

Advance Report

FARM INCOME & PRODUCTION COSTS

for
2012



AE-4566

April 2013



UNIVERSITY OF ILLINOIS
EXTENSION

Commercial Farms

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

Farm Income and Production Costs

for 2012:

Advance Report

This publication is prepared in the Department of Agricultural and Consumer Economics, College of Agricultural, Consumer and Environmental Sciences, University of Illinois at Urbana-Champaign by Dwight D. Raab, State Coordinator and Bradley L. Zwilling, Farm Business Analyst & Data Processing Specialist, Illinois FBFM Association, for use by FBFM field staff at meetings held in March 2013. All data is based on Illinois Farm Business Records kept in cooperation with the Illinois Farm Business Farm Management (FBFM) Association and this department. An update of this report will be published in the 88th *Annual Summary of Illinois Farm Business Records for 2012*.

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

Urbana, Illinois

April 2013

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Issued in furtherance of Cooperative Extension Work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Robert Hoeft, Interim Associate Dean, University of Illinois Extension, University of Illinois at Urbana-Champaign. University of Illinois Extension provides equal opportunities in programs and employment.

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DEFINITIONS

Crop Returns—The sum of grain, seed, and feed sales; the value of homegrown seed used; the value of all feed fed (except milk) and pasture; government farm program crop subsidy payments received and accrued; crop insurance proceeds received and accrued; and the change in feed and grain inventories less value of purchased feed.

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

Operator(s)—If months of operator labor are 12 or less, then there is one operator for the farm. If months of operator labor are more than 12, then the number of operators is determined by taking months of operator labor divided by 12.

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

Operators' Share Labor and Management Income—The wage (salary or residual return) for all operators of this farm, whether tenant-, part-owner-, or owner-operated, earned for labor and management efforts. It is determined by:

1. Total net farm income,
2. less the value of family labor (non-operators),
3. minus interest on equity capital.

Interest on Equity Capital—4.5 percent interest on non-land inventory plus 2.40 percent interest on current indexed value of bare land (to reflect a normalized annual net rent) minus the accrual interest expense.

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

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

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

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

HIGHLIGHTS FOR 2012

Average farm operator returns for labor and management on 2,725 Illinois farms were higher for all geographic areas in the state in 2012 compared to 2011, except for Blackhawk and Illinois Valley Associations in northern Illinois and the Shawnee Association in southern Illinois. The average return to the sum of all operator's labor and management income in 2012 was \$235,432. The 2012 returns were \$11,983 above the 2011 average of \$223,449 and \$67,610 above the average for the last five years. A reasonable charge for the farm's debt-free capital invested in machinery, equipment, land, and inventory averaged \$62,099. Combining this amount with the return to operator's labor and management (sum of all operators) and unpaid family labor resulted in average operators' net farm income of \$298,028. Much higher prices and crop insurance proceeds were the main reasons for the higher incomes. Returns above feed cost for all livestock enterprises were lower than the year before. Hog returns above feed costs were lower due to higher feed prices and lower price received. Returns to dairy enterprises were lower due to lower milk prices and higher feed prices. Continued high grain prices resulted in minimum farm program payments. Thus, total government payments received in 2012 by producers were at low levels. Farm earnings were highest in the northeastern and western parts of the state. Earnings were lowest in the south and eastern part of the state.

Corn yields were well below the 2011 yield and the five-year average. Corn yields were 48 bushels per acre lower in 2012 and 45 bushels per acre below the five-year average. Soybean yields were 6 bushels per acre lower than in 2011. The average corn yield on the 2,725 farms was 120 bushels per acre. Soybean yields averaged 48 bushels per acre. Corn and soybean yields were generally highest in the northern and western parts of the state. A dry and warm spring allowed for early planting,

but led to a dry and hot summer with drought conditions. This caused lower yields in most parts of the state, especially southern Illinois. Year-end inventory price for the 2012 corn crop of \$7.00 per bushel was \$1.25 higher than a year earlier. Soybeans were inventoried at \$14.25 per bushel, \$3.50 higher than December 31, 2011. The average sales price received for the 2011 corn and soybean crop sold in 2012 was above their inventory price resulting in a positive marketing margin. Crop returns averaged \$997 per tillable acre, \$97 per acre higher than the 2011 crop returns. The average crop returns per acre were at an all-time high in 2012.

Returns above feed cost to all livestock enterprises were lower than the year before as well as the last five-year average for hogs, feeder cattle and dairy. All livestock enterprises experienced higher feed costs in 2012 compared to 2011. Mainly due to the higher feed costs, returns for farrow-to-finish hog producers were estimated to be about \$9.42 per hundredweight below the breakeven level in covering total costs in 2012. Dairy producers experienced lower returns above feed due to higher feed prices, \$1,519 returns above feed per cow in 2012 compared to \$2,205 in 2011. Milk prices were 5 percent lower compared to the year before. Returns above feed to feeder cattle enterprises were lower than the year before as well as the five-year average. Prices received for market cattle were higher than the year before, and prices paid in 2012 for feeder cattle were above the year before. Returns above feed per cow decreased for beef cow enterprises due to higher feed prices.

Estimates in net worth change can be made by adjusting net farm income for nonfarm income, withdrawals for family living, and income and social security tax paid. This amount would be a modified-cost-basis change in net worth, which excludes changes due to inflation. As

seen on page 5, estimated changes in net worth showed increases statewide. Changes in net worth among individual farm operators will vary greatly due to differences in farm and nonfarm income and family living withdrawals.

The average amount of interest paid per farm is shown on pages 3 and 6. Average farm interest paid in 2012 was \$23,548, down \$23 from 2011. Looking at the last ten years on a per-acre basis, interest paid has increased from a low of \$17 in 2004 to a high of \$25 in 2007 but decreased to \$22 in 2012. Interest paid as a percentage of gross farm returns was 2.5 percent in 2012 compared to 2.8 percent in 2011.

Some key financial factors, such as the current, debt-to-asset, and debt-to-equity ratios, can be found on pages 10 to 13 by type of farm. This type of information is useful in providing some benchmarks when evaluating the financial efficiency of a farm operation.

Returns and costs for crops and livestock enterprises can be seen on pages 24 to 38. Returns to farrow-to-finish hog producers were lower than the year before. Total returns averaged \$60.77 per hundredweight in 2012 compared to \$64.28 the year before. Feed costs increased, averaging \$50.79 per hundredweight. The average price received per hundredweight for slaughter cattle, and the price paid for replacement feeder cattle were higher than the year before. Dairy returns were lower due to higher feed prices. The price received for milk was lower than the year before.

Total economic costs per acre to produce corn and soybeans in 2012 increased as compared to 2011 in all areas of the state. The main factors for the increase in per acre costs were higher fertilizer, building costs, and machinery depreciation. Cost per bushel to produce corn increased in all areas of the state. Cost per bushel to raise soybeans increased in all areas of the state as well. Corn and soybean yields

were lower in all areas of Illinois. Total economic costs per acre to raise corn and soybeans on these farms averaged \$917 and \$661, respectively.

From a sample of pure grain farms in the state, the total economic cost per bushel of corn produced was \$7.77 with an average yield of 118 bushels per acre. The total cost per bushel of soybeans was \$13.77 with an average yield of 48 bushels per acre. This compared with costs per bushel of \$4.74 and \$10.57 for corn and soybeans, respectively, in 2011. This was the highest cost per bushel to grow corn and soybeans since this study began in 1972. The variation in yields and costs during the past few years makes it important to analyze these costs over more than one year. The 2008-12 five-year average to produce corn and soybeans on these farms is \$4.85 per bushel for corn and \$10.63 per bushel for soybeans.

In summary, farm earnings in 2012 were higher than the 2011 earnings and above the average for the last five years. Higher prices, because of a widespread drought, were the main reason for the higher incomes. Some of the higher earnings are due to a large positive marketing margin on the 2011 crop sold in 2012. There were still parts of the states that had good yields while others had very poor yields, especially corn. Crop insurance played a large part in generating enough income to cover input costs, especially in southern Illinois. Livestock returns were lower for all enterprises primarily due to higher feed prices.

ILLINOIS FARM BUSINESS FARM MANAGEMENT ASSOCIATION

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

STATE TOTAL --- 5,692 cooperating farmers and 59 member field staff*

July 1, 2012, distribution of cooperators by counties and associations

Associations and Field Staff

Associations and Field Staff

BLACKHAWK

596

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

WESTERN

752

Roberta Boarmark
Robert Rhea
Miriam M. Mock
Mike R. Shepherd
Nathan P. Edlefson
Adam J. Kestner
Jeffrey R. Reed
Ruth Ann McGrew
Brett W. Goodwin

SANGAMON VALLEY

569

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

LINCOLN

725

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

NORTHEASTERN

65

ILLINOIS VALLEY

626

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

PIONEER

1,083

Michael C. Heiser
Kent V. Meister
Darren L. Bray
Brian J. Pulley
Nathan A. Waibel
Jeffrey A. Marquis
Lowell J. Stoller
Jacob M. Springer
Blair H. Nelson
Carla S. Doubet
Jedediah D. Metzger
Brandon M. Tate

EAST CENTRAL

1125

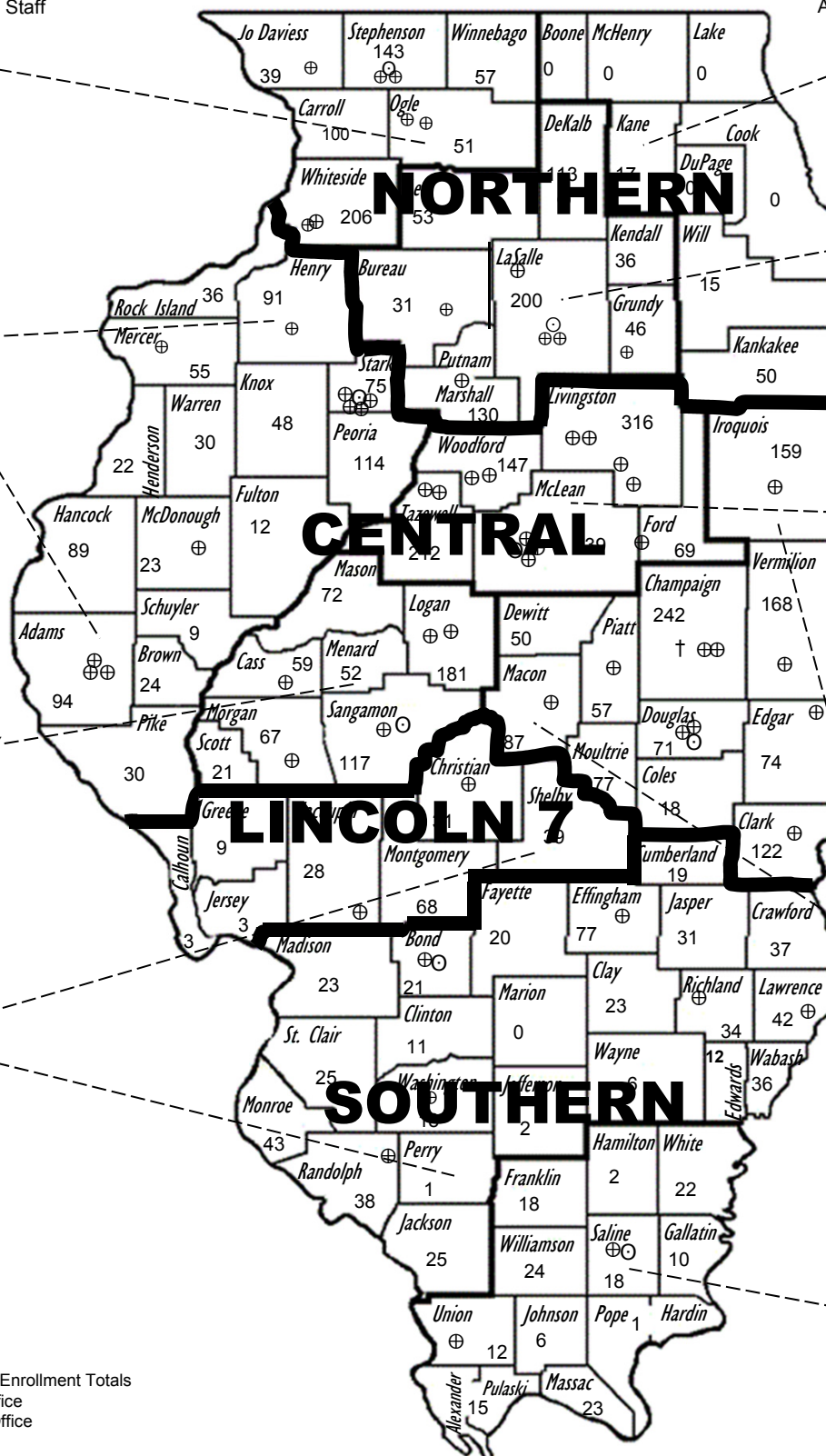
James E. Cullison
Bruce E. Burk
Donald E. Becker
Mitchell A. Fruhling
Jeffrey D. Lewis
Robert Daggett
Richard Thomas
Gary L. Knoblett
Christopher A. Leman
Michael L. Clark

SHAWNEE

151

Douglas E. Hileman
Robert D. Kiesecons

* Numbers are Enrollment Totals
59 ⊕ Field Staff Office
8 ○ Association Office
† State Office



OFFICIAL ENROLLMENT
July 1, 2012

**Average Size, Income, Returns, and Costs on Illinois FBFM Record-Keeping Farms
by Type of Farm—2008 to 2012***

Year	Number of Farms	Tillable Acres (TA)	All Operators		Crop Returns/A \$	Livestock Ret. Above Feed/A \$	Net Mach. & Labor Cost/A** \$
			Net Farm Income \$	Labor-Mgmt. Income \$			
All Farms							
2012	2,725	1,094	298,028	235,432	997	13	186
2011	2,674	1,083	273,612	223,449	899	21	174
2010	2,588	1,046	204,631	160,118	755	19	157
2009	2,624	1,031	84,212	44,551	654	7	145
2008	2,572	1,049	211,890	175,558	749	10	143
Grain Farms							
2012	2,492	1,139	310,193	246,548	994	2	175
2011	2,455	1,131	282,918	231,680	900	6	164
2010	2,360	1,098	213,103	167,379	756	6	148
2009	2,361	1,089	93,363	52,733	656	1	136
2008	2,317	1,104	225,802	188,614	749	-	133
Hog Farms							
2012	48	1,034	228,445	153,725	1,033	245	341
2011	44	864	281,602	232,013	893	429	358
2010	51	854	248,828	208,058	805	456	341
2009	52	884	(47,105)	(85,657)	626	113	279
2008	60	916	79,684	43,585	803	157	289
Dairy Farms							
2012	58	505	166,458	100,900	1,073	455	613
2011	64	468	204,929	154,104	956	643	611
2010	59	390	94,142	51,399	736	458	521
2009	65	370	(13,254)	(47,369)	628	255	484
2008	71	369	88,806	54,437	722	502	538
Beef Farms							
2012	31	489	94,562	36,115	910	107	380
2011	19	395	149,326	112,505	914	376	416
2010	25	419	88,992	49,362	695	233	344
2009	28	480	618	(36,441)	537	98	263
2008	31	431	51,340	20,444	666	39	258

*In 2012, 91.4% of the farms were classified as grain, 1.8% as hog, 2.1% as dairy, 1.1% as beef, and 3.5% as part-time or other types.

**This is net above custom work income.

Summary of Income, Corn Yields, Crop and Livestock Returns by Farm Type and Location, Average per Farm—2008 to 2012

	Grain				Livestock			Illinois
	Northern	Central	Central	South	IL	Hog	Beef	Dairy
Operator's Share of Net Farm Income								
2012	\$346,894	\$353,389	\$233,544	\$233,760	\$310,193	\$228,445	\$94,562	\$166,458
2011	\$339,146	\$309,997	\$195,381	\$237,112	\$282,918	\$281,602	\$149,326	\$204,929
2010	\$221,907	\$227,856	\$156,696	\$250,431	\$213,103	\$248,828	\$88,992	\$94,142
2009	\$67,740	\$116,712	\$84,199	\$103,677	\$93,363	(\$47,105)	\$618	(\$13,254)
2008	\$212,207	\$259,282	\$176,614	\$240,126	\$225,802	\$79,684	\$51,340	\$88,806
Corn Yields								
2012	143	126	110	50	119	124	108	104
2011	177	174	158	138	168	167	162	164
2010	173	168	155	146	164	168	155	166
2009	177	192	185	161	183	177	178	164
2008	196	199	190	165	194	202	181	179
Crop Returns per Tillable Acre								
2012	\$1,076	\$1,025	\$952	\$758	\$994	\$1,033	\$910	\$1,073
2011	\$998	\$925	\$838	\$665	\$900	\$893	\$914	\$956
2010	\$797	\$782	\$709	\$672	\$756	\$805	\$695	\$736
2009	\$647	\$693	\$645	\$539	\$656	\$626	\$537	\$628
2008	\$764	\$770	\$706	\$635	\$749	\$803	\$666	\$722
Livestock Returns above Feed Cost per Tillable Acre								
2012	\$2	\$1	\$4	\$1	\$2	\$245	\$107	\$455
2011	\$11	\$2	\$7	\$4	\$6	\$429	\$376	\$643
2010	\$9	\$2	\$8	\$4	\$6	\$456	\$233	\$458
2009	\$1	\$0	\$0	\$0	\$1	\$113	\$98	\$255
2008	(\$2)	\$1	(\$1)	(\$2)	\$0	\$157	\$39	\$502
Return per \$1.00 of All Costs								
2012	\$1.27	\$1.28	\$1.23	\$1.12	\$1.27	\$1.10	\$0.97	\$1.07
2011	\$1.33	\$1.30	\$1.21	\$1.16	\$1.29	\$1.22	\$1.19	\$1.18
2010	\$1.21	\$1.23	\$1.17	\$1.24	\$1.23	\$1.20	\$1.04	\$1.02
2009	\$0.96	\$1.05	\$1.02	\$1.00	\$1.03	\$0.81	\$0.80	\$0.78
2008	\$1.21	\$1.31	\$1.24	\$1.26	\$1.29	\$1.00	\$0.96	\$1.03

* Average size of grain farms in 2012 is 1,058 tillable acres for northern Illinois, 1,125 for central, and 1,379 for southern.

**Net Farm Income and Other Selected Factors
Illinois FBFM Association—2012¹**

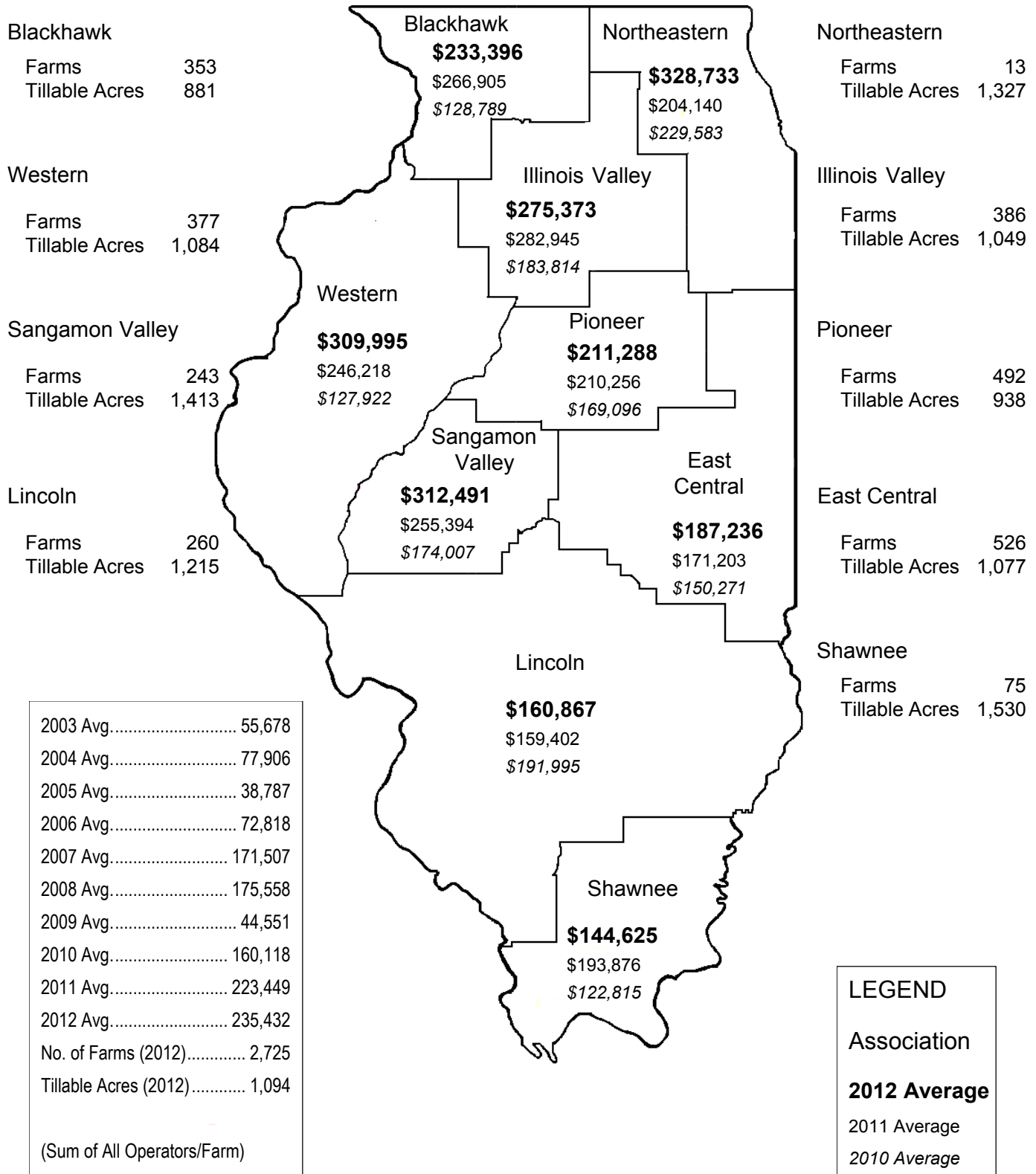
	Black-hawk	East Central	Illinois Valley	Lincoln	North-eastern	Pioneer
Number of Farms	352	526	375	260	25	492
Tillable Acres	882	1,077	1,045	1,215	1,235	938
Corn Yield	140	107	143	52	135	104
Soybean Yield	49	47	52	41	51	48
Crop Returns/TA	\$1,101	\$940	\$1,093	\$788	\$1,069	\$998
Income before Depreciation	367,477	297,610	405,237	309,176	466,221	322,800
Depreciation	69,610	60,611	71,222	87,224	73,788	56,237
Net Farm Income	297,867	236,999	334,015	221,952	392,433	266,563
Capital Purchases	\$148,271	\$110,675	\$146,745	\$154,302	\$169,934	\$113,917
Interest Paid	32,044	17,420	26,566	27,578	21,343	13,993

	Sangamon Valley	Shawnee	Western	2012 State Average	2011 State Average
Number of Farms	243	75	377	2,725	2,674
Tillable Acres	1,413	1,530	1,179	1,094	1,083
Corn Yield	123	62	151	120	167
Soybean Yield	46	39	54	48	54
Crop Returns/TA	\$1,049	\$728	\$1,068	\$997	\$899
Income before Depreciation	\$472,457	\$317,737	\$465,023	\$367,951	\$331,862
Depreciation	84,425	92,283	73,796	69,923	58,250
Net Farm Income	388,032	225,454	391,227	298,028	273,612
Capital Purchases	\$151,661	\$158,533	\$152,629	\$136,563	\$129,334
Interest Paid	24,729	23,937	30,161	23,548	23,571

¹ Sum of all operators per farm.

Illinois FBFM Association

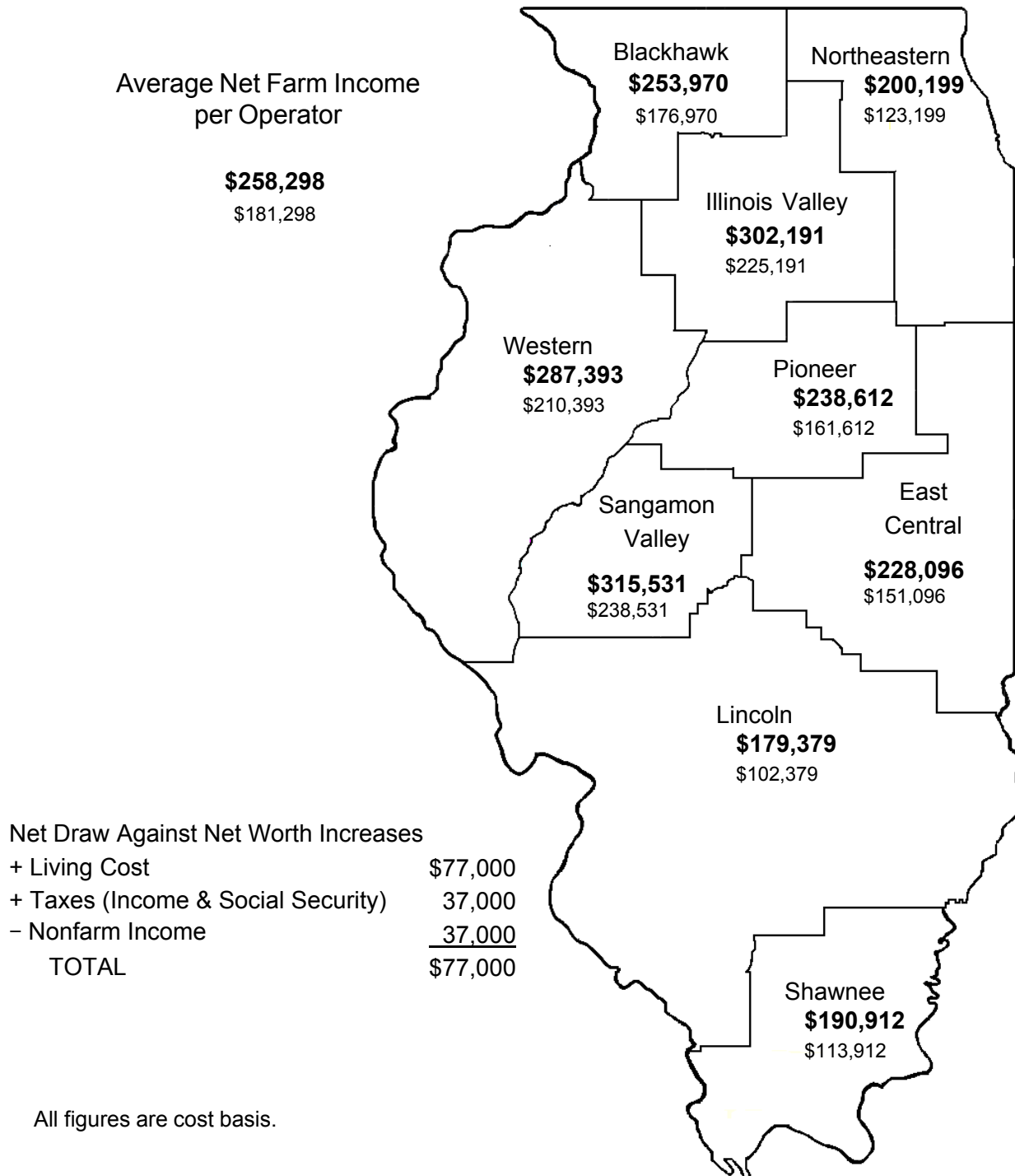
Operators' Share of Labor and Management Income per Farm---2010, 2011, and 2012 (Sum of All Operators/Farm)



Illinois FBFM Association

Net Farm Income per Operator and Estimated Change in Net Worth after Living Expenses and Taxes—2012

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



Capital Debt Repayment Capacity (CDRC), Illinois Farms—2008 to 2012

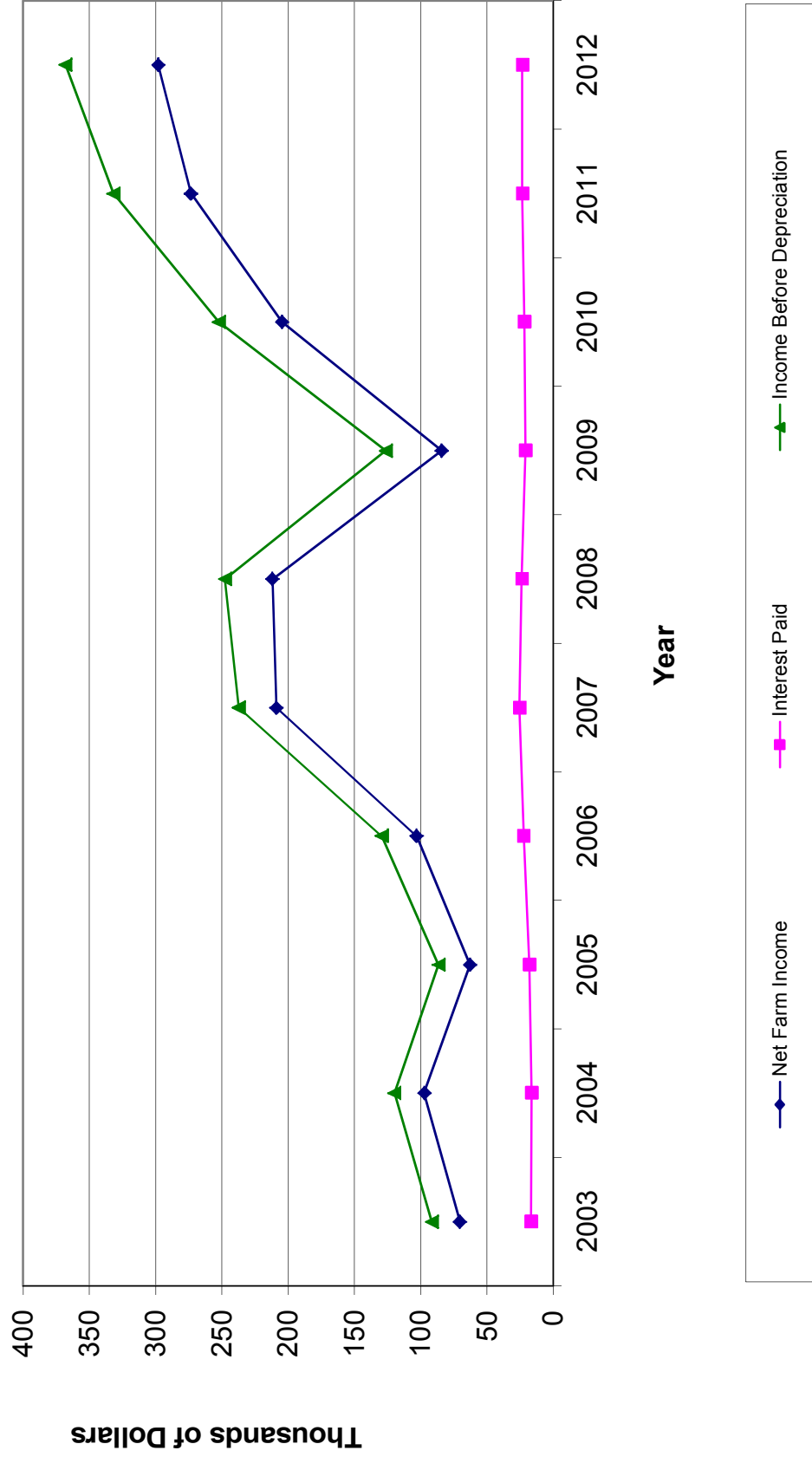
	2008	2009	2010	2011	2012
Net Farm Income	\$211,890	\$84,212	\$204,631	\$273,612	\$298,028
+ Net Nonfarm Income ¹	30,913	34,567	35,976	35,454	36,778
- Family Living ²	(65,417)	(65,191)	(66,787)	(71,693)	(76,510)
- Income & Social Security Taxes ²	(14,193)	(18,604)	(18,058)	(17,753)	(24,046)
Change in Net Worth ³	\$163,193	\$34,984	\$155,762	\$219,620	\$234,250
+ Depreciation	<u>\$35,808</u>	<u>\$42,216</u>	<u>\$47,661</u>	<u>\$58,250</u>	<u>\$69,923</u>
Funds Available for Debt Repayment	\$199,001	\$77,200	\$203,423	\$277,870	\$304,173
Capital Purchases	\$90,381	\$89,589	\$90,381	\$129,334	\$136,563
Cash Interest Paid	\$23,924	\$21,025	\$22,128	\$23,571	\$23,548

¹ Actual net nonfarm income received.

² Actual amounts less 10 percent used.

³ Cost basis—no change in land value included.

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



Selected Financial Factors—2012

Item	Farm Type				
	Grain	Hog	Dairy	Beef	All
Number of Farms	2,492	48	58	31	2,725
Tillable Acres	1,139	1,034	505	489	1,094
Gross Farm Returns/Operator Acre	\$1,020	\$1,315	\$1,553	\$1,042	\$1,033
Total Nonfeed Costs/Operator Acre	\$804	\$1,199	\$1,455	\$1,072	\$821
Management Returns/Operator Acre	\$221	\$115	\$101	(\$17)	\$217
Net Farm Income per Operator	\$270,703	\$148,620	\$94,382	\$86,377	\$258,298
Labor & Management Income per Operator	\$214,295	\$107,504	\$50,322	\$37,455	\$203,528
Capital Purchases	\$140,770	\$119,828	\$111,686	\$108,567	\$136,563
Farm Production per Man Year	\$780,595	\$502,134	\$231,871	\$315,584	\$744,283
Production per \$1.00 Nonfeed Costs	\$1.27	\$1.10	\$1.07	\$0.97	\$1.26
Percent of Farm Production					
Cash Operating Expenses	60.9	76.2	70.1	70.9	61.5
Depreciation	6.4	5.3	8.4	8.7	6.4
Operator Income	32.6	18.6	21.5	20.4	32.1

Selected FBFM Factors—2003 to 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of Farms	3,018	3,015	2,940	2,640	2,748	2,572	2,624	2,588	2,674	2,725
Total Acres	974	1,010	1,027	1,058	1,070	1,101	1,077	1,092	1,141	1,149
Tillable Acres	923	959	977	1,005	1,019	1,049	1,031	1,046	1,083	1,094
Corn Yield	172	184	148	173	189	194	182	164	167	120
Soybean Yield	38	53	51	52	50	51	50	55	54	48
Wheat Yield	69	63	64	69	58	67	61	59	65	71
% Tillable Land in Corn/Corn Silage	50	52	54	52	60	56	55	56	56	56
Total Cash Operating Income	\$316,260	\$367,239	\$374,808	\$389,786	\$482,852	\$638,147	\$620,268	\$626,808	\$785,655	\$913,419
Crop and Livestock Inventory Change	22,837	22,141	403	67,785	119,507	46,071	(18,431)	80,633	88,535	(18,046)
Misc. Income and Change in Acct. Rec.	(1,915)	6,866	5,327	(14,757)	2	9,394	(7,877)	(789)	345	82,933
Less: Purchased Feed and PIK Certs.	(16,709)	(19,389)	(14,536)	(13,913)	(18,802)	(21,639)	(16,607)	(19,576)	(21,768)	(28,431)
Purchased Livestock	(15,250)	(16,234)	(16,113)	(14,295)	(15,694)	(14,064)	(11,318)	(15,040)	(15,323)	(18,978)
Gross Farm Returns	\$305,223	\$360,623	\$349,889	\$414,606	\$567,865	\$657,909	\$566,035	\$672,035	\$837,444	\$930,897
Total Operating Expense	\$215,539	\$242,942	\$266,019	\$288,076	\$333,564	\$414,021	\$442,905	\$422,960	\$509,278	\$567,637
Income before Depreciation	89,684	117,681	83,870	126,530	234,301	243,888	123,130	249,075	328,165	363,259
Less Depreciation (Plus Capital Acct. Adj.)	19,044	20,167	20,930	23,227	25,289	31,998	38,918	44,444	54,553	65,231
Net Farm Income	\$70,640	\$97,514	\$62,940	\$103,303	\$209,012	\$211,890	\$84,212	\$204,631	\$273,612	\$298,028
Net Farm Income as % GFR	23.1	27.0	18.0	24.9	36.8	32.2	14.9	30.4	32.7	32.0
Operator's Labor and Mgmt. Income	\$55,678	\$77,906	\$38,787	\$72,818	\$171,507	\$175,558	\$44,551	\$160,118	\$223,449	\$235,432
Interest Expense	\$16,921	\$16,427	\$18,268	\$22,373	\$25,598	\$23,924	\$21,025	\$22,128	\$23,571	\$23,548
Interest Expense as % of GFR	5.5	4.6	5.2	5.4	4.5	3.6	3.7	3.3	2.8	2.5
Gross Farm Returns/Tillable Acre	\$331	\$376	\$358	\$413	\$557	\$627	\$549	\$642	\$773	\$851
Total Operating Expense/Tillable Acre	\$234	\$253	\$272	\$287	\$327	\$395	\$430	\$404	\$470	\$519
Depreciation/Tillable Acre	\$21	\$21	\$21	\$23	\$25	\$31	\$38	\$42	\$50	\$60
Net farm Income/Tillable Acre	\$77	\$102	\$64	\$103	\$205	\$202	\$82	\$196	\$253	\$272
Total Investment										
Crops and Feed	\$155,083	\$177,242	\$186,107	\$221,028	\$310,853	\$392,252	\$394,206	\$443,684	\$535,169	\$573,041
Livestock (Market & Breeding Stock)	27,223	32,553	32,868	29,190	31,374	30,520	25,873	30,440	33,867	38,171
Machinery (Book Value)	61,487	76,887	91,374	104,476	122,725	158,305	187,560	233,750	280,123	334,760
Buildings (Book Value)	26,135	27,768	31,713	34,476	37,501	45,191	49,940	62,722	80,350	100,194
Land	564,278	637,063	698,471	729,032	821,007	942,781	929,995	1,034,673	1,310,434	1,632,977
Total	\$834,206	\$951,513	\$1,040,533	\$1,118,202	\$1,323,460	\$1,569,049	\$1,587,574	\$1,805,269	\$2,239,943	\$2,679,143

Financial Characteristics of Illinois FBFM Grain Farms

	2012	2011	2010	2009	4-Year Average	My Farm
Number of Farms	2,421	2,384	2,349	2,352	2,377	
Liquidity						
Working Capital	\$407,675	\$347,640	\$377,259	\$316,718	\$362,323	
Current Ratio						
Upper Quartile	NA	6.2	6.10	5.64	5.98	
Median	3.12	2.73	2.56	2.31	2.68	
Solvency						
Net Worth (Market)	\$2,777,262	\$2,307,993	\$1,948,499	\$1,745,105	\$2,194,715	
Debt/Equity Ratio (%)						
Upper Quartile	NA	9.8	10.2	11.6	10.5	
Median	21.5	25.1	26.9	28.8	25.6	
Debt/Total Asset Ratio (%)						
Upper Quartile	NA	8.9	9.3	10.5	9.6	
Median	17.7	20.1	21.2	22.5	20.4	
Profitability						
Net Farm Income	\$252,403	\$241,261	\$179,797	\$80,038	\$188,375	
Return on Farm Assets (%)						
Upper Quartile	NA	15.4	13.3	6.7	11.8	
Median	8.5	9.6	8.4	3.4	7.5	
Return on Farm Equity (%)						
Upper Quartile	NA	20.9	18.2	8.0	15.7	
Median	10.2	11.9	9.9	3.0	8.8	
Repayment Capacity						
Debt/Farm Operating Income	2.57	2.53	2.58	5.28	3.24	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	NA	0.7	0.8	1.1	0.9	
Median	1.8	2.1	2.6	3.1	2.4	
Operating Expense Ratio						
Upper Quartile	NA	47.6	48.8	62.2	52.9	
Median	55.7	54.8	56.8	71.4	59.7	
Depreciation Expense Ratio						
Upper Quartile	NA	4.5	4.7	4.9	4.7	
Median	7.3	6.6	6.8	7.0	6.9	
Farm Operating Income Ratio						
Upper Quartile	NA	44.1	42.1	28.3	38.2	
Median	34.1	35.8	33.0	17.8	30.2	
Asset Turnover Ratio						
Upper Quartile	NA	0.5	0.47	0.44	0.47	
Median	0.30	0.33	0.32	0.30	0.31	

NA = not available yet.

Financial Characteristics of Illinois FBFM Hog Farms

	2012	2011	2010	2009	4-Year Average	My Farm
Number of Farms	37	34	39	47	39	
Liquidity						
Working Capital	\$429,242	\$306,510	\$286,658	\$152,956	\$293,842	
Current Ratio						
Upper Quartile	NA	4.67	3.21	3.63	3.84	
Median	2.30	2.59	2.24	1.68	2.20	
Solvency						
Net Worth (Market)	\$2,838,803	\$2,262,625	\$1,789,355	\$1,628,832	\$2,129,904	
Debt/Equity Ratio						
Upper Quartile	NA	13.8	18.9	14.8	15.8	
Median	38.5	28.8	42.4	48.9	39.7	
Debt/Total Asset Ratio						
Upper Quartile	NA	12.2	15.9	12.9	13.7	
Median	27.8	22.4	29.8	32.8	28.2	
Profitability						
Net Farm Income	\$200,095	\$283,516	\$203,259	-\$59,334	\$156,884	
Return on Farm Assets						
Upper Quartile	NA	19.9	14.0	2.1	12.0	
Median	4.7	9.8	9.0	(1.8)	5.4	
Return on Farm Equity						
Upper Quartile	NA	23.2	23.0	1.5	15.9	
Median	7.3	9.4	10.7	(3.7)	5.9	
Repayment Capacity						
Debt/Farm Operating Income	5.10	3.24	3.67	*	3.00	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	NA	2.0	1.9	2.3	2.1	
Median	3.6	3.2	4.1	7.5	4.6	
Operating Expense Ratio						
Upper Quartile	NA	47.4	46.2	68.4	54.0	
Median	68.0	58.1	57.7	88.7	68.1	
Depreciation Expense Ratio						
Upper Quartile	NA	3.6	3.9	5.6	4.4	
Median	5.6	4.7	5.2	7.9	5.9	
Farm Operating Income Ratio						
Upper Quartile	NA	43.3	38.1	16.0	32.5	
Median	21.7	33.1	32.1	(4.5)	20.6	
Asset Turnover Ratio						
Upper Quartile	NA	0.54	0.43	0.36	0.44	
Median	0.24	0.33	0.31	0.24	0.28	

* Undefined due to negative farm operating income.

NA = not available yet.

Financial Characteristics of Illinois FBFM Beef Farms

	2012	2011	2010	2009	4-Year Average	My Farm
Number of Farms	28	16	18	24	22	
Liquidity						
Working Capital	\$210,561	\$119,745	\$336,988	\$278,671	\$236,491	
Current Ratio						
Upper Quartile	NA	3.48	4.58	3.91	3.99	
Median	1.60	1.92	1.81	1.68	1.75	
Solvency						
Net Worth (Market)	\$2,120,958	\$1,542,294	\$2,106,523	\$1,627,829	\$1,849,401	
Debt/Equity Ratio						
Upper Quartile	NA	16.2	9.2	11.2	12.2	
Median	54.8	41.8	54.9	49.4	50.2	
Debt/Total Asset Ratio						
Upper Quartile	NA	13.9	8.4	10.1	10.8	
Median	35.4	29.4	35.4	33.1	33.3	
Profitability						
Net Farm Income	\$110,726	\$122,016	\$132,475	\$9,655	\$93,718	
Return on Farm Assets						
Upper Quartile	NA	9.8	10.5	0.9	7.1	
Median	3.9	3.4	4.0	(0.9)	2.6	
Return on Farm Equity						
Upper Quartile	NA	15.4	11.9	0.4	9.2	
Median	5.2	5.5	3.4	(4.1)	2.5	
Repayment Capacity						
Debt/Farm Operating Income	9.63	6.49	5.18	33.36	13.66	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	NA	2.9	0.6	3.4	2.3	
Median	5.7	5.2	7.0	6.4	6.1	
Operating Expense Ratio						
Upper Quartile	NA	50.6	47.9	71.0	56.5	
Median	63.5	62.2	60.7	83.2	67.4	
Depreciation Expense Ratio						
Upper Quartile	NA	5.1	5.4	6.2	5.6	
Median	7.9	6.9	6.8	7.7	7.3	
Farm Operating Income Ratio						
Upper Quartile	NA	33.0	43.3	14.2	30.2	
Median	20.9	22.9	27.0	2.2	18.3	
Asset Turnover Ratio						
Upper Quartile	NA	0.37	0.32	0.29	0.33	
Median	0.20	0.23	0.25	0.21	0.22	

NA = not available yet.

Financial Characteristics of Illinois FBFM Dairy Farms

	2012	2011	2010	2009	4-Year Average	My Farm
Number of Farms	50	63	58	55	57	
Liquidity						
Working Capital	\$133,433	\$86,305	\$57,632	\$31,531	\$77,225	
Current Ratio						
Upper Quartile	NA	4.22	2.69	3.20	3.37	
Median	2.17	1.91	1.41	1.33	1.71	
Solvency						
Net Worth (Market)	\$1,720,025	\$1,389,556	\$1,063,346	\$1,008,343	\$1,295,318	
Debt/Equity Ratio						
Upper Quartile	NA	14.3	20.3	19.7	18.1	
Median	32.9	40.7	50.5	40.8	41.2	
Debt/Total Asset Ratio						
Upper Quartile	NA	12.5	16.9	18.5	16.0	
Median	24.9	28.9	33.6	31.9	29.8	
Profitability						
Net Farm Income	\$100,377	\$119,156	\$74,832	(\$22,564)	\$67,950	
Return on Farm Assets						
Upper Quartile	NA	10.3	6.4	(0.2)	5.5	
Median	3.5	6.5	3.4	(2.6)	2.7	
Return on Farm Equity						
Upper Quartile	NA	12.4	7.0	(3.4)	5.3	
Median	3.1	6.6	2.6	(6.3)	1.5	
Repayment Capacity						
Debt/Farm Operating Income	5.42	3.53	6.37	*	3.83	
Financial Efficiency (as a % of Gross Farm Returns)						
Interest Expense Ratio						
Upper Quartile	NA	1.7	2.8	3.8	2.8	
Median	4.0	4.4	7.7	10.2	6.6	
Operating Expense Ratio						
Upper Quartile	NA	47.1	53.5	72.1	57.6	
Median	64.6	57.1	64.2	82.3	67.1	
Depreciation Expense Ratio						
Upper Quartile	NA	5.2	5.9	7.6	6.2	
Median	8.2	7.7	8.2	10.3	8.6	
Farm Operating Income Ratio						
Upper Quartile	NA	41.4	31.4	6.6	26.5	
Median	19.0	30.4	2.0	(4.2)	11.8	
Asset Turnover Ratio						
Upper Quartile	NA	0.44	0.40	0.25	0.36	
Median	0.23	0.26	0.27	0.19	0.24	

* Undefined due to negative farm operating income.

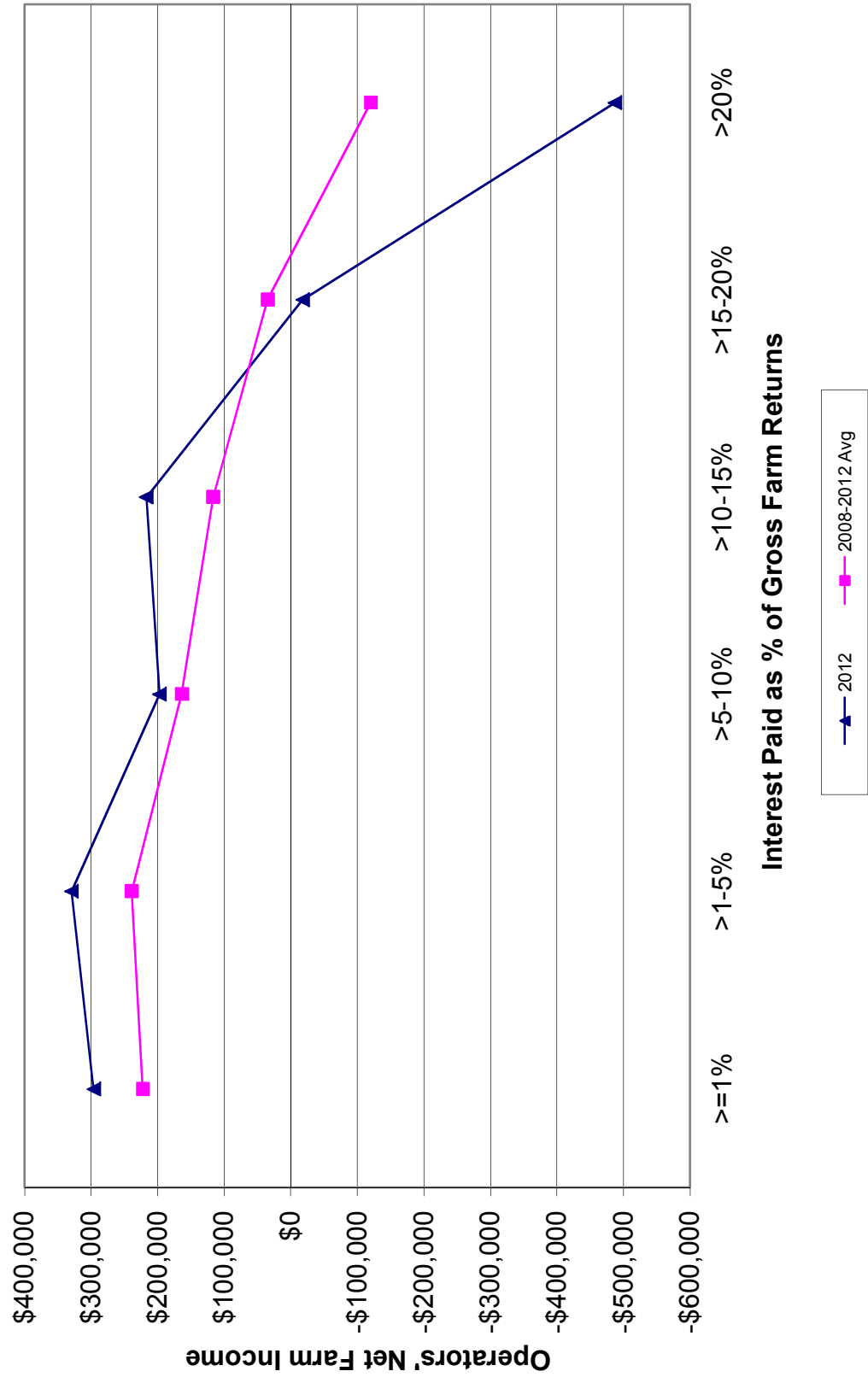
NA = not available yet.

Illinois FBFM Association Farms by Interest Paid as Percent of Gross Farm Returns—2003 to 2012¹

Operator Interest Paid as % of Gross Farm Returns								
Year	Under 1%	1%—4.9%	5%—9.9%	10%—14.9%	15%—19.9%	20%+	All	
Number of farms								
2003	568	1,119	858	325	112	73		3,055
2004	637	1,283	793	224	60	38		3,035
2005	556	1,164	834	302	92	54		3,002
2006	510	984	814	271	89	57		2,725
2007	577	1,243	740	189	56	39		2,844
2008	712	1,296	544	108	32	24		2,716
2009	727	1,174	561	151	39	47		2,699
2010	801	1,264	490	96	32	23		2,706
2011	840	1,266	325	66	9	7		2,513
2012	1,000	1,352	302	62	8	3		2,728
Percent of farms								
2003	19%	37%	28%	11%	4%	2%		100%
2004	21%	42%	26%	7%	2%	1%		100%
2005	18%	38%	27%	10%	3%	2%		100%
2006	17%	32%	27%	9%	3%	2%		100%
2007	19%	41%	24%	6%	2%	1%		100%
2008	23%	42%	18%	4%	1%	1%		100%
2009	24%	38%	18%	5%	1%	2%		100%
2010	26%	41%	16%	3%	1%	1%		100%
2011	27%	41%	11%	2%	*	*		100%
2012	33%	44%	10%	2%	*	*		100%
Net Farm Income								
2003	74,616	82,684	71,744	43,357	29,634	1,756		70,049
2004	99,195	112,182	95,531	54,194	31,693	6,496		97,911
2005	76,701	76,624	59,435	33,737	(4,783)	(22,409)		63,272
2006	113,081	123,006	98,253	57,947	24,213	(744)		101,469
2007	220,427	237,584	193,823	115,925	65,154	5,685		208,056
2008	207,942	237,489	180,539	107,261	104,624	(8,605)		209,418
2009	111,504	100,971	43,854	4,597	(9,926)	(56,892)		82,193
2010	227,690	223,370	172,298	95,174	55,317	6,334		207,020
2011	270,468	305,089	227,664	158,433	42,705	(51,794)		277,718
2012	296,370	329,186	197,285	217,127	(17,723)	(487,188)		297,793
Average Operator Interest Paid and Interest Paid as % of Gross Farm Returns - All Farms								
2003—\$17,144	5.6%	2005—\$18,374	5.2%	2007—\$25,525	4.5%	2009—\$22,017	3.8%	2011—\$23,669
2004—\$16,610	4.6%	2006—\$22,221	5.4%	2008—\$24,204	3.7%	2010—\$22,608	3.3%	2012—\$23,529

¹ Interest paid and net farm income by farm
 * Less than 1%.

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



Illinois FBFM Management Returns per Tillable Acre by Farm Type¹

	Grain			Livestock		
	Northern & Central		Southern	Dairy	Beef	Hog
1961–65	12		13	9	10	21
1966–70	3		6	11	(1)	15
1971–75	51		29	13	14	64
1976–80	(17)		5	18	(65)	(8)
1981–85	(16)		(32)	(86)	(106)	(53)
1986–90	4		15	22	(21)	27
1991–95	26		25	(3)	(43)	7
1996–00	8		(11)	(26)	(64)	(18)
2001–05	18		7	37	(21)	41
2006-10	116		78	(24)	(31)	25
	<i>SPR 86-100</i>	<i>SPR 56-85</i>				
2001	(10)	(20)	(9)	19	(86)	9
2002	(3)	(11)	(59)	(67)	(79)	(87)
2003	48	29	42	17	68	22
2004	60	49	55	116	17	221
2005	20	1	12	84	(34)	77
2006	72	53	34	(94)	(55)	56
2007	213	184	79	196	60	35
2008	178	147	135	27	(27)	0
2009	6	6	11	(274)	(168)	(183)
2010	155	118	135	32	88	227
2011	213	185	102	199	217	222
2012 ²	254	233	101	100	(17)	115

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

² Estimated from preliminary data.

Summary of Farm and Family Sources and Uses of Dollars—2003 to 2012

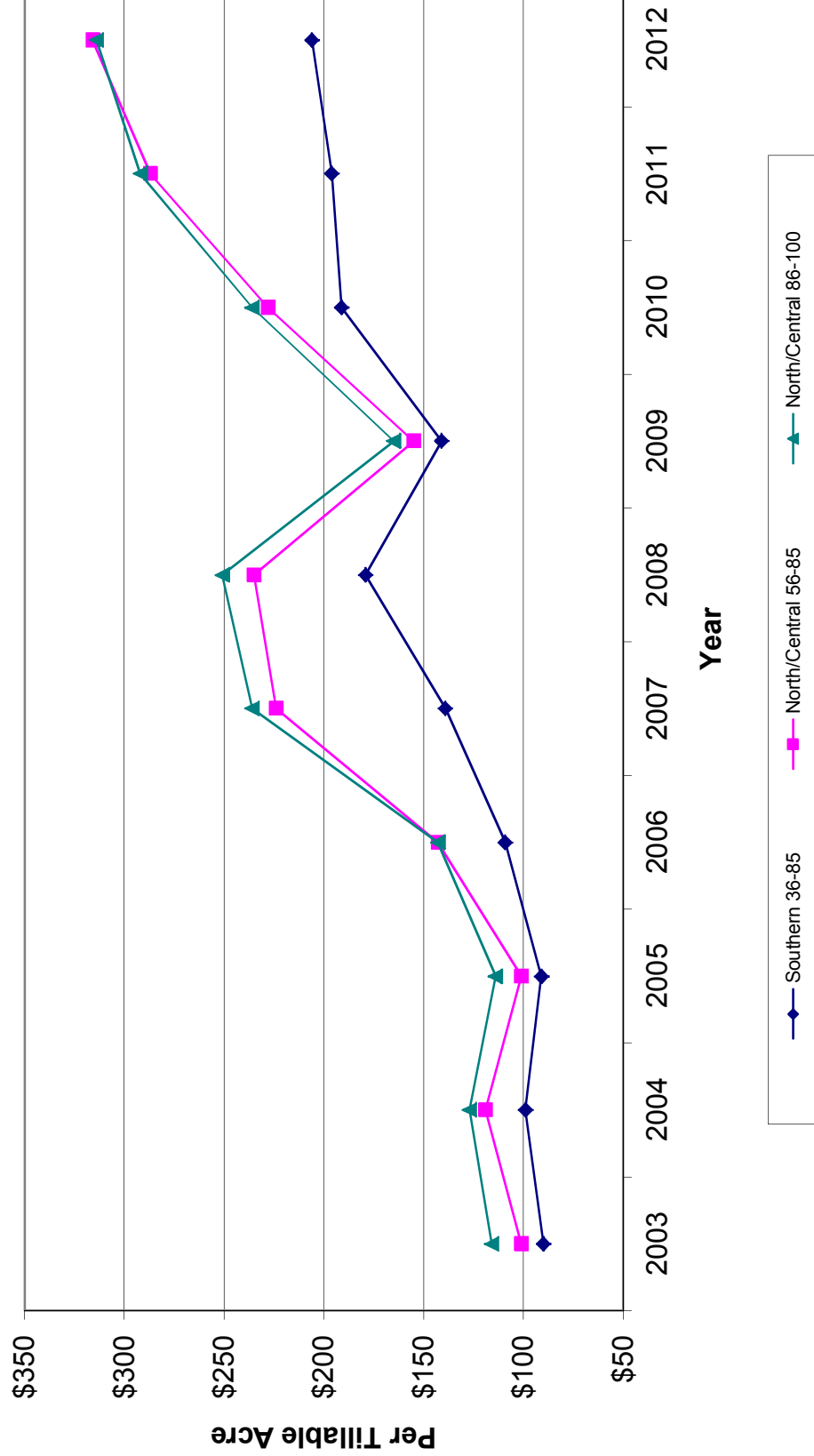
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of Families	1,102	1,225	1,209	1,196	1,232	1,176	1,164	1,200	1,273	1,300
Total Tillable Operator Acres	668	699	694	725	729	745	723	730	740	739
Net Farm Income	\$66,290	\$93,704	\$55,030	\$94,756	\$193,675	\$194,207	\$76,697	\$176,886	\$242,735	\$262,917
SOURCES OF DOLLARS										
Nontaxable Receipts	\$38,042	\$53,396	\$48,633	\$48,772	\$63,164	\$82,347	\$74,433	\$85,392	\$89,678	\$110,064
Net Nonfarm Income	25,919	27,280	27,810	29,614	31,668	30,913	34,567	35,976	35,454	36,778
Money Borrowed	240,363	246,566	252,685	262,230	306,747	368,663	340,794	361,671	398,860	428,234
Total Farm Receipts	305,957	351,327	351,457	364,712	446,952	581,949	568,554	563,312	669,116	777,953
TOTAL SOURCE ALL DOLLARS	\$610,281	\$678,569	\$680,585	\$705,328	\$848,531	\$1,063,872	\$1,018,348	\$1,046,351	\$1,193,108	\$1,353,029
USES OF DOLLARS—FARM										
Interest Paid	\$17,713	\$17,491	\$18,303	\$21,386	\$25,681	\$25,387	\$22,664	\$22,388	\$22,749	\$22,425
Other Farm Expenses	218,726	252,258	260,479	265,931	319,035	409,072	389,334	388,256	451,756	491,725
Mach. & Bldg. Purchases	35,291	46,156	42,495	40,029	59,969	82,684	85,120	84,055	104,621	119,816
TOTAL FARM EXPENDITURES	\$271,730	\$315,905	\$321,277	\$327,346	\$404,685	\$517,143	\$497,118	\$494,699	\$579,126	\$633,966
Principal Payments	\$225,968	\$229,008	\$230,072	\$245,450	\$274,809	\$332,573	\$319,492	\$327,000	\$370,759	\$396,479
Income & Social Security Taxes	7,571	8,208	10,351	10,251	10,964	15,770	20,671	20,064	19,726	26,718
Savings & Investment	52,076	66,885	60,541	62,540	91,829	125,731	108,615	130,366	143,812	210,925
LIVING EXPENSES										
Contributions	\$1,583	\$1,816	\$2,058	\$1,888	\$2,303	\$2,667	\$2,788	\$2,935	\$3,066	\$3,823
Medical	6,581	7,320	7,433	7,665	8,071	8,328	8,579	8,928	9,322	10,100
Life Insurance	2,681	2,753	2,900	2,978	3,039	3,202	3,431	3,442	3,702	4,036
Expendables	37,314	40,700	40,352	42,463	46,881	50,975	50,369	52,300	55,839	58,709
Total Noncapital	\$48,159	\$52,589	\$52,743	\$54,994	\$60,294	\$65,172	\$65,167	\$67,605	\$71,929	\$76,668
Capital	4,749	5,960	5,542	4,692	6,118	7,514	7,267	6,604	7,729	8,344
TOTAL LIVING EXPENSE	\$52,908	\$58,549	\$58,285	\$59,686	\$66,412	\$72,686	\$72,434	\$74,209	\$79,658	\$85,012
TOTAL USE ALL DOLLARS	\$610,253	\$678,555	\$680,526	\$705,273	\$848,699	\$1,063,903	\$1,018,330	\$1,046,338	\$1,193,081	\$1,353,100
Interest as % of Farm Receipts	5.8	5.0	5.2	5.9	5.7	4.4	4.0	4.0	3.4	2.9
Total Family Living/Opr. TA	\$79	\$84	\$84	\$82	\$91	\$98	\$100	\$102	\$108	\$115
Nonfarm Income/Opr. TA	39	39	40	41	43	41	48	49	48	50
Net Family Living/Opr. TA	\$40	\$45	\$44	\$41	\$48	\$56	\$52	\$52	\$60	\$65
Net Farm Cash/Opr. TA	40	39	29	37	43	66	70	67	95	159
Cash Surplus (Deficit)/Opr. TA	(\$0)	(\$6)	(\$15)	(\$4)	(\$5)	\$10	\$18	\$14	\$35	\$93

Equivalent Cash Rent Based on Landlord's Crop-Share Data—1987 to 2012

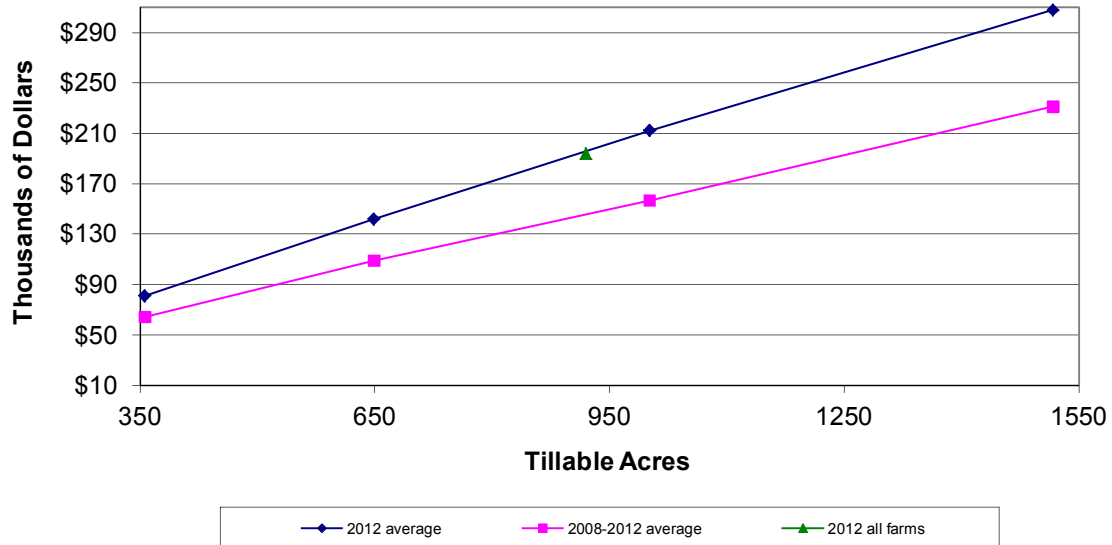
	Gross Returns	-	Expenses	=	Net Rents	+	Taxes, Bldg., & Misc. Expenses	=	Equivalent Gross Cash Rents ¹
	(per tillable acre)								
	86–100 SPR								
1987	147.66		57.85		89.81		27.38		117.19
1988	122.49		61.33		61.16		27.14		88.30
1989	160.32		65.07		95.25		27.41		122.66
1990	161.19		64.97		96.22		27.00		123.22
1991	146.53		65.74		80.79		25.71		106.50
1992	173.68		65.84		107.84		25.64		133.48
1993	187.86		66.11		121.75		25.85		147.60
1994	177.45		67.67		109.78		26.04		135.82
1995	183.44		78.93		104.51		29.57		134.08
1996	211.41		85.18		126.23		31.99		158.22
1997	202.03		87.42		114.61		32.50		147.11
1998	168.45		88.08		80.37		33.04		113.41
1999	183.90		86.99		96.91		35.18		132.09
2000	195.55		88.18		107.37		36.82		144.19
2001	181.81		90.58		91.23		37.04		128.27
2002	179.81		89.26		90.55		34.92		125.47
2003	203.30		87.45		115.85		31.64		147.49
2004	221.45		94.52		126.93		33.45		160.38
2005	217.19		102.83		114.36		33.62		147.98
2006	246.90		104.22		142.68		34.31		176.99
2007	351.33		114.99		236.34		34.86		271.20
2008	390.50		139.95		250.55		37.53		288.08
2009	350.91		185.66		165.25		41.93		207.18
2010	393.92		158.10		235.82		44.10		279.92
2011	470.27		177.94		292.33		50.51		342.84
2012	518.94		205.07		313.87		57.02		370.89
	56–85 SPR								
1987	133.53		55.88		77.65		26.36		104.01
1988	102.06		57.38		44.68		24.23		68.91
1989	146.12		56.93		89.19		24.60		113.79
1990	146.95		61.33		85.62		23.86		109.48
1991	114.58		55.30		59.28		22.53		81.81
1992	155.86		55.33		100.53		21.29		121.82
1993	158.87		58.25		100.62		25.13		125.75
1994	161.54		61.33		100.21		21.13		121.34
1995	167.26		70.21		97.05		24.34		121.39
1996	182.63		77.27		105.36		26.13		131.49
1997	186.20		81.33		104.87		27.76		132.63
1998	154.75		81.76		72.99		28.15		101.14
1999	164.00		79.00		85.00		30.04		115.04
2000	178.64		81.65		96.99		32.64		129.63
2001	171.43		86.19		85.24		33.37		118.61
2002	171.89		83.23		88.66		30.66		119.32
2003	186.27		84.22		102.05		28.06		130.11
2004	209.05		88.76		120.29		29.91		150.20
2005	200.09		98.41		101.68		30.31		131.99
2006	232.78		98.34		134.44		30.86		165.30
2007	330.69		108.74		221.95		30.83		252.78
2008	368.99		137.43		231.56		35.32		266.88
2009	333.67		168.95		164.72		36.39		201.11
2010	356.61		144.49		212.12		37.35		249.47
2011	426.63		166.68		259.95		42.85		302.80
2012	490.27		191.20		299.07		45.34		344.41

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

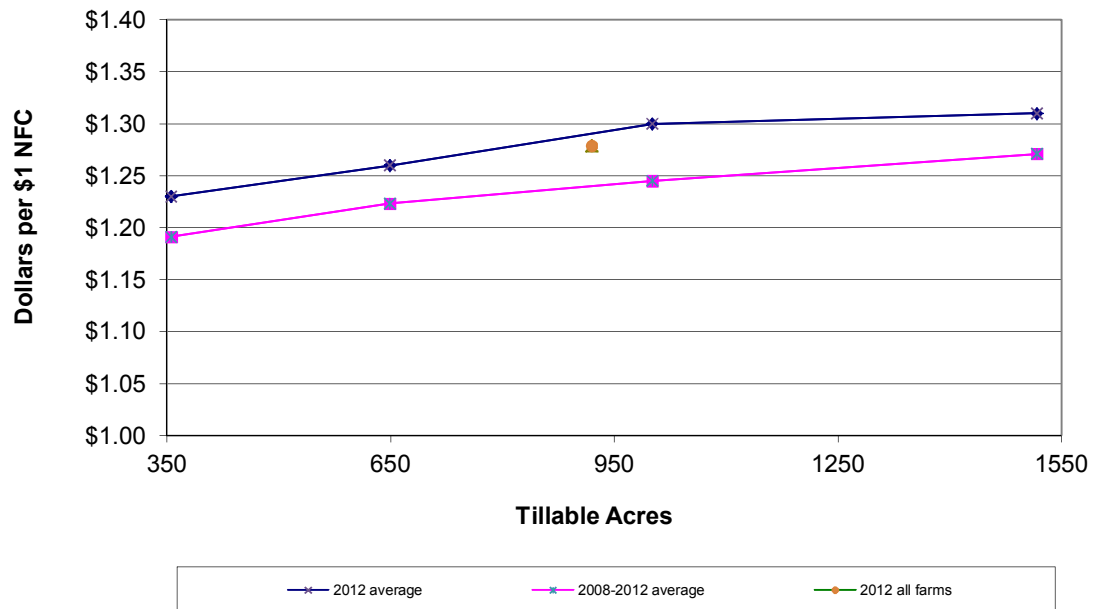
Landlord's Net Rent per Tillable Acre on Full Tenant Farms, Crop-Share Lease 2003 to 2012



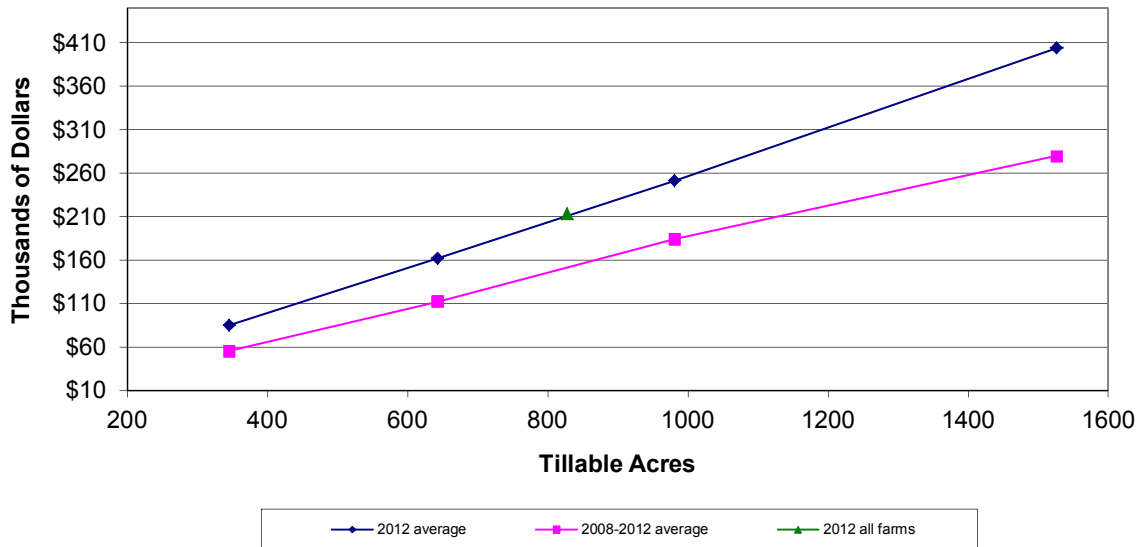
Central Illinois Grain Farms Operator's Share of Labor and Management Earnings



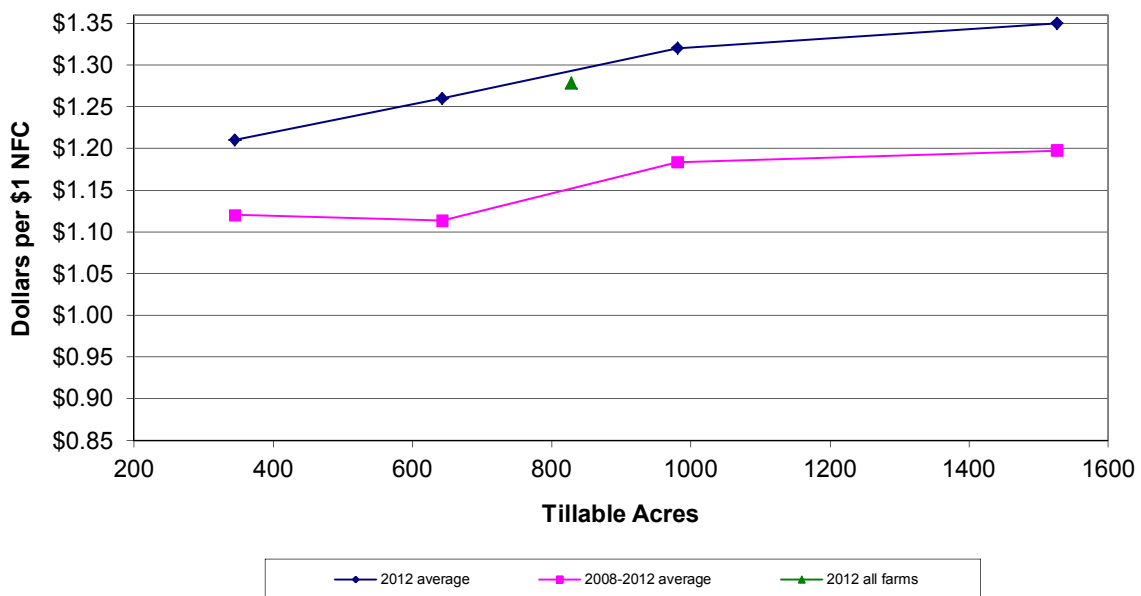
Central Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



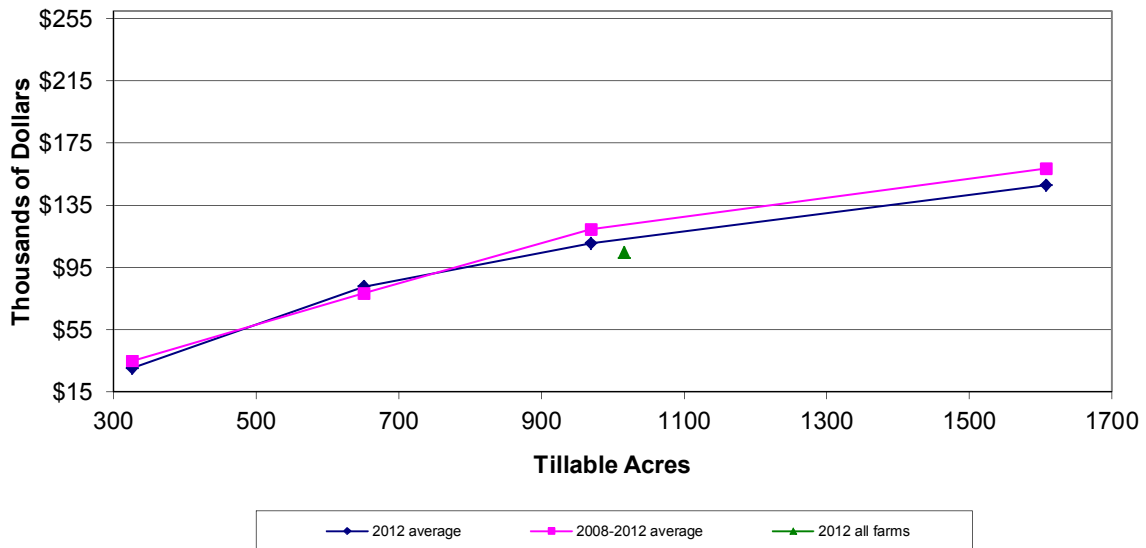
Northern Illinois Grain Farms Operator's Share of Labor and Management Earnings



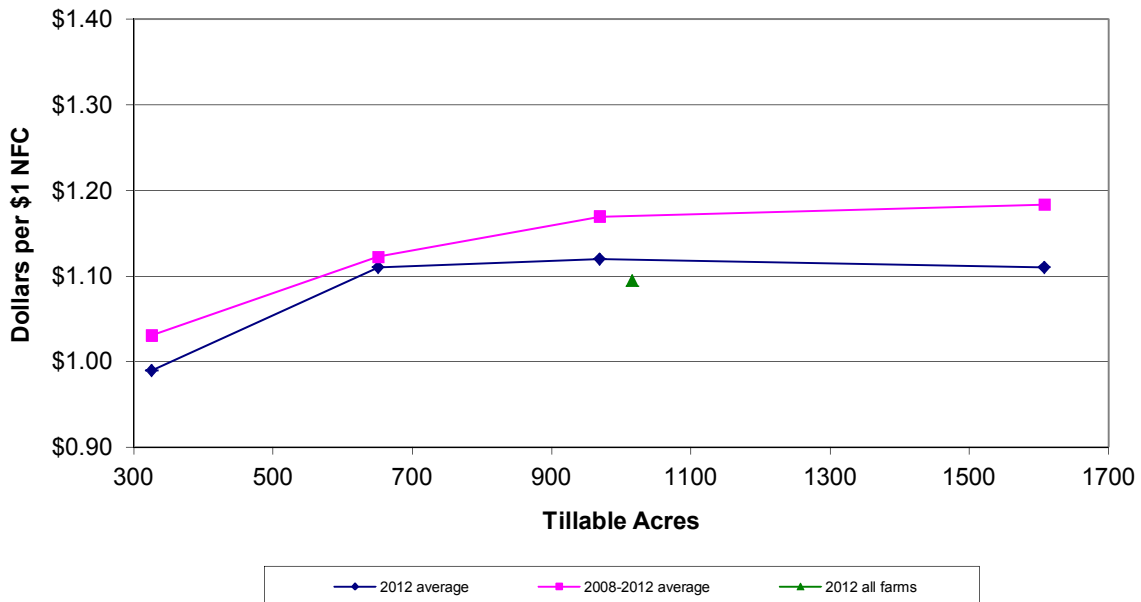
Northern Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



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

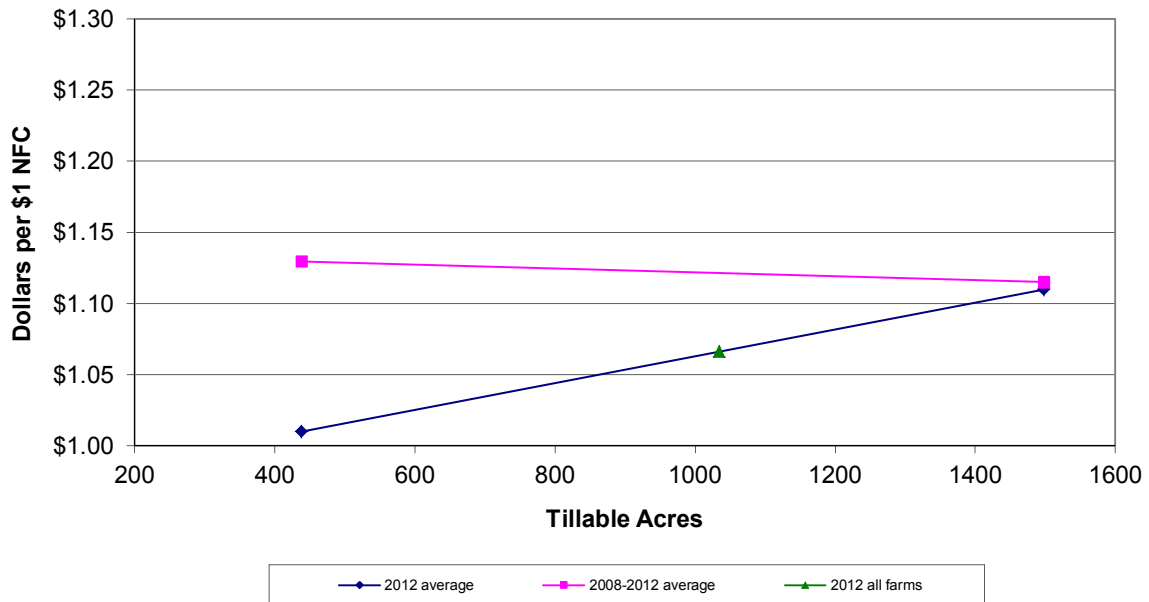


Southern Illinois Grain Farms Value of Production per \$1.00 of Nonfeed Cost



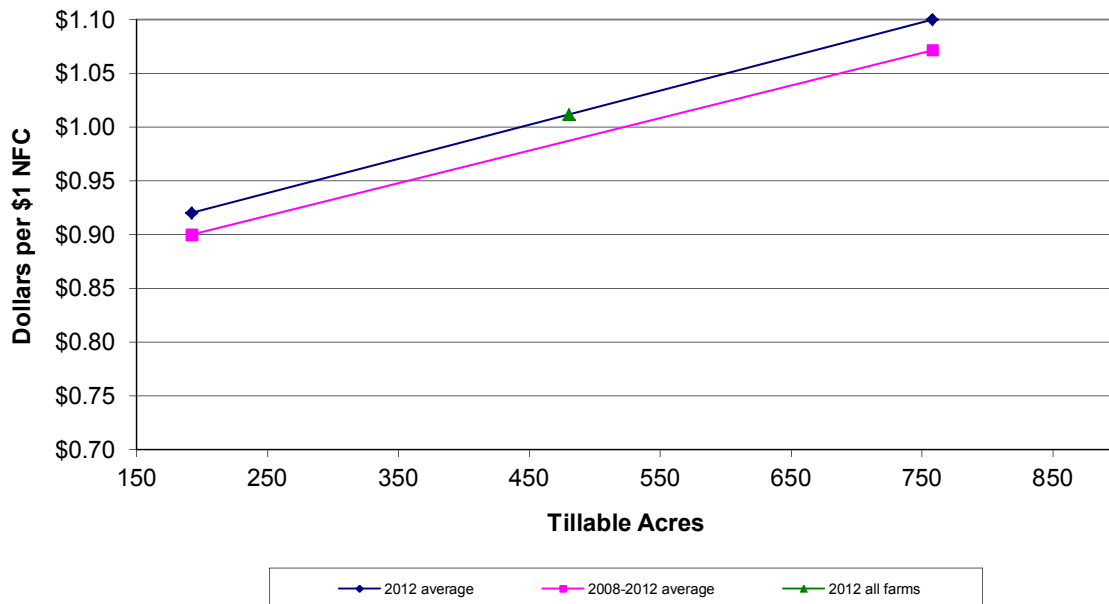
Illinois Hog Farms

Value of Production per \$1.00 of Nonfeed Cost



Illinois Dairy Farms

Value of Production per \$1.00 of Nonfeed Cost



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

	Corn			Projected 2013		Soybeans		Projected 2013	
	2011	2012		Average Farm	My Farm	2011	2012	Average Farm	My Farm
Number of Farms	361	369				361	369		
Acres of Crop	978	927				397	395		
% Land in Crop	69.0	67.5				27.0	28.8		
NONLAND COSTS									
Variable Costs									
Soil Fertility	\$158	\$200		\$168		\$38	\$49	\$50	
Pesticides	47	57		53		28	34	29	
Seed	97	110		104		53	62	55	
Drying	21	18		21		1	1	1	
Machinery Repair, Fuel & Hire	69	81		81		61	69	69	
Total Variable	\$392	\$466		\$427		\$181	\$215	\$204	
% Change	14%	19%		-8%		8%	19%	-5%	
Other Nonland Costs									
Labor	\$41	\$42		\$42		\$37	\$38	\$38	
Building	24	26		25		13	13	13	
Storage	5	4		5		2	2	2	
Machinery Depreciation	44	57		57		26	49	49	
Nonland Interest	54	58		60		45	48	50	
Overhead	70	52		59		68	50	56	
Total Other	\$238	\$239		\$248		\$191	\$200	\$208	
Total Nonland Costs	\$630	\$705		\$675		\$372	\$415	\$412	
% Change	13%	12%		-4%		9%	12%	-1%	
LAND COSTS									
Taxes	\$32	\$39		\$42		\$32	\$39	\$42	
Adjusted Net Rent	\$180	\$231		240		180	231	240	
Total Land Costs	\$212	\$270		\$282		\$212	\$270	\$282	
TOTAL—ALL COSTS	\$842	\$975		\$957		\$584	\$685	\$694	
% Change	14%	16%		-2%		11%	17%	1%	
Yield per Acre, Bushel	177	143				60	51		
Nonland Costs per Bushel	\$3.56	\$4.93				\$6.20	\$8.14		
All Costs per Bushel	\$4.76	\$6.82				\$9.73	\$13.43		
Average Yield Past 4 Years	187	182		168		52	54	54	
All Costs per Bushel	\$4.50	\$5.36		\$5.70		\$11.23	\$12.69	\$12.85	

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

	Corn			Projected 2013		Soybeans		Projected 2013	
	2011	2012		Average Farm	My Farm	2011	2012	Average Farm	My Farm
Number of Farms	659	680				659	680		
Acres of Crop	717	707				532	541		
% Land in Crop	56.2	55.7				41.7	42.6		
NONLAND COSTS									
Variable Costs									
Soil Fertility	\$159	\$200		\$160		\$55	\$68	\$53	
Pesticides	50	59		55		31	36	33	
Seed	96	108		100		62	69	65	
Drying	19	16		19		1	1	1	
Machinery Repair, Fuel & Hire	49	61		61		45	53	53	
Total Variable	\$373	\$444		\$395		\$194	\$227	\$205	
% Change	13%	19%		-11%		11%	17%	-10%	
Other Nonland Costs									
Labor	\$37	\$45		\$45		\$37	\$43	\$43	
Building	11	17		17		9	14	14	
Storage	8	7		8		4	4	5	
Machinery Depreciation	39	55		55		35	48	48	
Nonland Interest	51	55		57		46	49	51	
Overhead	45	47		52		42	44	42	
Total Other	\$191	\$226		\$234		\$173	\$202	\$203	
Total Nonland Costs	\$564	\$670		\$629		\$367	\$429	\$408	
% Change	9%	19%		-6%		9%	17%	-5%	
LAND COSTS									
Taxes	\$34	\$39		\$42		\$34	\$39	\$42	
Adjusted Net Rent	190	220		230		190	220	230	
Total Land Costs	\$224	\$259		\$272		\$224	\$259	\$272	
TOTAL—ALL COSTS	\$788	\$929		\$901		\$591	\$688	\$680	
% Change	10%	18%		-3%		10%	16%	-1%	
Yield per Acre, Bushel	174	126				56	50		
Nonland Costs per Bushel	\$3.24	\$5.32				\$6.55	\$8.58		
All Costs per Bushel	\$4.53	\$7.37				\$10.55	\$13.76		
Average Yield Past 4 Years	190	181		163		56	56	55	
All costs per bushel	\$4.15	\$5.13		\$5.53		\$10.55	\$12.29	\$12.36	

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

	Corn		Projected 2013		Soybeans		Projected 2013	
	2011	2012	Average Farm	My Farm	2011	2012	Average Farm	My Farm
Number of Farms	365	396			365	396		
Acres of Crop	727	752			552	561		
% Land in Crop	54.8	55.5			41.6	41.4		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$164	\$206	\$165		\$46	\$59	\$40	
Pesticides	50	60	55		32	38	33	
Seed	100	113	100		52	60	54	
Drying	15	14	15		1	1	1	
Machinery Repair, Fuel & Hire	57	67	67		51	60	60	
Total Variable	\$386	\$460	\$402		\$182	\$218	\$188	
% Change	15%	19%	-13%		10%	20%	-14%	
Other Nonland Costs								
Labor	\$36	\$46	\$46		\$36	\$45	\$45	
Building	16	19	19		11	13	13	
Storage	6	5	6		2	2	2	
Machinery Depreciation	40	53	53		34	46	46	
Nonland Interest	47	51	53		41	44	46	
Overhead	52	49	52		49	46	48	
Total Other	\$197	\$223	\$229		\$173	\$196	\$200	
Total Nonland Costs	\$583	\$683	\$631		\$355	\$414	\$388	
% Change	11%	17%	-8%		8%	17%	-6%	
LAND COSTS								
Taxes	\$25	\$27	\$28		\$25	\$27	\$28	
Adjusted Net Rent	180	200	210		180	200	210	
Total Land Costs	\$205	\$227	\$238		\$205	\$227	\$238	
TOTAL—ALL COSTS	\$788	\$910	\$869		\$560	\$641	\$626	
% Change	15%	15%	-5%		14%	14%	-2%	
Yield per Acre, Bushel	158	115			52	47		
Nonland Costs per Bushel	\$3.69	\$5.94			\$6.83	\$8.81		
All Costs per Bushel	\$4.99	\$7.91			\$10.77	\$13.64		
Average Yield Past 4 Years	181	173	154		52	52	51	
All Costs per Bushel	\$4.35	\$5.26	\$5.64		\$10.77	\$12.33	\$12.27	

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

	Corn		Projected 2013		Soybeans		Projected 2013	
	2011	2012	Average Farm	My Farm	2011	2012	Average Farm	My Farm
Number of Farms	222	221			222	221		
Acres of Crop	678	787			680	666		
% Land in Crop	44.4	49.1			44.5	41.6		
NONLAND COSTS								
Variable Costs								
Soil Fertility	\$163	199	\$134		\$50	61	\$43	
Pesticides	52	54	57		38	39	40	
Seed	88	101	92		52	59	54	
Drying	11	5	11		1	1	1	
Machinery Repair, Fuel & Hire	64	72	72		59	66	66	
Total Variable	\$378	\$431	\$366		\$200	\$226	\$204	
% Change	12%	14%	-15%		9%	13%	-10%	
Other Nonland Costs								
Labor	\$41	\$47	\$47		\$37	\$46	\$46	
Building	19	24	24		11	14	14	
Storage	2	2	2		1	1	1	
Machinery Depreciation	50	59	59		48	56	56	
Nonland Interest	40	44	46		42	46	48	
Overhead	46	46	47		46	46	47	
Total Other	\$198	\$222	\$225		\$185	\$209	\$212	
Total Nonland Costs	\$576	\$653	\$591		\$385	\$435	\$416	
% Change	9%	13%	-9%		7%	13%	-4%	
LAND COSTS								
Taxes	\$15	\$20	\$22		\$15	\$20	\$22	
Adjusted Net Rent	105	120	130		105	120	130	
Total Land Costs	\$120	\$140	\$152		\$120	\$140	\$152	
TOTAL—ALL COSTS	\$696	\$793	\$743		\$505	\$575	\$568	
% Change	10%	14%	-6%		8%	14%	-1%	
Yield per Acre, Bushel	141	56			44	41		
Nonland Costs per Bushel	\$4.09	\$11.66			\$8.75	\$10.61		
All Costs per Bushel	\$4.94	\$14.16			\$11.48	\$14.02		
Average Yield Past 4 Years	156	155	127		46	46	44	
All Costs per Bushel	\$4.46	\$5.12	\$5.85		\$11.48	\$12.50	\$12.91	

ILLINOIS

Cost to Grow Corn--1978 to Date

YEAR		YIELD	TOTAL COST/A.	COST PER BUSHEL	ILLINOIS * ANNUAL AVE. PRICE	MANAGEMENT MARGIN
1978		132	308	2.33	2.30	-0.03
1979		148	349	2.36	2.57	0.21
1980		94	385	4.10	3.14	-0.96
1981		138	390	2.83	2.53	-0.30
1982		145	380	2.62	2.66	0.04
1983		86	374	4.35	3.26	-1.09
1984		129	364	2.82	2.65	-0.17
1985		153	356	2.33	2.27	-0.06
1986		149	341	2.29	1.54	-0.75
1987		145	329	2.27	1.96	-0.31
1988		78	324	4.15	2.59	-1.56
1989		140	322	2.30	2.40	0.10
1990		137	332	2.42	2.36	-0.06
1991		113	320	2.83	2.46	-0.37
1992		163	321	1.97	2.11	0.14
1993		138	345	2.50	2.57	0.07
1994		170	360	2.12	2.27	0.15
1995		122	395	3.24	3.30	0.06
1996		146	414	2.84	2.79	-0.05
1997		138	432	3.13	2.53	-0.60
1998		149	427	2.87	2.04	-0.83
1999		152	407	2.68	1.91	-0.77
2000		158	416	2.63	1.91	-0.72
2001		161	420	2.61	2.04	-0.57
2002		145	401	2.77	2.35	-0.42
2003		174	395	2.27	2.42	0.15
2004		184	425	2.31	2.14	-0.17
2005		150	458	3.05	2.08	-0.97
2006		174	488	2.80	3.07	0.27
2007		190	542	2.85	4.09	1.24
2008		194	647	3.34	4.01	0.67
2009		184	756	4.11	3.53	-0.58
2010		164	705	4.30	5.50	1.20
2011		166	787	4.74	6.30 **	1.56
2012		118	917	7.77	6.98 **	-0.79
2008-2012 Avg.		165	762	4.85	5.26	0.41
2003-2012 Avg.		170	612	3.75	4.01	0.26

2003-12 Ave. cost per bu. to grow soybeans was 2.39 times the cost per bu. to" grow corn in the same period.

* Seasonal average annual price for corresponding crop year.

** Estimated

ILLINOIS

Cost to Grow Soybeans--1978 to Date

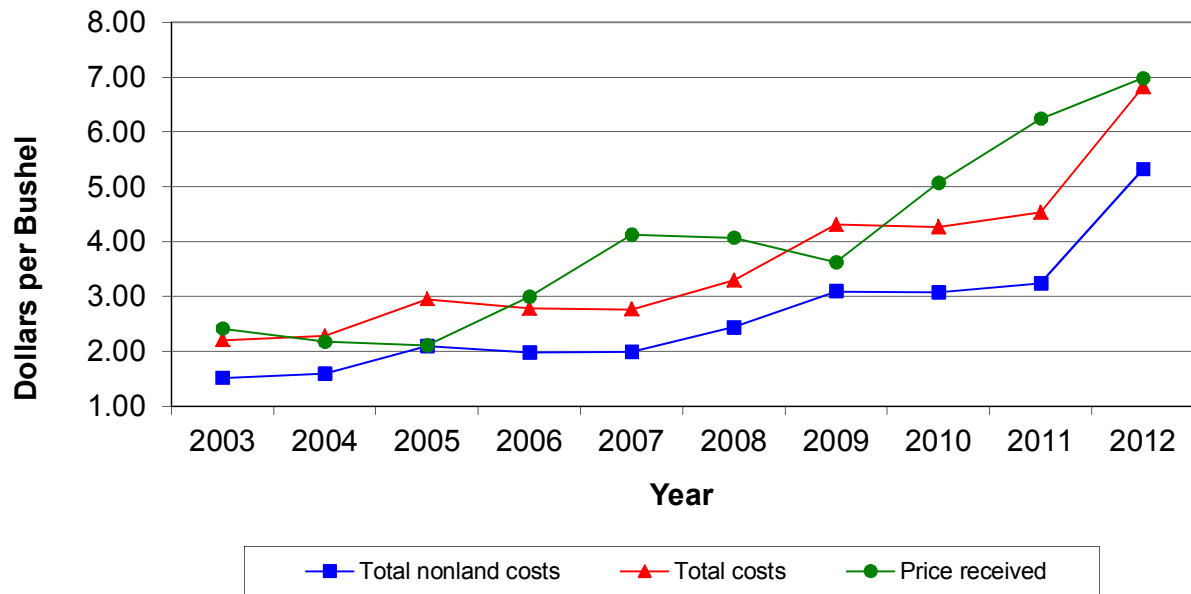
YEAR	YIELD	TOTAL COST/A.	COST PER BUSHEL	ILLINOIS * ANNUAL AVE. PRICE	MANAGEMENT MARGIN
1978	43	255	5.93	6.75	0.82
1979	45	283	6.29	6.46	0.17
1980	40	310	7.75	7.62	-0.13
1981	42	308	7.33	6.15	-1.18
1982	43	297	6.91	5.89	-1.02
1983	35	296	8.46	7.94	-0.52
1984	37	289	7.81	5.85	-1.96
1985	49	276	5.63	5.17	-0.46
1986	45	264	5.87	4.91	-0.96
1987	44	260	5.91	6.00	0.09
1988	28	261	9.32	7.45	-1.87
1989	46	257	5.59	5.76	0.17
1990	45	265	5.89	5.85	-0.04
1991	41	258	6.29	5.70	-0.59
1992	47	255	5.43	5.69	0.26
1993	46	280	6.09	6.49	0.40
1994	50	291	5.82	5.61	-0.21
1995	43	317	7.37	6.88	-0.49
1996	44	334	7.59	7.55	-0.04
1997	48	351	7.31	6.56	-0.75
1998	48	347	7.23	5.01	-2.22
1999	48	333	6.94	4.75	-2.19
2000	47	341	7.26	4.62	-2.64
2001	48	338	7.04	4.55	-2.49
2002	48	326	6.79	5.66	-1.13
2003	38	320	8.42	7.51	-0.91
2004	54	333	6.17	5.84	-0.33
2005	52	353	6.79	5.76	-1.03
2006	53	375	7.08	6.68	-0.40
2007	51	416	8.16	10.40	2.24
2008	51	477	9.35	10.20	0.85
2009	51	522	10.24	9.80	-0.44
2010	56	515	9.20	11.80 **	2.60
2011	54	571	10.57	11.90 **	1.33
2012	48	661	13.77	14.41 **	0.64
2008-2012 Avg.	52	549	10.63	11.62	1.00
2003-2012 Avg.	51	454	8.97	9.43	0.46

2003-12 Ave. cost per bu. to grow soybeans was 2.39 times the cost per bu. to grow corn in the same period.

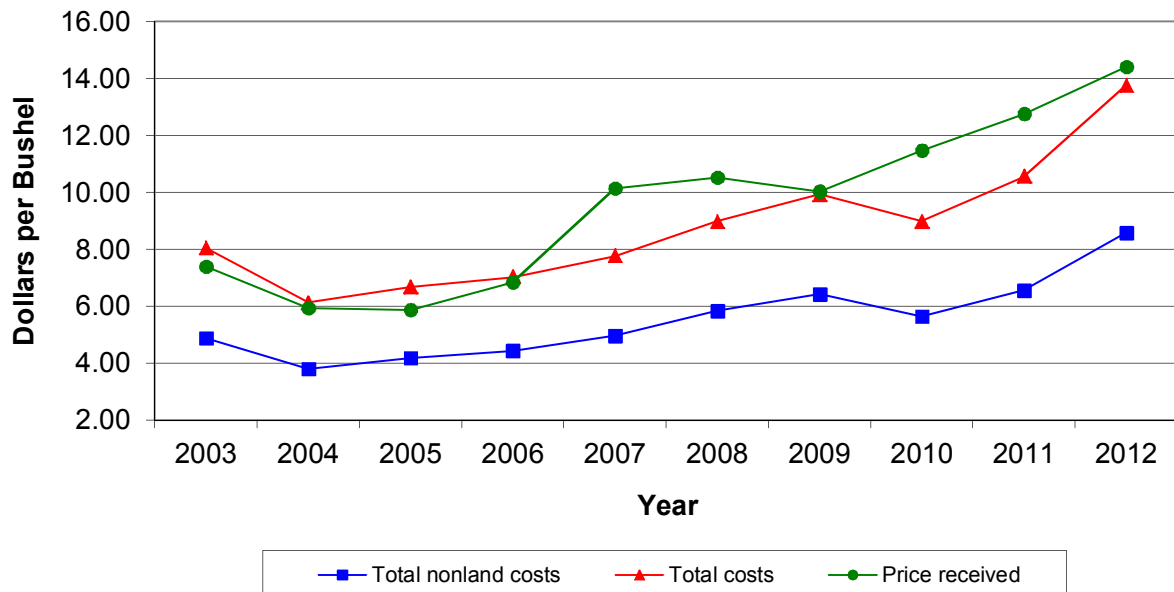
* Seasonal average annual price for corresponding crop year.

** Estimated

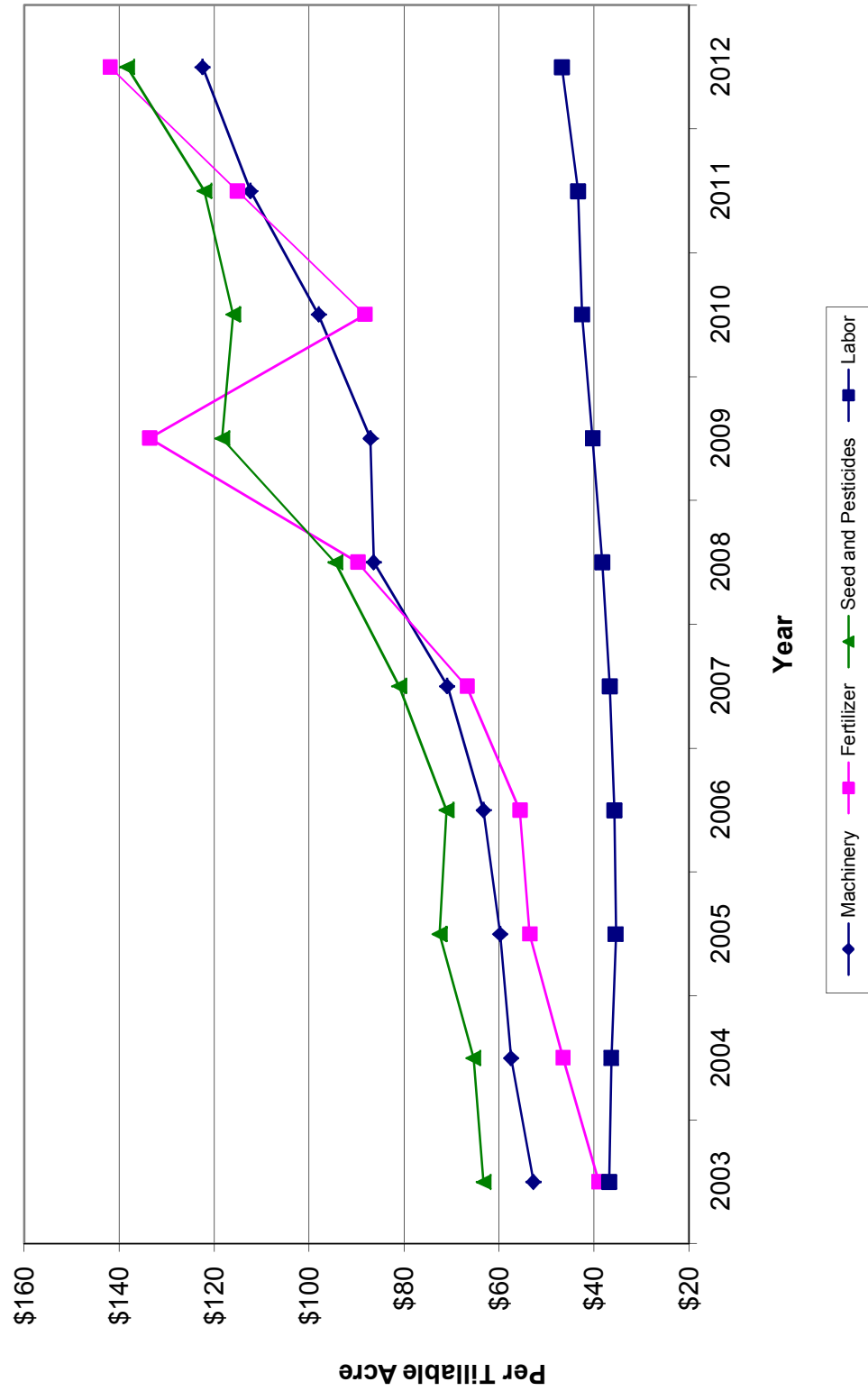
Costs and Returns per Bushel of Corn, Central Illinois Grain Farms 2003 to 2012



Costs and Returns per Bushel of Soybeans, Central Illinois Grain Farms 2003 to 2012



Trends in Selected Operating Costs per Acre, Central Illinois Pure-Grain Farms 2003 to 2012



2012 Livestock Standards from Illinois Farm Business Records

Farrow-to-Finish Hog Enterprise	Average Farm	High 1/3 Return	Litters Farrowed		
			10-149	150-349	350+
Number of Farms	35	12	13	8	14
Pounds of Pork Produced	918,589	1,582,185	201,138	572,327	1,782,658
Pounds of Pork per Litter	2,417	2,582	2,495	2,330	2,426
Total Returns	558,230	953,078	119,916	340,821	1,089,469
Value of Feed Fed	466,516	724,135	112,842	293,027	894,065
Returns per \$100 Feed Fed	120	132	106	116	122
Returns above Feed per Litter	241	374	88	195	266
Number of Litters Farrowed	380	613	81	246	735
Pigs Farrowed per Litter	11.15	11.76	10.28	10.10	11.44
Pigs Weaned per Litter	9.59	10.19	8.58	8.88	9.82
Weaning Survival Rate %	86	87	84	88	86
Litters Farrowed per Female Year	1.83	2.24	1.51	1.78	1.90
Pigs Weaned per Female Year	17.91	23.85	13.46	16.13	19.07
Number of Crates	44	49	24	31	68
Pigs Weaned per Crate	71.0	104.1	30.9	65.4	85.1
Death Loss Total—% of Pounds Produced	2.9	3.0	1.5	2.5	3.1
Weight per Market Hog Sold	264	269	270	267	263
Weight per Breeding Hog Sold	481	479	499	487	477
Price Received / 100 Pounds - Market	64.22	63.24	66.28	62.66	64.28
Price Received / 100 Pounds - Breeding	42.94	43.15	39.67	42.98	43.37
Total Return per 100 Pounds Produced	60.77	60.24	59.62	59.55	61.11
Feed Cost per 100 Pounds Produced	50.79	45.77	56.10	51.20	50.15
Pounds of Feed per 100 Pounds Produced:					
Grain/Complete Feed	233	206	280	227	229
Supplement	101	92	83	86	106
Total Concentrates	334	298	362	314	334
Cost per 100 Pounds of Supplement	22.53	22.89	27.08	27.60	21.40
Cost per 100 Pounds of Concentrates	15.21	15.37	15.47	16.31	14.99

Feeder Pig Feeding Enterprise	Purchase Weight	
	<20	35+
Number of Farms	35	7
Total Pounds Produced	2,129,082	200,585
Total Returns	1,026,035	113,209
Value of Feed Fed	809,602	93,800
Returns per \$100 Feed Fed	127	121
Average Weight Purchased	14	49
Price Paid per 100 Pounds	276.47	102.75
Price Paid per Pig	37.33	50.69
Average Weight Sold	272	268
Price Received per 100 Pounds	60.73	65.48
Total Return per 100 Pounds	48.19	56.44
Feed Cost per 100 Pounds	38.03	46.76
Death Loss: Numbers	488	78
Pounds	46,399	6,113
% of Pounds Produced	2.2	3.0
Pounds of Feed per 100 Pounds Produced:		
Grain/Complete Feed	165	283
Supplement	77	40
Total Concentrates	242	323
Cost per 100 Pounds of Supplement	21.91	27.22
Cost per 100 Pounds of Concentrates	15.71	14.44

Feeder Cattle Enterprise	Average Farm	High 1/3 Return	Purchase Weight		
			1-500	500-749	750+
Number of Farms	69	23	14	43	11
Total Pounds Produced	236,900	323,151	104,581	248,980	367,253
Total Returns	233,718	347,583	100,299	246,561	362,176
Value of Feed Fed	199,865	234,819	84,275	213,439	303,821
Returns per \$100 Feed Fed	117	148	119	116	119
Average Weight Purchased	667	729	315	638	837
Price Paid per 100 Pounds	146.02	144.02	144.80	147.34	143.72
Price Paid per Head	974	1050	456	941	1203
Average Weight Sold	1,329	1,341	1,193	1,311	1,408
Price Received per 100 Pounds	121.14	123.34	113.26	121.33	122.27
Total Return per 100 Pounds	98.66	107.56	95.91	99.03	98.62
Feed Cost per 100 Pounds	84.37	72.67	80.58	85.73	82.73
Death Loss: Numbers	7	8	9	7	5
Pounds	4,902	5,380	4,458	5,137	4,570
% of Pounds Produced	2.1	1.7	4.3	2.1	1.2
Pounds of Feed per 100 Pounds Produced:					
Grain/Complete Feed	593	561	453	617	575
Supplement	45	28	105	45	25
Total Concentrates	639	589	558	662	600
Hay & Dry Roughage	53	39	29	53	61
Corn Silage	221	177	105	283	106
Other Silage	41	42	4	54	18
Hay Equivalent—Tons	0.07	0.06	0.03	0.09	0.05
Cost per 100 Pounds of Supplement	21.97	26.77	22.50	22.17	20.14
Cost per 100 Pounds of Concentrates	11.67	11.15	13.73	11.16	12.60

(table continues on p. 33)

Livestock Analysis -- 2012

Beef Cow Enterprise	Pounds of Beef Produced per Cow			High Return <600	Average All Farms
	<600	600-900	900+		
Number of Farms	62	61	35	20	158
Number of Cows in Herd	63	46	63	59	57
Number of Calves Born	54	43	58	57	50
Calving %	85	92	92	95	89
Total Pounds Produced	30,041	32,179	72,684	30,535	40,313
Total Returns	45,016	44,983	86,460	52,586	54,184
Value of Feed Fed	35,887	31,032	64,938	22,793	40,448
Returns per \$100 Feed Fed	125	145	133	231	134
Returns above Feed per Cow	145	301	340	501	243
Pounds of Beef per Cow in Herd	476	695	1,149	514	712
Death Loss Total—% of Pounds Produced	7.9	5.9	3.2	7.3	5.4
Market Survival Rate %	92.5	92.8	96.0	86.8	93.7
Breeding Survival Rate %	97.8	98.0	98.0	98.2	97.9
Weight per Market Animal Sold	548	659	988	506	690
Price Received / 100 Pounds Sold—Market	144.14	140.55	122.37	143.42	135.55
Price Received / 100 Pounds Sold—Breeding	81.06	81.29	79.31	78.96	80.68
Feed Cost per 100 Pounds Produced	119.46	96.44	89.34	74.65	100.34
Pounds of Feed per 100 Pounds Produced:					
Grain/Complete Feed	186	133	235	98	189
Supplement	116	84	62	75	84
Total Concentrates	302	217	296	173	274
Hay & Dry Roughage	1,026	849	505	710	763
Corn Silage	469	312	441	393	409
Other Silage	147	45	36	6	72
Pasture Days	43	27	21	33	29
Pasture Days per Animal Unit	19	126	135	5	37
Hay Equivalent per Cow—Tons	5.2	5.4	6.4	4.0	5.5
Cost per 100 Pounds of Concentrates	14.63	16.26	14.31	16.62	14.89

Sheep Enterprise	Average Farm
Number of Farms	9
Number of Ewes in Flock	42
Number of Lambs Born	60
% Lamb Crop	142
Total Pounds Produced	6,856
Total Returns	5,840
Value of Feed Fed	7,411
Returns per \$100 Feed Fed	79
Returns above Feed per Ewe	-37
Pounds Produced per Ewe in Flock	162
Death Loss Total—% of Pounds Produced	8.4
Market Survival Rate %	
Breeding Survival Rate %	95.2
Weight per Market Animal Sold	112
Price Received / 100 Pounds Sold—Market	140.29
Price Received / 100 Pounds Sold—Breeding	94.90
Feed Cost per 100 Pounds Produced	108.09
Pounds of Feed per 100 Pounds Produced:	
Grain/Complete Feed	287
Supplement	85
Total Concentrates	372
Hay & Dry Roughage	574
Other Silage	0
Pasture Days	4
Hay Equiv.	0.31
Pasture Days per Animal Unit	16
Hay Equivalent per Ewe—Tons	0.5
Cost per 100 Pounds of Concentrates	16.26

Dairy Cattle Enterprise	Average Farm	Number of Cows			High 1/3 80-149 Cows
		40-79	80-149	150+	
Number of Farms	70	20	29	16	10
Number of Cows	137.2	63.1	109.0	313.1	114.5
% of Cows Dry	12.0	12.4	11.9	11.9	12.2
Animal Units in Herd	260	111	202	616	213
Total Cwt. of Milk Produced	30,576	12,197	22,890	75,624	23,519
Pounds of Beef Produced	86,658	35,216	63,553	214,773	55,259
Total Returns	663,300	266,485	488,926	1,653,403	517,253
Value of Feed	454,867	205,246	363,730	1,037,593	305,894
Returns per \$100 Feed Fed	146	130	134	159	169
Returns above Feed per Cow	1,519	971	1,149	1,967	1,847
Pounds of Beef per Cow	632	558	583	686	483
Pounds of Milk per Cow	22,285	19,342	21,001	24,156	20,550
Pounds of Butterfat per Cow	843	779	813	891	763
Death Loss: % of Pounds Produced	16.3	17.3	16.5	15.7	15.4
Feed Cost Per Cwt. Milk Equivalent *	13.57	15.21	14.43	12.55	11.69
Price Received for 100 Pounds Milk	19.25	19.06	18.77	19.57	19.17
Price Received for 100 Pounds Beef—Market	113.44	107.87	120.96	112.24	141.93
Pounds of Feed Per Cwt. Milk Equivalent *					
Grain/Complete Feed	24	22	26	23	27
Supplement	17	19	19	17	18
Total Concentrates	41	40	45	39	45
Hay & Dry Roughage	17	30	22	10	17
Corn Silage	86	90	80	89	76
Other Silage	49	46	45	52	30
Pasture Days per Animal Unit	8	19	6	7	0
Hay Equivalent per Cow—Tons	8.2	8.7	7.8	8.3	6.1
Cost per 100 Pounds of Supplement	22.87	24.19	23.50	22.13	22.32
Cost per 100 Pounds of Concentrates	16.51	17.63	16.54	16.29	14.88
Dairy Patronage/FSA Payments/Cwt. Milk	0.59	0.74	0.71	0.48	0.68

Enterprise smaller than following not included:

Hogs..... 10 Litters
 Beef & Dairy..... 10 cows
 Feeder Cattle..... 10,000 lbs produced

Value of Feed Fed Average Grain Prices:

Corn..... \$6.74
 Oats..... \$3.81
 Wheat..... \$7.34

Commercial Feeds priced at actual cost.

Hay and Silage priced at Farm Value.

Pasture charged at \$0.40 per Animal Unit Pasture Day.

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

Livestock Returns above Cost of Feed and Purchased Animals—2008 to 2012

Year	Hogs (per cwt.)	Feeder Pigs (per cwt.)	Feeder Cattle (per cwt.)	Dairy (per cow)	Beef Herd Calves Sold (per cow)
2008	5.84	1.77	1.60	1,775	(51)
2009	7.50	3.46	13.43	838	32
2010	19.71	15.36	35.94	1,506	115
2011	20.18	18.88	36.77	2,205	189
2012	9.98	10.17	14.29	1,519	145
5-Yr. Average	12.64	9.93	20.41	1,569	86
Nonfeed Costs, 2007–2011					
Direct Cash	10.61	6.80	15.03	1,402	134
Other Costs	<u>8.47</u>	<u>4.16</u>	<u>12.50</u>	<u>614</u>	<u>56</u>
TOTAL	19.08	10.96	27.53	2,016	190

Cost to Produce Pork, 2009 to 2012¹

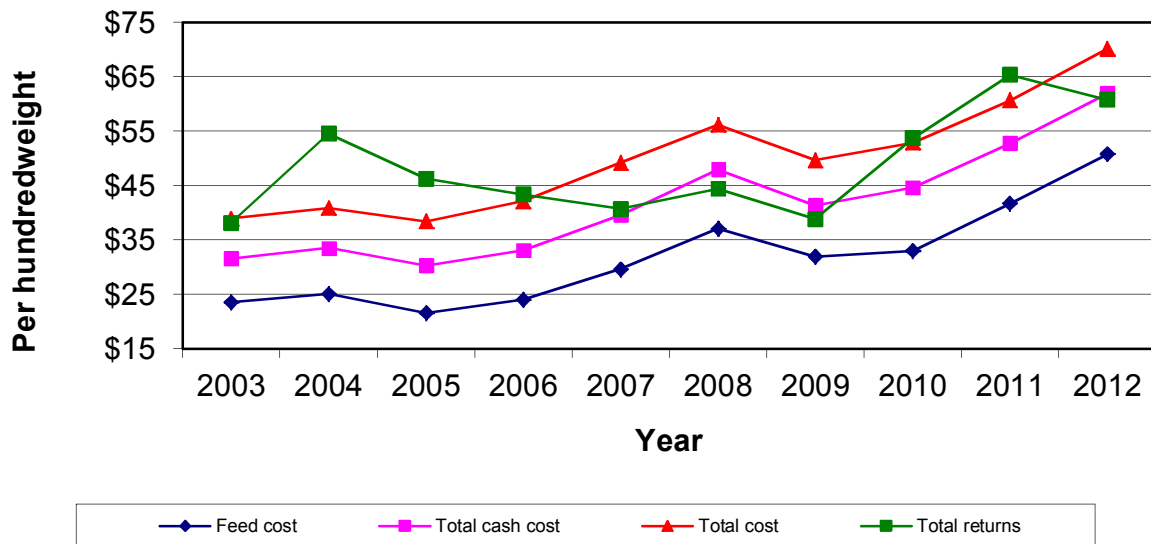
Items	2009	2010	2011	2012 Est.
Number of Farms	13	9	9	
Tillable Acres	602	720	720	
Number of Litters	575	818	736	
		-----Per 100 Pounds Produced-----		
Total Returns	\$38.83	\$53.69	\$65.35	\$60.77
Cash Costs				
Feed	\$31.92	\$32.95	\$41.68	\$50.79
Operating Expenses				
Maintenance and Power ²	4.62	6.39	5.45	
Livestock Expense	3.10	3.92	4.22	
Insurance, Taxes, and Overhead	1.68	1.36	1.39	
Total Operating Expenses	\$9.40	\$11.67	\$11.06	\$11.18
Total Cash Costs	\$41.32	\$44.62	\$52.74	\$61.97
Other Costs				
Depreciation ³	1.22	1.89	1.76	
Labor	5.47	4.59	4.43	
Interest Charge on All Capital	1.67	1.75	1.75	
Total Other Costs	\$8.36	\$8.23	\$7.94	\$8.22
Total Nonfeed Costs	\$17.76	\$19.90	\$19.00	\$19.40
Total All Costs	\$49.68	\$52.85	\$60.68	\$70.19
Return above All Costs	(\$10.85)	\$0.84	\$4.67	(\$9.42)

¹ Special Summary of Illinois Farm Business Records.

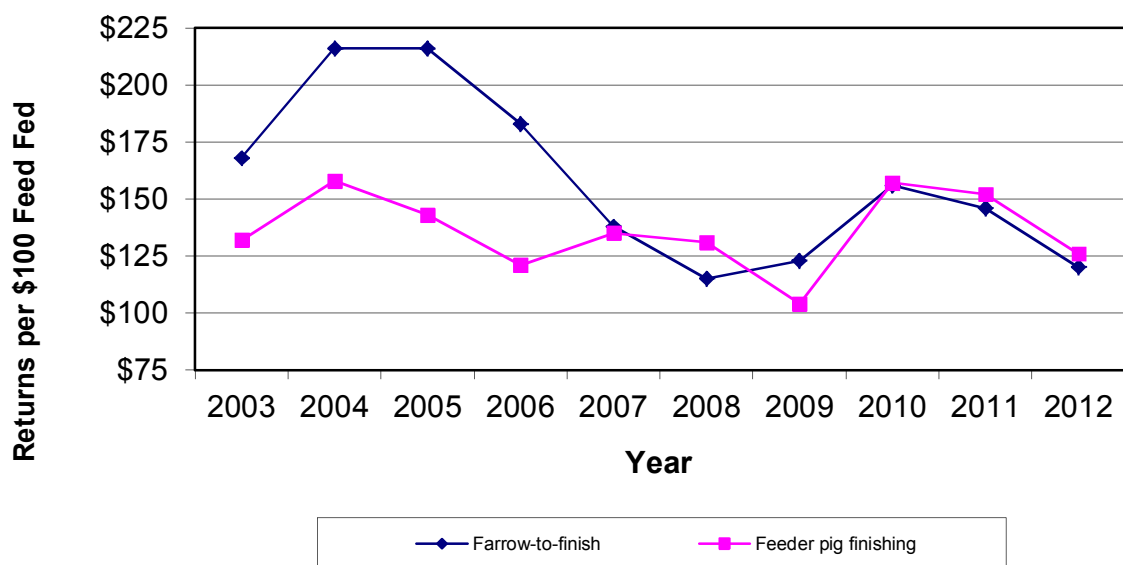
² Includes utilities, machinery, equipment and building repairs, machine hire, and fuel.

³ Includes machinery, equipment, and building depreciation.

Cost and Returns per 100 Pounds of Pork, on Farms Over 500 Litters 2003 to 2012



Returns per \$100 of Feed Fed for Hog Farms 2003 to 2012



Cost and Returns for Beef-Feeding Enterprises—2009 to 2012¹

Items	2009	2010	2011	2012 Est.
Number of Farms	6	6	9	
Average per Farm				
Tillable Acres	423	423	438	
Hundredweight Beef Produced	3,479	4,406	4,233	
		-----Per 100 Pounds Produced-----		
Cash Costs				
Feed	\$58.35	\$55.24	\$75.62	\$84.37
Operating Expenses				
Maintenance and Power ²	\$4.39	\$8.11	\$8.17	
Livestock Expense	3.26	3.96	5.97	
Insurance, Taxes, and Overhead	1.75	1.19	1.16	
Interest on Cattle	<u>4.64</u>	<u>4.69</u>	<u>4.62</u>	
Total Operating Expenses	\$14.04	\$17.95	\$19.92	\$19.53
Total Cash Costs	\$72.39	\$73.19	\$95.54	\$103.90
Other Costs				
Depreciation ³	\$2.66	\$2.10	\$2.33	
Labor	4.17	5.15	5.25	
Interest on Other Capital	<u>1.48</u>	<u>0.97</u>	<u>1.80</u>	
Total Other Costs	\$8.31	\$8.22	\$9.38	\$9.68
Total All Costs	\$80.70	\$81.41	\$104.92	\$113.58
Total Returns	<u>\$64.87</u>	<u>\$84.09</u>	<u>\$105.11</u>	<u>\$98.66</u>
Return above All Costs	(\$15.83)	\$2.68	\$0.19	(\$14.92)

¹ Special Summary of Illinois Farm Business Records

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

³ Includes machinery, equipment, and building depreciation.

Cost and Returns per 100 Pounds of Milk—2009 to 2012¹

Items	40–79 Cows				80+ Cows			
	2009	2010	2011	2012 Est.	2009	2010	2011	2012 Est.
Number of Farms	14	7	9		26	18	21	
Tillable Acres	196	170	181		445	351	431	
Number of Cows	58.8	57.1	61.6		192.3	187.2	230.9	
Pounds Milk per Cow	18,734	18,474	18,431		22,503	22,982	23,736	
-----Per 100 Pounds of Milk Produced-----								
Price Received ²	\$13.16	\$16.46	\$20.73	\$19.06	\$19.25	\$13.39	\$20.76	\$19.05
Cash Costs								
Feed	\$10.42	\$11.60	\$15.10	\$15.21	\$8.94	\$8.56	\$10.57	\$13.76
Operating Expenses ³	2.31	2.29	2.34		1.99	2.03	2.53	
Livestock Expense	2.14	2.56	3.17		2.94	2.84	2.79	
Insurance, Taxes, and Overhead	0.31	0.20	0.13		0.26	0.20	0.24	
Total Operating Expenses	\$4.76	\$5.05	\$5.64	\$6.42	\$5.19	\$5.07	\$5.56	\$5.14
Total Operating and Feed	\$15.18	\$16.65	\$20.74	\$21.63	\$14.13	\$13.63	\$16.13	\$18.90
Other Costs								
Depreciation ⁴	\$0.80	\$0.85	\$1.06		\$0.76	\$0.65	\$0.80	
Labor	2.55	2.85	3.14		2.50	2.47	2.56	
Interest on All Capital	0.90	0.89	0.90		0.89	0.90	0.89	
Total Other Costs	\$4.25	\$4.59	\$5.10	\$5.31	\$4.15	\$4.02	\$4.25	\$4.65
Total Nonfeed Costs	\$9.01	\$9.64	\$10.74	\$11.73	\$9.34	\$9.09	\$9.81	\$9.79
Total All Costs	\$19.43	\$21.24	\$25.84	\$26.94	\$18.28	\$17.65	\$20.38	\$23.55
Return above All Costs	(\$6.27)	(\$4.78)	(\$5.11)	(\$7.88)	(\$4.89)	(\$1.21)	\$0.38	(\$4.50)

¹ Special Summary of Illinois Farm Business Records

² FSA and patronage payments not included. They may have added \$0.31/cwt. of milk in 2010.

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

⁴ Includes machinery, equipment, and building depreciation.



Illinois Farm Business Farm Management Association

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

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

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

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Visit our Web site at
<http://www.fbfm.org>

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

*Cooperating with University of Illinois Extension and the University of Illinois
Department of Agricultural and Consumer Economics*