664	9,478	10,303
Beginning Inventory	5,601	2,871	7,254
Inventory Change	5,063	6,607	3,049
Prepaid Expenses and Supplies			
Ending Inventory	7,202	10,426	7,376
Beginning Inventory	8,603	14,919	8,455
Inventory Change	(1,401)	(4,493)	(1,079)
Accounts Payable			
Beginning Inventory	12,573	21,527	5,120
Ending Inventory	14,885	25,228	7,849
Inventory Change	(2,312)	(3,701)	(2,729)
Total Inventory Change	\$12,616	(\$19,064)	\$21,030
Net Accrual Operating Income	\$62,845	(\$3,114)	\$136,905

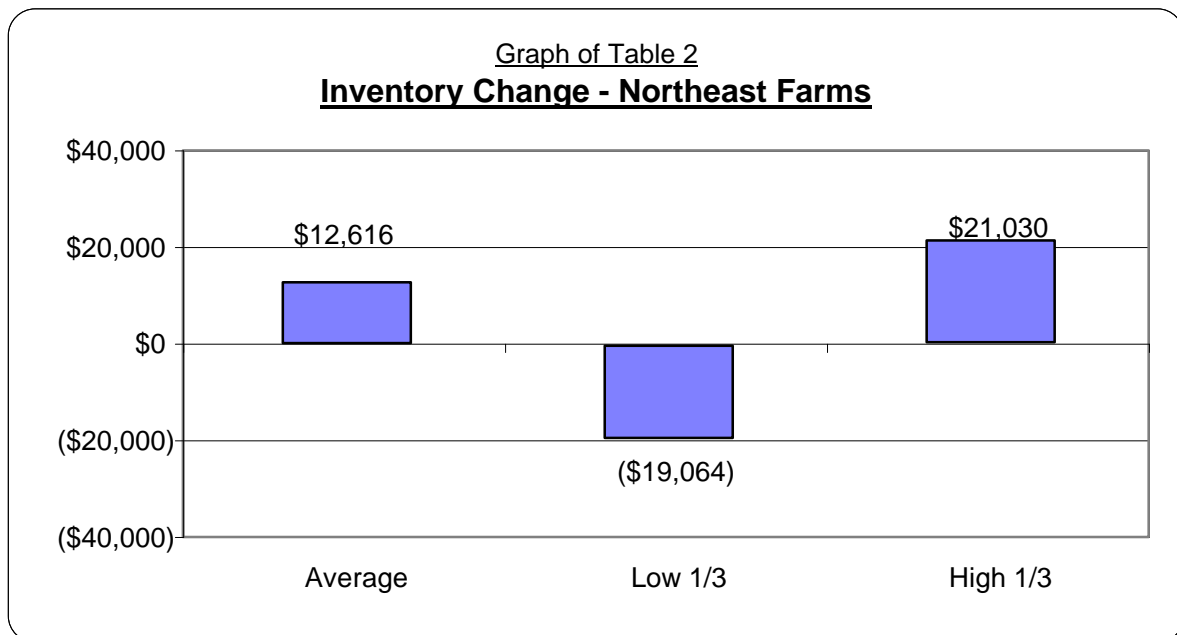


Table 3: Northeast - Depreciation and Other Capital Adjustments, 2002

	Average Of 30 Farms	Average Of Low 33%	Average Of High 33%
Net Accrual Operating Income	\$62,845	(\$3,114)	\$136,905
Breeding Livestock			
Ending Inventory	9,680	11,986	5,242
Capital Sales	118	170	177
Beginning Inventory	11,057	14,112	6,801
Capital Purchases	1,850	3,681	1,395
Depreciation & Capital Adjustments	(3,109)	(5,637)	(2,777)
Machinery and Equipment			
Ending Inventory	73,689	63,642	104,348
Capital Sales	4,079	7,717	2,124
Beginning Inventory	76,221	69,718	110,506
Capital Purchases	21,456	16,963	29,165
Depreciation & Capital Adjustments	(19,909)	(15,322)	(33,199)
Buildings and Improvements			
Ending Inventory	33,015	19,148	55,378
Capital Sales	0	0	0
Beginning Inventory	35,721	18,898	61,023
Capital Purchases	2,563	4,951	2,940
Depreciation & Capital Adjustments	(5,269)	(4,701)	(8,585)
Other Capital Assets			
Ending Inventory	16,050	10,884	24,145
Capital Sales	10,715	0	22,340
Beginning Inventory	21,720	10,675	34,093
Capital Purchases	160	154	0
Depreciation & Capital Adjustments	4,885	55	12,392
Total Depreciation & Capital Adjustments	(\$23,402)	(\$25,605)	(\$32,169)
Net Farm Income	\$39,443	(\$28,719)	\$104,736

**Graph of Table 3
Net Farm Income - Northeast Farms**

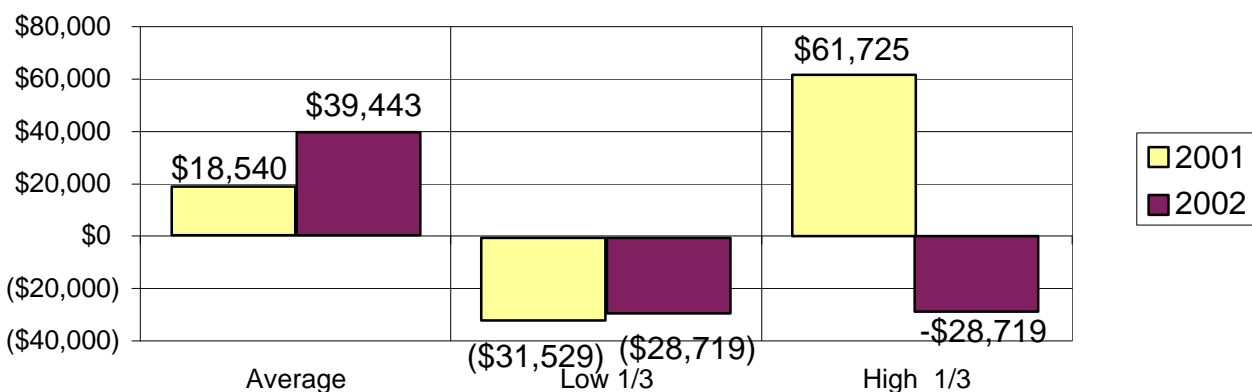


Table 4: Northeast - Profitability Analysis At Cost, 2002

	Average Of 30 Farms	Average Of Low 33 %	Average Of High 33%
Profitability			
Net Farm Income	\$39,446	\$28,720	\$104,738
Labor and Mgt. Earnings	\$18,012	\$37,770	\$66,673
Rate of Return on Assets	4.6%	-6.4%	8.8%
Rate of Return on Equity	2.6%	-49.8%	9.8%
Operating Profit Margin	10.3%	-16.2%	18.8%
Asset Turnover Rate	44.1%	39.5%	47.1%
Interest on Farm Net Worth	\$21,435	\$9,049	\$38,065
Farm Interest Expense	\$20,362	\$22,571	\$21,935
Operator Labor & Mgt.	\$30,641	\$22,222	\$43,522
Return on Farm Assets	\$29,167	(\$28,372)	\$83,151
Average Farm Assets	\$640,674	\$443,116	\$939,579
Return on Farm Equity	\$8,805	(\$50,943)	\$61,216
Average Farm Equity	\$335,080	\$102,231	\$626,639
Value of Farm Production	\$282,433	\$175,006	\$442,578

Table 5: Northeast - Profitability Analysis At Market, 2002

	Average Of 30 Farms	Average Of Low 33 %	Average Of High 33 %
Profitability			
Net Farm Income	\$43,136	(\$24,684)	\$108,210
Labor and Mgt. Earnings	\$7,593	(\$43,156)	\$45,501
Rate of Return on Assets	3.7%	-4.0%	6.4%
Rate of Return on Equity	2.2%	-17.3%	6.2%
Operating Profit Margin	11.6%	-13.9%	19.6%
Asset Turnover Rate	31.9%	28.6%	32.6%
Interest on Farm Net Worth	\$35,543	\$18,472	\$62,709
Farm Interest Expense	\$20,362	\$22,571	\$21,935
Operator Labor & Mgt.	\$30,641	\$22,222	\$43,522
Return on Farm Assets	\$32,857	(\$24,335)	\$86,622
Average Farm Assets	\$886,462	\$611,269	\$1,358,094
Return on Farm Equity	\$12,495	(\$46,906)	\$64,688
Average Farm Equity	\$580,867	\$270,384	\$1,045,154
Value of Farm Production	\$282,433	\$175,006	\$442,578

Table 6: Northeast - Liquidity Analysis, 2002

		Average of 30 Farms	Average Of Low 33%	Average Of High 33%
Liquidity (Cash)				
Net Cash Farm Income	(+)	50,232	15,948	115,877
Net Non-Farm Income	(+)	12,253	20,974	11,799
Family Living and Taxes	(-)	49,954	30,854	78,576
Real Estate Principal Payments	(-)	5,145	6,752	6,200
Cash Available for Intern. Debt	(=)	7,386	(684)	42,900
Average Intermediate Debt		\$56,125	\$65,674	\$64,425
Years to Turnover Intern. Debt		7.6	**	1.5
Expense as a % of Income		87%	94%	80%
Interest as a % of Income		5%	8%	3%

Liquidity (Accrual)				
Total Accrual Farm Income	(+)	409,211	246,560	616,535
Total Accrual Farm Expense	(-)	346,362	249,676	479,629
Net Accrual Operating Income	(=)	62,849	(3,117)	136,906
Net Non-Farm Income	(+)	12,253	20,974	11,799
Family Living and Taxes	(-)	49,954	30,854	78,576
Real Estate Principle Payments	(-)	5,145	6,752	6,200
Cash & Inventory for Intern. Debt	(=)	20,003	(19,749)	63,929
Average Intermediate Debt		\$56,125	\$65,674	\$64,425
Years to Turnover Intern. Debt		2.8	**	1
Expense as a % of Income		85%	101%	78%
Interest as a % of Income		5%	9%	4%

** Income Insufficient to Meet Debt

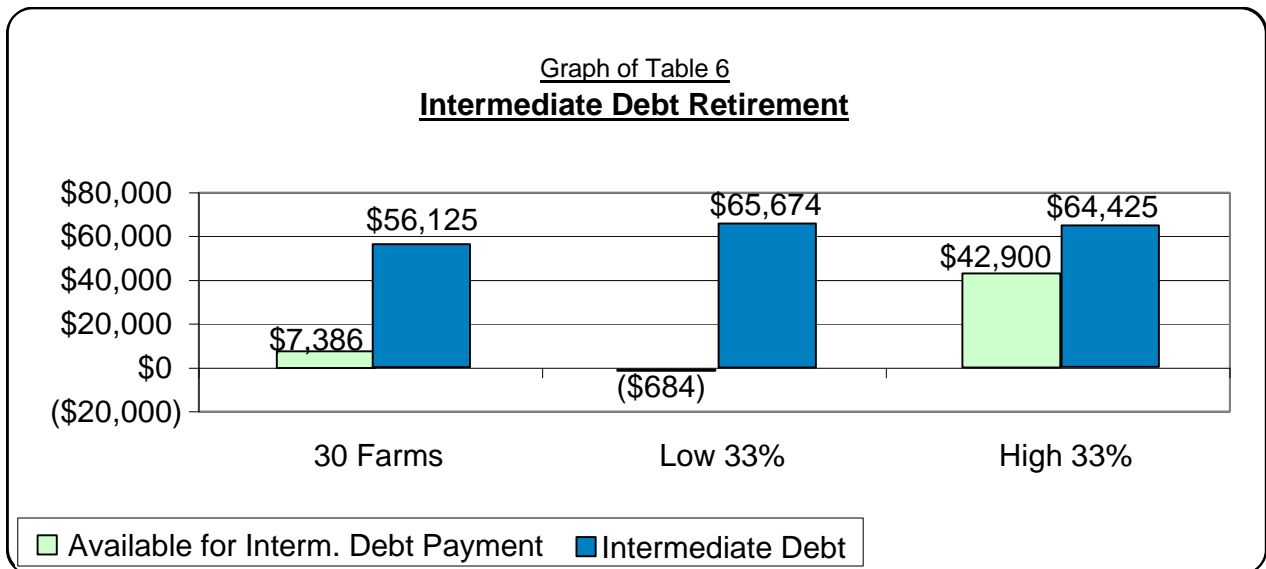


Table 7: Northeast - Statement of Cash Flows, 2002

		Average Of 30 Farms	Average Of Low 33%	Average Of High 33%
(A) Beginning Cash Balance (Farm & Non-farm)		\$29,689	\$6,528	\$60,525
Cash From Operating Activities				
Gross Cash Farm Income	(+)	392,881	257,431	591,699
Net Non-farm Income	(+)	12,253	20,974	11,799
Total Cash Farm Expense	(-)	342,650	241,482	475,821
Apparent Family Living Expense	(-)	44,755	28,591	69,938
Income and Social Security Tax	(-)	5,199	2,263	8,638
(B) Net Cash From Operating Activities	(=)	\$12,530	\$6,069	\$49,101
Cash From Investing Activities				
Sale of Breeding Livestock	(+)	118	170	177
Sale of Machinery & Equipment	(+)	4,071	7,717	2,100
Sale of Titled Vehicles	(+)	9	0	24
Sale of Farm Land	(+)	0	0	0
Sale of Farm Buildings	(+)	0	0	0
Sale of Other Farm Assets	(+)	10,715	0	22,340
Sale of Non-farm Assets	(+)	8,360	3,046	1,393
Purchase of Breeding Livestock	(-)	1,850	3,681	1,395
Purchase of Machinery & Equip.	(-)	20,448	13,752	29,165
Purchase of Titled Vehicles	(-)	1,007	3,211	0
Purchase of Farm Land	(-)	15,405	21,333	24,559
Purchase of Farm Buildings	(-)	2,563	4,951	2,940
Purchase of Other Farm Assets	(-)	160	154	0
Purchase of Non-farm Assets	(-)	3,688	2,112	4,427
(C) Net Cash From Investing Activities	(=)	(\$21,848)	(\$38,261)	(\$36,452)
Cash From Financing Activities				
Money Borrowed	(+)	260,316	209,477	293,449
Cash Gifts and Inheritances	(+)	7,998	22,250	64
Principal Payments	(-)	242,228	187,463	272,204
Dividends Paid	(-)	0	0	0
Gifts Given	(-)	1,522	5,074	0
(D) Net Cash From Financing Activities	(=)	\$24,564	\$39,190	\$21,309
(E) Net Change In Cash Balance (B+C+D)		\$15,246	\$6,998	\$33,958
(F) Ending Cash Balance (A-E)		\$44,935	\$13,526	\$94,483

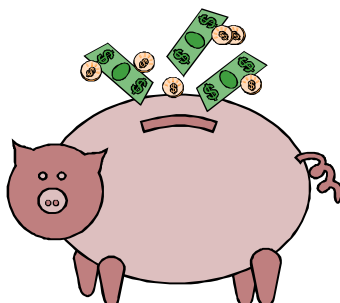


Table 8: Northeast - Financial Guideline Measures, 2002

	Average Of 30 Farms	Average Of Low 33%	Average Of High 33%
Liquidity			
Current Ratio	1.80	0.93	2.66
Working Capital	122,098	(10,462)	266,115
Solvency (Market)			
Farm Debt to Asset Ratio	36%	57%	25%
Farm Equity to Asset Ratio	64%	43%	75%
Farm Debt to Equity Ratio	55%	135%	33%
Profitability (Cost)			
Rate of Return on Farm Assets	4.6%	-6.4%	8.8%
Rate of Return on Farm Equity	2.6%	-49.8%	9.8%
Operating Profit Margin	10.3%	-16.2%	18.8%
Net Farm Income	39,446	(28,720)	104,738
Repayment Capacity			
Term Debt Coverage Ratio	119%	-35%	331%
Capital Replacement Margin	1,776	(19,464)	16,756
Efficiency			
Asset Turnover Rate (Cost)	44.1%	39.5%	47.1%
Operating Expense Ratio	79.7%	92.1%	74.2%
Depreciation Expense Ratio	5.7%	10.4%	5.2%
Interest Expense Ratio	5.0%	9.2%	3.6%
Net Farm Income Ratio	9.6%	-11.6%	17.0%

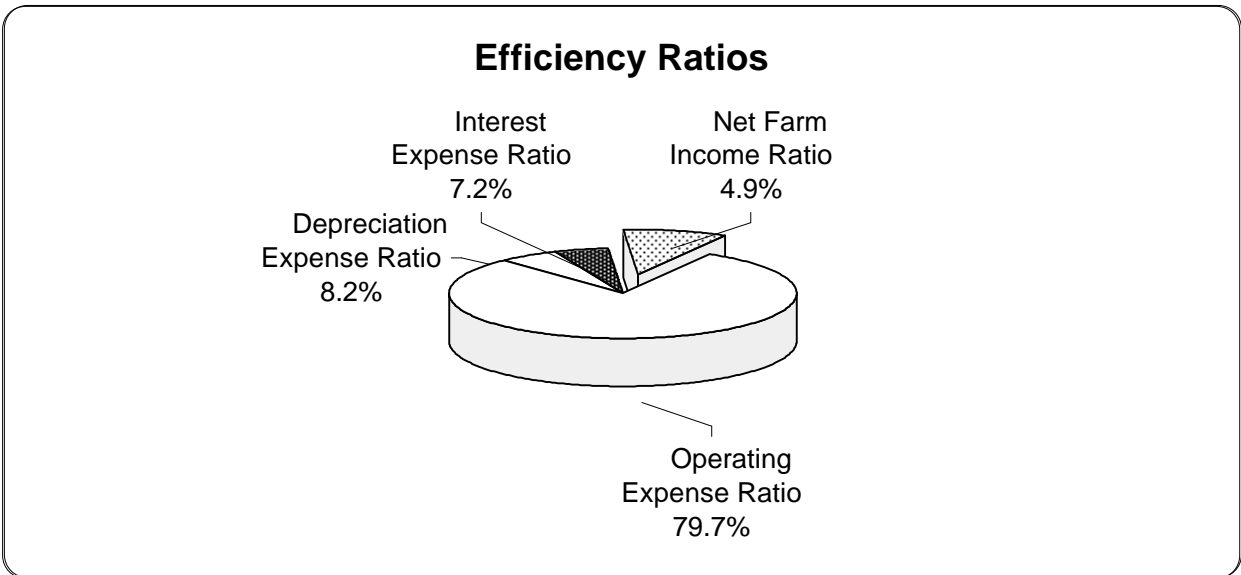


Table 9A: Northeast - Balance Sheet - Assets at Cost Value, 2002

	Average Of 30 Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Assets						
Cash and Checking Accounts	14,931	27,181	(7,859)	1,674	35,883	58,860
Prepaid Expenses & Supplies	8,603	7,202	14,919	10,426	8,455	7,376
Growing Crops	0	102	0	340	0	0
Accounts Receivable	2,011	4,498	795	5,307	968	2,246
Hedging Accounts	3,559	6,022	1,973	3,691	6,286	8,057
Crops Held for Sale or Feed	118,019	109,616	87,322	58,561	186,413	197,017
Crops Under Government Loan	8,152	14,827	16,054	15,004	9,097	22,428
Market Livestock Held for Sale	85,471	104,672	40,711	54,757	121,550	130,151
Other Current Assets	31	42	104	140	0	0
Total Current Farm Assets	\$240,777	\$274,162	\$154,019	\$149,900	\$368,652	\$426,135
Intermediate Farm Assets						
Breeding Livestock	11,057	9,680	14,112	11,986	6,801	5,242
Machinery and Equipment	75,869	71,525	69,307	59,187	109,883	102,093
Titled Vehicles	352	2,164	410	4,455	623	2,255
Other Intermediate Assets	16,709	15,891	10,197	10,406	21,915	24,054
Total Intermediate Farm Assets	\$103,987	\$99,260	\$94,026	\$86,034	\$139,222	\$133,644
Long Term Farm Assets						
Farm Land	243,229	258,634	171,815	193,148	343,238	367,796
Buildings and Improvements	35,721	33,015	18,898	19,148	61,023	55,378
Other Long Term Assets	5,011	159	478	478	12,178	90
Total Long Term Farm Assets	\$283,961	\$291,808	\$191,191	\$212,774	\$416,439	\$423,264
Total Farm Assets	\$628,725	\$665,230	\$439,236	\$448,708	\$924,313	\$983,043
Non-farm Assets	123,607	123,546	167,667	167,178	137,846	148,499
Total Farm & Non-farm Assets	\$752,332	\$788,776	\$606,903	\$615,886	\$1,062,159	\$1,131,542

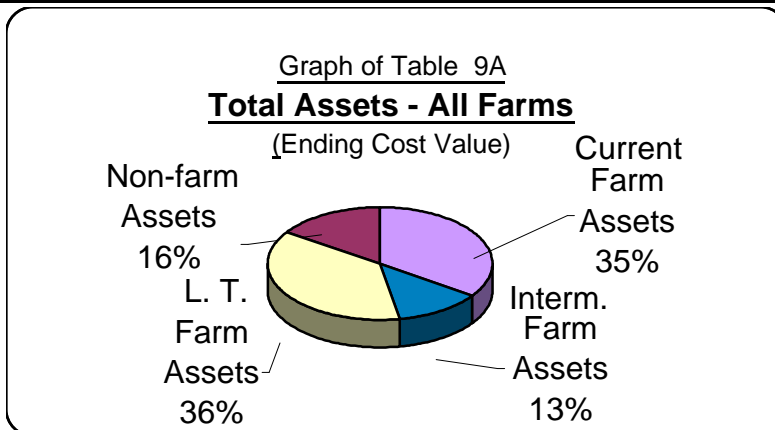


Table 9B: Northeast - Balance Sheet - Liabilities at Cost Value, 2002

	Average Of 30 Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	9,608	11,184	21,519	22,856	4,427	7,537
Accounts Payable	2,966	3,700	8	2,372	693	312
Current Notes	108,459	115,190	110,050	113,123	119,500	120,623
Government Crop Loans	7,804	12,795	15,347	13,005	8,726	19,473
Principal Due on Term Debt	9,735	9,196	11,726	9,005	10,614	12,075
Total Current Farm Liabilities	\$138,572	\$152,065	\$158,650	\$160,361	\$143,960	\$160,020
Intermediate Farm Liabilities	\$49,373	\$53,818	\$58,476	\$63,037	\$55,756	\$63,780
Long Term Farm Liabilities	\$110,717	\$119,252	\$110,944	\$132,012	\$109,659	\$120,904
Total Farm Liabilities	\$298,662	\$325,135	\$328,070	\$355,410	\$309,375	\$344,704
Non-farm Liabilities	4,585	4,606	7,816	7,911	3,290	2,682
Total Liabilities	\$303,247	\$329,741	\$335,886	\$363,321	\$312,665	\$347,386
Net Worth (Farm & Non-farm)	\$449,087	\$459,035	\$271,016	\$252,565	\$749,493	\$784,157
Net Worth Change (Cost Value)		\$9,948		(\$18,451)		\$34,664

Ratio Analysis

Current Farm Liabilities / Assets	58%	55%	103%	107%	39%	38%
Curr. & Interm Farm Liab. / Assets	55%	55%	88%	95%	39%	40%
Long Term Farm Liab. / Assets	39%	41%	58%	62%	26%	29%
Total Liabilities / Assets	40%	42%	55%	59%	29%	31%

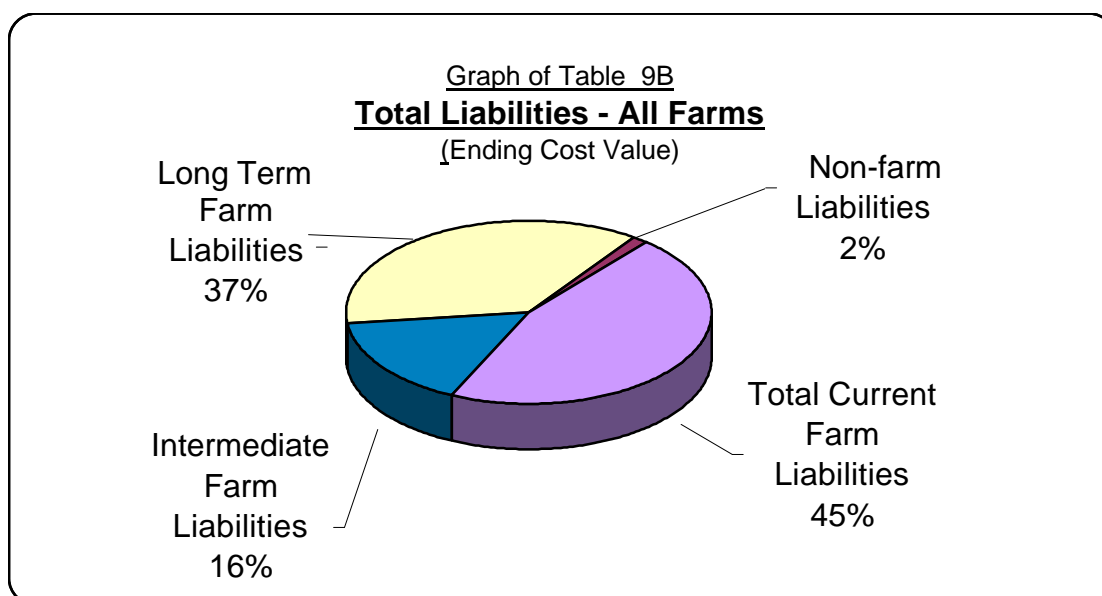


Table 10A: Northeast - Balance Sheet - Assets at Market Value, 2002

	Average Of 30 Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Assets						
Cash and Checking Balance	14,931	27,181	(7,859)	1,674	35,883	58,860
Prepaid Expenses & Supplies	8,603	7,202	14,919	10,426	8,455	7,376
Growing Crops	0	102	0	340	0	0
Accounts Receivable	2,011	4,498	795	5,307	968	2,246
Hedging Accounts	3,559	6,022	1,973	3,691	6,286	8,057
Crops Held for Sale or Feed	118,019	109,616	87,322	58,561	186,413	197,017
Crops Under Government Loan	8,152	14,827	16,054	15,004	9,097	22,428
Market Livestock Held for Sale	85,471	104,672	40,711	54,757	121,550	130,151
Other Current Assets	31	42	104	140	0	0
Total Current Farm Assets	\$240,777	\$274,162	\$154,019	\$149,900	\$368,652	\$426,135
Intermediate Farm Assets						
Breeding Livestock	31,535	30,691	26,168	27,058	45,004	42,194
Machinery and Equipment	180,150	175,982	155,162	138,932	268,646	266,038
Titled Vehicles	358	2,021	0	5,658	977	882
Other Intermediate Assets	15,806	15,787	10,197	10,406	21,915	24,054
Total Intermediate Farm Assets	\$227,849	\$224,481	\$191,527	\$182,054	\$336,542	\$333,168
Long Term Farm Assets						
Farm Land	322,221	338,642	208,217	233,106	484,591	509,013
Buildings and Improvements	72,985	71,752	51,163	53,375	130,107	126,319
Other Long Term Assets	8,836	3,824	444	444	21,199	8,660
Total Long Term Farm Assets	\$404,042	\$414,218	\$259,824	\$286,925	\$635,897	\$643,992
Total Farm Assets	\$872,668	\$912,861	\$605,370	\$618,879	\$1,341,091	\$1,403,295
Non-farm Assets	126,629	125,176	168,714	166,164	139,110	151,249
Total Farm & Non-farm Assets	\$999,297	\$1,038,037	\$774,084	\$785,043	\$1,480,201	\$1,554,544

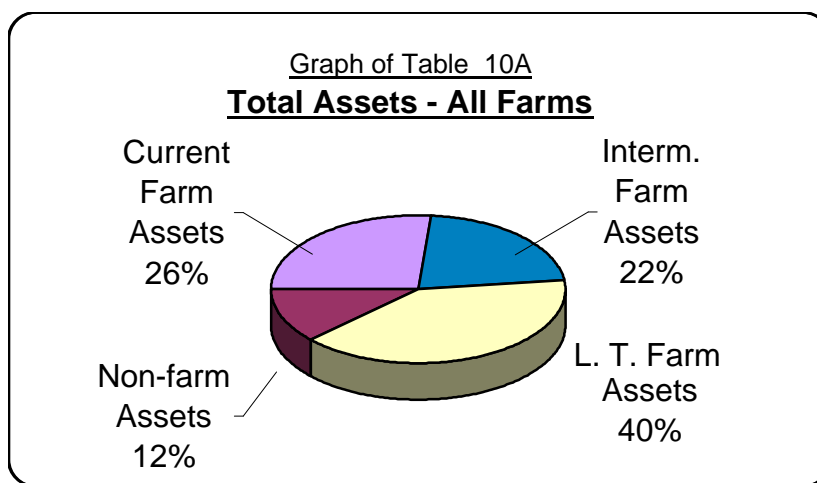


Table 10B: Northeast - Balance Sheet - Liabilities at Market Value, 2002

	Average Of 30 Farms		Average Of Low 33 %		Average Of High 33%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current Farm Liabilities						
Accrued Interest	9,608	11,184	21,519	22,856	4,427	7,537
Accounts Payable	2,966	3,700	8	2,372	693	312
Current Notes	108,459	115,190	110,050	113,123	119,500	120,623
Government Crop Loans	7,804	12,795	15,347	13,005	8,726	19,473
Principal Due on Term Debt	9,735	9,196	11,726	9,005	10,614	12,075
Total Current Farm Liabilities	\$138,572	\$152,065	\$158,650	\$160,361	\$143,960	\$160,020
Intermediate Farm Liabilities	\$49,373	\$53,818	\$58,476	\$63,037	\$55,756	\$63,780
Long Term Farm Liabilities	\$110,717	\$119,252	\$110,944	\$132,012	\$109,659	\$120,904
Total Farm Liabilities	\$298,662	\$325,135	\$328,070	\$355,410	\$309,375	\$344,704
Non-farm Liabilities	4,585	4,606	7,816	7,911	3,290	2,682
Total Deferred Liabilities	N/A	N/A	N/A	N/A	N/A	N/A
Total Farm & Non-farm Liabilities	\$303,247	\$329,741	\$335,886	\$363,321	\$312,665	\$347,386
Net Worth (Farm and Non-farm)	\$696,051	\$708,297	\$438,198	\$421,722	\$1,167,536	\$1,207,158
Net Worth Change (Market Value)		\$12,246		(\$16,476)		\$39,622

Ratio Analysis

Current Farm Liabilities / Assets	58%	55%	103%	107%	39%	38%
Curr. & Interm Farm Liab / Assets	40%	41%	63%	67%	28%	29%
Long Term Farm Liab. / Assets	27%	29%	43%	46%	17%	19%
Total Liabilities / Assets	30%	32%	43%	46%	21%	22%

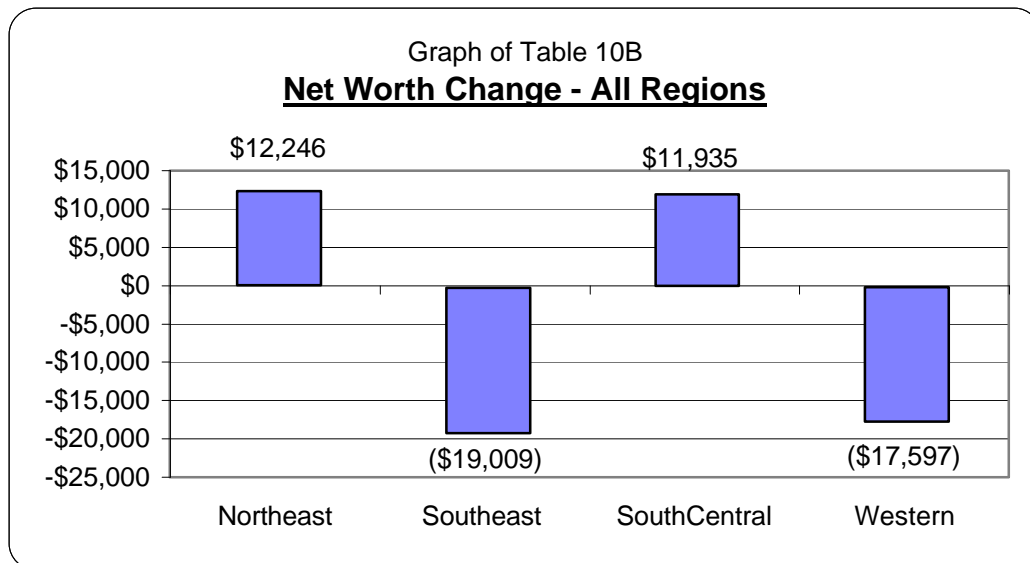


Table 11: Northeast - Household and Personal Expense, 2002

	Average Of 19 Farms
Average Family Size	2.6
Family Living Expense	
Food and Meals Expense	4,985
Medical Care and Health Insurance	7,026
Cash Donations	1,260
Household Supplies	2,260
Clothing	1,452
Personal Care	1,958
Child / Dependent Care	89
Alimony & Child Support	15
Gifts	890
Education	670
Recreation	1,194
Utilities (Household Share)	1,264
Non-farm Vehicle Operating Expense	2,327
Household Real Estate Taxes	455
Dwelling Rent	116
Household Repairs	1,763
Non-farm Interest	92
Disability/Long Term Care Ins.	341
Life Insurance Payments	1,241
Nonfarm Property Insurance	40
Miscellaneous	4,583
Total Cash Family Living Expense	\$34,021
Family Living from the Farm	86
Total Family Living Expense **	\$34,107
Other Non-farm Expense	
Income Taxes	6,300
Furnishing & Appliance Purchases	0
Non-farm Vehicle Purchases	2,383
Non-farm Real Estate Purchases	(11,796)
Other Non-farm Capital Purchases	0
Non-farm Savings & Investments	778
Total Other Non-farm Expense	(\$2,335)
Total Cash Family Living, Investment & Non-farm Capital Purchases	\$31,686

** Includes only farms that provided detailed family living expenses.

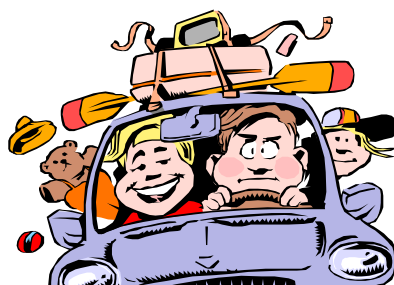


Table 12: Northeast - Operator Information and Non-farm Summary, 2002

	Average Of 30 Farms	Average Of Low 33%	Average Of High 33%
Operator Information			
Average Number of Operators	1.3	1.0	1.6
Average Age of Operators	49.9	53.2	55.5
Average Number of Years Farming	26.5	29.8	32.2
Non-farm Income			
Non-farm Wages & Salary	7,708	13,927	6,822
Non-farm Business Income	1,021	1,021	1,836
Non-farm Rental Income	605	1,222	-213
Non-farm Interest Income	761	441	1,628
Non-farm Cash Dividends	2	1	0
Tax Refunds	373	574	547
Non-taxable Non-farm Income	0	0	0
Gifts and Inheritances	7,998	22,250	64
Other Non-farm Income	1,784	3,789	1,180
Total Non-farm Income	\$20,252	\$43,225	\$11,864
Non-farm Assets (Market Value)			
Checking & Savings	17,753	11,852	35,622
Stocks & Bonds	3,377	2,781	3,538
Other Current Assets	5,523	1,886	628
Furniture & Appliances	3,507	5,714	3,705
Non-farm Vehicles	9,556	12,285	11,633
Cash Value of Life Ins.	8,349	7,698	10,256
Retirement Accounts	21,511	10,833	40,264
Other Interm. Assets	278	56	273
Non-farm Real Estate	21,850	7,238	45,330
Other Long Term Assets	33,472	105,822	0
Total Non-farm Assets	\$125,176	\$166,165	\$151,249
Non-farm Liabilities			
Accrued Interest	3	10	0
Accounts Payable	329	50	0
Current Notes	763	940	455
Princ Due on Term Debt	431	880	455
Total Current Liabilities	763	940	455
Intermediate Liabilities	3,843	6,970	2,227
Long Term Liabilities	0	0	0
Total Non Farm Liabilities	\$4,606	\$7,910	\$2,682
Nonfarm Net Worth	\$120,570	\$158,253	\$148,568
Nonfarm Debt to Asset Ratio	4%	5%	2%

Table 13: Northeast - Debt to Asset Ratio, 2002

	Average Of All Farms	Less than 20%	20% - 40%	40% - 60%
Number of Farms	21	6	7	5
Income Statement				
Gross Cash Farm Income	421,992	671,007	264,706	405,442
Total Cash Farm Expense	354,040	544,728	198,354	358,254
Net Cash Farm Income	67,952	126,279	66,352	47,188
Inventory Change	2,994	400	-2,982	23,329
Depreciation and Capital Adj.	-28,061	-25,410	-38,395	-21,968
Net Farm Income	42,885	101,269	24,975	48,549
Profitability (Cost Value)				
Labor and Management Earnings	18,985	51,110	3,277	40,218
Rate of Return on Assets	4.6%	5.2%	3.0%	11.2%
Rate of Return on Equity	2.7%	5.0%	0.7%	69.9%
Operating Profit Margin	10.1%	12.3%	7.0%	20.4%
Asset Turnover Rate	45.1%	42.2%	42.5%	54.9%
Profitability (Market Value)				
Labor and Management Earnings	5,586	27,770	-796	22,889
Rate of Return on Assets	3.6%	3.9%	3.4%	7.2%
Rate of Return on Equity	2.0%	3.5%	2.3%	7.0%
Operating Profit Margin	11.6%	13.0%	11.6%	19.4%
Asset Turnover Rate	31.9%	29.6%	29.5%	37.0%
Liquidity				
Term Debt Coverage Ratio	110.5%	1090.0%	193.2%	67.5%
Expense as a Percent of Income	83.5%	81.2%	76.8%	83.7%
Interest as a Percent of Income	4.9%	1.9%	5.6%	9.0%

Graph of Table 13

Debt to Asset Ratios - All Regions

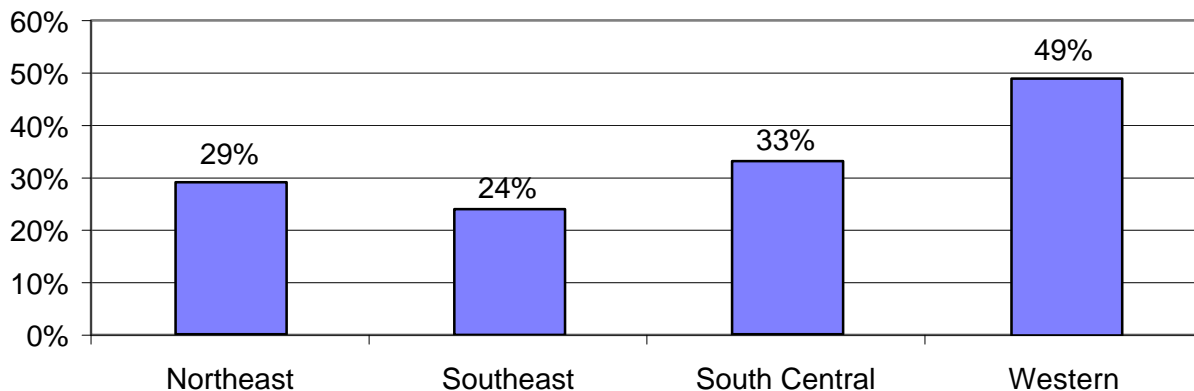


Table 13: Northeast - Debt to Asset Ratio, 2002 (cont.)

	Average Of All Farms	Less than 20%	20% - 40%	40% - 60%
Number of Farms	21	6	7	5
Solvency (Cost Value)				
Ending Farm Assets	709,904	1,068,236	623,890	611,430
Ending Farm Liabilities	333,989	229,828	257,264	558,843
Ending Total Assets	860,394	1,164,146	758,694	901,845
Ending Total Liabilities	338,784	229,903	262,774	563,838
Ending Net Worth	521,611	934,243	495,921	338,007
Net Worth Change	\$10,628	\$16,286	\$16,131	\$36,145
Ending Farm Debt to Asset Ratio	47%	22%	41%	91%
Beg Total Debt to Asset Ratio	38%	18%	34%	64%
End Total Debt to Asset Ratio	39%	20%	35%	63%

Solvency (Market Value)				
Ending Farm Assets	1,002,966	1,509,463	897,349	883,897
Ending Farm Liabilities	333,989	229,828	257,264	558,843
Ending Total Assets	1,154,465	1,606,937	1,032,376	1,176,688
Ending Total Liabilities	338,784	229,903	262,774	563,838
Ending Net Worth	815,681	1,377,034	769,602	612,850
Net Worth Change	14,074	22,078	26,431	32,607
Ending Farm Debt to Asset Ratio	33%	15.0%	29.0%	63.0%
Beg Total Debt to Asset Ratio	28%	13.0%	25.0%	48.0%
End Total Debt to Asset Ratio	29%	14.0%	25.0%	48.0%

Non-farm Information				
Farms Reporting Living Expenses	19	4	7	5
Total Family Living Expense	\$34,029	N/A	\$37,480	\$32,092
Total Living, Invest, & Capital Purch	47,319	N/A	48,947	29,925
Net Non-farm Income	15,671	14,149	13,884	17,418

Crop Acres				
Total Acres Owned	300	322	386	303
Total Crop Acres	890	1,032	944	759
Total Crop Acres Owned	243	288	298	229
Total Crop Acres Cash Rented	312	507	224	125
Total Crop Acres Share Rented	335	237	422	405

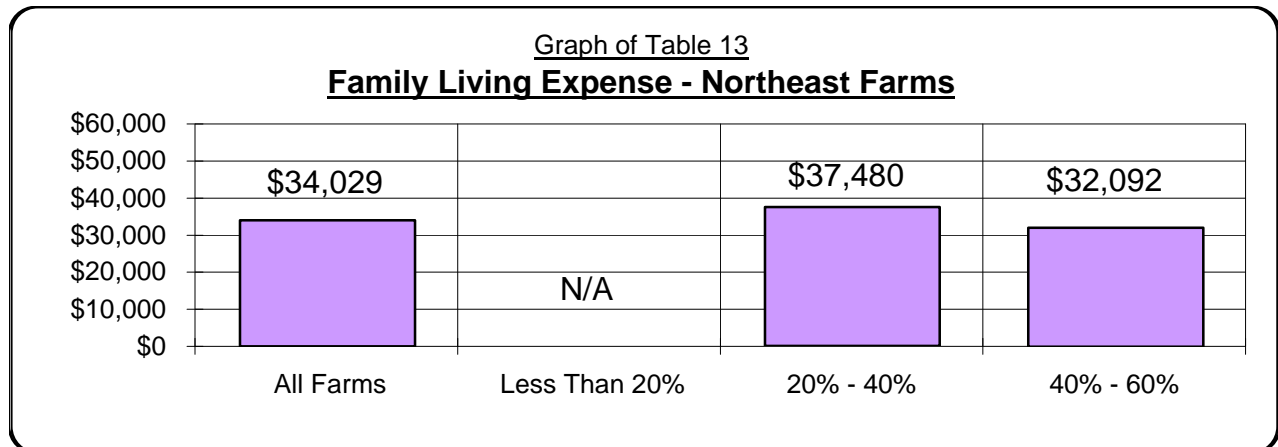


Table 14: Northeast - Comparison By Age of Operator, 2002

	Average Of All Farms	41-50	51-60
Number of Farms	21	6	10
Income Statement			
Crop Income	175,906	186,169	172,018
Livestock Income	204,370	366,464	44,049
Government Payments	18,107	21,482	15,766
Other Farm Income	23,607	38,963	17,439
Gross Cash Farm Income	421,990	613,078	249,272
Direct Crop Expenses	74,346	81,149	69,451
Direct Livestock Expenses	138,359	238,096	22,635
Interest	19,029	34,741	16,280
Land Rent	23,349	21,288	20,819
Other Farm Expenses	98,957	149,871	75,725
Total Cash Farm Expense	354,040	525,145	204,910
Net Cash Farm Income	67,950	87,933	44,362
Inventory Change	2,994	8,129	(1,967)
Depreciation and Capital Adj.	(28,061)	(52,157)	(25,472)
Net Farm Income	42,883	43,905	16,923
Profitability (Cost Value)			
Labor and Management Earnings	18,985	20,268	(996)
Rate of Return on Assets	4.6%	5.6%	2.0%
Rate of Return on Equity	2.7%	2.7%	-2.9%
Operating Profit Margin	10.1%	10.7%	4.7%
Asset Turnover Rate	45.1%	52.9%	42.2%
Profitability (Market Value)			
Labor and Management Earnings	5,586	11,985	(14,040)
Rate of Return on Assets	3.6%	5.1%	1.4%
Rate of Return on Equity	2.0%	3.2%	-1.5%
Operating Profit Margin	11.3%	13.6%	4.6%
Asset Turnover Rate	31.6%	37.0%	29.7%
Liquidity			
Term Debt Coverage Ratio	110.5%	116.0%	1.3%
Expense as a Percent of Income	83.5%	84.7%	83.4%
Interest as a Percent of Income	4.9%	5.8%	7.1%

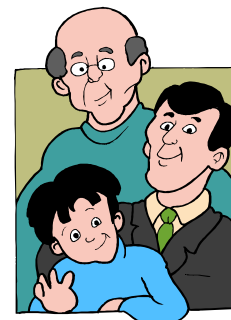


Table 14: Northeast - Comparison By Age of Operator, 2002 (cont.)

	Average For All Farms	41-50	51-60
Number of Farms	21	6	10
Solvency (Cost Value)			
Ending Farm Assets	709,904	863,696	575,396
Ending Farm Liabilities	333,989	475,068	327,999
Ending Total Assets	860,394	950,178	805,365
Ending Total Liabilities	338,784	483,354	333,052
Ending Net Worth	521,611	466,824	472,313
Net Worth Change	10,628	(1,380)	4,232
Ending Farm Debt to Asset Ratio	47%	55%	57%
Beg Total Debt to Asset Ratio	38%	49%	39%
End Total Debt to Asset Ratio	39%	51%	41%
Solvency (Market Value)			
Ending Farm Assets	1,002,966	1,229,143	807,021
Ending Farm Liabilities	333,989	475,068	327,999
Ending Total Assets	1,154,465	1,319,565	1,035,801
Ending Total Liabilities	338,784	483,354	333,052
Ending Net Worth	815,681	836,212	702,748
Net Worth Change	14,074	10,609	4,515
Ending Farm Debt to Asset Ratio	33%	39%	41%
Beg Total Debt to Asset Ratio	28%	35%	30%
End Total Debt to Asset Ratio	29%	37%	32%
Non-farm Information			
Farms Reporting Living Expenses	19	5	10
Total Family Living Expense	34,029	39,458	37,071
Total Living, Invest, & Capital Purch	47,319	39,098	46,268
Net Non-farm Income	15,671	11,623	16,952
Crop Acres			
Total Acres Owned	300	352	309
Total Crop Acres	890	940	865
Total Crop Acres Owned	243	262	250
Total Crop Acres Cash Rented	312	261	252
Total Crop Acres Share Rented	335	417	363

Graph of Table 14
Debt To Asset Ratio

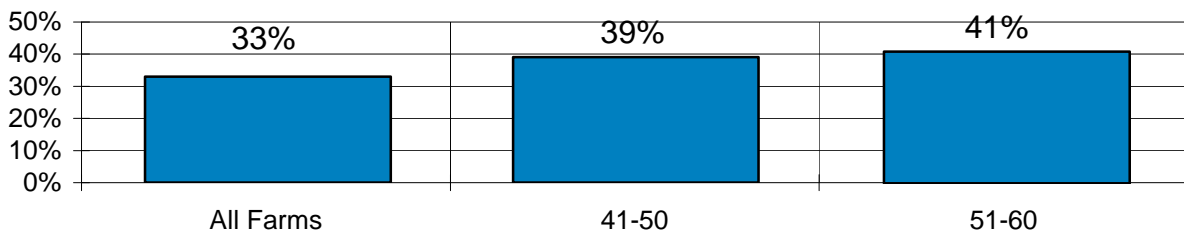


Table 15: Northeast - Crop Production, Marketing & Labor Summary, 2002

	Average Of 30 Farms	Average Of Low 33%	Average Of High 33%
Acreage Summary			
Acres Owned	275	266	356
Crop Acres	793	767	1,052
Crop Acres Owned	229	195	303
Crop Acres Cash Rented	283	302	338
Crop Acres Share Rented	281	269	410
Pasture Acres	4	12	0
% Crop Acres Owned	28.88%	25.42%	28.80%

Average Price Received in Dollars (Cash Sales Only)

Corn per bu.	\$2.09	\$2.03	\$2.13
Soybeans per bu.	\$4.61	\$4.55	\$4.68
Hay, Alfalfa	\$63.63	N/A	N/A

Average Yield Per Acre

Corn (bu.)	71.24	60.66	75.84
Soybeans (bu.)	33.92	29.60	40.81
Hay, Alfalfa (ton)	4.18	3.25	5.45

Labor Analysis

Total Unpaid Labor Hours	2,492	1,924	3,356
Total Hired Labor Hours	817	751	1,067
Total Labor Hours per Farm	3,308	2,675	4,424
Value of Farm Production / Hour	\$85.37	\$65.43	\$100.05
Net Farm Income / Unpaid Hour	\$15.83	(\$14.93)	\$31.21

* Based on 2080 Hrs. Annually Per Full Time Operator

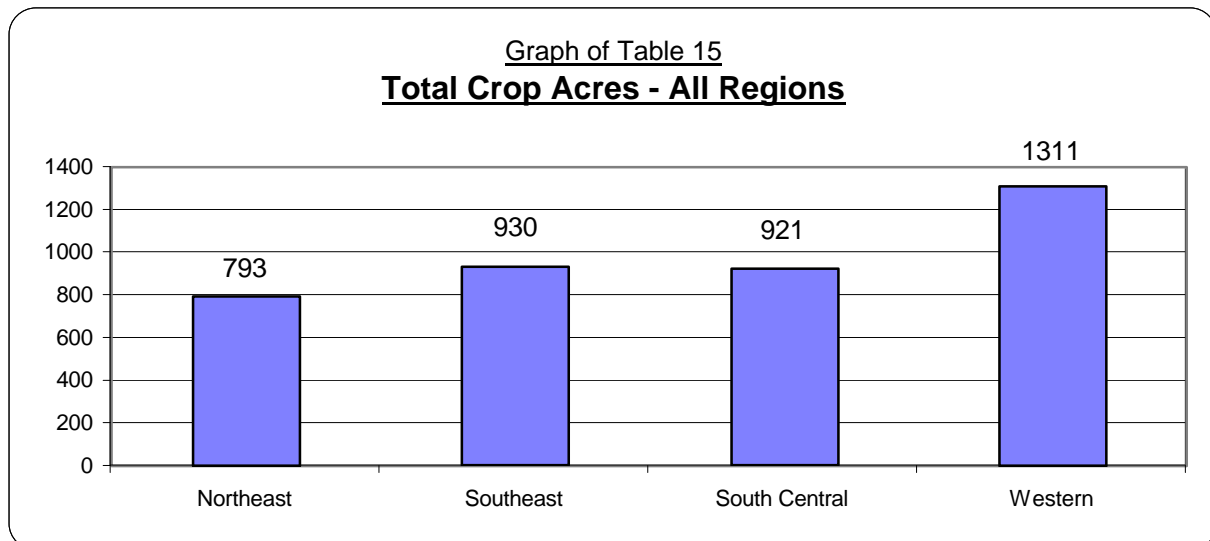


Table 16: Corn on All Tenure Types, 2002 *

	<u>Irrigated</u>	<u>Dryland</u>
Number of Farms	11	14
Number of Fields	34	33
Acres	104.78	74.67
Bushel Yield per Acre	165.3	69.0
Operator's Share of the Yield %	81	78
Value per Bushel at Harvest	\$2.30	\$2.30
Total Product Return	308.35	124.35
Miscellaneous Income	1.43	29.15
Gross Return	\$309.78	\$153.50
Direct Expenses		
Seed	26.40	20.62
Fertilizer	46.05	25.42
Crop Chemicals	21.53	23.77
Crop Insurance	4.60	4.75
Drying Fuel	1.69	0.00
Irrigation Energy	14.37	0.00
Irrigation Repairs	2.38	0.00
Operating Power & Crop Machinery	51.32	36.33
Building Repairs	0.52	0.34
Hired Labor	4.76	4.19
Utilities	5.02	4.74
Miscellaneous	12.88	8.88
Land Rent	29.03	17.07
Operating Interest	5.25	7.34
Total Direct Expenses	\$225.80	\$153.45
Return Over Direct Expenses	\$83.98	\$0.05
Allocated Expenses		
Machinery & Building Depreciation	33.42	17.76
Real Estate & Personal Property Taxes	8.40	6.61
Farm Insurance	4.63	3.37
Interest	13.25	13.68
Total Allocated Expenses	\$59.70	\$41.42
Total Listed Expenses	\$285.50	\$194.87
Net Return	\$24.28	(\$41.37)
Supplementary Management Information		
Total Direct Expense Per Bushel	1.55	2.58
Total Listed Expense Per Bushel	2.13	3.60
Net Return Per Bushel	\$0.17	(\$1.30)
Estimated Labor Hours Per Acre	2.43	2.67
Labor & Management Charge Per Acre	22.03	26.57
Net Return Over Labor & Management	\$2.25	(\$67.94)

* Includes an average of crops grown on Owned, Cash Rented, and Share Rented Land

Table 17: Irrigated Corn, 2002

	<u>Owned</u>	<u>Cash Rented</u>	<u>Share Rented</u>
Number of Farms	9	7	8
Number of Fields	11	9	14
Acres	100.66	108.93	105.35
Bushel Yield per Acre	169.76	168.61	159.82
Operator's Share of the Yield %	100	100	53
Value per Bushel at Harvest	\$2.30	\$2.30	\$2.30
Total Product Return	390.45	387.80	193.91
Miscellaneous Income	2.29	2.06	0.37
Gross Return	\$392.74	\$389.86	\$194.28
Direct Expenses			
Seed	30.90	30.73	20.14
Fertilizer	55.58	56.50	31.94
Crop Chemicals	24.42	27.97	15.08
Crop Insurance	5.63	6.53	2.54
Drying Fuel	1.86	2.21	1.22
Irrigation Energy	17.24	15.53	11.44
Irrigation Repairs	3.57	1.76	1.90
Operating Power & Crop Machinery	58.86	42.34	51.31
Building Repairs	0.92	0.19	0.00
Hired Labor	6.95	2.71	4.49
Utilities	5.11	6.10	4.22
Miscellaneous	14.34	16.24	10.32
Land Rent	0.00	105.50	0.00
Operating Interest	5.63	7.96	3.16
Total Direct Expenses	\$231.01	\$322.27	\$157.76
Return Over Direct Expenses	\$161.73	\$67.59	\$36.52
Allocated Expenses			
Machinery & Building Depreciation	34.71	32.49	33.08
Real Estate & Personal Property Taxes	25.36	0.83	0.71
Farm Insurance	5.97	2.83	4.81
Interest	37.50	2.19	2.39
Total Allocated Expenses	\$103.54	\$38.34	\$40.99
Total Listed Expenses	\$334.55	\$360.61	\$198.75
Net Return	\$58.19	\$29.25	(\$4.47)
Supplementary Management Information			
Total Direct Expense Per Bushel	1.23	1.82	1.67
Total Listed Expense Per Bushel	1.97	2.14	2.36
Net Return Per Bushel	\$0.33	\$0.16	(\$0.06)
Estimated Labor Hours Per Acre	3.12	2.14	2.10
Labor & Management Charge Per Acre	28.74	17.29	20.14
Net Return Over Labor & Management	\$29.45	\$11.96	(\$24.61)

Table 18: Dryland Corn, 2002

	<u>Owned</u>	<u>Cash Rented</u>	<u>Share Rented</u>
Number of Farms	8	7	10
Number of Fields	11	9	13
Acres	74.94	63.71	82.02
Bushel Yield per Acre	66.38	56.47	77.68
Operator's Share of the Yield %	100	100	56
Value per Bushel at Harvest	\$2.30	\$2.30	\$2.30
Total Product Return	152.67	129.89	99.47
Miscellaneous Income	46.25	35.28	12.64
Gross Return	\$198.92	\$165.17	\$112.11
Direct Expenses			
Seed	23.43	24.23	16.51
Fertilizer	26.85	26.91	23.51
Crop Chemicals	25.42	25.73	21.44
Crop Insurance	6.46	5.40	3.07
Drying Fuel	0.00	0.00	0.38
Irrigation Energy	0.00	0.00	0.00
Irrigation Repairs	0.00	0.00	0.00
Operating Power & Crop Machinery	44.44	32.34	32.05
Building Repairs	0.68	0.00	0.18
Hired Labor	5.19	1.93	4.62
Utilities	4.68	6.45	3.89
Miscellaneous	18.60	3.55	4.04
Land Rent	0.00	73.35	0.00
Operating Interest	11.76	3.62	5.92
Total Direct Expenses	167.51	203.51	115.61
Return Over Direct Expenses	\$31.41	(\$38.34)	(\$3.50)
Allocated Expenses			
Machinery & Building Depreciation	17.45	16.15	18.87
Real Estate & Personal Property Taxes	17.52	1.18	1.09
Farm Insurance	5.10	1.92	2.82
Interest	32.24	3.40	4.85
Total Allocated Expenses	\$72.31	\$22.65	\$27.63
Total Listed Expenses	\$239.82	\$226.16	\$143.24
Net Return	(\$40.90)	(\$60.99)	(\$31.13)
Supplementary Management Information			
Total Direct Expense Per Bushel	2.25	3.37	2.42
Total Listed Expense Per Bushel	3.61	4.00	3.31
Net Return Per Bushel	(\$1.31)	(\$1.70)	(\$1.01)
Estimated Labor Hours Per Acre	3.85	2.13	2.05
Labor & Management Charge Per Acre	39.72	22.02	18.86
Net Return Over Labor & Management	(\$80.62)	(\$83.01)	(\$49.99)

Table 19: Soybeans on All Tenure Types, 2002*

	<u>Irrigated</u>	<u>Dryland</u>
Number of Farms	11	15
Number of Fields	31	31
Acres	80.14	59.14
Bushel Yield per Acre	50.62	31.41
Operator's Share of the Yield %	79	78
Value per Bushel at Harvest	\$5.40	\$5.40
Total Product Return	216.02	131.85
Miscellaneous Income	5.22	5.49
Gross Return	\$221.24	\$137.34
Direct Expenses		
Seed	25.29	22.38
Fertilizer	3.41	3.35
Crop Chemicals	16.61	16.99
Crop Insurance	3.59	4.33
Drying Fuel	0.00	0.00
Irrigation Energy	15.84	0.00
Irrigation Repairs	1.70	0.00
Operating Power & Crop Machinery	38.76	29.35
Building Repairs	0.00	0.00
Hired Labor	3.73	3.61
Utilities	3.69	3.97
Miscellaneous	8.00	6.48
Land Rent	32.30	21.00
Operating Interest	5.59	5.63
Total Direct Expenses	\$158.51	\$117.09
Return Over Direct Expenses	\$62.73	\$20.25
Allocated Expenses		
Machinery & Building Depreciation	29.27	15.08
Real Estate & Personal Property Taxes	7.33	3.34
Farm Insurance	3.60	2.47
Interest	11.71	7.11
Total Allocated Expenses	\$51.91	\$28.00
Total Listed Expenses	\$210.42	\$145.09
Net Return	\$10.82	(\$7.75)
Supplementary Management Information		
Total Direct Expense Per Bushel	3.66	4.37
Total Listed Expense Per Bushel	5.26	5.94
Net Return Per Bushel	\$0.14	(\$0.54)
Estimated Labor Hours Per Acre	1.97	2.06
Labor & Management Charge Per Acre	17.14	20.27
Net Return Over Labor & Management	(\$6.32)	(\$28.02)

* Includes an average of crops grown on Owned, Cash Rented, and Share Rented Land

Table 20: Irrigated Soybeans, 2002

	<u>Owned</u>	<u>Cash Rented</u>	<u>Share Rented</u>
Number of Farms	8	7	8
Number of Fields	9	9	13
Acres	74.52	79.80	84.25
Bushel Yield per Acre	50.66	47.29	52.77
Operator's Share of the Yield %	100	100	54
Value per Bushel at Harvest	\$5.40	\$5.40	\$5.40
Total Product Return	273.55	255.38	154.99
Miscellaneous Income	0.00	18.06	0.00
Gross Return	\$273.55	\$273.44	\$154.99
Direct Expenses			
Seed	33.11	25.59	20.31
Fertilizer	3.38	5.09	2.31
Crop Chemicals	20.81	17.87	13.20
Crop Insurance	3.75	5.49	2.25
Drying Fuel	0.76	0.00	0.00
Irrigation Energy	19.33	19.15	11.53
Irrigation Repairs	2.86	0.94	1.50
Operating Power & Crop Machinery	44.08	34.14	38.52
Building Repairs	0.00	0.00	0.44
Hired Labor	4.76	1.43	4.61
Utilities	3.61	3.83	3.64
Miscellaneous	9.32	6.88	7.03
Land Rent	0.00	111.71	0.00
Operating Interest	5.94	7.99	3.79
Total Direct Expenses	\$151.71	\$240.11	\$109.13
Return Over Direct Expenses	\$121.84	\$33.33	\$45.86
Allocated Expenses			
Machinery & Building Depreciation	28.97	28.75	29.80
Real Estate & Personal Property Taxes	25.52	0.66	0.57
Farm Insurance	4.71	1.64	4.20
Interest	36.56	2.30	2.65
Total Allocated Expenses	\$95.76	\$33.35	\$37.22
Total Listed Expenses	\$247.47	\$273.46	\$146.35
Net Return	\$26.08	(\$0.02)	\$8.64
Supplementary Management Information			
Total Direct Expense Per Bushel	2.67	4.94	3.36
Total Listed Expense Per Bushel	4.89	5.78	5.10
Net Return Per Bushel	\$0.51	(\$0.38)	\$0.30
Estimated Labor Hours Per Acre	2.29	1.90	1.82
Labor & Management Charge Per Acre	19.22	16.02	16.61
Net Return Over Labor & Management	\$6.86	(\$16.04)	(\$7.97)

Table 21: Dryland Soybeans, 2002

	<u>Owned</u>	<u>Cash Rented</u>	<u>Share Rented</u>
Number of Farms	5	7	12
Number of Fields	7	10	14
Acres	51.71	58.80	63.09
Bushel Yield per Acre	33.96	27.65	32.87
Operator's Share of the Yield %	100	100	56
Value per Bushel at Harvest	\$5.40	\$5.40	\$5.40
Total Product Return	183.39	149.28	99.11
Miscellaneous Income	3.51	10.19	3.18
Gross Return	\$186.90	\$159.47	\$102.29
Direct Expenses			
Seed	14.72	24.31	24.24
Fertilizer	0.00	7.27	2.12
Crop Chemicals	21.31	14.81	16.67
Crop Insurance	5.58	5.46	3.06
Drying Fuel	0.00	0.00	0.00
Irrigation Energy	0.00	0.00	0.00
Irrigation Repairs	0.00	0.00	0.00
Operating Power & Crop Machinery	36.23	24.89	29.25
Building Repairs	0.55	0.00	0.00
Hired Labor	5.95	1.96	3.75
Utilities	3.10	4.95	3.68
Miscellaneous	17.85	3.58	3.79
Land Rent	0.00	65.48	0.00
Operating Interest	11.85	2.56	5.12
Total Direct Expenses	\$117.14	\$155.27	\$91.68
Return Over Direct Expenses	\$69.76	\$4.20	\$10.61
Allocated Expenses			
Machinery & Building Depreciation	15.03	14.98	15.17
Real Estate & Personal Property Taxes	12.85	1.20	0.87
Farm Insurance	4.31	1.04	2.66
Interest	21.46	2.68	4.17
Total Allocated Expenses	\$53.65	\$19.90	\$22.87
Total Listed Expenses	\$170.79	\$175.17	\$114.55
Net Return	\$16.11	(\$15.70)	(\$12.26)
Supplementary Management Information			
Total Direct Expense Per Bushel	3.07	5.30	4.42
Total Listed Expense Per Bushel	5.03	6.34	6.24
Net Return Per Bushel	\$0.37	(\$0.94)	(\$0.84)
Estimated Labor Hours Per Acre	2.67	1.83	1.97
Labor & Management Charge Per Acre	27.90	18.79	18.12
Net Return Over Labor & Management	(\$11.79)	(\$34.49)	(\$30.38)

Table 22: Dryland Alfalfa, 2002

	<u>All Tenures</u>
Number of Fields	12
Number of Farms	8
Acres	22.70
Yield per Acre (Tons)	2.45
Operator's Share of the Yield %	88
Value per Ton at Harvest	\$97.86
Total Product Return	209.97
Miscellaneous Income	0.00
Gross Return	\$209.97
Direct Expenses	
Seed	8.46
Fertilizer	5.19
Crop Chemicals	3.27
Crop Insurance	0.00
Drying Fuel	0.00
Irrigation Energy	0.00
Irrigation Repairs	0.00
Operating Power & Crop Machinery	39.96
Building Repairs	0.00
Hired Labor	2.40
Utilities	4.72
Miscellaneous	21.88
Land Rent	7.97
Operating Interest	8.97
Total Direct Expenses	\$102.82
Return Over Direct Expenses	\$107.15
Allocated Expenses	
Machinery & Building Depreciation	17.30
Real Estate & Personal Property Taxes	10.69
Farm Insurance	3.17
Interest	13.62
Total Allocated Expenses	\$44.78
Total Listed Expenses	\$147.60
Net Return	\$62.37
Supplementary Management Information	
Total Direct Expense per Ton	38.12
Total Listed Expense per Ton	68.79
Net Return Per Ton	\$29.07
Estimated Labor Hours Per Acre	3.69
Labor & Management Charge Per Acre	41.56
Net Return Over Labor & Management	\$20.81

Table 23B: Southeast Nebraska Averages, 2002 (cont.)

	Southeast Average of 41 Farms	Average of Low 33%	Average of High 33%
Financial Guidelines			
Current Ratio	1.66	1.12	2.89
Working Capital	63,404	16,138	136,807
Debt to Asset Ratio (Market)	32%	41%	22%
Equity to Asset Ratio (Market)	68%	59%	78%
Debt to Equity Ratio (Market)	47%	71%	29%
Rate of Return on Assets (Cost)	-0.2%	-6.7%	5.0%
Rate of Return on Equity (Cost)	-4.9%	-21.9%	4.5%
Operating Profit Margin (Cost)	-0.5%	-18.0%	11.5%
Net Farm Income (Cost)	9,544	(38,499)	51,082
Asset Turnover Rate (Cost)	41.4%	37.1%	43.1%
Operating Expense Ratio	84.8%	95.4%	76.1%
Depreciation Expense Ratio	7.6%	9.6%	6.0%
Interest Expense Ratio	4.6%	5.0%	3.7%
Net Farm Income Ratio	3.0%	-10.0%	14.1%
Operator Information			
Average Number of Operators	1.1	1.0	1.2
Average Age of Operators	48.3	47	52.6
Average Number of Years Farming	25.7	24.2	31.3
Acreage Summary			
Total acres owned	311	342	398
Total crop acres	930	770	1,210
Crop acres owned	270	268	319
Crop acres cash rented	185	200	173
Crop acres share rented	475	301	718
Total Pasture Acres	51	53	61
Average Price Received in Dollars (Cash Sales Only)			
Corn, per bu.	\$2.03	\$1.94	\$2.12
Soybeans, per bu.	\$4.81	\$4.46	\$4.49
Alfalfa Hay, per ton	\$71.27	\$2.07	N/A
Wheat, Winter, per bu.	\$3.58	N/A	\$3.73
Average Yield Per Acre			
Corn (bu.)	34.42	30.07	31.02
Soybeans, Dryland (bu.)	20.16	20.27	19.05
Wheat, Winter (bu.)	3.16	2.07	N/A
Alfalfa Hay (ton)	57.23	N/A	N/A

Table 24A: South Central Nebraska Averages, 2002

	South Central Average of <u>57 Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
Cash Farm Income			
Total Crop Income	248,302	179,847	324,376
Total Livestock Income	75,740	89,780	89,157
Total Other Farm Income	69,454	36,641	124,754
Gross Cash Farm Income	\$393,496	\$306,268	\$538,287
Cash Farm Expense			
Total Crop Expense	98,271	76,739	128,525
Total Livestock Expense	70,880	61,389	111,338
Total Other Farm Expense	142,745	109,688	178,216
Gross Cash Farm Expense	\$311,896	\$247,816	\$418,079
Net Cash Farm Income	\$81,600	\$58,452	\$120,208
Total Inventory Change	(\$573)	(\$37,663)	\$24,046
Total Depreciation & Capital Adjustments	(\$34,973)	(\$33,584)	(\$42,494)
Net Farm Income	\$46,054	(\$12,795)	\$101,760
Non-Farm Income	\$15,436	\$15,150	\$15,695
Balance Sheet at Market			
Current Farm Assets	246,595	147,762	382,827
Intermediate Farm Assets	286,134	212,448	361,086
Long Term Farm Assets	582,692	506,865	651,293
Non Farm Assets	198,074	137,364	250,247
Total Assets	\$1,313,495	\$1,004,439	\$1,645,453
Current Farm Liabilities	182,629	176,146	200,916
Intermediate Farm Liabilities	\$68,792	\$69,973	\$74,743
Long Term Liabilities	\$202,105	\$279,131	\$116,798
Non Farm Liabilities	12,335	7,093	7,237
Total Liabilities	\$465,861	\$532,343	\$399,694
Net Worth	\$847,634	\$472,096	\$1,245,759
Net Worth Change	\$11,935	(\$40,197)	\$45,121

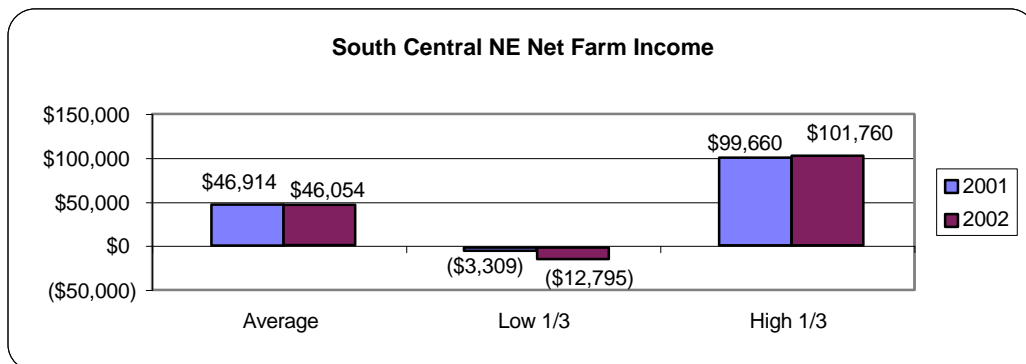


Table 24B: South Central Nebraska Averages, 2002 (cont.)

	South Central Average of 57 Farms	Average of Low 33%	Average of High 33%
Financial Guidelines			
Current Ratio	1.35	0.84	1.91
Working Capital	63,966	(28,384)	181,912
Debt to Asset Ratio (Market)	41%	61%	28%
Equity to Asset Ratio (Market)	59%	39%	72%
Debt to Equity Ratio (Market)	69%	154%	39%
Rate of Return on Assets (Cost)	6.1%	0.0%	9.7%
Rate of Return on Equity (Cost)	5.6%	-20.3%	12.1%
Operating Profit Margin (Cost)	14.6%	0.0%	21.1%
Net Farm Income (Cost)	46,055	(12,789)	101,765
Asset Turnover Rate (Cost)	41.4%	33.4%	45.9%
Operating Expense Ratio	72.6%	79.8%	70.6%
Depreciation Expense Ratio	8.8%	12.0%	7.5%
Interest Expense Ratio	7.0%	12.7%	3.9%
Net Farm Income Ratio	11.6%	-4.6%	18.0%
Operator Information			
Average Number of Operators	1.1	1.1	1.1
Average Age of Operators	46.5	44.9	47.1
Average Number of Years Farming	24.1	20.8	26.2
Acreage Summary			
Total acres owned	367	324	415
Total crop acres	921	669	1,229
Crop acres owned	278	240	328
Crop acres cash rented	234	175	287
Crop acres share rented	409	255	614
	25	12	56
Average Price Received In Dollars (Cash Sales Only)			
Corn, per bu.	\$2.14	\$2.17	\$2.11
Soybeans, per bu.	\$4.53	\$4.66	\$4.41
Grain Sorghum, per bu.	\$2.07	N/A	N/A
Seed Corn, Per bu.	\$2.45	N/A	\$2.83
Alfalfa Hay, per Ton	N/A	N/A	N/A
Average Yield Per Acre			
Corn, Irrigated (bu.)	185.00	167.02	198.23
Corn, Dryland (bu.)	27.84	22.01	31.05
Corn Seed, Irrigated (bu.)	203.69	N/A	N/A
Soybeans, Irrigated (bu.)	59.14	51.05	62.61
Soybeans, Dryland (bu.)	19.84	16.32	21.46

Table 25A: Western Nebraska Averages, 2002

	Western Average of <u>21 Farms</u>	Average of <u>Low 33%</u>	Average of <u>High 33%</u>
Cash Farm Income			
Total Crop Income	218,052	440,051	117,451
Total Livestock Income	207,020	211,744	311,885
Total Other Farm Income	130,850	127,125	195,191
Gross Cash Farm Income	\$555,922	\$778,920	\$624,527
Cash Farm Expense			
Total Crop Expense	114,426	207,299	93,445
Total Livestock Expense	131,879	112,301	227,701
Total Other Farm Expense	272,072	485,909	226,864
Gross Cash Farm Expense	\$518,377	\$805,509	\$548,010
Net Cash Farm Income	\$37,545	(\$26,589)	\$76,517
Total Inventory Change	(\$3,430)	(\$56,097)	\$62,270
Total Depreciation & Capital Adjustments	(\$52,835)	(\$85,124)	(\$52,885)
Net Farm Income	(\$18,720)	(\$167,810)	\$85,902
Non-Farm Income	\$12,163	\$3,848	\$7,460
Balance Sheet at Market			
Current Farm Assets	349,790	440,888	471,562
Intermediate Farm Assets	407,880	658,863	395,876
Long Term Farm Assets	679,255	818,962	788,037
Non Farm Assets	76,420	44,898	71,961
Total Assets	\$1,513,345	\$1,963,611	\$1,727,436
Current Farm Liabilities	328,460	570,937	374,379
Intermediate Farm Liabilities	139,653	282,147	116,607
Long Term Liabilities	229,045	344,094	247,275
Non Farm Liabilities	2,993	1,898	2,634
Total Liabilities	\$700,151	\$1,199,076	\$740,895
Net Worth	\$813,194	\$764,535	\$986,541
Net Worth Change	(\$17,597)	(\$183,490)	\$60,899

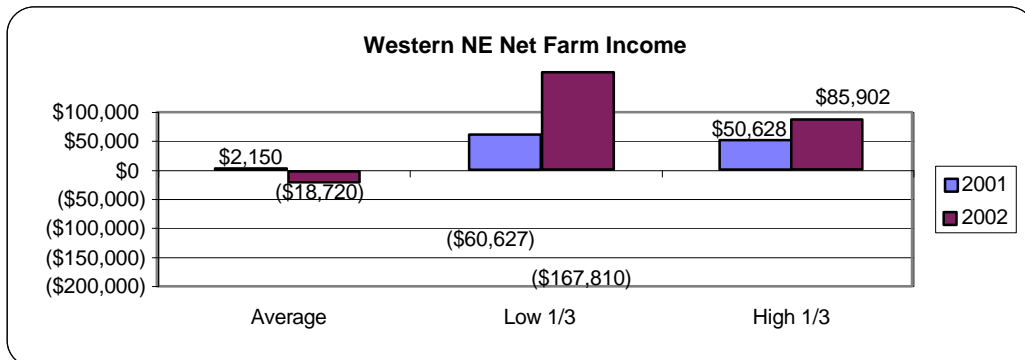
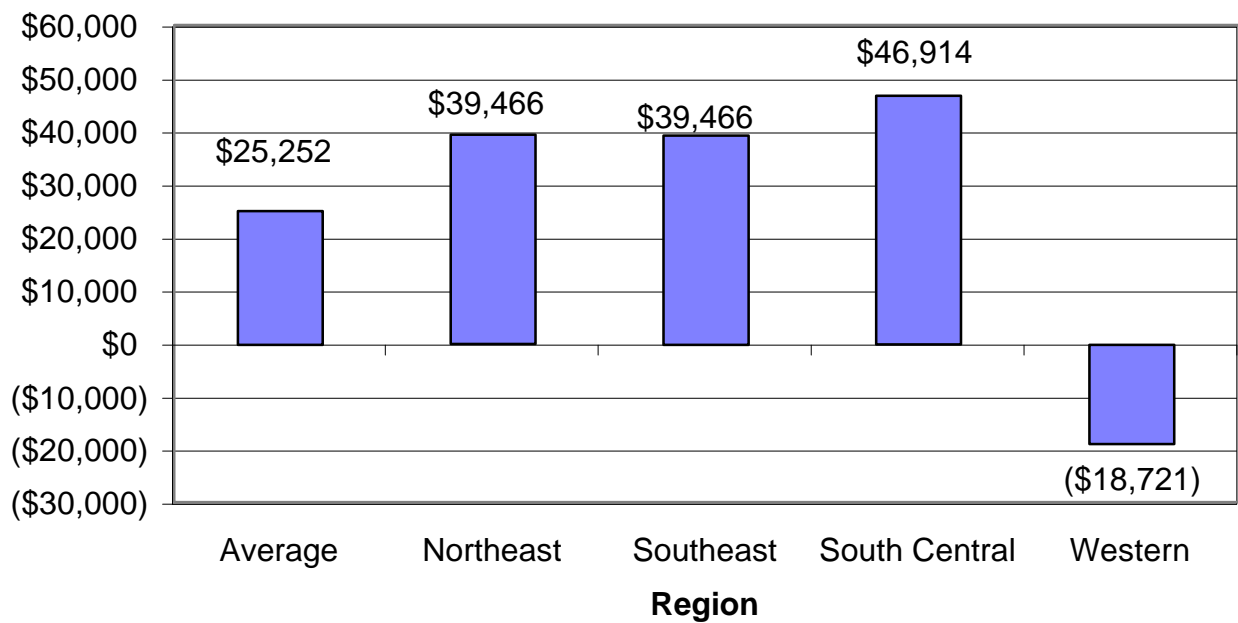


Table 25B: Western Nebraska Averages, 2002 (cont.)

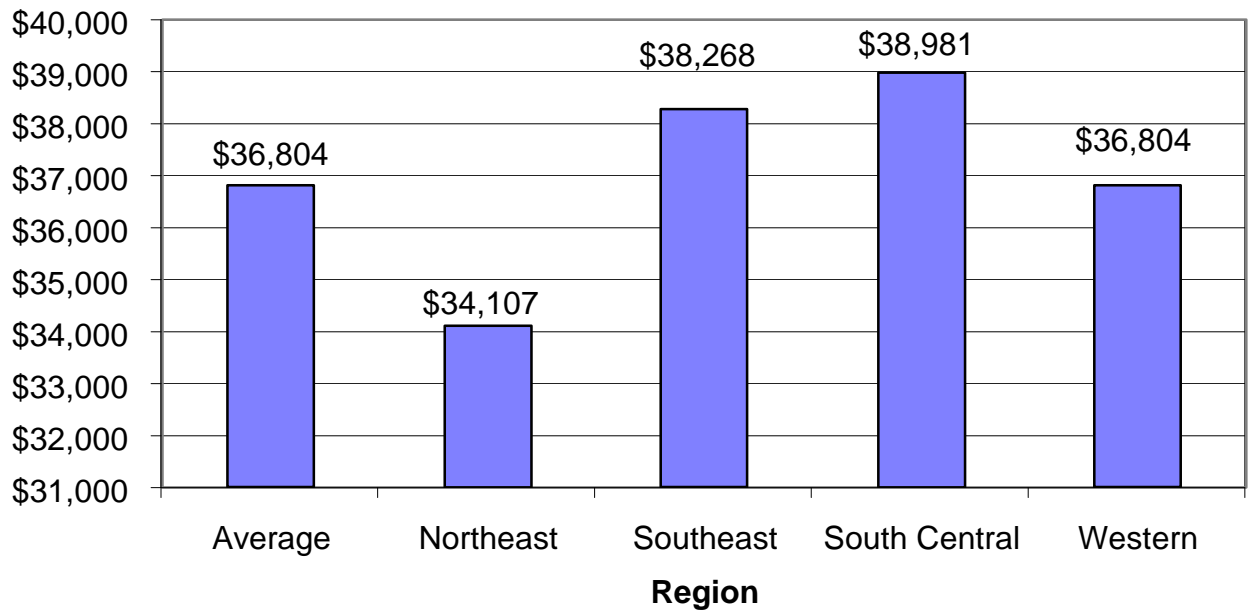
	Western Average of 21 Farms	Average of Low 33%	Average of High 33%
Financial Guidelines			
Current Ratio	1.06	0.77	1.26
Working Capital	21,331	(130,049)	97,182
Debt to Asset Ratio (Market)	49%	62%	45%
Equity to Asset Ratio (Market)	51%	38%	55%
Debt to Equity Ratio (Market)	94%	166%	80%
Rate of Return on Assets (Cost)	-0.3%	-9.7%	7.9%
Rate of Return on Equity (Cost)	-10.8%	-71.6%	11.2%
Operating Profit Margin (Cost)	-0.8%	-18.5%	20.5%
Net Farm Income (Cost)	(18,721)	(167,807)	85,903
Asset Turnover Rate (Cost)	43.2%	52.4%	38.3%
Operating Expense Ratio	87.1%	102.8%	74.4%
Depreciation Expense Ratio	9.4%	11.4%	7.6%
Interest Expense Ratio	6.9%	8.3%	5.6%
Net Farm Income Ratio	-3.3%	-22.5%	12.4%
Operator Information			
Average Number of Operators	1.1	1.0	1.4
Average Age of Operators	52.6	54.2	52.3
Average Number of Years Farming	28.8	30.7	30.1
Acreage Summary			
Total acres owned	2,212	2,152	3,215
Total crop acres	1,311	1,726	1,199
Crop acres owned	527	584	598
Crop acres cash rented	429	988	106
Crop acres share rented	356	154	495
Average Price Received In Dollars (Cash Sales Only)			
Corn, per bu.	\$1.99	N/A	\$2.02
Soybeans, per bu.	\$4.84	N/A	N/A
Wheat, Winter per bu.	\$3.01	N/A	N/A
Hay, Alfalfa per ton	\$81.30	N/A	N/A
Average Yield Per Acre			
Corn (bu.)	6.11	N/A	6.11
Wheat, Winter (bu.)	40.82	N/A	40.82
Alfalfa Hay (ton)	0.86	N/A	N/A

Table 26: Regional Comparison, 2002

Net Farm Income - All Regions



Family Living Expense - All Regions



Financial Guideline Ratios

Current Ratio: shows the value of current assets relative to current liabilities. It is an indicator of the liquidity of the business. It measures the extent to which current farm assets, if liquidated, would cover current farm liabilities.

Working Capital: is another measure of liquidity. It approximates the operating capital available from within the business. It is calculated by subtracting current farm liabilities from current farm assets.

Farm Debt to Asset Ratio: measures the total financial solvency position of the farm or ranch by comparing the total liabilities with the total assets. It measures the portion of the farm assets that have debt against them. A higher ratio is generally considered an indicator of greater financial risk and lower borrowing capacity.

Farm Equity to Asset Ratio: measures farm equity or net worth relative to the value of farm assets. It measures the proportion of the farm assets financed by the owner's equity as opposed to debt. It is the opposite of the debt to asset ratio.

Farm Debt to Equity Ratio: measures farm debt relative to farm equity. It is calculated by dividing the Total Farm Liabilities by the Total Farm Net Worth. It measures the borrowed capital being employed for every dollar of equity capital.

Rate of Return on Farm Assets: can be thought of as the average interest rate earned on all investments in the farm business. For market value assets, this can be looked at as the "opportunity cost" versus alternate investments. For cost value assets, this more closely represents the actual return on the average dollar invested.

Rate of Return on Farm Equity: represents the interest rate being earned on your farm net worth. For market value assets, this return can be compared to returns available if the assets were liquidated and invested in alternative investments. For cost value assets, this more closely represents the actual return retained in the business.

Operating Profit Margin: is a measure of the operating efficiency of the business. It is calculated as: Return to Farm Assets divided by Value of Farm Production. If expenses are held in line relative to the value of output produced, the farm will have a healthy profit margin. Low prices, high operating expenses or inefficient production may cause a low profit margin.

Net Farm Income: represents the returns to labor, management, and equity capital invested in the business. Net farm income is the reward for investing unpaid family labor, management, and farm net worth in the farm business instead of elsewhere.

Term Debt Coverage Ratio: measures whether the business generated enough cash to cover term debt payments. It is calculated by dividing the funds generated by the business for debt repayment. A ratio less than 100 percent indicates that the business did not generate sufficient cash to meet scheduled payments in the past year. A ratio greater than 100 indicates the business generated enough cash to pay all term debt payments.

Capital Replacement Margin: is the amount of money remaining after all operating expenses, taxes, family living costs, and scheduled debt payments have been made. It is the cash generated by the farm business that is available for financing capital replacement such as machinery and equipment.

Asset Turnover Rate: is a measure of efficiency in using capital. It is calculated as the Value of Farm Production divided by Total Farm Assets. If your farm business generated a high level of production given your level of capital investment, your asset turnover rate will be strong.

Operating Expense Ratio: Subtracting Farm Interest Expense from Total Farm Operating Expense and dividing by Gross Farm Income calculates the operating expense ratio. This ratio indicates the percent of the gross farm income that was used to pay operating expenses.

Depreciation Expense Ratio: The depreciation expense ratio is calculated by dividing Depreciation by Gross Farm Income. This ratio indicates the percent of the gross farm income that was used to cover depreciation and other capital adjustments.

Interest Expense Ratio: Dividing Farm Interest Expense by Gross Farm Income calculates the interest expense ratio. This ratio indicates the percent of the gross farm income used for farm interest expenses.

Net Farm Income Ratio: The net farm income ratio is calculated by dividing Net Farm Income by Gross Farm Income. This ratio indicates the percent of the gross farm income that remained after all expenses.

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